

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery
Concord, NH 03301
April 13, 2018

PRESENT: New Hampshire: Debra Douglas, Commissioner; Charlie McIntyre, Executive Director; Maura McCann, Kelley-Jay Cleland, Katie Brown, Cam Nolin, Jim Duris, Edie Chiasson
Maine: Orland McPherson, Commissioner; Gregg Mineo, Executive Director; Tim Poulin, Lisa Rodrigue
Vermont: Ed Flanagan, Chair; Danny Rachek, Executive Director, Mary Vaupel, Mary Cassani
Guests: Darrell Frecker with Sci-Games; Molly Martin and Steve Mason with FuseIdeas; Rose Longo-White with GYK Antler; Cara Salvatore, Jeff Savage, Ryan Sahr, Steve Beck and Kristen Pare' with Intralot

The meeting was called to order at 10:30 am.

ACCEPTANCE OF MINUTES FOR FEBRUARY 9, 2018

MOTION

Commissioner McPherson made a motion, seconded by Commissioner Douglas, to accept the February 9, 2018 minutes as distributed. So voted, unanimous.

FINANCE COMMITTEE – Mary Cassani

The April financial statements show that we are ahead in sales, net profit and YTD. Maine adding Fast Play has helped significantly in sales.

Operating expenses are a bit higher due to Vermont being a bit more aggressive and spending more money on the 40th anniversary.

There is currently 1.9M in expired unclaimed prizes money available at the end of February. The only contingency fund that is currently in the negative is the Gimme 5 low tier prize contingency fund by a little less than \$9,000. However, there is plenty of money in the Jackpot contingency fund to cover that if necessary.

The auditors are scheduled to come in for their interim testing. They will be in Maine on May 1st, New Hampshire on May 3rd, followed by Vermont from the 7th-9th. They are then scheduled to come back on July 16th.

The contract for MacPage is currently in Vermont's AGs office. They are still under their current contract until June 30th.

MARKETING AND PRODUCT DEVELOPMENT – Maura McCann and Lisa Rodrigue

All three states have agreed on moving forward with the New England Patriots scratch ticket. The contract is currently in the legal department. The total cost including the ticket will be \$750,000. There will be \$50,000 in merchandise prizes being split between the three states. There will be three super suites available, 180 pairs of upper level prize packets, 18 pre-game experiences, and chalk talks available for 150 people. The first drawing for this will be held in mid-October with the remainder of draws done according to sell through of the ticket. After those draws and winners have been selected there will be a final super drawing for a weekend package which will include all three states in that drawing.

The creative campaign of 'This magic moment' is complete. The next campaign idea and budget have been presented to GYK and Fuselideas and Tri-State will be looking for a presentation from them at the June meeting.

New Hampshire is doing a promotion next month to use Tri-State expired unclaimed prize money. This will be a buy one get one on the Vegas scratch ticket, and will utilize approximately \$80,000 of the expired unclaimed prize money.

Vermont has a new/old Fast Play game called Blackjack Bonus Bucks. Sales will begin on April 15th, but in May they will be utilizing \$30,000 of the expired unclaimed prize money to award cash prizes when a customer purchases the ticket.

On June 1st Vermont has their Big Event for their 40th anniversary. The event will be held at the Champlain Valley Fairground in Essex. This event is an invitation only event.

Maine did a Pick 3, Pick 4 promotion for the last week in March and the first week in April. For the Pick 3 they saw a 24% increase in sales and an over 42% increase in sales for Pick 4. There was \$45,000 given away in expired unclaimed prize money during that promo.

Maine is currently running a Reward Me program that consists of entering scratch tickets online to win prizes. Beginning on April 19th the draw games will also be included in the program. To kick off the promotion, beginning in May players will be able to enter their non-winning Megabucks tickets for a chance to win prizes. One of those prizes include a Mini Wini.

Maine also just launched three new Fast Play games, a \$1 Play Ball, \$2 Lots of Fifties and a \$5 Jumbo Bucks Progressive Game. Sales are doing quite well for those games.

The June meeting will be Held at the Westin Hotel in Portland Maine. The structure of this meeting will be a slightly different format than usual. The meeting will be held in the afternoon on Thursday with the Commission meeting on Friday morning. The theme for this meetings presentation will be on the future of Lotteries. Keeping up with future trends and branding as well as how to tap into the entertainment dollars the best way we can. More information on this meeting to follow as it becomes available.

DRAW COMMITTEE – Maura McCann

The RFP's for the draw auditors came back and as usual there was minimal interest. The current auditors of Anderson and Clause were selected and a request for approval from the Commission is being made from the draw committee.

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to enter into contract with Anderson & Clause of Concord New Hampshire to provide draw auditing services. This is a two-year contract with a two-year extension available. So voted, unanimous.

SCIENTIFIC GAMES – Darrell Frecker

There are no additions on top of the Marketing and Product Development report from Scientific Games.

INTRALOT – Ryan Sahr

Ryan introduced the New Hampshire regional manager from Intralot, Steve Beck to the Commission.

Seventy-two new Winstations were ordered and they are red and green representing the Keno colors. At the time of the last meeting there were currently 45 locations who had Keno, now there are currently 85 locations. Sales for Keno are running around \$300,000 weekly.

Vermont and New Hampshire will launch the next Powercruise promotion on Saturday.

ACCEPTANCE OF COMMITTEE REPORTS

MOTION

Commissioner McPherson made a motion, seconded by Commissioner Douglas, to accept the committee reports as presented. So voted, unanimous.

OTHER BUSINESS

The gaming contract for the Vermont Lottery Commission (VLC) expires on June 30, 2020. The VLC would like to request that Tri-state Lotto hire a consultant to prepare the RFP for the new gaming contract. The VLC has received bids from 3 consulting firms regarding the proposed Tri-State contract and has decided to use Delahanty and Associates. The VLC is requesting that the Tri-State Commission authorize up to \$150,000 for the payment of Delahanty and Associates.

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson to allow Vermont to hire Delahanty and Associates as a consultant for a total of \$150,000. So voted, unanimous.

McLane Legal Services has completed their two-year contract with Tri-State. Tri-State would like to exercise the two-year extension available on their contract.

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson to exercise the available two-year extension on the McLane Legal Services contract. So voted, unanimous.

The Tri-State meeting in October will be at Hotel Vermont in Burlington again. Dates are currently being considered. More information to come as it becomes available.

MOTION

Commissioner Douglas made a motion to adjourn at 11:17 am. Motion was seconded by Commissioner McPherson. So voted, unanimous.

Ed Flanagan, Chair