

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
August 19, 2016, 9:30 a.m.

Commissioners:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
David Gelinias, Commissioner

Lottery staff in attendance:

Charles McIntyre	Emily Whittaker	Lynda Plante	Candy Burke
Katie Brown	Stephen Johnston	Maura McCann	Travis Emerson
Cynthia Baron	Paul Kelley	Sudhir Naik	
Valerie King	Leonard Mannino	Kelley-Jaye Cleland	

Others in attendance:

Ashley Spicer, GYK Antler
Travis York, GYK Antler
Ryan Sahr, Intralot
Dick Bouley, Bouley & Associates
Nicholas Bonardi, Tri-State
Stephen Lyman, Seabrook Gaming
Jan DiMarzio, Community Bingo Center
Matthew Spirito, Granite State Poker
James Timbas, Granite State Poker
Daniel Katsekas, Granite State Poker
Tony Capone, Seacoast Poker
Ryan Gloddy, Casablanca Casino

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

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway moved to approve the July 19, 2016, minutes; seconded by David Gelinias. So voted, unanimous.

2. HEARING:

A public hearing was held to obtain public input relative to proposed amendments to the Game of Chance rule. These amendments addressed: (1) an applicant's right to request the correction of a criminal record; (2) "table stakes" rules; (3) clarification relative to poker tournaments; (4) the reporting of net losses on the monthly financial reports; and (5) requiring organizations to indicate which members have authority to sign the affidavit required by RSA 287-D:14, XI. No oral or written testimony was offered and the hearing was closed.

3. AGENCY MISSION STATEMENTS:

The Agency Mission statements were read by Commissioner Douglas and Commissioner Holloway moved to approve them, seconded by David Gelin. So voted, unanimous.

4. FINANCIAL REPORT:

A. LOTTERY:

CFO Cindy Baron reported Racing and Gaming had a profit of \$244,811 for July which was transferred to the Education Trust Fund in August. In part aided by Powerball sales the Lottery had a profit of \$7,488,135 for the month of July and will transfer that today. This is the first transfer for Fiscal Year 2017. We are done for Fiscal Year 2016 and are now being audited. Our expected profit for Fiscal Year 2016 should be close to \$75.8M.

It was expressed that staff do not know when the winner will claim the Powerball win. It is assumed the winner will claim as a trust but at the amount of money involved it would be difficult for the winner to remain anonymous.

Commissioner Holloway asked about the acceleration at the Liquor stores and the percentages going up. Maura McCann brought up photos of the Liquor store lanes and Kelley-Jaye Cleland went over the new lanes as before the stores had 8 games and now there are 12 so there are more purchasing options. There is only one \$1 ticket available but more are coming. Maura addressed Commissioner Holloway's concerns that any double winners were confirmed to not work for the Lottery, and to not have done anything improper in winning.

Commissioner Gelin praised Maura McCann on her media interviews saying she did great and everyone agreed it was well done. Commissioner Holloway also asked at what point the Lottery advertises the Powerball jackpot. Director McIntyre indicated around \$200 million and \$300 million before television advertising. The retailer commission for selling the winning ticket is \$75,000. Maura McCann explained Hannaford will be donating the money to various charitable organizations. The store added \$25,000 for a rounded \$100,000. They will be donating \$40,000 to End 68 Hours, three food pantries in Raymond will receive \$10,000 each, and Raymond Police Department will receive \$30,000. Next week we will be able to come forward with a formal announcement.

B. RACING AND CHARITABLE GAMING:

Administrator Sudhir Naik gave the final report for 2016 on a cash basis covering the 12 months July 1, 2015 to June 30, 2016 compared to the last fiscal year. Year to date revenues are \$5,058,490 compared to \$4,487,336 last year, which is an increase of \$571,154 or 13 %. Year to date operating expenses are \$1,610,904 compared to \$1,538,403, which is an increase of \$72,501 or 5%. Racing and Gaming transferred \$3.2 Million on a cash basis to the Education Trust Fund, \$242,000 over transfers for the same period last fiscal year and \$700,000 over the estimated transfer of \$2.5 Million. There was a balance of \$256,672 on the Sales Report. \$142,000 was money withheld from transfers to the Education Trust Fund to clear accounts receivable that was being carried on the books from previous years. The balance of \$114,000 is money withheld to account for 2016 year end accruals.

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He stated that we have not yet received the pension expense numbers that will have to be accounted for before Racing and Gaming can finalize the transfers.

Commissioner Douglas asked about Hinsdale running and was informed by Division Director Kelley said that they are running simulcast racing but nothing live. Subpoenas went out and are coming in timely.

Rockingham Park will be closing at the end of the month on the 31st. There will be a memorabilia auction in September. Salem has a few locations that are trying to get a Charitable Gaming up and running to absorb the lost business.

5. INTRALOT REPORT:

Ryan Sahr, from Intralot was in attendance and discussed they replace the customer service fleet vehicles and are working on Fall and Holiday promotions. The software update from last Sunday went well. Intralot will be looking into new Powerball and Jackpot signs. Currently the signs indicate Millions and the new ones will have an option for Billions.

6. TRI-STATE REPORT:

Maura McCann updated the Commission about the Tri-State Lotteries of ME, NH, and VT working with the instant ticket printer Pollard on a new Tri-State \$10 Ultimate Vegas Getaway scratch ticket with a non-winning second chance prize drawing that would go on sale in early 2017. At the Tri-State meeting last Friday, August 12, the Development Group asked for the annual allotment of expired unclaimed prize monies, which was approved. After the Tri-State Jackpot scratch game second chance prizes were paid in July, each state now knows how much money they have to do promotion for the coming year. New Hampshire currently has approximately \$330,000 and those promotions are being currently being discussed. Tri-State Product Development Group is also looking into guest speakers for the October Tri-State Meeting which will be in Maine.

7. ADVERTISING:

The stores that sold the large winning Powerball tickets received a banner showing all of the prizes won that night but specifically highlighting the prize each store sold. Raymond Hannaford (\$487 Million), Littleton (\$1 Million), Albany (\$100,000) and Nashua (\$50,000) and each banner called that night the "Luckiest Night in NH Lottery History". Facebook and social media were used extensively following the big wins to keep the Powerball mania hype going well beyond just that evening. The Lucky for Life commercial shoot took place last week with actors that were portrayed as being born lucky, with various luck accoutrements part of their bodies (a 4-leaf clover beard, a unicorn horn, a lucky rabbit's foot, etc.) and the commercial will highlight if you were not "born lucky" you could become lucky, suggesting the sale of a Lucky For Life lottery ticket. The monthly Marketing and Advertising report was reviewed with the Commission.

8. OTHER BUSINESS:

Administrator Valerie King went over the new Rules Update for Lottery Intercept SW 900 the motion was to authorize her to submit the Initial Proposal amending SW 900 (Lottery Intercept) rule into the rulemaking process. Commissioner Holloway moved to approve the amendment, seconded by David Gelinas. So voted, unanimous. Introductions were made for the new Retailer Relations Specialist, Travis Emerson and the new HR Coordinator, Candy Burke.

9. NEXT MEETING:

Chairman Douglas confirmed the next scheduled New Hampshire Commission meeting to be September 20th, 9:30 a.m.

Commissioner Gelinas made a motion, seconded by Commissioner Holloway, to adjourn the meeting at 10:43 a.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

David Gelinas, Commissioner