

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
JANUARY 19, 2012 9:00 A.M.

PRESENT:

Debra Douglas, Chairman (by conference call)
Paul J. Holloway, Commissioner
Doug Scamman, Commissioner
Charles McIntyre, Executive Director
Diane Campbell, Administrative Assistant
Georges Roy, Administrator III
Travis York, Griffin, York & Krause, Inc. (GYK)
Liz Pollock, GYK
Patrick Griffin, GYK
John Papile, Intralot
Terry Patterson, Intralot
Kristin Pare, Intralot

Commissioner Holloway convened the Commission meeting at 9:00 a.m. at 309 Portsmouth Avenue in Greenland, New Hampshire.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Scamman made a motion, seconded by Commissioner Holloway, to approve the December 22, 2011 Commission meeting minutes. So voted, unanimous.

2. COMMISSION APPROVAL OF INITIAL PROPOSAL FOR Sw 800 LUCKY FOR LIFE GAME:

Commissioner Holloway made a motion, seconded by Chairman Douglas, to approve Sw 800 Rules of Lucky for Life Game for an expedited process. So voted, unanimous.

3. FINANCIAL REPORT:

Georges Roy, Administrator III, presented a five year history of sales and net profits for the first six months of each fiscal year through December, 2011. Mr. Roy stated the bottom line reflects the actual transfer made for those fiscal years and the line above is the budgeted amount. A transfer of \$80 million was made in 2006. A brief discussion was held on the comparative report. Mr. Roy announced that the LBA audit report had not been received to date. Instant ticket sales were reviewed by price point indicating that \$2.00 sales had declined. Director McIntyre stated there will be shorter print runs and increased games for the \$1.00 and \$2.00 price points to generate more interest. Mr. Roy stated that the year to date net profit percentage was 26.4 compared to last year's percentage of 27.7.

Commissioner Holloway expressed his concern on the steadily declining sales trend for the liquor stores. It was noted that proper placement and stocking of instant ticket dispensers are important contributing factors affecting sales.

A subscription update was provided. Chairman Douglas suggested promoting subscriptions at other times during the year in addition to the subscription promotion during the year end holidays. Director McIntyre offered to check with some other lotteries on their subscription offerings and research the possibility.

Travis York of GYK commented that the ad agency was working on social media strategies and plans. Mr. York stated that subscriptions are a core component of the promotional strategy on social and is a unique channel to take advantage of engaging with ongoing players.

Mr. Roy stated a total of \$6,703,000 would be transferred to Education tomorrow, ahead of the budgeted \$6.6 million.

4. INTRALOT REPORT:

John Papile of Intralot reported that the software deployment went well for the change to the Powerball game.

5. ADVERTISING:

Patrick Griffin of GYK updated the Commission on the marketing plans for the “permission campaign” to launch January 23, 2012. The campaign will emphasize the benefits the Lottery provides to Education and will include television and radio, banner advertisements, point of sale materials, press releases, and social media. Mr. Griffin stated a Megabucks Plus survey was being conducted through Replay to receive input from players on the game.

Liz Pollock of GYK reported on the press for the January 15th launch of the \$2.00 Powerball game. Mr. York discussed some of the initiatives for the digital presence of the Lottery. Mr. York stated that New Hampshire has the second highest broadband internet penetration in the country. Mr. York reported that the New Hampshire Lottery website launched a few years ago, and it is averaging 150,000 unique visitors per month, or about 5,000 visitors per day, each spending about 1 minute and 30 seconds on the site. The Lottery Replay website has about 254,000 total registrants, of which 39,000 are out of state residents, 177,000 are active members, each spending over 10 minutes per visit. Mr. York stated that over the holiday season, there was an increased number of Replay registrants, but he did not anticipate any significant growth in the database. Approximately 386,000 tickets were replayed on the Replay site during the week between Christmas and New Years.

About 17%-20% of all tickets sold get replayed averaging 250,000-350,000 per week. Mr. York stated the highest performing survey through Replay was a social media survey with 8,000 people responding.

An update was provided on the bonus time promotions which have proven successful, showing an increase in sales up to 11%.

6. OTHER BUSINESS-AUDIT STATUS:

Director McIntyre stated the auditors were at the Lottery for a period of eight months and they departed the first week of December.

Chairman Douglas initiated a discussion on internet cafes and proposing legislation and requested that Director McIntyre follow up on the matter.

7. NEXT MEETING:

Chairman Douglas confirmed the next scheduled New Hampshire Commission meeting to be February 16, 2012 at 10:00 a.m.

Commissioner Scamman made a motion, seconded by Commissioner Holloway, to adjourn the meeting at 10:30 a.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

Doug Scamman, Commissioner