

**NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
JANUARY 11, 2016 10:00 AM**

PRESENT:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
David Gelinias, 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
Kristen Pare', Intralot
Rose Longo-White, GYK Antler
Travis York, GYK Antler
Ashley Spicer, GYK Antler
Jim Bouley, Dennehy & Bouley
Glenn Wallace, Rath, Young, & Pignatelli
Rick Newman, River Card Room
Ed Callahan, Rockingham Park
Nicholas Bonardi, Tri-State Enterprises
Colleen Hernandez, Community Bingo Center
Jan DiMarzio, Community Bingo Center

Chairman Douglas convened the Commission meeting at 10:00 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Gelinias, to approve the December 11, 2015 commission meeting minutes. So voted, unanimous.

2. FINANCIAL REPORT:

A. **LOTTERY-**Cindy Baron stated that the Commission had received the November financials. Ms. Baron stated that the Lottery had transferred \$5 million to the

Education Trust Fund on December 20. Year to date the Lottery has transferred approximately \$28 million, as compared to the projected \$30 million, to the Education Trust Fund. Instant ticket sales during the week of Christmas were approximately 6% ahead of last year for the same period. Director McIntyre stated that the Lottery was on pace to set a record for instant ticket sales for the fourth year in a row.

Commissioner Holloway noted that instant tickets were maintaining their sales despite the significant increase in Powerball sales resulting from the very large jackpot. Commissioner Holloway emphasized the value of the \$25 instant ticket on total instant sales. Director McIntyre reported that the Trends and Focus report revealed New Hampshire was one of two Lotteries in the United States last year where sales were up year over year on every single price point and he hoped that New Hampshire would do it again this year.

A brief discussion was held on the record high Powerball jackpot and how much buzz this had created among lottery players through the Facebook social media platform. It was noted that Powerball sales were up 1222% in a week and that Powerball sales for three days reached an outstanding total of \$4.9 million. Cindy Baron stated that December sales had been very profitable and that January could prove to be a record breaking month.

Director McIntyre announced that lottery sales were \$13.1 million for the first week in the month of January, which typically generates approximately \$20 million for the entire month.

- B. RACING AND CHARITABLE GAMING** - Sudhir Naik reported that a year to date fiscal comparison for a five month period ending November 30 revealed \$1.8 million in revenues compared to \$1.7 million for the prior year, mostly due to an increase in Games of Chance revenue. Bingo and Lucky 7 revenue increased by \$25,000. Mr. Naik stated that simulcast racing continued to show a downward trend as it has for about the last five years. Mr. Naik stated that he had transferred approximately \$1.2 million through November to the Education Trust Fund, which was about \$200,000 more than the projected plan. Mr. Naik stated that approximately \$15,000 was not included in the report of Hinsdale Harness simulcast revenue, which was restricted by statute, and cannot be used for a period of three years. Paul Kelley provided an explanation of the statute to the Commission. A brief discussion was held on the process of issuing licenses for charitable gaming. An update was provided on the status of the physical relocation of the Racing and Charitable Gaming Commission to the Lottery Commission, effective January 22, 2016.

3. INTRALOT REPORT:

Kristen Pare' of Intralot stated that approximately \$20 million in instant tickets were shipped through the Tel Sell program in December, 2015. Ms. Pare' stated that preparations had been made for dealing with the large Powerball jackpot, by having extra field technicians assisting with Powerball play slips and ticket stock deliveries.

4. ADVERTISING:

Maura McCann reviewed the January 2016 Advertising and Marketing Initiatives with the Commission. Included in the report were the new instant tickets that went on sale on January 4. Ms. McCann updated the Commission on the media requests and coverage resulting from the Powerball jackpot run.

Travis York provided an update on the Replay program. Mr. York stated there had been a significant increase in activity on the Replay website, due to lottery tickets being received for holiday gifts and also from the Powerball jackpot run. Mr. York stated that there had been an increase in new Replay members and email sign ups. Mr. York announced that a meeting would be held shortly to discuss using email more effectively, in an effort to target more appropriately to a growing audience. Mr. York updated the Commission on the status of the "Chuck McLuck" advertising campaign.

Ms. McCann stated that three new Megabucks television advertising spots had been produced recently. The Maine Lottery's ad agency, Fuse Ideas, presented their ideas for the new commercials to the Lottery last spring. Ms. McCann stated that it had been quite some time since there had been television advertising for Megabucks and that the spots would be debuting soon.

Director McIntyre stated Social Sphere would make a presentation at the next Commission meeting on their research findings from surveys conducted on gambling in New Hampshire including racing.

5. OTHER BUSINESS-RULEMAKING AMENDING RACING AND CHARITABLE GAMING FORMS AND RULES TO REFLECT THE MERGER:

Chairman Douglas requested that the Commission be provided with a hard copy of the final Games for Charity Study Committee report. Paul Kelley stated he would have the report mailed to the Commission.

Chairman Douglas stated there was an action item for Director McIntyre to request that the Vermont Lottery financials be forwarded to Cindy Baron, Chief Financial Officer, by the 15th of each month. Director McIntyre indicated that he had discussed this with Greg from the Vermont Lottery and would follow up on it.

Chairman Douglas requested that Director McIntyre invite Robert Tercek from Milestone to make the same presentation as he had done at the last Tri-State Commission meeting, during a New Hampshire Lottery Commission meeting. Director McIntyre indicated that he would arrange for this.

Valerie King of RCGC stated that a Commission vote was needed in the rulemaking process for revisions to 16 Racing and Gaming Forms, Bingo, Lucky 7 and Games of Chance, as well as revisions to some of the rules, due to the merger of Racing with the Lottery. Commissioner Holloway made a motion, seconded by Commissioner Gelinias, to approve Valerie King moving forward with the rulemaking process on this matter. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Commissioner Gelinias, to approve Director McIntyre as the sole individual in the Lottery Commission, authorized to affix Chairman Douglas' electronic signature to documents needed during the rulemaking process. So voted, unanimous. Chairman Douglas stated she signed the required authorization letter.

6. NEXT MEETING:

Chairman Douglas made a motion, seconded by Commissioner Holloway, to schedule the next Commission meeting for February 8, 2016 at 10:00 a.m. So voted, unanimous.

Commissioner Holloway made a motion, seconded by Chairman Douglas, to adjourn the meeting at 11:05 a.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

David Gelinias, Commissioner