

**NEW HAMPSHIRE LOTTERY® COMMISSION**  
**14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301**  
**MINUTES OF COMMISSION MEETING**  
**NOVEMBER 30, 2015 2:00 PM**

**PRESENT:**

Debra Douglas, Chairman  
Paul J. Holloway, Commissioner  
David Gelinas, Commissioner  
Charles McIntyre, Executive Director  
Diane Campbell, Administrative Assistant  
Lynda Plante, Deputy Director  
Katie Brown, Business Systems Analyst  
Leonard Mannino, Chief Security Officer  
Maura McCann, Marketing Director  
Kelley-Jaye Rosberg, Games Manager  
Cynthia Baron, Chief Financial Officer  
Rayna Kenney, Digital and Social Specialist  
Paul Kelley, Racing and Charitable Gaming Commission (RCGC)  
Valerie King, RCGC  
Sudhir Naik, RCGC  
Steve Johnston, RCGC  
Dennis Miller, Scientific Games  
Paula Maltman, Scientific Games  
John Papile, Intralot  
Kristen Pare', Intralot  
Rose Longo-White, GYK Antler  
Travis York, GYK Antler  
Ashley Spicer, GYK Antler  
Jim Bouley, Dennehy & Bouley  
Nicholas Bonardi, Tri-State Enterprise  
Rick Newman  
Jan Dimarzio, Community Bingo Center  
Colleen Hernandez, Community Bingo Center

Chairman Douglas convened the Commission meeting at 2:20 p.m.

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

Commissioner Gelinas made a motion, seconded by Commissioner Holloway, to approve the October 28, 2015 commission meeting minutes. So voted, unanimous.

**2. COMMISSION VOTE TO ADOPT SW 500 RULES FOR PRIZE ASSIGNMENTS:**

Commissioner Gelinis made a motion, seconded by Commissioner Holloway, to adopt Sw 500 Rules for Prize Assignments. So voted, unanimous.

**3. COMMISSION VOTE TO APPROVE THE UPDATED “RETAILER BONUSES-COMMISSIONS AND INCENTIVES” POLICY FOR ALL NEW HAMPSHIRE LOTTERY ONLINE GAMES:**

Commissioner Gelinis made a motion, seconded by Commissioner Holloway, to approve the updated Retailer Bonuses-Commissions and Incentives Policy for all New Hampshire Lottery Online Games. So voted, unanimous. The retailer incentives are awarded per RSA 284:21-s. The policy states for all New Hampshire Lottery online Games, the retailer receives a selling bonus of 1% of a \$10,000 or greater prize per winning ticket capped at \$30,000. No changes were made to the cashing bonus of 1% of the value of the prize paid for all New Hampshire Instant Scratch games and Pick 3 and Pick 4 daily numbers games.

**4. FINANCIAL REPORT:**

**A. LOTTERY-**Cindy Baron, Chief Financial Officer, stated that the October 2015 financials had closed. The Lottery transferred \$5,032,187.37 to the Education Trust Fund on November 20. Ms. Baron stated year to date transfers to the Education Trust Fund were approximately \$23,733,000. Ms. Baron stated that some of the Lottery’s bank accounts had been consolidated. Recent wires from the Multi-State Lottery Association were sent to the designated TD Bank Lottery account instead of the State’s General Account, resulting in the ability to view transactions on line on a daily basis. New Fixed Asset software has been installed and updated with all of the current and fully depreciated items. Director McIntyre presented a financial graph of online game sales’ trends which reflected a pattern of unstable jackpot sales for Mega Millions, Hot Lotto, Powerball and Megabucks, over the past 8 years. The overall trend line for these games was declining. The chart reflected the changing patterns of the player base as there have been population changes and fantasy sports have become more popular. A discussion was held on net pension liabilities. The Commission made positive mention that lottery sales at the liquor stores had been increasing over the past five weeks.

**B. RACING AND CHARITABLE GAMING-**Sudhir Naik provided an explanation for how the Retirement System determines net pension liabilities. Mr. Naik discussed the “RCGC state revenue by source year to date financial report” for July 1, 2015 to October 31, 2015, as compared to July 1, 2014 to October 31, 2014. Mr. Naik stated the grand total revealed a deficit of \$144,290 compared to last year, which was largely due to accounting code changes that

were implemented at the time of the merger. Mr. Naik stated that \$963,000 had been transferred to the Education Trust Fund to date, which was approximately \$130,000 more than last year at the same time. Commissioner Holloway inquired why there was increased revenue for this period. Mr. Naik responded that he attributed the increase to the popularity of the Games of Chance.

