

## TRI-STATE LOTTO COMMISSION

Commission Meeting Minutes  
Mountain View Grand Resort, Whitefield, NH  
May 20, 2022

### PRESENT:

Julie Sheehan, Chairman, Maine	Ed Flanagan, Commissioner, VT	Debra Douglas, Commissioner, NH
Lisa Rodrigue, Maine Lottery	Andrew Collier, VT Lottery	Charlie McIntyre, NH Lottery
Michael Boardman, Maine Lottery	Sylvia Buzzell, VT Lottery	Maura McCann, NH Lottery
	Skip Whitman, VT Lottery	Katie Brown, NH Lottery
	Don Wenner, VT Lottery	Kelley-Jaye Cleland, NH Lottery
		Carmela Nolin, NH Lottery
Carolyn Denton, Scientific Games	Dominic Timbas	Steve Mason, FuseIdeas
Calvin Rinck, Scientific Games	Kristen Pare, Intralot	Mike Giovinelli, GYK Antler
Darrell Frecker, Scientific Games	Ryan Sahr, Intralot	Taylor Bengtson, GYK Antler
Renee Loring, Scientific Games	Cara Salvatore	Paula Maltman

Chairman Sheehan called the meeting to order at 9:05 a.m., via Teams videoconference.

### 1. ACCEPTANCE OF MINUTES FROM MARCH 11, 2021

Motion was made by Commissioner Flanagan to accept the minutes from March 11, 2021, seconded by Commissioner Douglas. So voted, unanimous.

### 2. FINANCE COMMITTEE

- Finance Chair Sylvia Buzzell presented the financial report for the first half of fiscal year 2022. **Gross revenues** were lower than forecast \$4.77 million, with Gimme 5 lower by \$29 thousand, Megabucks sales down by \$3.84 million, daily numbers combined down \$743 thousand, and Fast Play was lower by \$153 thousand. With the decrease in sales, the cost of sales was also lower than forecast \$2.98 million, and operating expenses were lower \$2.00 million. Advertising expenses were lower than forecast \$1.27 thousand, RFP consulting expenses were lower \$499 thousand, and licensing fees were lower \$130 thousand.
- Net profit** through April was higher than forecast \$520 thousand due to lower-than-expected operating expenses and the gain of \$317 thousand on the sale of investments with the transition from People's United Bank. Compared to last fiscal year, **sales** through April were \$1.173 million lower. Fast Play sales increased \$1.36 million and Gimme 5 increased \$298 thousand. Megabucks sales decreased \$2.10 million and Pick 3 decreased \$512 thousand while Pick 4 decreased \$212 thousand. Cost of sales were lower \$285 thousand and was a direct result on the decrease in sales. Operating expenses were \$53 thousand lower than this time last fiscal year.

- Net profit for fiscal year through April 2022 was lower than last year nearly \$538 thousand. Expired Unclaimed Prizes were \$2,699,689 at the end of April. Apart from Fast Play, which is negative \$39,072, all contingency funds are in the positive.
- Peoples United Bank is now part of M&T Bank based in New Jersey. Our long-term investment account will be transitioning to M&T's institutional custody department. Ms. Buzzell asked the Commission what their preference is in reporting on our investments from US Bank; the Commission chose quarterly reports.
- The June meeting will include the FY23 draft budget for discussion; ICS and Draw personnel pay rate; committee appointments, and expired unclaimed prize money available for promotions for FY23. Ms. Buzzell respectfully requested that she not be appointed Finance Committee Chair; those in attendance applauded and thanked her for her amazing work over the last several years.

