

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
DECEMBER 11, 2015 2:30 PM

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, 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
Teri Blouin, Administrative Services
Paul Kelley, Racing and Charitable Gaming Commission (RCGC)
Valerie King, RCGC
Sudhir Naik, RCGC
Amir Alic, RCGC
Cheryl McNally, RCGC
Suzanne Robidoux, RCGC
John Papile, Intralot
Kristen Pare', Intralot
Rose Longo-White, GYK Antler
Travis York, GYK Antler
Jim Bouley, Dennehy & Bouley

Chairman Douglas convened the Commission meeting at 2:30 p.m. Chairman Douglas announced that Commissioner Gelinas would not be attending the meeting, due to an emergency, and that a quorum was present for the meeting.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Chairman Douglas, to approve the November 30, 2015 commission meeting minutes, pending a requested addition to the minutes by Commissioner Holloway. So voted, unanimous.

2. FINANCIAL REPORT:

Cynthia Baron stated that she did not have a final report, as she was in the process of closing the November financials. Ms. Baron stated she would forward the November

financials when completed to the Commissioners. A discussion was held on the November State of New Hampshire Monthly Revenue Focus Report, including year to date comparisons of revenue transfers to Education. Chairman Douglas requested that Director McIntyre contact the Vermont Lottery Director to request that their financial reports be forwarded promptly upon completion to the appropriate NH Lottery personnel, no later than the 15th of each month, for timely revenue transfers and reporting to the Commission.

A discussion was held on sales trends for instant tickets and on-line games. Commissioner Holloway expressed his concern over some of the on-line game's sales trends. It was noted that lottery sales at the liquor stores have improved.

3. INTRALOT REPORT:

John Papile of Intralot stated that Tel Sell would exceed last December's total of over \$20 million worth of tickets shipped. Mr. Papile stated that the new software was received for testing the January, 2016 release. The Megabucks Plus Nth ticket promotion will begin on December 20 and run through December 31. A brief discussion was held on the recent changes made to the Powerball game in October, 2015.

4. TRI-STATE REPORT:

Maura McCann stated that subscription sales this year were currently about \$10,000 ahead of last year's sales, due to the 10% discount that was being offered to players who purchase their subscriptions from any lottery retailer from November 27 through December 31.

Ms. McCann updated the Commission on presentations made by representatives from three different companies during this morning's Tri-State Commission meeting. The presentations were very informative and included topics such as the attraction of interactive gaming; new technology changes that could impact lottery sales; the increasing popularity of fantasy sports; and research into lottery players' preferences and habits. A lengthy discussion was held on the need for the New Hampshire Lottery to stay relevant to its players in today's society. The Commission recognized the importance of the Lottery adapting to its players' preferences, particularly the trend for the younger demographic player to use mobile devices. Director McIntyre presented a graph revealing the decline of on-line, jackpot driven games' sales, which indicated that younger players were not as apt to play these traditional games as frequently, as they were seeking more of an instant gratification game play experience.

Director McIntyre emphasized to the Commission that the New Hampshire Lottery had to adapt to the new gaming technology in order to remain relevant to younger players. He indicated that failure to embrace the new technology would most likely adversely affect

revenues now and in the coming years. Commissioner Holloway expressed his concern over the proposed opening of casinos that would border New Hampshire and the effect that this competition would have on lottery sales. Director McIntyre stated that Social Sphere would be including questions in their annual tracking study, regarding participation in Fantasy Sports.

A lengthy discussion was held on the steadily changing advancements in technology and the effects this would have on lottery players and sales. Commissioner Holloway pointed out that industry has changed dramatically, more notably over the past few years, and the importance of businesses being able to adapt to these changes in order to continue to prosper.

5. ADVERTISING:

Maura McCann reported that the “So Long to 2015 Promotion”- Megabucks Plus Nth Promotion would launch on December 20. Ms. McCann stated that “Chuck McLuck” was being used to advertise the holiday games on the website. Ms. McCann stated a large point of sale project was underway with the lottery sales representatives.

Travis York updated the Commission on the status of some upcoming videos for lottery advertising.

6. OTHER BUSINESS:

Paul Kelley stated that the Games for Charity Study Committee final report was near completion to meet the deadline of December 15, which would be posted on their website. Chairman Douglas requested that a hard copy of this report be provided to the Commission. Chairman Douglas requested an update on the status of the physical move for the RCGC to the Lottery. Lynda Plante responded that the estimated time period for the relocation would be from mid-January, 2016 to the end of January, 2016.

7. NEXT MEETING:

Chairman Douglas made a motion, seconded by Commissioner Holloway, to schedule the next Commission meeting for January 11, 2016 at 10:00 a.m. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Chairman Douglas, to adjourn the meeting at 3:27 p.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner