

TRI-STATE LOTTO COMMISSION

Commission Meeting Minutes

The Glen House, Gorham, NH

May 10, 2019

PRESENT: New Hampshire: Debra Douglas, Commissioner; Charlie McIntyre, Executive Director; Maura McCann, Katie Brown, Kelley-Jaye Cleland, and Carmela Nolin
Maine: Orland McPherson, Chairman; Gregg Mineo, Director; Lisa Rodrigue, and Michael Boardman
Vermont: Ed Flanagan, Commissioner; and Gary Kessler, Deputy Commissioner
Guests: Calvin Rinck, Renee Loring, and Leslie Badger with Scientific Games; Alaina Rodriguez with NeoPollard; Lyndlee Hayes and Michael Giovinelli with GYK Antler; Karl Fortman, Scott Hoss, Jeff Savage, Cara Salvatore, Kristen Paré, and Ryan Sahr with Intralot; Molly Martin and Steve Mason with Fuseldeas; and Pete Donahue with Alchemy3

Chairman McPherson called the meeting to order at 9:00 a.m.

1. ACCEPTANCE OF MINUTES FROM FEBRUARY 8, 2019

Motion was made by Commissioner Douglas, seconded by Commissioner Flanagan, to accept the February 8, 2019 minutes as submitted. So voted, unanimous.

2. FINANCE COMMITTEE

- Michael Boardman of Maine Lottery reported on the Finances in the absence of Vermont Lottery staff. Sales year-to-date are up \$1.8 million, growth of 3.67%. Increases were seen in Megabucks, Gimme 5 and Fast Play; but Pick 3/Pick 4 has dropped across all three states.
- Cost of sales are up \$1.2 million (3.9%), gross revenue is up 3.12%. Operating expenses are up due to the Vermont Lottery RFP consulting; and the collected advertising expenses.
- Prize reserves total \$9.6 million with unexpired unclaimed (outs) at \$1.6 million; and expired at a total of \$1.7 million. States must use their remaining expired unclaimed funds by the end of the fiscal year.
- Auditors have been to the lotteries in Maine and New Hampshire and will visit Vermont at the end of the month. They are due to complete their audit in July.
- Commissioner Flanagan congratulated each state for their performance this past year.
- The Fiscal Year 2020 budget will see no significant changes, but we expect sales to increase by about \$600 thousand. Vermont Lottery wishes to hold on to their position as the seat of Tri-State. Commissioner Flanagan made a motion to accept the Fiscal Year 2020 budget as submitted. Seconded by Commissioner Douglas; all were in favor, motion passed.
- Mr. Boardman commended Sylvia Buzzell of Vermont Lottery for her ongoing efforts in maintaining the accounting for the Commission and for her work to put the budget together. After discussion of staffing, Commissioner Flanagan moved to appoint Ms. Buzzell Chair pro tem of the Tri-State Finance Committee until a CFO is hired in Vermont. Seconded by Commissioner Douglas; all in favor, motion carried.

3. MARKETING AND PRODUCT DEVELOPMENT COMMITTEE

- Lisa Rodrigue thanked all the vendors who attended and gave presentations on the first day of the meeting.
- Steve Mason from Fuselideas introduced the new ad campaign for Maine Lottery's 45th anniversary and Reward Me club, which pairs television with radio. A third element of digital with interchangeable hub brings all elements of lottery to players on a mobile/internet platform and allows them to tailor the focus.
- Key takeaways from the Megabucks survey showed that though 45% of respondents would be okay with Massachusetts joining that game, 32% said they would stop playing. Players like the idea of smaller jackpots and more winners (change of odds); and that it's Tri-State's own game.
- The committee will collect and dig into several of the vendors' recommendations for Gimme 5 and Megabucks and report at a future meetings. Discussion followed on player survey results compared to their actual purchase behavior.
- Maine and Vermont have sold out of the \$5 Patriots ticket, New Hampshire is nearly out. Maine and New Hampshire have one second-chance drawing left. A final grand prize ultimate weekend and cash prizes will be scheduled after that, likely in July. Negotiations for 2019-2020 season are underway.
- Fast Play – Vermont has launched four Fast Play games at different price points. Maine also launched new games including a \$10 progressive. New Hampshire's games continue to do well.
- Maine ran Lucky for Life and Megabucks promotions which did extremely well and boosted L4L sales by a whopping 82%. In celebration of the Maine Lottery's 45th anniversary, over 1,100 prizes will be given out this year. A Powerball promotion through May will award one lucky player a truck/boat/trailer combo.
- Vermont promotions include instant cash prizes for Fast Play progressives and Pick 3/Pick 4 purchases.
- New Hampshire will host Keno Power Hours where \$5 Keno ticket purchases can instantly win \$1 Fast Play tickets.

4. DRAW COMMITTEE

- Ms. McCann indicated that all was well and there is nothing to report.

5. SCIENTIFIC GAMES

- Calvin Rinck thanked the Commission for their hospitality and reported that Maine Lottery launched a new \$25 instant and four new Fast Play games. The \$10 progressive Fast Play is doing very well.
- The Maine Lottery's 45th birthday is an online experience: they've received over three million entries and redeemed seven million tickets in the Reward Me program. The Patriots drawings are coming up next.

6. INTRALOT

- Vermont Lottery is quiet, as reported by Karl Fortman. They have released a new Fast Play game and are interested in expanding to include a \$10 game.
- In New Hampshire, Ryan Sahr noted the continued expansion and success of Keno.

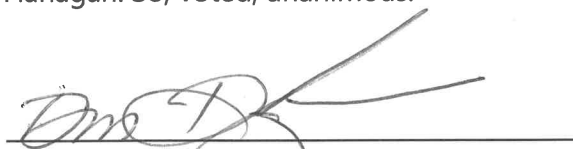
7. ACCEPTANCE OF COMMITTEE REPORTS

Chairman McPherson sought a motion to accept the committee reports. Commissioner Douglas so moved, seconded by Commissioner Flanagan; all in favor, unanimous.

8. OTHER BUSINESS

- The Commission's investment reports were officially reviewed; the Commissioners all agreed with Commissioner Flanagan's assessment that the accounts are all investment grade.
- Chairman McPherson thanked the Commission and staff for their work in his years of service. It is noted that Commission members honored him with a token of appreciation prior to this meeting. Commissioner Douglas was appointed Chairman of the Tri-State Commission.
- The next meeting will be on August 9 in Concord, NH at 10:30 a.m. The fall meeting will take place in Maine in October.

Commissioner Douglas made a motion to adjourn at 10:45 a.m. Motion was seconded by Commissioner Flanagan. So, voted, unanimous.



Debra Douglas, Chairman

Respectfully submitted, Carmela Nolin