

**NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
THURSDAY, JULY 23, 2009 10:00 AM**

PRESENT:

Richard J. Campbell, Jr., Chairperson
Paul J. Holloway, Commissioner
Debra M. Douglas, Commissioner
Rick Wisler, Executive Director
Maura McCann, Programs Information Officer
Diane Campbell, Administrative Assistant I
Barry Bodell, Business Supervisor
Irene Nadeau, On-Line Games Manager
Robert Preston, Games Manager
Rose Longo-White, Griffin, York & Krause, Inc. (GYK)
Patrick Griffin, GYK
Kevin Flynn, GYK
Travis York, GYK
Mel Woodbury, GYK
Liz Dimmick, SGI
Moe Pepin, SGI
Ed Dupont, The Dupont Group
Bob Dunn, Devine, Millimet
Arthur Klemm

Commissioner Campbell called the meeting to order at 10:15 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to approve the June Commission meeting minutes. So voted, unanimous.

2. COMMISSION VOTE TO ADOPT SW 3000, RULES OF NEW HAMPSHIRE POWERBALL:

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to adopt Sw 3000, Rules of New Hampshire Powerball. So voted, unanimous.

TRI-STATE REPORT:

A brief discussion was held on the Tri-State Commission's structure. Director Wisler stated the Megabucks Plus game change will occur this week and the Tri-State Committees are working on other game changes as well. Maura McCann indicated that software changes to New Hampshire's and Vermont's on-line gaming system are limited at this point, due to

the upcoming system conversion. Maine's gaming system conversion is expected to be done about a year later. Ms. McCann stated there will be Pick 3/Pick 4 changes and subscription changes in November. The final drawing for the Tri-State Megabucks game will be July 25th and will be replaced by the new Tri-State Megabucks Plus game, sales beginning July 26th. Ms. McCann stated the media has been notified of the new game and the change in prize structure, for players to select 5 numbers from 1 through 41 and one Megaball number from a separate set of numbers 1 through 6. Tri-State Megabucks Plus subscription sales have exceeded \$300,000 to date, roughly one-third of our current Megabucks subscriptions database. Another announcement will be made next week to alert players of the new game and encourage more subscribers back into the game. Director Wisler reported that testing for the Megabucks Plus game was accomplished by Irene Nadeau and lottery staff over the past two weeks. Director Wisler stated that Scientific Games had worked diligently on implementing system software changes for the 10% gambling tax applicable to W 2-G claim reporting. A brief discussion was held on this new piece of legislation which recently passed. Georges Roy, Administrator III, stated that budget has projected net revenue from the 10% gambling tax as \$5.9 million for FY 10 and \$7.9 million for FY 11.

A presentation was made by Patrick Griffin of GYK. Mr. Griffin displayed the first lottery ticket in America purchased by former Governor John King on March 12, 1964. Mr. Griffin stated that Governor King's nephew had found the original ticket which was brought to an auction house. Mr. Griffin stated he wanted the ticket to remain in New Hampshire since it is such an important piece of the New Hampshire Lottery's history and therefore he decided to purchase the ticket at auction. Mr. Griffin presented the ticket to Commissioner Richard Campbell and announced he would like him to accept the ticket on his behalf as a loan to the lottery. Commissioner Campbell stated on behalf of the New Hampshire Lottery Commission and the New Hampshire Lottery, we appreciate it very much. Commissioner Campbell stated he had met former Governor John King, and this was quite an historic event to have the ticket back here in New Hampshire and at the New Hampshire Lottery.

4. ADVERTISING:

Maura McCann stated that any jackpot dollars remaining from Saturday night's July 25th final Megabucks draw will roll into the new Tri-State Megabucks Plus game for Wednesday. Currently the estimated annuitized Megabucks jackpot for July 25th is \$4 million.

Ms. McCann stated that advertising for "Pay at the Retailer" subscription purchases. The Product Development Committee is reviewing changes to the Weekly Grand game, which is about 6 months old. The lottery sales staff provided Ms. McCann with a "Best Practices Brochure", a how to guide for retailers, and is expected to be printed in August and distributed to lottery retailers in December. The brochure will include valuable information for lottery retail operation and offer quick links to pertinent websites, such as the National

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Association for State and Provincial lotteries, and the National Association for Convenience Stores. Ms. McCann updated the Commission on the test results of lottery advertising at gas pump locations which showed a slight increase in sales over similar retailers in the area where the test was done. As a result, a secondary test for lottery advertising at the gas pumps will be conducted at two more retailer locations in Manchester and Hooksett.

Plans are underway for scheduling a date in September for the New Hampshire Millionaire's Club \$1 million drawing. Ms. McCann stated more details should be coming soon and the public will be advised. The Millionaire drawing is part of a bigger project for FY 10, "Get with the People" program which will bring the lottery product to the masses and will get people more involved with lottery tickets through Replay and second chance drawings. Another initiative planned for this fiscal year includes pursuing licensed properties. Replay Ringo promotions during the past year are being reviewed, which will provide a lot of valuable data to the lottery. Two more Ringo promotions will hopefully be offered in FY10.

Ms. McCann informed the Commission about a branding campaign for the New Hampshire Lottery which will provide a more uniform, easily identified look for the Lottery. Ms. McCann displayed the proposed advertising to be used at all retailer locations, for maximum visibility to the public.

Commissioner Holloway suggested that another meeting be scheduled at the Lottery with selected retailers to obtain retailer feedback on lottery related matters. Director Wisler agreed with Commissioner Holloway that October, 2009 would be a good time to schedule the meeting. Patrick Griffin of GYK indicated an effort is being made to negotiate sponsorships and expand the lottery ticket sales channel, possibly using mobile units and selling tickets in stadiums during sporting events. Director Wisler stated the Lottery will work with the Liquor Commission and the larger store chains to develop a standardized lottery display within their stores.

A brief discussion was held on the status of the marketing plan for this fiscal year. Commissioner Douglas verified with the ad agency that the marketing plan will include how the agency will use the Replay data to benefit the Lottery. The ad agency responded that a hard core Replay data analysis will be done, possibly using a company who specializes in this area. Currently there are approximately 160,000 Replay members, of which approximately 100,000 are active Replay members. Travis York indicated an average of \$250,000 tickets are replayed weekly on the website.

5. OTHER BUSINESS:

Georges Roy, Administrator III, reported that \$68.2 million was transferred through June 30, 2009 to Education. Some more adjusting entries from the auditors which may possibly raise it to \$69 million. Mr. Roy stated the Enterprise Resource Planning (ERP) was

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up and running on July 6th, with some issues resulting, which have been resolved. Barry Bodell commented positively on the launch of the State's new ERP system. A brief discussion was held on lottery sales at the Portsmouth Lottery outlet. Robert Preston provided an update on the total of new retailer accounts and closings for the month of June. A discussion was held on the best timing and methods for jackpot advertising. A continued discussion was held on the 10% gambling tax effecting lottery claims of \$600.00 or more, applicable to W 2-G reporting.

6. NEXT MEETING:

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to adjourn the commission meeting at 11:32 a.m. So voted, unanimous.

Richard J. Campbell, Jr., Chairperson

Paul J. Holloway, Commissioner

Debra Douglas, Commissioner