

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
NOVEMBER 20, 2012 2:00 PM

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
Robert Preston, Games Manager
Lynda Plante, Deputy Director
Georges Roy, Administrator III
Jim Bouley, Dennehy & Bouley
Maura McCann, Product Marketing Manager
Len Mannino, Security Director
John Papile, Intralot
Terry Patterson, Intralot
Kristen Pare, Intralot
Patrick Griffin, Griffin, York & Krause (GYK)
Rose Longo-White, Griffin, York & Krause
Ed Dupont, The Dupont Group

Chairman Douglas convened the Commission meeting at 2:00 p.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

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

2. FINANCIAL REPORT:

Georges Roy, Administrator III, stated \$6.3 million October profit was transferred to Education today. A discussion was held on the most recent Tri-State financial statement and the New Hampshire Lottery financial reports. Upon review of the Tri-State Financial report, Commissioner Holloway indicated the New Hampshire Lottery Commission was performing efficiently. Director McIntyre updated the Commission on an unclaimed Lucky for Life jackpot prize. Commissioner Holloway asked Director McIntyre for a progress report on the Hot Lotto game change noting the declined sales over the past year. Director McIntyre responded that Hot Lotto was due for a game change in May, 2013.

3. INTRALOT REPORT:

John Papile stated that Intralot was working on the launch of the subscription promotion offering a 10% discount on subscription purchases for Megabucks Plus, NH Powerball and NH Mega Millions at any Lottery Retailer from December 1, 2013 through December 31, 2013. Mr. Papile reported that a promotion called “Dashing through the Dough” was in development to offer players who purchase a Tri-State ticket (no minimum price) a random chance to win \$5, \$10, \$25 and/or \$50 instantly from December 16, 2012 through December 25, 2012.

4. TRI-STATE REPORT:

Maura McCann, Product Marketing Manager, reported on the Tri-State financials from the November Tri-State Commission meeting. Gross revenues through September, 2012 were behind forecast by approximately \$300,000 or 2%; Megabucks Plus sales were ahead by approximately \$197,000 or 2.5%; daily numbers sales were down 5%; and Fast Play sales in New Hampshire and Vermont were down approximately \$200,000 or 32%. Ms. McCann stated net profit through September was up \$500,000 or 10%. Contingency funds were in the positive and there was \$2.6 million in expired, unclaimed prize money. Surveys will be conducted shortly in Maine, New Hampshire and Vermont using two game models to determine a Megabucks Plus game change scheduled for December 26, 2012.

An update was provided on two upcoming promotions, “Dashing for the Dough” to be offered in December, 2012 and a “Breakfast, Lunch & Dinner” flash sale promotion to be offered in mid-January, 2013. Ms. McCann announced a Lucky for Life anniversary promotion will run for two weeks in March, 2013. The new Random Number Generator has been installed in the draw room. The Tri-State Commission voted to eliminate the Operations Committee after deciding it was redundant with the Product Development Committee. Commissioner Scamman made positive mention of the Tri-State Commission’s efforts to improve efficiency by making this change. The Tri-State Commission also voted to make a change in the scheduling of their meetings. Beginning in February, 2013, the Tri-State Commission meetings will be held on the second Friday of every other month through the year. Ms. McCann stated \$100,000 of expired, unclaimed prize money would be used for the “Dashing for the Dough” promotion and for the 10% discount subscription promotion.

5. ADVERTISING:

Ms. McCann presented three recent television spots in the “Did You Know?” campaign to the Commissioners. The Commission expressed their pleasure with the new commercials. Patrick Griffin commented that the messages in the commercials would help to create a positive selling environment and would provide the public with information that the

Lottery has contributed \$1.5 billion to Education; awarded \$2.8 billion in prizes to players since its inception; lottery retailers have earned \$14.8 million in commissions in the last year; lottery players have won \$159 million in cash in the last year; 62% of the lottery's revenue is paid out in prizes; and operation costs are 5%. Patrick Griffin stated Director McIntyre stated the results of Social Sphere's research were compiled and the findings used in these commercials. Ms. McCann highlighted the mid-November marketing initiatives. The updates included information on an upcoming holiday television advertisement; additional multi-priced Fast Play games; the New Hampshire Film Festival Promotion running from November 1st through December 27th; the second of four Patriots Second Chance Drawings scheduled for Monday, November 26th; new Liquor Store posters and Liquor Dispenser artwork; and a test pilot for a new salesmaker promotion.

Ms. McCann stated that plans for the remainder of this year were to redo the NH Lottery's website and refresh the NH Lottery Replay website. A "refer a ticket" project through Replay is scheduled to begin in February, 2013. Development of a mobile website is scheduled for use on smart phones. Director McIntyre updated the Commission on the status of the mobile app development and costs involved. It was indicated that plans were to build the foundation for the mobile app first, with a later launch than originally anticipated, after reviewing the costs and technology needed for this.

6. OTHER BUSINESS:

Director McIntyre distributed the final copy of the Oxford Casino Report to the Commission. The Commission requested that a meeting be scheduled as soon as possible with John DellaVolpe of SocialSphere and also with Alchemy 3.

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to adjourn the commission meeting at 3:10 p.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

Doug Scamman, Commissioner