

TRI-STATE LOTTO COMMISSION
Minutes of Commission Meeting
May 17, 2024 – 9:00 a.m.

Commissioners:

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

Others in Attendance:

Charlie McIntyre, NH Lottery	Maura McCann, NH Lottery	Ami Guimond, NH Lottery
Kelly Crockett, NH Lottery	Katie Brown, NH Lottery	Lynda Plante, NH Lottery
Andrew Collier, VT Lottery	Carolyn Dennett, SGI	Calvin Rinck, SGI
Fivi Rondiri, Alchemy 3	Tammy Pidgeon, VT Lottery	Douglas Parker, SGI
Carly McDonough, SGI	Ryan Sahr, Intralot	Jeff Savage, Intralot
Sylvia Buzzell, SGI	Byron Peterson, PBL	Amy Tucker, VT Lottery
Molly Whear, GYK Antler	Darrell Frecker, SGI	Kelsey Hall, VT Lottery
Skyler Genest, VT Lottery	Kristen Pare, Intralot	Robert Wohland, VT Lottery
Michael Boardman, ME Lottery	Seth LaPointe, SGI	Lisa Rodrigue, ME Lottery
Louis Luchini, ME Lottery	Greta Larson, SGI	Renee Loring, SGI
Ryan Boover, Intralot	Steve Mason, Fuseideas	Simran Gulati, Fuseideas
Pete Donahue, Alchemy 3		

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

1. ACCEPTANCE OF MINUTES FROM February 9, 2023.

- Motion was made by Commissioner Douglas for the **Acceptance of Minutes** from February 9, 2023, seconded by Commissioner Sheehan. So voted, unanimous.

2. FINANCE PRESENTATIONS

- **Short-Term Investment Account – Ken Donaldson, US Bank:**
 - Mr. Donaldson reports on the first quarter of 2024. Mr. Donaldson gave a brief report of the quarterly market summary. It was a strong quarter for the equity markets with the S&P 500 up over 10 ½% and on a trailing twelve-month basis almost 30%. There was a strong quarter in the domestic equity market. There was a large cap as represented by the S&P 500 outperformed both the mid-cap index which came in at 8.6% and then the Russell 2000 index which was up 5.18%. We outperformed developed foreign markets which were up 5.78% of the MSCI EAFE index. Emerging markets trailed largely on the weaker China data. They were only up 2.37%, China represents about 25% of the emerging market. On the fixed income side, we did see some negative returns and that's because over the quarter, we did see interest rates rise and when interest rates rise, bond prices fall. Bloomberg US Aggregate was down 0.78%, the intermediate Gov credit was only down

0.15%, and the Global High yield was up 1.47%. In the fourth quarter, U.S. Gross Domestic Product (GDP) grew at an annualized rate of 3.4%. The U.S. labor market remains strong. While the unemployment rate ticked up slightly, it remains at historical lows, ending the quarter at 3.8%. The labor force participation rate rose slightly to 62.7%, while average hourly earnings YoY grew to 4.1%. Inflation remains somewhat sticky, as headline inflation (CPI) grew at a YoY rate of 3.2% in February, down from the 3.4% growth at the end of the fourth quarter, but up slightly from January. Core CPI eased to a near three-year low of 3.8%, and retail sales are a little bit weaker. The Federal Open Market Committee (FOMC) continued to hold rates steady in the first quarter at 5.50%. The U.S. saw manufacturing conditions improve during the quarter as the U.S. ISM Manufacturing index turned expansionary with a reading of 50.3 in March. This is the first non-contractionary result in over a year, as demand increased. The Michigan Consumer Sentiment survey ended the quarter at 79.4%, the highest reading since July 2021. The consumer inflation report revealed that transportation is up at 9.9%, shelter is up 5.7%, CPI YoY is up 3.2%, Food is at 2.2%, medical care is up 0.6%, and new cars are up 0.4%. The report also showed that energy is in the negative at 1.9%, and used cars and trucks are at a negative of 1.8%. The Tri-State short-term portfolio indicates we ended the term at \$7,236,928. The annual income projection is at \$155,262, and the current yield is at 2.15%. 85% of the portfolio is fixed income, 10.16% is equity, and 5.18% is cash. This is right on top of Tri-State's policy benchmark. In the selected period performance, the portfolio was up 1.32% versus the benchmark at 1.27%.