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

- Lisa Rodrigue expressed enthusiasm on behalf of the Committee for the products pitched by vendors the previous day. The Committee will evaluate their proposals and select more than one product to of lined up.
- Lee Brice tour dates were settled on for the Big Country Cash second chance prize. The tour segment is in September and will go from Nashville to Louisiana to Texas, back to Nashville. Sales are still doing well, and the states are actively promoting the ticket to keep up the momentum.
- Ms. Rodrigue requested approval from the Commission to move ahead with changes to Megabucks. So moved by Commissioner Douglas and seconded by Commissioner Flanagan. All in favor, motion passed. The intention is to refresh the logo and add a Monday drawing. The launch is expected to be September of 2023. Director McIntyre noted that other national games are looking at potential changes over the next few years, including league partnerships, added draws, and expanded regions.
- Calvin Rinck of Scientific Games has been promoted and will be moving on. The Committee and the Commission thanked him for his hard work, and he will be sorely missed. Carolyn Dennett will be moving into his position and working with the Committee. Ryan Sahr of Intralot introduced their new Marketing lead, Dominic Timbas.

### **4. DRAW REPORT**

Maura McCann made a proposal to the Commission that the draw auditor contract move from two years through the RFP process to a simple annual agreement. As the firm currently working with us is the only one that ever bids, and with the endorsement of Chief Compliance Officer John Conforti, this seems to be the most efficient way forward. The contract would be for approximately \$100 thousand per year, based on a \$106 per hour rate. Commissioner Douglas found the rate expensive and inquired when we would consider transitioning the draw to MUSL. Director McIntyre noted that the rate is in fact reasonable based on surveys of other states similar arrangements. Ms. McCann requested a motion to enter into an annual contract with the incumbent accounting firm with a term from July 1, 2022, to June 30, 2023, which stipulates no penalty for cancellation with 30 days' notice. So moved by Commissioner Douglas; seconded by Commissioner Flanagan. Motion carried.

## 5. ACCEPTANCE OF COMMITTEE REPORTS

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

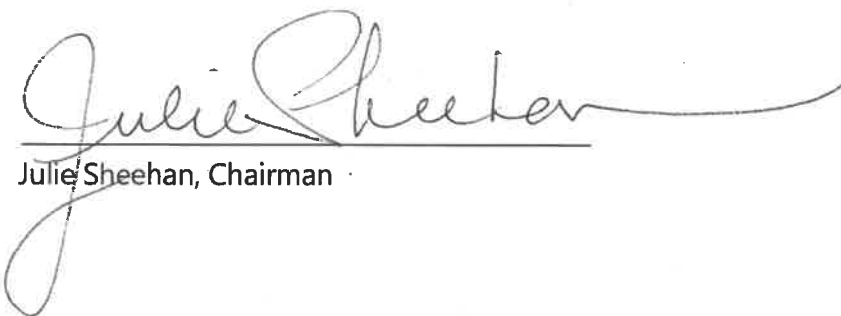
## 6. NEXT MEETING

Next meeting will be held in person at NH Lottery headquarters in Concord on June 10 at 10:30 a.m. Chairman Sheehan passed the gavel to Commissioner Douglas, who will serve as chair as of the next meeting.

## 7. OTHER

- Vermont requested an extension of the contract with their gaming consultant. Ms. Buzzell explained that an additional three months (from September to December) are needed at an additional cost of \$100 thousand. So moved by Commissioner Douglas and seconded by Commissioner Flanagan; motion passed unanimously.
- Ms. McCann reported that New Hampshire's contract with GYK Antler for advertising services was recently approved by the Governor and Executive Council following an extensive RFP process. This contract includes services to Tri-State Lotto Commission. She requested a motion for Tri-State to enter into a three-year contract with GYK; so moved by Commissioner Flanagan and seconded by Commissioner Douglas. Motion was unanimously approved.
- Chairman Sheehan asked Director McIntyre for an update on the virtual meeting policy for Tri-State. Director McIntyre will present a draft at the June meeting.

Chairman Sheehan entertained a motion to adjourn; so moved by Commissioner Douglas and seconded by Commissioner Flanagan; meeting adjourned at 9:45 a.m.



Julie Sheehan, Chairman

Respectfully submitted, Carmela Nolin