

TRI-STATE LOTTO COMMISSION

Commission Meeting Minutes
New Hampshire Lottery by Webex
June 5, 2020

PRESENT: New Hampshire: Chairman Douglas Douglas, Chairman; Charlie McIntyre, Executive Director; Maura McCann, Kelley-Jaye Cleland, Jim Duris, Katie Brown, Lynda Plante, and Carmela Nolin
Maine: Julie Sheehan, Commissioner; Gregg Mineo, Director; Michael Boardman; and Lisa Rodrigue
Vermont: Commissioner Ed Flanagan, Commissioner; Gary Kessler, Deputy Commissioner; Brian Evans; and Sylvia Buzzell
Guests: Darrell Frecker and Calvin Rinck of Scientific Games; Mike Giovinelli, Lyndley Hayes, and Taylor Yianakopolos, Andrew Harris, Matt Doyle, John Mathieu, and Drew DiSabatino of GYK Antler; Jennifer Wankling of Pollard Banknote; Michelle Paul, Ryan Sahr, Cara Salvatore, Jeff Savage, and Kristen Paré of Intralot; and Steve Mason, Alexis Garrison, Ben Reilly, Justin Cyganiewicz, Destinee Cyr, Douglas Campbell, and Vanessa Levin of Fuselideas. Celia Cazayoux and Heather Cary of People's United Bank.

Chairman Douglas called the meeting to order at 10:03 a.m. The meeting was televised by Zoom.

1. ACCEPTANCE OF PREVIOUS MEETING MINUTES

Motion was made by Commissioner Flanagan, seconded by Commissioner Sheehan to accept the May 15, 2020 meeting minutes as submitted. So voted, unanimous.

2. FINANCE COMMITTEE

- Finance Chair pro tem Sylvia Buzzell reported that the May financials are not yet ready and proceeded to the discussion of investment accounts. She noted that the original plan had no oversight, and there had been no direction after the Chief Finance Officer left Vermont. People's United account supervisors Heather Cary and Celia Cazayoux discussed the portfolio at length, as well as the impact of COVID-19 to the market in the last quarter and the expected rebound and actions of the Fed.
- The Commission has not had specific guidance suggesting a targeted rate of return. Ms. Buzzell concurred that she does not recall any target; and confirmed to the Commission that the returns on investments were not intended to cover jackpots and instead are a backup to our winners account and reserves.
- Chairman Douglas recommended moving 10% (\$600 - \$700 thousand) of the short term investment portfolio into equities within the next six months. Commissioner Flanagan agreed, but cautioned that we have to monitor this to stay at 10%. Chairman Douglas requested quarterly reports and Commissioner Sheehan added that a full overview be provided at annual meetings. Motion to move allocation to equity with a target of 10% was made by Commissioner Flanagan, seconded by Commissioner Sheehan; all in favor, motion carries.

- A motion to lower allocation target to 5% for cash and equivalents was sought by Chairman Douglas. Commissioner Flanagan inquired first whether that includes the proceeds of mature bonds. Ms. Cazayoux recommended maintaining a ladder; her understanding is that the Commission prefers to roll the bonds over to preserve liquidity which Chairman Douglas confirmed. Motion was then made by Commissioner Sheehan, seconded by Commissioner Flanagan, and all were in favor.
- At annual June meetings, they will report the status of our portfolio. Chairman Douglas thanked Ms. Cary and Ms. Cazayoux for their presentation, and that the Commission looks forward to the update on the bonds. She expects with the available cash we should be able to make some investments with the rebound in the market from the COVID-19 drop.
- Commissioner Flanagan inquired what we are paying for fees. Ms. Buzzell will locate and provide the rating sheet.

3. MARKETING AND PRODUCT DEVELOPMENT COMMITTEE

- Maura McCann confirmed that Gimme 5 will go to five days per week starting on July 13, and the software change was uploaded on June 8. In support of the update, new drawing balls have been ordered, and the change will be communicated to retailers and players through point of sale advertising and monitor slides. There were recently two jackpot winners in New Hampshire and one in Vermont.
- The Big Spin artwork and final preparation is progressing in support of launch this fall. GYK and Fuselideas will present their Big Spin creative at the end of this regular meeting.
- The advertising budget in New Hampshire was affected by the suspension of the campaign due to the pandemic, and as a result, we are rolling \$573 thousand into next fiscal year. Chairman Douglas inquired if a motion is needed to approve moving the money to next fiscal year, and Ms. McCann responded that the states are able to set their budgets so no motion is needed. Mickey Boardman asked if that sum is rolled over *as part of* or is *added to* next year's budget; she responded that it would be added to whatever we request. Ms. Buzzell affirmed this, and noted that the budget requests take place at the first meeting of the fiscal year, which would be in August.
- Kelley-Jaye Cleland presented a request to change specific rules for Gimme 5 which apply to internet lottery sales. It was determined that the traditional purchase of this game allows for the cancellation and refund of a ticket purchase in Rule 2. Because iLottery does not allow the cancellation of a purchase, the rules must be updated to reflect that online draws are non-cancellable. She requested a motion therefore to change Gimme 5 Rule 2 (e) and (g) to reflect that no cancellations are permitted in online purchases of the game. Motion was made by Commissioner Sheehan and seconded by Commissioner Flanagan; all in favor, the motion carried.
- Vermont Lottery's Tri-State advertising contract with Fuselideas has expired, and they seek an extension of six months with a sixty-day notice to cancel. Commissioner Sheehan moved to allow the contract extension, and Commissioner Flanagan seconded. All were in favor and the motion carried.

4. ACCEPTANCE OF COMMITTEE REPORTS

Chairman Douglas requested a motion to accept the committee reports. Commissioner Sheehan so moved and Commissioner Flanagan seconded; motion passed unanimously.

5. NEXT MEETING

The next Tri-State Commission meeting will be on August 14, and the location will be decided based on each state's rules on travel nearer the date. *Secretary's note: the meeting will be by Webex as out of state travel is still not permitted.*

6. OTHER BUSINESS

The gavel was passed from New Hampshire to Vermont, and at the next meeting, Chairman Flanagan will preside.

The formal meeting adjourned and the advertising agencies GYK Antler and FuseIdeas presented their creative video, print, and radio pitches for The Big Spin campaigns.

A handwritten signature in black ink, appearing to read 'Ed Flanagan', is written over a horizontal line.

Chairman Ed Flanagan

Respectfully submitted, Carmela Nolin