

**NEW HAMPSHIRE LOTTERY® COMMISSION**  
**14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301**  
**MINUTES OF COMMISSION MEETING**  
**MARCH 29, 2012 10:00 A.M.**

**PRESENT:**

Debra Douglas, Chairman  
Paul J. Holloway, Commissioner  
Doug Scamman, Commissioner  
Charles McIntyre, Executive Director  
Diane Campbell, Administrative Assistant  
Maura McCann, Programs Information Officer  
Georges Roy, Administrator III  
Kassie Strong, Chief Accountant  
Robert Preston, Games Manager  
Len Mannino, Security Director  
Irene Nadeau, On-line Games Manager  
Travis York, Griffin, York & Krause, Inc. (GYK)  
Rose Longo-White, Griffin, York & Krause, Inc.  
Patrick Griffin, Griffin, York & Krause, Inc  
Jim Bouley, Dennehy & Bouley  
Ed Dupont, The Dupont Group  
John Papile, Intralot  
Terry Patterson, Intralot  
Jay Lapine, Intralot  
Kristen Pare', Intralot  
Byron Boothe, Intralot  
Jim Bouley, Dennehy & Bouley

Chairman Douglas convened the Commission meeting at 10:05 a.m.

**1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:**

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve the February 21, 2012 commission meeting minutes. So voted, unanimous.

**2. RULES PUBLIC HEARING 10:05 A.M.-SW 700 RULES FOR EMPLOYEE RECOGNITION PROGRAM:**

Chairman Douglas opened the rules public hearing on the Sw 700 rules at 10:07 a.m. No comments were received during the hearing and Chairman Douglas closed the public hearing at 10:08 a.m.

### **3. FINANCE REPORT:**

Georges Roy, Administrator III, reported that \$7.8 million was transferred to Education in February and that the net revenue for March would most likely exceed the \$5.4 million budgeted amount, due to high sales resulting from the record Mega Millions jackpot. It was also noted that the boost in sales from the large Mega Millions jackpot would go a long way towards the Lottery meeting the fiscal year revenue projections. A discussion was held on year to date sales comparisons of Powerball, noting changes since the January, 2012 price point change from \$1.00 to \$2.00. Commissioner Holloway expressed his concern regarding sales effects from the recent Multi-State Lottery Association's game change for Powerball.

The financial reports were discussed. Griffin, York, and Krause updated the commission on media coverage for the unprecedented currently estimated \$500 Mega Millions jackpot and how this effects players' behavior.

A discussion was held on the Replay program. Approximately 258,522 players are currently registered on the Replay website. The Commission placed emphasis on the importance of leveraging the Replay program to its fullest potential to maximize cost effectiveness and sales. Expanded gambling competition, especially from neighboring states, was discussed and the negative effect it could have on New Hampshire Lottery sales if New Hampshire does not stay relevant with current trends.

Commissioner Holloway encouraged the ad agency to include in their Lucky for Life advertising the fact that the annuity jackpot prize would be paid for life, but was guaranteed for no less than 20 years.

### **4. INTRALOT REPORT:**

John Papile of Intralot reported that since January, two software releases had been deployed for the Powerball and Lucky for Life game changes. Mr. Papile stated that a system failover was conducted on March 18<sup>th</sup>, and the primary operations in Montpelier, Vermont was switched to the back-up hub in Ohio for processing transactions. Mr. Papile stated that Intralot staff had been working with the lottery staff on developing 10 Fast Play games with multiple price points, with an expected launch in July and August. TelSell shipped 10.2 million tickets in March through yesterday. Measures have been taken to ensure that extra ticket stock is being delivered to the retailer locations, due to increased sales and activity from the record Mega Millions jackpot.

Mr. Papile stated that March total sales were ahead of last year at this time by approximately \$1 million for a total of \$25.2 million for the month of March. Mega Millions sales were \$2.6 million for this March compared to \$2.1 million for March, 2011.

#### **5. LUCKY FOR LIFE REPORT:**

Director McIntyre stated that the Lottery Directors held a quarterly meeting on March 15<sup>th</sup> in Connecticut to discuss the Lucky for Life game. No actions were taken during the meeting. Commissioner Scamman made a motion, seconded by Commissioner Holloway, to make a formal request for the Lottery Commissioners to meet with the Governor and Attorney General regarding the Lucky for Life game. So voted, unanimous.

Director McIntyre stated that a Commission vote was needed to adopt a retailer incentive program when a retailer sells a winning Lucky for Life jackpot ticket or a winning Lucky for Life 2<sup>nd</sup> tier prize level ticket. Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve a retailer bonus commission of 1% of the jackpot prize capped at \$30,000 and also 1% of the 2<sup>nd</sup> tier prize of \$25,000 for Lucky for Life. So voted, unanimous.

#### **6. TRI-STATE REPORT:**

Maura McCann stated that the Finance Committee reported at the March Tri-State commission meeting that January, 2012 overall Tri-State sales had decreased \$3.9 million; Megabucks Plus sales had decreased by \$3.6 million; daily numbers decreased by \$150,000; Weekly Grand Extra decreased by \$200,000; and Fast Play sales were up by \$18,000. Tri-State expenses were down \$1.9 million, with cost of sales down \$2.2 million and operating expenses up by \$318,000. The Tri-State budget will be revised and submitted at the April Tri-State Commission meeting for review. Upcoming promotions were discussed. A Tri-State survey was conducted and the results will be compiled for analysis.

Ms. McCann stated under Tri-State other business, it was noted that a Request for Proposal was issued for legal consulting services with proposals due by April 27, 2012. The next Tri-State Commission meeting will be held at the NH Lottery on April 6, at 10:30 a.m.

#### **7. ADVERTISING:**

Ms. McCann distributed the March marketing initiatives to the Commission. Ms. McCann displayed screen shots of jackpot alert advertising for the estimated \$500 million Mega Millions jackpot on the Lottery's website, Replay website and Facebook page. Also the estimated \$500 Mega Millions jackpot is being advertised in a bitmap on the bottom of all the on-line tickets. Ms. McCann discussed the media coverage for the record jackpot. Ms. McCann thanked Intralot and Griffin, York and Krause for their cooperation in promoting the

Mega Millions jackpot. Ms. McCann stated that the Mega Millions drawings are televised on WBIN on Fridays and Tuesdays at 10:59 p.m.

Ms. McCann showed a creative 10 second television spot produced for the \$500 million Mega Millions jackpot which was initiated by Director McIntyre with the advertising agency. Director McIntyre stated that the lottery system had the potential to sell 25,000 tickets a second, but that the human element would be the limiting factor. A brief discussion was held on lottery signage at Liquor Stores.

**8. OTHER BUSINESS:**

Chairman Douglas stated that Illinois had recently begun selling tickets through the internet and asked Intralot for an update on its effect on their sales. Chairman Douglas discussed the Lakes Region Casino, formerly known as Lakes Region Greyhound Park in Belmont, and VLT operation at the site.

Ms. McCann stated that the Mega Millions jackpot was just increased to an estimated annuity of \$540 million, or \$398.8 cash option.

Commissioner Holloway requested that this year's plans for Lottery events and promotions at the NASCAR racetrack be presented to the Commission for their review and approval before implementation.

A discussion was held on the expiration of the upcoming building lease of the Lottery's headquarters.

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to move into non-public session for the purposes of discussing personnel matters. A roll call was taken. Commissioner Holloway stated "I", Commissioner Scamman stated "I", and Chairman Douglas stated "I".

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Debra Douglas, Chairman

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Paul J. Holloway, Commissioner

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Doug Scamman, Commissioner