#### **5. INTRALOT REPORT:**

John Papile stated that Tel Sell was continuing to do well with nine days this month exceeding over \$1 million in ticket value that were shipped to the retailers, Mr. Papile stated the ticket value shipped for November, 2015 was \$3.2 million ahead of last November, totaling approximately \$16.5 million. A subscription promotion began on November 27 and will run through December 31. Mr. Papile stated they were working on the next release for January, 2016. Mr. Papile stated a holiday promotion for Megabucks was scheduled for December 20 through December 31, which will award \$15 random wins from the terminals when a single \$6 or greater Tri-State Megabucks ticket is purchased. Director McIntyre expressed his appreciation to Katie Brown, Business Systems Analyst, for her dedication shown to ensure that all went well with the software releases for the promotions.

#### **6. ADVERTISING:**

Maura McCann discussed the December 2015 Advertising and Marketing Initiatives Report. Ms. McCann stated December had been a very busy month with promoting both the new instant games that would go on sale December 7 as well as the holiday games. The report included the holiday graphics and holiday advertising in addition to the personal advertising display slides for the terminals. Ms. McCann discussed the successful completion of the recent store makeover “bunnification” of the South Street Market in Concord, to enhance Lottery displays and heighten player awareness of the Lottery. Travis York emphasized the importance of store makeovers in promoting the lottery and increasing sales.

Rose Longo-White provided an update on the status of an upcoming promotion scheduled to launch in March which would coincide with the launch of a new instant ticket. Mr. York stated the campaign would include advertising using “Chuck McLuck” at live events and scheduled on-line events. Mr. York updated the Commission on the status of availability for lottery television advertising in January during the New Hampshire Presidential Primary.

Commissioner Holloway requested that Maura McCann check into the accuracy of the duplicate winners listed in recent Replay weekly newsletters for the purpose of ensuring the integrity of the Lottery. He elaborated that the integrity of the Lottery was the single most important asset and attribute of the agency.

## **7. CHARITABLE GAMING OVERVIEW:**

Paul Kelley presented an overview of charitable gaming. Mr. Kelly briefed the Commission on the history of the Racing and Charitable Gaming Division. Some of the highlights included since the Racing Commission's inception in 1933, there has been over \$10 billion generated in pari-mutuel sales in New Hampshire, with the best year being 1969 with over \$1.1 million brought in daily at Rockingham Park. Mr. Kelley stated that live Greyhound racing was legalized in 1971 and the best year for Greyhound Racing was in 1975, averaging approximately \$182,000 daily. In 2003 live thoroughbred racing was discontinued by Rockingham due to economic reasons. In 2005 Bingo and lucky 7 administrative activities were transferred from the Lottery Commission to the Pari-Mutuel Commission, and enforcement was transferred from the state police to the Pari-Mutuel Commission. A discussion was held on Racing and Charitable Gaming Commission staffing needs to ensure both adequate auditing oversight and compliance with the rules and regulations by New Hampshire's gaming facilities and charitable gaming organizations. Sudhir Naik stated the most comprehensive audit is the field audit which takes approximately 12 to 14 weeks.

Mr. Kelley provided a breakdown of the current regulated Racing and Charitable Gaming licensees. Mr. Kelley stated that currently there was only simulcast wagering done at the tracks. Mr. Kelley described the four units of the RCGC including administrative, licensing, enforcement and audit. Mr. Kelley reviewed the requirements for background checks, investigations and bonding, and who is responsible for conducting the criminal records checks and background investigations. The overview included a breakdown of Fiscal Year 2015 revenue for Racing, Bingo/Lucky 7 and Games of Chance. Chairman Douglas requested that Sudhir revise the RCGC's organization chart to include the names of the employees and forward it to the Commission.

## **8. OTHER BUSINESS:**

Director McIntyre announced the Lottery would be hosting the next Games for Charity Study Commission meeting scheduled on December 8 at 11:00 a.m. and stated that the Commissioners were welcome to attend the meeting.

## **9. NEXT MEETING:**

Chairman Douglas made a motion, seconded by Commissioner Holloway, to schedule the next Commission meeting for December 11, 2015 at 2:30 p.m. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Commissioner Gelinas, to adjourn the meeting at 3:38 p.m. So voted, unanimous.

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Debra Douglas, Chairman

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Paul J. Holloway, Commissioner

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David Gelinas, Commissioner