

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
APRIL 22, 2016, 10:00 AM

Commissioners:

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

Lottery staff in attendance:

Charles McIntyre	Emily Whittaker	Lynda Plante
Rayna Kenney	Maura McCann	Katie Brown
Cynthia Baron	Paul Kelley	Sudhir Naik
Valerie King		

Others in attendance:

Bill Breslo, Speaker Diamond Games
Kevin Stokes, Diamond Games
Ranee Kerns, Demo Presenter Diamond Games
Teri Blouin, NH Dept. of Admin Services
Kristin Pare', Intralot
Rose Longo-White, GYK Antler
Ashley Spicer, GYK Antler
Jan DiMarzio, Community Bingo Center
Colleen Hernandez, Community Bingo Center
Ryan Gloddy, Casablanca Casino
Robert St. Amand, Self
Ted Dooley, MP & C Boston
Pat Griffin, MP & C Boston
Michael McLaughlin, Shaheen & Gordon, P.A.

Chairman Douglas convened the Commission meeting at 9:32 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Chairman Douglas asked for amendment referencing the body of Robert Tercek's presentation to have titles of representatives added. Chairman Douglas made a motion, seconded by Commissioner Gelinias, to approve the March 30, 2016 commission meeting minutes. So voted, unanimous.

2. PRESENTATION BY DIAMOND GAMES:

Representatives of Diamond Game, Randee Kearns and Bill Breslo, presented before the Commission, and spoke of the agencies 22 years in business, and the need to evolve into technology. They described the other lotteries using their machines (Maryland, Missouri, Michigan, Ontario and Quebec).

Commissioner Holloway asked what Director McIntyre thought. His suggestion was to seek an updated legal opinion before going forward, from the Attorney General. Chairman Douglas questioned what a pilot program start would be. Commissioner Holloway inquired as to the maintenance. Diamond Games representatives replied that the machines would need to be cleaned and have quarterly maintenance and that they would likely open a maintenance facility with technicians in NH. The machines are made in the U.S.A. in Las Vegas and receive minimal calls.

Chairman Douglas asked Director McIntyre review with legal counsel, as soon as practical.

3. FINANCIAL REPORT:

A. LOTTERY –

Cindy Baron informed the Commission that the Lottery has transferred year to date \$57,943,345 to the Education Fund against a Revenue Plan of \$55,000,000, for a variance of \$2,943,345 (Excess). With that transfer, Lottery has forwarded \$57-58 Million year to date. We accrued \$772k in retailer bonuses payable in March for 3rd quarter incentives (Many retailers met goals because of January Powerball phenomenon). March had two Lucky 4 Life jackpot winners (1 from NH!) and two 2nd tier prize winners for which our share was \$582k against sales of \$520k. The Lottery does not have a prize reserve account for Lucky 4 Life, so the winners affected the profit for that game and the transfer amount for the month. We transferred \$5,744,835 to the ETF on April 19, which represents March's profit.

Chairman Douglas questioned the building and was told the landlord has not returned with the parameters for the sale of the building. Commissioner Holloway asked if the building, in its present condition, was usable. Director McIntyre mentioned the warehouse size is not working and reconfiguration would be needed. It was also noted that the old Lottery HQ had a Powerball Jackpot billboard on the roof, and a more trafficked location would add additional value.

Commission decided they will wait for non-public session to discuss contract or lease negotiations.

B. RACING AND CHARITABLE GAMING –

Sudhir Naik stated that Racing had \$520,000 in revenues. Commissioner Holloway had asked for what constitutes Tax and Breakage. Administrator Kelly described the relationship between a Triple Crown winner and the revenues of racing.

4. INTRALOT REPORT:

Intralot gave a brief update about the most recent software update and an upcoming Cinco de Mayo promotion.

5. SUBSCRIPTION UPDATE:

Katie Brown discussed the new sale of Lucky for Life subscriptions.

6. TRI-STATE REPORT:

Maura McCann went over the Tri-State Pick 3/Pick 4 promotion and the results. She also described the Margaritaville second chance drawing. She also detailed the June Tri State meeting in Vermont.

7. ADVERTISING:

Maura McCann described that the character Chuck McLuck would be at Home Depot this Sunday 10:00 a.m. to 1:00 p.m. to promote the \$25,000 Mega Makeover scratch tickets.

Chairman Douglas asked how the Lucky for Life winner was doing and they commented he was doing well. Commissioner Holloway asked if Chuck McLuck would be doing more television. Rose from GYK mentioned he was on local TV and that the ad was running as part of the previews in NH movie theaters.

8. OTHER BUSINESS:

- **RULES UPDATE**

Chairman Douglas moved to approve the Initial Proposals for All Instant Lottery Game (Sw 1000) and for Second Chance Drawings (Sw 6000) for submission into the rulemaking process, seconded by Commissioner Gelinas. So voted, unanimous.

- **MOTION APPROVAL – BINGO, LUCKY 7 & GOC RULE AMENDMENTS**

Chairman Douglas moved to adopt Final Proposals #2016-20, #2016-21, and #2016-22 relative to Bingo, Lucky 7 and Games of Chance, as approved by the Joint Legislative Committee on Administrative Rules (JLCAR) on April 15, 2016. Commissioner Holloway moved and was seconded by Commissioner Gelinas. So voted, unanimous.

- **FORM REVISION BINGO & LUCKY 7**

Chairman Douglas moved to adopt the Expedited Form Revisions EXRF #2016-2, #2016-3, and #2016-4 relative to Bingo and Lucky 7, as approved by the Joint Legislative Committee on Administrative Rules (JLCAR) on April 15, 2016, with editorial changes made in response to Committee staff comments. Commissioner Holloway seconded. So voted, unanimous.

Chairman Douglas moved to approve the Objection Response to Expedited Form Revision # EXRF2016-5 relative to Games of Chance Forms, to be submitted to the Office of Legislative Services for consideration at the May 20, 2016 public hearing of the Joint Legislative Committee on Administrative Rules. Seconded by Commissioner Gelinas. So voted, unanimous.

- **NEW HAMPSHIRE LOTTERY COMMISSION LEGAL CONSULTANT SERVICES INTENT TO AWARD**

Commissioner Holloway made a motion seconded by Chairman Douglas. So voted, unanimous.

Director McIntyre spoke of the invoice received from Legislative Budget Administration for \$80,893.00. Discussion will continue at a later date. Director McIntyre discussed SB444 that had been Referred to Finance, HB594 establishing keno and HB1391 relative to campground bingo.

9. NEXT MEETING:

The next meeting was previously scheduled for May 18, 9:30 a.m. The next meeting was scheduled for June 20, 9:30 a.m. Chairman Douglas made a motion, seconded by Commissioner Holloway. So voted, unanimous.

April 22, 2016

Chairman Douglas made a motion, seconded by Commissioner Holloway, to adjourn the meeting at 11:14 a.m. So voted, unanimous.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

David Gelinas, Commissioner