

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
AUGUST 1, 2012 1:00 P. M.

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
Doug Scamman, Commissioner
Charles McIntyre, Executive Director
Diane Campbell, Administrative Assistant
Kassie Strong, Chief Accountant
Irene Nadeau, Games Manager
Maura McCann, Programs Information Officer
Len Mannino, Security Director
Curtis Barry, The Dupont Group
John Papile, Intralot
Kristen Pare, Intralot

Chairman Douglas convened the Commission meeting at 1:00 p.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve the July 23, 2012 commission meeting minutes, with one change noted. So voted, unanimous.

2. APPROVAL OF ADVERTISING RFP SELECTION:

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve Griffin, York and Krause (GYK) as the selected advertising vendor for the advertising contract with the NH Lottery. So voted, unanimous.

Director McIntyre provided an explanation for the Commission's decision. Director McIntyre stated that a three member procurement team was formed which included Chairman Debra Douglas, Maura McCann, Marketing Director and Director McIntyre. The team reviewed the four submissions received at the Lottery based on four criteria. The four criteria consisted of the agencies' client base; general and retail channel experience; a presentation of what their strategic thinking was relative to creative; as well as materials submitted that they felt represented the Lottery as a client and their overall creative process in general. It was decided that any agency that did not meet 70% of the scoring criteria of those four categories, would not present an oral presentation before the Commission. Only two firms met the 70% standard, M5 and GYK. Oral presentations were heard this morning, August 1st. Following the presentations, the procurement team met again and scored the two firms based on their oral presentations. The pricing was then opened and the two firms were close in terms of pricing, but GYK was less expensive than M5. Based on the different areas

of scoring, GYK scored 93 out of a possible 100 and M5 scored 79 out of a possible 100, so it was the recommendation to approve GYK as the leading submitter, based on technical, oral presentation and pricing. Commissioner Holloway stated both GYK and M5 should be commended for their excellent presentations. Director McIntyre stated he would notify both of the advertising firms.

3. OTHER BUSINESS:

Director McIntyre discussed the sales goals and bonuses for the lottery sales representatives. Director McIntyre stated the target goal for Fiscal Year 2013 was not an overly aggressive goal and also considered what the Lottery is required to grow to meet its revenue projections. A sales increase of 8% would qualify for the first level bonus and an increase of 12.8% would qualify for the second level bonus. Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve the sales incentives for Fiscal Year 2013 as presented by the Director. So voted, unanimous.

A discussion was held on the most recent sales report. A new Fast Play release was scheduled for this Sunday and multiple price point Fast Play games will launch the end of October. The Commission expressed their continued concern over the significant decline in the number of Powerball tickets sold in New Hampshire since the January, 2012 game change and that the game is not performing as anticipated. Director McIntyre responded that many of the Powerball member states were experiencing similar issues.

Maura McCann stated that a check presentation was scheduled later today to award the owner of N & K Market for selling the \$1,000,000 Powerball winning ticket for the July 14, 2012 draw. The 1% retailer incentive was \$10,000 and Ms. McCann stated she was hopeful there would be good press coverage for the presentation.

Director McIntyre stated the Fiscal Year 2014 and Fiscal Year 2015 budget session had begun and the Lottery's budget will be prepared.

4. NEXT MEETING:

The Commission requested that a work session be scheduled as soon as possible for the Lottery to meet with the advertising firm and Social Sphere for strategic planning. Director McIntyre stated he would forward some possible dates to the applicable individuals and would provide the information to the Commission for their decision on a work session date and location.

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to adjourn the commission meeting at 1:40 p.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

Doug Scamman, Commissioner