

TRI-STATE LOTTO COMMISSION
New Hampshire Lottery
Concord, NH 03301
February 9, 2018

PRESENT: New Hampshire: Debra Douglas, Commissioner; Maura McCann, Kelley-Jay Cleland, Katie Brown, Linda Plante, Jim Duris
Maine: Orland McPherson, Commissioner; Gregg Mineo, Lisa Rodrigue, Michael Boardman
Vermont: Ed Flanagan, Chair; Danny Rachek, Executive Director, Jeff Cavender, Mary Vaupel, Mary Cassani, Brian McLaughlin
Guests: Calvin Rinck, Darrell Frecker with Sci-Games; Molly Martin, Steve Mason and Jill Atwood with Fuselideas; Rose Longo-White and Angela Streba with GYK Antler; Cara Salvatore, Karl Fortman, Jeff Savage and Kristen Pare' with Intralot

The meeting was called to order at 10:33 am.

ACCEPTANCE OF MINUTES FOR NOVEMBER 3, 2017

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to accept the November 3, 2017 minutes as distributed. So voted, unanimous.

ACCEPTANCE OF MINUTES FOR DECEMBER 19, 2017

MOTION

Commissioner Douglas made a motion, seconded by Commissioner McPherson, to accept the December 19, 2017 minutes with an addition under Marketing and Product Development that New Hampshire will not vote on the Patriots ticket until a side by side comparison is seen. So voted, unanimous.

FINANCE COMMITTEE – Mary Cassani

Revenues for December are up compared to forecast. Fast Play is doing very well now that Maine has joined. Sales for Megabucks are also up.

The increase of sales makes the cost of goods rise as normal. Net profit for December was higher than forecast. Compared to last year our net sales are higher as well as our net profits.

There is 1.9M in the expired unclaimed account at the end of December. There is one contingency fund that is in the negative by \$3000. It is the Gimme 5 low tier contingency fund. If it is still in the negative at the end of the fiscal year it must be funded either from contingency funds of the same game or other games, and if there is nothing available in any other games than it would come out of expired unclaimed prizes.

The Megabucks winner finally came in and claimed their prize last month. They chose the cash option which had a cash value of \$3.6M. The annuitized value was well over \$5M.

The finance committee put out an RFP for an auditing services. There were only two firms who responded. The finance committee met and discussed proposals and chose MacPage. The total contract price is \$71,000 for the first 2 years, with two 1-year extensions available.

The finance committee is requesting approval from the Commission to offer the contract to MacPage.

MOTION

Commissioner McPherson made a motion, seconded by Commissioner Douglas, for the approval to enter into an auditing services contract with MacPage. So voted, unanimous.

MARKETING AND PRODUCT DEVELOPMENT – Jeff Cavender

The development committee is currently in a state of flux. The three states have all been busy taking care of things in their home states. New Hampshire has the launch of Keno, a contract extension with their gaming vendor, iGaming, and a recent Powerball winner. Vermont has the merger which will come to fruition on July 1st of 2018. The gaming system RFP will go out this year, a new director, and the 40th anniversary celebration has monopolized much of their time. Maine is having building issues and is planning a move within the next six months. Despite all of that, business continues to be good.

The development committee has been asking the questions, what does Tri-State look like in 5 years? Is there a void that should be filled? There have been no new games since Gimme 5. Do we need a new game? How do we, as Tri-State position ourselves for success? One of the options for the June meeting is to bring in a 'think tank' to help answer these questions and focus on a path for the future of TriState.

Maines promotion of Lotto America ran for two weeks and showed a sales increase of 157%. The sales have trended down some but have remained higher than anticipated.

DRAW COMMITTEE – Maura McCann

The RFP for the auditing services for the draw room have gone out and responses are due back by March 30th. The current contract expires on June 30th.

SCIENTIFIC GAMES – Darrell Frecker

The lottery industry right now is very dynamic, there are a lot of things going on right now. Everything from interactive games and the growth that's experiencing to iGaming and sports betting. Therefore, when you look five years down the road there are a lot of things to be poised and prepared should they happen. Having the three states pool their resources together may be a great way to afford excellent opportunities.

INTRALOT – Kristen Pare’

Intralot New Hampshire has been working heavily on Keno. They hit \$1M in sales and it is continuing to grow. Last week was the highest in sales to date with over \$200,000 for the week. Intralot is doing ongoing recruiting for Keno in New Hampshire and they currently have 54 applications. A Keno open house was held recently in Salem.

The Intralot corporate marketing team are coming to VT and NH at the end of February to talk about new game possibilities.

ACCEPTANCE OF COMMITTEE REPORTS

MOTION

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

MOTION

Commissioner Douglas made a motion to adjourn at 11:26 am. Motion was seconded by Commissioner McPherson. So voted, unanimous.



Ed Flanagan, Chair