

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	

Commission Chair Douglas called the meeting to order at 10:30 a.m.

1. ACCEPTANCE OF MINUTES FROM AUGUST 18, 2023

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

2. FINANCE PRESENTATION by Don Wenner, VT Lottery:

- **FY 23 Results - unaudited**
 - FY23 sales were higher than FY22 by \$4.2 Million or 4.8%. Overall higher sales were driven by Fast Play which recorded a sales increase of \$5.8 Million or 15.4%. Sales for Megabucks and Daily Numbers were down 4.8% and 3.2%, respectively. Gimme 5 sales were essentially flat.
 - Cost of sales in FY23 were higher than FY22 by \$3.9 Million or 6.6%, driven primarily by Prize Expense for Fast Play, which has the highest player payout of all Tri State games. Operating expenses were lower than the same period in FY22 by \$204.2 thousand, driven primarily by lower advertising costs, partially offset by higher consulting costs related to Vermont's gaming system conversion.
 - FY23 net profit from operations was \$23.5 Million as compared to \$23.1 Million in FY22.
 - Expired Unclaimed Prizes totaled \$2,881,604 at the end of June.
- **July FY24 Results**
 - FY24 sales through July 31, the first month of the fiscal year, were higher than the same period in FY23 by \$113.3 thousand or 1.6%. Overall higher sales were driven by Megabucks which recorded a sales increase of \$227.2 thousand or 13.8%. (The announced Megabucks jackpot was \$3,175,000 for the July 29, 2023, draw.) Sales for Gimme 5, Fast Play, and Daily Numbers were down 6.3%, 0.1%, and 3.9%, respectively.

- Cost of sales through July were higher than the same period in FY23 by \$66.0 thousand or 2.9%. Operating expenses were higher than the same period in FY23 by \$180.6 thousand or 5.0%, driven by higher advertising costs. About \$70 thousand of advertising costs recorded in July were for services rendered in FY23; however, the invoices were identified after year-end processing had closed.
- Net profit from operations through July totaled \$2.0 Million as compared to \$2.1 Million during the same period in FY23.
- Expired Unclaimed Prizes totaled \$2,959,800 at the end of July.
- **FY23 External Audit (Wipfli)**
 - Wipfli returned to Vermont for onsite work during July 24-26. Approximately 80% of the audit engagement is done. The remaining items will be completed remotely. Wipfli will present the final audit report to the Board for approval at the November meeting in NH.
- **Business Office Transition to New Hampshire Lottery**
 - Jim Duris to provide update.

3. FINANCE COMMITTEE by Jim Duris, NH Lottery Commission:

- **Accounting Transition Update**
 - The Tri State Business Office from Vermont to New Hampshire is scheduled for January 2024.

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

- Tri-State Megabucks game change to incorporate the Monday draw and is scheduled to execute September 18, 2023. This change will also be added to the online platform as well.
- Mega Millions is moving to a \$5 price point and is anticipated to go-live in or after January 2025. There may be a push back due to testing that December 2024. The Megaplier will be removed from the game. The in-state drawings will be handled by an automated RNG and audit system. These details are still pending.
- The \$10 Tri State Ultimate Warehouse Da\$h scratch ticket game launch for New Hampshire will be August 28, 2023, Maine is currently on sale right now, and Vermont is scheduled September 1, 2023.
- Todd Newton will be hosting the Warehouse Dash Event. This will be held at Brick South at Thompson's Point, located in Portland, Maine on September 27, 2024. The \$10 Golden Spin scratch ticket is anticipated to launch once the Ultimate Warehouse Da\$h is done, and that time frame is roughly around May of 2024.
- Maura requested a motion to allocate 1 Million from the \$2.45 Million of Tri State expired unclaimed prize funds to use for FY24 Product Development promotions.

Motion was made by Chairman Flanagan to allocate 1 Million of the 2.45 Million towards Tri State promotions, seconded by Commissioner Douglas. So voted, unanimous.

- Maura provided an industry update. EuroMillions group is in process of adding a For Life themed game. There have been no new updates on the Powerball addition of Australia, and the United Kingdom.
- The upcoming promotions:
 - Maine has an upcoming systems promotion in August on Lotto America.
 - Vermont will run a Tri State Megabucks system promotion in October.

- New Hampshire will be having a promotion at retail to celebrate the first Monday draw for Tri State Megabucks on September 18th at 13 retail stores from 9am to 11am.
- Maura was excited to report the unaudited ticket sales for FY23. Maine had \$411 Million in sales with \$72 Million net profit. Vermont had \$159 Million in sales. New Hampshire had \$601 million in sales with \$187 Million in net profit.
- Maura also reported on the next Tri State Conference. It will be held November 16th – 17th at Church Landing in Meredith Falls, New Hampshire. The forms have been sent out to everyone with all the reservation details and instructions.

6. NEXT MEETING:

- Next meeting will be held November 16th and 17th, 2023, at **Church Landing at Mills Falls, Meredith, New Hampshire.**

Chairman Flanagan entertained a motion to accept the committee report; seconded by Commissioner Sheehan. So voted, unanimous.

Commissioner Douglas made a motion for the BulletProof Contract authorizing the signature parts to be updated as needed when needed; seconded by Commissioner Sheehan. So voted, unanimous.

Chairman Flanagan made a motion to adjourn, seconded by Commissioner Sheehan. So voted unanimous.

Ed Flanagan, Commission Chair

Respectfully submitted, Kelly Crockett