

**TRI-STATE LOTTO COMMISSION**  
Commission Meeting Minutes  
Nonantum Resort – Kennebunkport, ME  
November 5, 2021

PRESENT:

Julie Sheehan, Chairman, Maine	Ed Flanagan, Commissioner, VT	Debra Douglas, Commissioner, NH
Gregg Mineo, Maine Lottery	Sabina Haskell, VT Lottery	Charlie McIntyre, NH Lottery
Michael Boardman, Maine Lottery	Sylvia Buzzell, VT Lottery	Maura McCann, NH Lottery
Lisa Rodrigue, Maine Lottery	Don Wenner, VT Lottery	Katie Brown, NH Lottery
	Skip Whitman, VT Lottery	Kelley-Jaye Cleland, NH Lottery
		James Duris, NH Lottery
		Carmela Nolin, NH Lottery
Alaina Rodriguez, NeoPollard Intl	Cara Salvatore, Intralot	Jim Acton, Acton Strategies
Ron Miguel, Scientific Games	Jeff Savage, Intralot	Steve Mason, Fuseideas
Calvin Rinck, Scientific Games	Kristen Pare, Intralot	Jeff Newman, GYK Antler
Darrell Frecker, Scientific Games	Ryan Sahr, Intralot	Taylor Bengtson, GYK Antler
Anthony DeAngelis, US Bank	Steve Beck, Intralot	Christian Smith, Wipfli
Ken Donaldson, US Bank	Terry Patterson, Intralot	

Chairman Sheehan called the meeting to order at 9:05 a.m.; attendees in person and via Teams video-conference.

**1. ACCEPTANCE OF MINUTES FROM AUGUST 13, 2021**

Motion was made by Commissioner Flanagan to accept the August 13, 2021, meeting minutes as submitted, seconded by Commissioner Douglas. So voted, unanimous.

**2. FINANCE COMMITTEE**

**FY 2021 Tri-State Audit**

Christian Smith from Wipfli presented the Fiscal Year 2021 audit report to the Commission, beginning with compliments to Ms. Buzzell for her work and diligence in preparing the financial statements. In overview of the Management's Discussion and Analysis, Mr. Smith highlighted the increase in gross revenues of nearly 25%, and increase in operating expenses of nearly 30%. Assets of the Commission are primarily cash, and despite a slight decrease over last year, he sees no credit risk. He reviewed the operating income per state, noting Maine at \$10.6 million, New Hampshire at \$11.4 million, and Vermont at \$3.38 million. Overall, it was a good year financially and the audit was clean. Commissioner Flanagan inquired if there is anything the state should watch for. Mr. Smith advised that employment concerns across the retail network can impact overall sales. Chairman Sheehan requested a motion to accept the audit report; so moved by Commissioner Douglas and seconded by Commissioner Flanagan and draft was accepted.

## **Financial Report**

- Finance Chair Sylvia Buzzell presented the first-quarter financial report. Gross revenues were lower than forecast \$2.34 million, contributed to by lower sales in Megabucks of \$1.11 million, Gimme 5 of \$40 thousand, daily numbers combined of \$246 thousand, and Fast Play by \$934 thousand. Due to this overall decrease in sales, the cost of sales was lower than forecast \$1.66 million, comprised of operating expenses down by \$880 thousand, advertising down \$682 thousand, and RFP consulting expense down by \$161 thousand.
- Net profit for the quarter was higher than forecast \$239 thousand due to lower than expected operating expenses. Compared to last fiscal year, sales for the quarter were higher \$16 thousand due mostly to an increase in Fast Play sales of \$630 thousand, and decreases in Gimme 5 of \$487 and Megabucks of \$102 thousand. Cost of sales were also higher \$218 thousand as a direct result of the increase in sales. Operating expenses were lower by \$45 thousand over last year, due to a decrease in advertising expenses of \$69 thousand. Net profit for fiscal year 2022 year to date is lower than last year by \$119 thousand.
- Expired Unclaimed Prizes at the end of the quarter were \$3 million, but this will be reduced by half a million once Maine and New Hampshire seek reimbursement for prizes and expenses with The Big Spin. All contingency funds are in the positive.
- The current contract for auditing services ends June 30, 2022; Ms. Buzzell sought approval to post the bid that was used in 2018 and follow that process. The Commission approved and Ms. Buzzell will post the RFP in December.

## **US Bank Investment Transition**

Jim Duris introduced Anthony DeAngelis from US Bank. We need to sign and give authority for US Bank to assume custody of the accounts. The Commissioners inquired if we should have another meeting to discuss details or wait until the February meeting. Mr. Duris noted that waiting until February means the loss of opportunity to earn at higher rate in the meantime. Request was made to hold a meeting in December to discuss strategy with Mr. DeAngelis and Ken Donaldson. So moved by Commissioner Douglas and seconded by Chairman Sheehan; motion carried.

## **3. MARKETING AND PRODUCT DEVELOPMENT COMMITTEE**

- Lisa Rodrigue thanked the vendors in attendance for their presentations the day prior. The Development Committee will study the recommendations.
- The Committee is working with Alchemy3 for the launch of Big Country Cash. The POS is done, and Lee Bryce has agreed to do the whole radio spot at no additional cost. Alchemy3 has agreed to improve the script, and will ask him to revisit and record one for television as well. Ms. Rodrigue requested a motion to approve an increase in the line item Licensing Fees by \$260 thousand; so moved by Commissioner Flanagan and seconded by Commissioner Douglas. Motion carried.
- Scientific Games has made recommendations for Tri-State Megabucks. Marketing, Intralot, and Scientific Games will develop a plan and timeline, taking into consideration all the other states' projects, particularly Vermont Lottery's back office system conversion. Suggestions are to add another draw day and Megaplier.

- Holiday promotions are in planning. Maine and New Hampshire will run the same program as last year, between December 12 and 25, and Vermont is still deciding. The rest of FY21's promotions will be planned next.
- Ms. Rodrigue introduced and thanked Skip Whitman from Vermont for joining the team. Chairman Sheehan thanked Ms. Rodrigue for organizing and hosting a great meeting.

#### **4. DRAW REPORT**

Maura McCann noted that there is not much to report from the draw room. Our current contract with auditor Anderson and Cloues ends June 30, 2022. We will post an RFP for auditing services in the coming months.

#### **5. ACCEPTANCE OF COMMITTEE REPORTS**

Chairman Sheehan requested a motion to accept the committee reports. Commissioner Flanagan so moved, and added motion to accept the Fiscal Year 2021 audit as well. Commissioner Douglas seconded, both passed unanimously.

#### **6. NEXT MEETING**

Next meeting will be held virtually on February 11, 2022.

#### **7. OTHER**

- Sabina Haskell noted that the conversion is moving forward with Scientific Games, with a target completion date of September 18, 2022.
- Kelley-Jaye Cleland thanked Ms. Buzzell for her incredible help and financial insights.
- Chairman Sheehan requested that an item be added to the next agenda to discuss a virtual meeting policy, perhaps based on the one Maine adheres to. Director Mineo described the conditions for which remote meetings (and votes) may be held; Commissioner Douglas noted that New Hampshire's remote meetings rules may be different.

Chairman Sheehan entertained a motion to adjourn; so moved by Commissioner Douglas and seconded by Commissioner Flanagan; meeting adjourned at 9:42 a.m.



Julie Sheehan, Chairman

Respectfully submitted, Carmela Nolin