

**NEW HAMPSHIRE LOTTERY® COMMISSION**  
**14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301**  
**MINUTES OF COMMISSION MEETING**  
**SEPTEMBER 25, 2013 10:00 AM**

**PRESENT:**

Debra Douglas, Chairman  
Paul J. Holloway, Commissioner  
Doug Scamman, Commissioner  
Charles McIntyre, Executive Director  
Diane Campbell, Administrative Assistant  
Tammy Vaillancourt, Administrative Services  
Kassie Strong, Chief Financial Officer  
Irene Nadeau, On-line Games Manager  
Robert Preston, Games Manager  
Len Mannino, Security Director  
Patrick Griffin, Griffin, York & Krause (GYK)  
Travis York, GYK  
Rose Longo-White, GYK  
Maura McCann, Marketing Director  
Lynda Plante, Deputy Director  
Jim Bouley, Dennehy & Bouley  
John Papile, Intralot  
Terry Patterson, Intralot  
Tristin Craigue, The Dupont Group

Chairman Douglas convened the Commission meeting at 10:00 a.m.

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

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to approve the August, 2013 commission meeting minutes. So voted, unanimous. Commissioner Holloway requested that the additional information from SocialSphere's segmentation study referenced in the August minutes be provided to the Commission as soon as possible.

**2. FINANCIAL REPORT:**

Kassie Strong, Chief Financial Officer, stated that the September, 2013 transfer to Education for the August profit was \$6,346,478 which leaves \$346,625 over state plan. The revenue for August was up \$222,000. Cost of sales expenses were down \$238,000 over last fiscal year. Ms. Strong stated that net profit would have been higher, but \$250,000 had been allocated for the consultant services contract for the New Hampshire Gaming Regulatory Authority Committee. Year to date profit was \$12,740,000, which was \$205,000 over last year. A brief discussion was held on Replay program costs and prize giveaways.

Commissioner Holloway requested a breakdown of media costs for the Replay program. Travis York stated he would forward information to the Commission on the costs of three options offered to players through Replay, for players to receive daily winning numbers, weekly emails, or a monthly newsletter. Director McIntyre indicated the member states of the Multi-State Lottery Association were discussing possible ways to avoid Powerball jackpot fatigue, such as changing the game to cap the jackpot at a certain amount, and have the remainder of the monies roll down to the lower tier prizes. Director McIntyre stated that MegaMillions participating member states were currently selling approximately twice as many Powerball tickets as MegaMillions tickets. Director McIntyre stated he would be attending a Lucky for Life meeting on Friday and discussion would be held on the possibility of expanding the game from a New England game to a national game. Commissioner Scamman requested that the State's Monthly Revenue Focus Report be forwarded on a regular basis to the Commission. A discussion was held to clarify information on the June, 2013 Tri-State Commission Income Statement Summary. Commissioner Holloway emphasized the need for clarification on Tri-State financial reporting. Chairman Douglas requested that Kassie Strong meet with Mary Cassani of the Vermont Lottery at the October Tri-State Meeting to address this matter. A discussion was held on declining Megabucks Plus sales and any possible options to improve popularity for this game.

### **3. INTRALOT REPORT:**

John Papile of Intralot reported that phase two of Release 3 had been completed on September 16 for the Lucky for Life game change offering a second tier prize level of \$25,000 a year for life. Mr. Papile stated that User Acceptance Testing was underway for Release 4 which includes a MegaMillions matrix game change, three new Fast Play games, and five to seven test trackers for report changes. Mr. Papile stated that quarterly releases will continue, with the next release scheduled for January, 2014. Mr. Papile stated that Intralot was keeping ahead on scheduled projects. Terry Patterson of Intralot stated a Powerball change would be launched in January, 2014 which will return to offering a random PowerPlay multiplier number instead of a fixed number. A Megabucks Plus promotion is scheduled for October, 2013 and a subscription discounts promotion is scheduled for this holiday season.

#### **4. ADVERTISING:**

Maura McCann reviewed highlights from the late September, 2013 marketing initiatives. An update was provided on the Set for Life Final Drawing winners and also the winner of the "Hero in Life" Essay Contest for New Hampshire School Children which took place on September 22, 2013 at the New Hampshire Motor Speedway in Loudon.

Ms. McCann stated the "Monster Cash Week" Megabucks Plus promotion would run the week of October 27, which will offer players who purchase single Megabucks Plus tickets a random chance to win cash prizes instantly.

Travis York, of GYK, stated a recent strategic planning session had been held with the Lottery to discuss the promotional campaign for the New Hampshire Lottery's 50<sup>th</sup> anniversary. It was determined that the creative concept would highlight the fact that the New Hampshire Lottery was the first lottery in the country with the first ticket sale on March 12, 1964, and that the Lottery has a history of innovation. Mr. York stated the year long campaign titled "We Invented Lucky" would begin with introductory advertising in January, 2014, with the formal launch scheduled for February, 2014. Pat Griffin discussed possible ideas for the 50<sup>th</sup> anniversary campaign such as monthly events and activities offering players more opportunities to win prizes and money through Replay and at various locations. Travis York stated he expected to present the finalized plans for the "We Invented Lucky" campaign at the next Commission meeting. Commissioner Holloway indicated that the commercial advertising the New Hampshire Lottery's revenue contributions to Education has generated much positive feedback from the public. Patrick Griffin stated that currently the New Hampshire Lottery's revenue contributions to Education total approximately \$1.6 billion. Commissioner Holloway requested that the advertising reflect the updated amount of approximately \$1.6 billion in support of Education. Director McIntyre stated that the SocialSphere's recent study indicated that the favorability rating of the New Hampshire Lottery has increased in the past year from approximately 68% to 81%.

#### **5. OTHER BUSINESS:**

Director McIntyre updated the Commission on a recent legislative subcommittee hearing on Keno which he had attended. Director McIntyre distributed research findings from a survey on keno conducted through the Replay database. The questionnaire was asked of New Hampshire players who have played keno in Massachusetts. The results revealed that approximately 3% of keno sales in Massachusetts come from New Hampshire players generating approximately \$25 million a year. Director McIntyre indicated the study revealed that keno had a far greater economic impact than anticipated.

**6. NEXT MEETING:**

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to schedule the next NH Commission meeting for October 23, 2013 at 10:00 a.m. So voted, unanimous. Commissioner Holloway made a motion, seconded by Commissioner Scamman, to go into a non-public session to discuss the State of New Hampshire's Collective Bargaining Agreement. So voted, unanimous. A roll call vote was taken. Chairman Douglas stated "Aye". Commissioner Scamman stated "Aye". Commissioner Holloway stated "Aye". No commission action was taken during the non-public session.

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Debra Douglas, Chairman

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Paul J. Holloway, Commissioner

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Doug Scamman, Commissioner