

TRI-STATE LOTTO COMMISSION
Minutes of Commission Meeting
November 17, 2023 – 9:00 a.m.

Commissioners:

Ed Flanagan, Commission Chair, VT Lottery
Julie Sheehan, Commissioner, ME Lottery
Debra Douglas, Commissioner, NH Lottery

Others in Attendance:

Charlie McIntyre, NH Lottery	Maura McCann, NH Lottery	Kelley-Jaye Cleland, NH Lottery
Don Wenner, VT Lottery	Katie Brown, NH Lottery	Tom Remp, VT Lottery
Jim Duris, NH Lottery	Ken Donaldson, US Bank	Andrew Collier, VT Lottery
Kristin Pare, Intralot	Ryan Sahr, Intralot	Greta Larson, SGI
Calvin Rinck, SGI	Sandy Goulet, NH Lottery	Amy Tucker, VT Lottery
Tammy Pidgeon, VT Lottery	Lynda Plante, NH Lottery	Heather Child, NH Lottery
Steve Mason, Fuseideas	Jeff Savage, Intralot	Lisa Rodrigue, ME Lottery
Mickey Boardman, ME Lottery	Taylor Bengston, GYK	Molly Tobin, GYK
Terrance Meehan, ME Lottery	Anthony DeAngelis, US Bank	Kelly Crockett, NH Lottery
Leslie Badger, SGI	Jeremy Kyzer, SGI	Carly McDonough, SGI
Laurie Fisher, SGI	Jack Hetzler, SGI	Sylvia Buzzell, SGI
Seth LaPointe, SGI	Jacob Kreider, SGI	Merrill Fullerton, Alchemy 3
Danny Bogus, Gambyt	Simran Gulati, Fuseideas	Anna McDonough, Fuseideas
Molly Whear, GYK	Jim Acton, EQL Games	

Commission Chair Flanagan called the meeting to order at 9:00 a.m.

1. ACCEPTANCE OF MINUTES FROM August 18, 2023

- Motion was made by Commissioner Douglas for the **Acceptance of Minutes** from August 18, 2023, seconded by Commissioner Sheehan. So voted, unanimous.

2. FINANCE PRESENTATIONS

- **Short-Term Investment Account - by Ken Donaldson & Anthony DeAngelis, (US Bank):**
 - Mr. Donaldson reports that performance was down in Q3 as a result of fears that inflation wasn't slowing quick enough, and the Fed would need to continue raising rates. As a result, we saw interest rates rise resulting in negative returns for the fixed income portfolio. We saw equities decline on the higher rates, with the S&P falling 3.27% for the quarter. YTD performance, however, remains solid.
 - In the second quarter, gross domestic product (GDP) grew at an annualized rate of 2.1%, in line with 2023 growth estimates by the Federal Reserve. The U.S. labor market continues to cool as the unemployment rate has risen to 3.8% in September partly due to an increase in the participation rate. Based on economic data that has come out since the end of the

quarter, we no longer expect the Fed to raise rates in December. We are beginning to see signs the consumer may be weakening and will continue to watch them.

- The portfolio asset allocation remains consistent with the Investment Policy Statement with 85.32% of the assets in fixed income, 9.74% of the assets in the S&P 500 index, and 4.94% in Money Market. For the quarter the portfolio returned -0.89% gross of fees and -0.95% net of fees vs. the portfolio benchmark of -0.84%. YTD the portfolio has returned 2.68% gross of fees and 2.46% net of fees vs. the portfolio benchmark of 2.62%.
- **FY23 Audit Report by Christian Smith, Wipfli:**
 - Mr. Smith reports they have audited the accompanying statements of Tri-State Lotto Commission, as of and for the years ended June 30, 2023, and 2022, and the related notes to the financial statements, which comprise the Commission's basic financial statements as listed in the table of contents in the materials provided.
 - In Wipfli's opinion, the accompanying financial statements referred to above present fairly, in all materials respects, the financial position of Tri-State Lotto Commission as of June 30, 2023, and 2022. The changes in financial position and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").
 - Mr. Smith notified the board that the Final Draft will be out within the month, and even as early as that Monday.

Chairman Flanagan entertained a motion to accept the audit report, Commissioner Douglas moved, and Commissioner Sheehan seconded. All are in favor.

