

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
TUESDAY, SEPTEMBER 22, 2009 10:00 AM

PRESENT:

Richard J. Campbell, Jr., Chairperson
Paul J. Holloway, Commissioner
Debra M. Douglas, Commissioner
Rick Wisler, Executive Director
Diane Campbell, Administrative Assistant
Maura McCann, Programs Information Officer
Georges Roy, Administrator III
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
Moe Pepin, SGI
Attorney James Kennedy, Attorney General's Office

The Commission met with counsel at 1:30 p.m. which concluded at 2:30 p.m. Commissioner Douglas made a motion, seconded by Commissioner Holloway to move into a non-public session at 2:35 p.m. A roll call vote was taken. So voted, unanimous. Commissioner Douglas made a motion, seconded by Commissioner Holloway, to accept the April 22 revised minutes of the non-public session. So voted, unanimous. Commissioner Holloway made a motion, seconded by Commissioner Douglas, to unseal the revised minutes and release them to the public in a redacted form. So voted, unanimous. Commissioner Campbell made a motion, seconded by Commissioner Douglas, to close the non-public session at 2:38 p.m. So voted, unanimous.

Commissioner Campbell convened the Commission meeting at 2:40 p.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to accept the minutes as presented. So voted, unanimous.

TRI-STATE REPORT:

Commissioner Campbell stated there had been no Tri-State meeting held since the last NH Commission meeting, so there was no report. The next Tri-State meeting will be held on October 2nd. A brief discussion was held on a comparison of sales among the Tri-States.

3. NHPTV ADVERTISING FOR GRANITE STATE CHALLENGE:

Director Wisler noted a change this year, that the FCC released a new opinion that for any 501C3 or charitable organization would be allowed to show a broadcast style commercial on their spot and it is NHPTV's opinion that our regular commercials would be able to be broadcast on their network. A discussion was held on the approximate number of viewers of the Granite State Challenge program, costs involved and the value of the program to the Lottery. Representatives from the ad agency and lottery spoke positively of the lottery's sponsorship of the Granite State Challenge program, indicating the public relations promotional aspect of the Lottery's contributions to public education. Commissioner Holloway stated he had voted against this last year, and indicated he did not feel that the NHPTV advertising of the Granite State Challenge was directed to the Lottery's target audience. Commissioner Douglas expressed her concern over the cost effectiveness. Commissioner Campbell made a motion to approve the NHPTV advertising for the Granite State Challenge. Hearing no second vote, Commissioner Campbell announced the item was killed.

4. ADVERTISING

Maura McCann announced the drawing event to award the \$1 million prize for the New Hampshire Millionaire's Club, will be held Saturday, September 26, 2009 from 2:00-4:00 p.m. at the Manchester Harley Davidson dealership, John Devine Drive, Manchester, New Hampshire. A discussion was held on details of the drawing event which will also include entertainment, food, raffles, and the unveiling of the new instant ticket titled "Dream On" Aerosmith. Ms. McCann updated the Commission on the advertising efforts promoting the drawing. The "Dream On" Aerosmith ticket will allow players an opportunity to win one of two Dirico Motorcycles, autographed by Steven Tyler, at future second chance drawings.

Ms. McCann stated a full page advertisement was placed in the newspaper for Powerball and Megabucks Plus subscriptions. Ms. McCann updated the Commission on the lottery's branding effort over the next two years at retailer locations, including signage, ceiling signs, door decals on play stations, color coordinated point of sale materials. Plans are being made for holiday advertising. A brief Replay update was provided.

Ms. McCann announced that Pick 3/Pick 4 game changes and subscription changes would occur the end of November. The Monarchs and Fisher Cats promotion was discussed and lottery tickets will be sold from a sales kiosk during approximately 80 events through the year. Commissioner Holloway reminded the lottery staff to provide the Commission with a detailed analysis of the sales goals for the marketing plan for the purpose of measuring success.

Kevin Flynn spoke positively about Director Wisler's presentation before the Gambling Commission. A discussion was held regarding keno. A discussion was held relative to options for New Hampshire to help offset expanded gambling competition from neighboring states.

Commissioner Campbell announced that the Commission voted to unseal the redacted minutes of the April 22, 2009 non-public session.

5. OTHER BUSINESS:

Georges Roy, Administrator III, stated a net profit of \$6.8 million was transferred to Education. A discussion was held on recent legislation passed, effective July 1, 2009, imposing a 10% tax on all reportable gambling winnings. Commissioner Holloway suggested the Department of Revenue be contacted for written clarification of the legislation pertaining to its effect on lottery winnings and verification of the lottery's responsibilities.

Director Wisler stated an analysis of the sales commission bonus program for retailers had been provided to the Commission for review. Director Wisler stated it appeared to be almost as successful as prior quarters, with a few less retailers due to the increased sales percentage goal of 15% from 10%. Director Wisler recommended continuation of the program for the remaining quarters at the same rate of 15% sales growth over the same quarter the previous year and would also recommend Commission approval of the annual rate of 15%. Commissioner Holloway made a motion, seconded by Commissioner Douglas, to approve the continuation of the Retailer Bonus Commission program for the remainder of the fiscal year, establishing a quarterly goal to increase instant sales by 15% or more compared with the same quarter the previous year; and also a yearly goal to increase instant sales by 15% or more compared with last year; in order to receive an additional .5% commission on all instant sales for meeting the quarterly goals and an additional .5% for meeting the yearly goals. So voted, unanimous.

Commissioner Douglas made a motion, seconded by Commissioner Holloway, to go into a non-public session at 3:40 p.m. to discuss a personnel matter. So voted, unanimous. The non-public session concluded at 4:10 p.m. with no Commission votes taken.

Richard J. Campbell, Jr., Chairperson

Paul J. Holloway, Commissioner

Debra Douglas, Commissioner