

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
OCTOBER 28, 2015 9:30 AM

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
David Gelinas, Commissioner
Charles McIntyre, Executive Director
Diane Campbell, Administrative Assistant
Lynda Plante, Deputy Director
Leonard Mannino, Chief Security Officer
Maura McCann, Marketing Director
Kelley-Jaye Rosberg, Games Manager
Cynthia Baron, Chief Financial Officer
Paul Kelley, Racing and Charitable Gaming Commission (RCGC)
Valerie King, Racing and Charitable Gaming Commission
Sudhir Naik, Racing and Charitable Gaming Commission
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
Jan Dimarzio, Community Bingo Center
Colleen Hernandez, Community Bingo Center

Chairman Douglas convened the Commission meeting at 9:30 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Gelinas, to approve the September 30, 2015 commission meeting minutes. So voted, unanimous.

2. COMMISSION VOTE TO APPROVE THE REVISED FINAL PROPOSAL FOR SW 500 RULES FOR PRIZE ASSIGNMENTS:

Valerie King informed the Commission that the rules had been amended to address the attorney's comments. Commissioner Holloway made a motion, seconded by Commissioner Gelinas, to approve the revised final proposal for Sw 500, Rules for Prize Assignments. So voted, unanimous.

3. FINANCIAL REPORT:

Cynthia Baron, Chief Financial Officer, reported that the October transfer to the Education Trust Fund for September's profit was \$7 million. Year to date adjusted lottery sales through September were up \$4 million or 6%. Instants were up \$2.3 million or 4.7%. It was noted that September 2015 year to date had one more week included than in 2014. Cost of sales expenses were up \$2.1 million or 4.4%, mostly due to the increase in instant ticket sales. Transfers to the Education Trust Fund year to date were \$18.7 million. A discussion was held on the most current balance sheet including cash, accounts receivable and accounts payable, unclaimed prizes, liabilities, etc. Also reviewed was the September Statement of Income and Expenses. A brief discussion was held on the increase in Lucky for Life sales and decrease in the prize group liability percentage. Director McIntyre provided an explanation for the decreased prize liability percentage.

Commissioner Holloway inquired why the financial report reflected that Lucky for Life sales commissions were down for the past fiscal quarter year to date, when there was an increase in sales. Director McIntyre requested that Cynthia Baron review this and report back to the Commission.

4. INTRALOT REPORT:

John Papile stated that October was proving to be another good month for Tel Sell, as compared to the prior October, with over \$1 million worth of tickets being shipped on three separate days. Mr. Papile announced that the retailer training room has been relocated from the Lottery to Intralot, on Sheep Davis Road in Concord, and that training has officially begun at the new location.

5. TRI-STATE REPORT:

Maura McCann reported on the Tri-State Commission meeting held on October 23 in Maine. Ms. McCann stated that Alchemy 3 gave a presentation on ways to attract the millennial generation to the Lottery. A presentation was made by Social Sphere on their ORBIT product which will be used to help predict and analyze lottery trends and sales through social media contact. An interactive gaming presentation was also made. Ms. McCann reported that Megabucks sales increased by approximately \$500,000 which she attributed to the success of the 30 year anniversary promotion in September.

6. ADVERTISING:

Maura McCann reported on the October marketing and advertising initiatives. Ms. McCann announced that new Pick 3 and Pick 4 logos had been developed to refresh the games. An update was provided on several recent second chance drawings that were held. Ms. McCann reviewed advertising planned for November. Holiday tickets will go on sale beginning Monday. Travis York provided an update on the schedule for the “Chuck McLuck” advertising campaign. Mr. York offered to provide the Commission with sales data from Intralot to cross reference with Replay data and Social Sphere segmentation data. Mr. York indicated that this data would be leveraged to start marketing more effectively. Mr. York discussed how advertising campaigns have gradually had to change to more non-traditional means, in an effort to continue to appeal to the younger generation.

Chairman Douglas requested that information presented at the NASPL conference regarding communicating effectively with the millennial generation about the Lottery, be provided to the Commissioners. Kelley-Jaye Rosberg offered to forward this information to the Commission.

7. OTHER BUSINESS:

Paul Kelley distributed RCGC financial statements to the Commission. Mr. Kelley reported that Bingo and Lucky 7 revenue was up approximately \$99,000 fiscal year to date. Revenue statements for Games of Chance and charities were presented. Mr. Kelley explained House Bill 169 and the positive impact that the approved bill has had on increasing revenue streams for the RCGC and the charities. The Commission requested that Mr. Kelley meet soon with each of them to provide an update on current bingo and lucky 7 operations and other areas that have been handled by the RCGC. Mr. Kelley responded that he would be glad to present an overview at their convenience and offered to accompany them on a tour to view some of the locations to provide a better understanding of charitable gaming operations.

8. NEXT MEETING:

Chairman Douglas made a motion, seconded by Commissioner Holloway, to schedule the next Commission meeting for November 30, 2015 at 2:00 p.m. So voted, unanimous.

Chairman Douglas made a motion, seconded by Commissioner Holloway, to go into non-public session to discuss current legislative service requests, at 10:40 a.m. So voted, unanimous. A roll call vote was taken. Chairman Douglas stated “Aye”. Commissioner Holloway stated “Aye”. Commissioner Gelinis stated “Aye”. No commission votes were taken during this session.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

David Gelinas, Commissioner