

**NEW HAMPSHIRE LOTTERY® COMMISSION**  
**14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301**  
**MINUTES OF COMMISSION MEETING**  
**JANUARY 14, 2014 9:00 AM**

**PRESENT:**

Debra Douglas, Chairman  
Paul J. Holloway, Commissioner  
Doug Scamman, Commissioner  
Charles McIntyre, Executive Director  
Diane Campbell, Administrative Assistant  
Kassie Strong, Chief Financial Officer  
Irene Nadeau, On-line Games Manager  
Robert Preston, Games Manager  
Len Mannino, Security Director  
Maura McCann, Marketing Director  
Lynda Plante, Deputy Director  
John Papile, Intralot  
Kristen Pare', Intralot  
Jim Bouley, Dennehy & Bouley  
Patrick Griffin, GYK  
Rose Longo-White, GYK  
Tammy Vaillancourt, Administrative Services

Chairman Douglas convened the Commission meeting at 9:07 a.m.

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

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

**2. FINANCIAL REPORT:**

Kassie Strong, Chief Financial Officer, stated that the December transfer to Education for November was \$6.4 million. The plan was \$7 million. Year to date we are under plan by \$400,000. Ms. Strong announced that the Lottery's November actual profit was \$4.9 million. An additional \$1,150,000 was transferred to Education for Fiscal Year 2013. Ms. Strong stated that gross revenues through November, 2013 were down \$3.8 million; instants sales were down \$1.3 million; Powerball sales were down \$2.8 million; Multi-State game sales were down \$2.5 million; Tri-State game sales were up \$571,000; and Lucky for Life sales were down \$503,000. Cost of sales expenses were down \$3 million. Administrative expenses were up approximately \$437,000. Year to date net profit for November was \$29.9 million. Director McIntyre provided an update on expenses incurred to date for the Whitesand Gaming consultant services contract for the Gaming Regulatory Oversight Authority.

A discussion was held on all game sales and subscription sales. Commissioner Holloway expressed his concern over recent declining sales trends for some of the games and stressed the continued importance of stimulating business, offering new games and promoting the Lottery. Director McIntyre indicated that a large portion of the loss was due to the fiscal year timings of the launch of the \$20 instant ticket price point tickets. Fiscal year comparisons were discussed. Robert Preston responded that the Lottery will be releasing a new \$25.00 instant ticket with a \$2 million top prize called "Granite Millions" the beginning of March 2014, to celebrate the New Hampshire Lottery's 50<sup>th</sup> anniversary. Mr. Preston stated that a Boston Red Sox instant ticket was in development and was expected to go on sale in April 2014. Mr. Preston stated that a review was being conducted in an effort to improve efficiencies for the sales staff procedures and their routes to lottery retailer locations. Maura McCann updated the Commission on the success of the two week subscription discounts promotion which ran in December. Ms. McCann stated that during the two week promotion in December 2013, approximately 50,000 more subscriptions were sold compared to last year, totaling \$200,000 in subscription sales. Ms. McCann provided highlights of the upcoming New Hampshire Lottery's 50<sup>th</sup> Anniversary celebration promotion to run from March 2014 through September 2014, including planned events throughout the state, and Replay and Facebook promotions.

Director McIntyre stated the New Hampshire Lottery had grown 20% the last two years. Pat Griffin indicated that the recent national sales trends for lotteries in general have been declining, but New Hampshire Lottery's sales rank among the top in the country.

Commissioner Scamman requested that Director McIntyre provide the Commission with the total number of subscriptions sold in December 2013, as compared to December 2012.

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

John Papile stated that the 1099 tax reports had been configured for the retailers and the state received these two days ago. The W-2Gs are in the process of being printed and are expected to be mailed out shortly. Mr. Papile commented positively on the New Hampshire Lottery's sales performance for December, 2013. Mr. Papile expressed his appreciation to Irene Nadeau and the warehouse team for their efforts. A release is scheduled in December for the Powerball game change of the addition of a Powerplay number to be effective January 22, 2014. Mr. Papile stated there were twelve test trackers in progress. New Powerball bet slips will be distributed to the retailers. Five new Fast Play games have been added to the Fast Play game portfolio totaling twelve Fast Play games available. On May 18, 2014, four more Fast Play games are scheduled for release. The Lottery Holiday Cheer Promotion ran the week before the holidays awarding \$98,000 of \$100,000 available. Mr. Papile stated that

he would provide the Lottery with a detailed spreadsheet reflecting timelines for the events planned for the Lottery's 50<sup>th</sup> anniversary promotion.

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

Maura McCann updated the Commission on the mid-January 2014 advertising and marketing initiatives. Ms. McCann stated the Powerball Power Play Multiplier numbers of 2, 3, 4, or 5 would be returning as an option to the game on January 22. A total of four new Fast Play games will be going on sale January 19, which are 4's Galore, Lucky X10, Home Plate Doubler, and Fabulous Five. Ms. McCann stated that press releases have been issued regarding an unclaimed \$100,000 Gimme 5 winning ticket sold in Rumney, New Hampshire for the December 20, 2013 draw and an unclaimed \$1 million Powerball winning ticket sold in Nashua, New Hampshire for the March 13, 2013 draw.

Ms. McCann announced that Tri-State is moving ahead with offering a \$10 Tri-State Caesars Instant Scratch Ticket expected to launch on May 5 in New Hampshire. The Caesars ticket will offer a second chance drawing for a chance to win an all-expense paid trip (5-day, 4 night) for 2 to Caesars Palace in Las Vegas and to attend a "Tri-State "jackpot" party where a person from Maine, New Hampshire or Vermont could win up to \$100,000.

Ms. McCann updated the Commission on plans for the Lottery's 50<sup>th</sup> anniversary celebration promotion titled "We Invented Lucky". The promotion will run from March 2014 to September 2014.

Rose Longo-White of GYK stated a separate micro-website was in development that will support all of the 50<sup>th</sup> anniversary celebration elements and the site will allow players an opportunity to view all the promotions and planned events.

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

Director McIntyre provided a 2014 legislative update to the Commission. Director McIntyre stated a lot of work had gone into the agreement and development of an upcoming Tri-State instant ticket. Director McIntyre stated that multiple casino bills and a keno bill were listed for inclusion in this legislative session.

An update was provided on the status of on-line gaming legislation. Currently Nevada, New Jersey and Delaware have legalized on-line gaming.

**6. NEXT MEETING:**

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to schedule the next Commission meeting on February 11, 2014 at 9:00 a.m. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Commissioner Scamman, to go into executive session to discuss a potential legal matter. A roll call vote was taken. Commissioner Holloway stated "Aye"; Commissioner Scamman stated "Aye"; Debra Douglas stated "Aye". No commission action was taken during the executive session.

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Debra Douglas, Chairman

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Paul J. Holloway, Commissioner

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Doug Scamman, Commissioner