- **Finance Presentation² – Jim Duris, NH Lottery:**

- Maine

- FY24 sales through APRIL increased 18.8% compared to the same period in FY23. This included an increase in Megabucks of 65.30%, a decrease in Gimme 5 of 4.70%, an increase in Fast Play of 12.96%, and a decrease in Daily Numbers of 5.12%.

- New Hampshire

- FY24 sales through APRIL increased 15.93% compared to the same period in FY23. This included an increase in Megabucks of 100.35%, a decrease in Gimme 5 of 10.59%, an increase in Fast Play of 0.99%, and a decrease in Daily Numbers of 2.65%.

- Vermont

- FY24 sales through APRIL increased 35.55% compared to the same period in FY23. This included an increase in Megabucks of 95.70%, an increase in Gimme 5 of .11%, an increase in Fast Play of 27.93%, and an increase in Daily Numbers of 6.91%.

- **Business Office Update - Jim Duris, NH Lottery Commission:**

- Mr. Duris reports the transition of Tri-State is going well and is about 99.5% complete. It's been great working with Don from Vermont, and Tammy from New Hampshire Lottery.

Commissioner Douglas moved to authorize Jim Duris to apply for a Tri-State credit card to use for Tri-State expenses, seconded by Chairman Flanagan, all are in favor.

Commissioner Sheehan moved to authorize the three finance committees for signatures when needed for US Bank, seconded by Commissioner Douglas, all are in favor.

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

- \$10 Ultimate Cash ticket is still on sale in all three States, and we have had all three drawings with the contestants in place. This is for the Dash event in Portland, Maine at Brick South on Thompson's Point. September 27 through 29, 2024, a group dinner will be at DiMillo's on the Waterfront that night. One representative from each lottery will be in attendance that Friday night and then at the event on Saturday.
- The Tri-State \$10 Golden Spin has officially launched in all three States over the past two weeks. Vermont was first launching May 3, 2024. Maine launched second, May 2, 2024, and launching third, May 6, 2024, was New Hampshire. We are seeing 11,000 entries in New Hampshire, 6400 entries in Vermont, and 20,000 entries in Maine. The second chance experience will be held June 23 through 26, 2025.
- We are keeping our eye on Mega Millions that's moving to \$5 price point with the first drawing on April 8, 2025. The new logo and style guide were distributed in February of 2024.
- Maine Lottery's Cash Pop is anticipated to launch June 2, 2024, we wish them the best of luck with that. Maine Lottery had a Megabucks systems promotion based upon a \$100 prize, and they used a budget of \$75,000. They also did a Pick 3 – Pick 4 promotion which would reward \$25 prize, and that budget was \$50,000.
- New Hampshire had a five-day BOGO promotion with Gimme 5 for Cinco de Mayo, from May 1-5, and had a budget of \$60,000. There was a Keno 603 power hour every Thursday in May and June from 11 am to 2 pm. A purchase of a \$10 or greater Keno 603 ticket will get a free \$5 Roulette Riches Fast Play ticket, with a budget of \$40,000. Fast Play Tuesdays runs every Tuesday in May and June from 11 am to 2 pm, the purchase of a \$10 High Roller Fast Play ticket will get you a free \$5 High Roller Fast Play ticket, with a budget of \$40,000 for this promotion.
- Ms. McCann briefly touched on the updated July 2024 winning number draw procedure and policies manual. This was shared with all three state security directors.

Commissioner Douglas moved that we revise the budget of the existing Marketing contract with GYK Antler for year three from \$1,750,000 to \$1,800,000, seconded by Commissioner Sheehan, all are in favor.

Chairman Flanagan asked to entertain a motion to accept the reports, seconded by Commissioner Douglas, all are in favor.

6. OTHER BUSINESS –

- **New Chair appointment for FY25** – The gavel is passed to Julie Sheehan effective July 1, 2024.

Chairman Douglas entertained a motion to adjourn, Chairman Flanagan seconded. All are in favor. The meeting adjourned at 10:15 a.m.

7. **Next Meeting** – August 9, 2024, At New Hampshire Lottery Headquarters, 14 Integra Dr, Concord, NH.


 Julie Sheehan, Commission Chair *Aug 9, 2024*