- **Sales Report June 2023 YTD - by Don Wenner, VT Lottery:**
 - **FY 23 Maine**
FY23 sales through JUNE increased 1.30% compared to the same period in FY22. This included a decrease in Megabucks of 7.23%, an increase in Gimme 5 of .082%, an increase in Fast Play of 10.45%, and a decrease in Daily Numbers of 2.16%.
 - **FY23 New Hampshire**
FY23 sales through JUNE decreased 3.19% compared to the same period in FY22. This included a decrease in Megabucks of 6.73%, a decrease in Gimme 5 of 1.09%, a decrease in Fast Play of 1.42%, and a decrease in Daily Numbers of 4.82%.
 - **FY23 Vermont**
FY23 sales through JUNE increased 34.57% compared to the same period in FY22. This included an increase in Megabucks of 1.37%, an increase in Gimme 5 of 3.10%, an increase in Fast Play of 64.29%, and a decrease in Daily Numbers of 1.60%.
 - Mr. Wenner reported to Commissioners that he will be sending out a revised final report for June 2023, and the final numbers will change slightly.
- **Accounting Transition Update by Jim Duris, NH Lottery Commission:**
 - Mr. Duris reports that the transition isn't as planned, but it is going positive. We've gone through all our systems in our office, and we now have the software from our Department of Information Technology. Our team has this uploaded to their systems and is now using it. Don's office has gone through all UAT testing on it to make sure the differences between

the old software and new software matched up. They believe the testing went well and feel confident.

- The last week of November we will be transitioning, which means December we will be starting our first payroll live start to finish on our own with their oversight of course. Accounts payable side has been up practicing and training as well with invoices and getting numbers together. Mr. Duris feels things are progressing nicely.

4. MARKETING AND PRODUCT DEVELOPMENT COMMITTEE - Maura McCann, NH Lottery Commission

- Tri-State Megabucks
 - Ms. McCann Reported on the highlights of Megabucks for the months August thru November 2023. Vermont is up 88% YoY, Maine is up 53% YoY, and New Hampshire is up 52% YoY. This is very exciting for a thirty-eight-year-old game. With our success, Ms. McCann reported Massachusetts just announced they are adding a Monday draw now.
- Tri-State \$10 ULTIMATE WAREHOUSE DA\$h
 - This game has been on sale for a few months now, and Maine has had over 130,000 tickets entered- into their second chance. Vermont has just over 31,000 tickets entered- into their second chance. New Hampshire has roughly over 46,000 tickets entered- into our second chance. This event will be on September 27, 2024, in Portland, Maine.
- \$10 Golden Spin Scratch Ticket
 - Ms. McCann reports that all three states are finalizing their ticket artwork. New Hampshire has finalized their prize structure. Vermont and Maine continue to work on finalizing their prize structures. This is a follow-up to the \$5 Big Spin, where there is a spin prize on these tickets. In Vermont and Maine, they will be able to reveal the spin prize via website as well as retail. Here in New Hampshire, we are going to push people towards our app and the reveal will be on mobile only. The Tri-State Golden Spin event will take place at the Golden Nugget in Las Vegas, Nevada in June 2025. Part of this project we'll be working with Alchemy 3, and Ms. McCann is asking the Commissioners for approval.
 - Alchemy 3 will be charging 1.85% of sales which is a standard rate. They will be helping with all the artwork, and the development of video for spin prizes as well. The Commissioners requested a break down of the expenses for what Alchemy 3 will be providing, and charging.

Chairman Flanagan asked to entertain a motion to accept the Golden Spin contract with Alchemy 3, Commissioner Sheehan made a motion to approve the contract, Commissioner Douglas seconded, all are in favor.

- Ms. McCann reports on Product Development
 - Maine has an upcoming Holiday Cash promo December 10 thru 23.
 - New Hampshire is bringing back Jingle All the Way
 - Vermont is coming out with Snow Me the Money

Chairman Flanagan asked to entertain a motion to accept the committee reports. Commissioner Douglas moved, and Commissioner Sheehan seconded. All are in favor.

5. MAINE CONTRACT WITH GLI - Mickey Boardman, Maine Lottery

Chairman Flanagan asked to entertain a motion to approve the contract for Maine with GLI. Commissioner Douglas moved to approve the contract, and Commissioner Sheehan seconded. All are in favor.

6. NEXT MEETING -

- Next meeting will be at New Hampshire Lottery Headquarters, 14 Integra Dr, Concord, NH. 03301, Friday, February 9, 2024.
- Next away meeting at the **Trapp Family Lodge** in Stowe, Vermont, hosted by Vermont from May 15 thru May 17 of 2024. Arrival on the evening of Wednesday, May 15, and departure on Friday, May 17.

Chairman Flanagan entertained a motion to adjourn, Commissioner Douglas moved, and Commissioner Sheehan seconded. All are in favor. Meeting adjourned at 10:02 a.m.



Ed Flanagan, Commission Chair