

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
MAY 30, 2013 10:00 AM

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
Doug Scamman, Commissioner
Charles McIntyre, Executive Director
Diane Campbell, Administrative Assistant
Irene Nadeau, Games Manager
Kassie Strong, Chief Financial Officer
Len Mannino, Security Director
Patrick Griffin, Griffin, York & Krause (GYK)
Travis York, GYK
Maura McCann, Marketing Manager
Robert Preston, Games Manager
Lynda Plante, Deputy Director
Jim Bouley, Dennehy & Bouley
John Papile, Intralot
Terry Patterson, Intralot
Kristen Pare', Intralot
Curtis Barry, The Dupont Group

Chairman Douglas convened the Commission meeting at 10:00 a.m. The Commission requested that a change be made to the wording in the summary page of the monthly Tri-State Finance Report. Although overall sales were down due to the ending of the Tri-State Weekly Grand game, the game was replaced with the Lucky for Life multi-state lottery game. If the Lucky for Life sales were included in this report, it would show overall sales had increased.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Scamman made a motion, seconded by Commissioner Holloway, to approve the May 2, 2013 commission meeting minutes. So voted, unanimous.

2. RENEWAL OF COURIER CONTRACT:

Director McIntyre requested commission approval of a three month extension to the current courier services contract with the Lottery. A discussion was held regarding courier services and the Lottery's needs. Director McIntyre recommended to the Commission that hiring a full time person to take over these duties would be a more cost effective solution.

Lynda Plante stated that the proposed amount for hiring a full time employee would not exceed the cost to contract for these services.

Commissioner Holloway, made a motion seconded by Commissioner Scamman, to approve the three month extension to the courier contract. So voted, unanimous.

3. FINANCIAL REPORT:

Kassie Strong, Chief Financial Officer, reported that the April, 2013 net profit of \$5.3 million was transferred to Education in May, 2013, which brought the year to date profit to approximately \$60 million, an increase of \$4 million or 7% over last fiscal year. Ms. Strong reported that through April, instant games sales were up \$12.9 million; Multi-State Lottery game sales were up \$2.1 million; Tri-State game sales were down \$2.5 million; and Lucky for Life game sales were up \$4.9 million. A discussion was held on the budget and also the most recent appropriated funds report and balance sheet. Also discussed was the status of the Lottery's fiscal year 2013 net revenue projections.

Commissioner Holloway expressed his concern over the noticeable decrease in Lottery Point of Sale advertising materials and radio lottery advertising being used in the Liquor Stores, as they are one of the NH Lottery's largest retail chain, based on the number of store locations. The Commission emphasized the importance of these two state agencies having a good working relationship in a joint venture to maximize lottery revenue to benefit Education.

Director McIntyre stated that New Hampshire Lottery ranked in the top five in per capita Powerball sales in the United States.

4. INTRALOT REPORT:

John Papile reported that a software release was deployed successfully on May 12 for the new Gimme 5 game, Hot Lotto changes and new Fast play games. Mr. Papile updated the Commission on future software releases for new games and game changes. Mr. Papile stated that to date, the Lottery had exceeded \$100 million in sales from the WinStations since conversion.

5. LEGISLATIVE UPDATE:

Director McIntyre stated that recently SB 152 was voted inexpedient to legislate by the house, MA RC 199-164. A brief discussion was held on the bill.

6. ADVERTISING:

Maura McCann stated the summer Retailer Newsletter had been issued and distributed. Ms. McCann reviewed highlights from the late May 2013 Marketing Initiatives, including the Lottery's promotional plans with the New Hampshire Motor Speedway (NHMS) at their July 14 NH 300 race event and the September 22 Sylvania 300 race event. A large grand-stand banner advertising the NH Lottery is being displayed at the track. Lottery tickets will be sold during these track events.

Ms. McCann reported that a new Patriots instant ticket offering a top prize of \$75,000 and point of sale materials to support the game have been forwarded to the Patriots for their approval. The game is tentatively scheduled to go on sale on August 5. A new Wheel of Fortune instant game is also scheduled to go on sale on August 5.

Ms. McCann updated the Commission on media highlights from the two \$1 million Powerball winners from the May 18 drawing of the \$595.5 million record-breaking jackpot. The \$1 million winning tickets were sold at Bunny's Superette in Manchester and the Exit 3 Travel Stop in Portsmouth. On May 17 the T&S Market in Hodgdon, Maine sold the first \$100,000 top prize for the new Gimme 5 game.

Commissioner Holloway asked the ad agency for their ideas on how to best leverage the Replay database of 272,000 members in order to maximize lottery revenue. Travis York responded with an update on the couponing project, stating that various ideas are being considered. Mr. York stated that the couponing will be measured and tracked through direct sales. The Replay Points Perks Program has been in effect for three months. With PointsPerks a player has an opportunity to earn extra points for trying and replaying a specific new instant game in a certain timeframe.

Director McIntyre stated he had met with Liquor Commissioner Mollica about a month ago to present a couple of joint promotional ideas for the Lottery and Liquor stores, but had not heard from him to date.

7. NEXT MEETING:

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to schedule the next Commission meeting for June 25, 2013 at 10:00 a.m. So voted, unanimous. Commissioner Holloway made a motion, seconded by Commissioner Scamman, to adjourn the commission meeting at 11:20 a.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

Doug Scamman, Commissioner