

**NEW HAMPSHIRE LOTTERY® COMMISSION**  
**14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301**  
**MINUTES OF COMMISSION MEETING**  
**WEDNESDAY, APRIL 22, 2009 9:30 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  
Jim Kennedy, Esq., Attorney Generals Office  
Patrick Griffin, Griffin, York & Krause, Inc.(GYK)  
Travis York, Griffin, York & Krause, Inc.  
Rose Longo-White, Griffin, York & Krause, Inc.  
Moe Pepin, SGI  
Liz Dimmick, SGI  
Douglas Parker, SGI  
Ed Dupont, SGI/Dupont Group  
Michael Dennehy, Intralot  
Dick Bouley, Intralot

Commissioner Campbell called the meeting to order at 9:35 a.m.

**1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:**

Commissioner Douglas requested the March, 2009 minutes be amended to note her request to the advertising agency for Replay demographic information. She expressed she had not received the information to date and requested it be emailed to her. Travis York of GYK replied that a sample survey conducted of 6,900 Replay members indicated approximately 61% were females. Commissioner Douglas suggested to the ad agency that they should possibly reconsider the volume of sports-related prizes & advertising, since the survey results indicated over half were females. Commissioner Holloway made a motion, seconded by Commissioner Douglas, to approve the March, 2009 minutes as amended. So voted, unanimous.

**2. 9:35 a.m. – PUBLIC HEARING ON SW 3000, RULES OF NEW HAMPSHIRE POWERBALL**

A public hearing was held on Sw 3000, Rules of New Hampshire Powerball. There was no public testimony at the hearing relative to the rule changes.

Commissioner Campbell made a motion, seconded by Commissioner Holloway, to go into non-public session at 9:45 a.m., pursuant to RSA 91-A:3, II(c) and RSA 21-I:13-a, II to discuss responses and documents related to the on-line gaming system proposals that if discussed publicly could adversely affect a company's proprietary and confidential information. A roll call was held, Commissioner Douglas stated "aye," Commissioner Holloway stated "aye", and Commissioner Campbell, "aye". The non-public session concluded at approximately 10:45 a.m., with no Commission votes taken.

**3. COMMISSION ACTION OF ITS INTENT TO AWARD A CONTRACT AS A RESULT OF PROPOSALS SUBMITTED IN RESPONSE TO THE LOTTERY'S GAMING SYSTEM RFP:**

Commissioner Holloway made a motion, seconded by Commissioner Douglas, to table item #3 until further review. So voted, unanimous.

**ADVERTISING:**

Maura McCann announced that New Hampshire Lottery advertising has been uploaded to the Twitter, and YouTube websites. The Lottery will also be located on the website, Facebook. The purpose of NH Lottery advertising on these three different websites is to help attract a younger demographic to the Lottery. These new lottery website pages will be maintained daily by a lottery employee. Ms. McCann stated she had recently worked with about a dozen students from a UNH marketing class to develop promotions that would have long lasting residual effects on lottery sales for retailers. The students were involved in an event at the Circle K in Durham to implement some of their ideas, such as distribution of lottery promotional items and point of sale materials, providing free baked goods, gift cards for lottery & store purchases, and drawings for customer participation in reviewing sample lottery advertisements. The UNH marketing students will provide a summary of their recent event to the lottery on May 12<sup>th</sup>.

Ms. McCann updated the Commission on the final promotion for this fiscal year, Ringo. The instant game category promotions began during the past holiday season. Ringo is the culmination of this year's promotions by including fifteen different instant games through the Replay Ringo promotion from April 27th-June 22nd offering players chances to enter into drawings to win prizes.

Testing is being done at a Windham retailer site for lottery advertising including LED signage above the gas pumps. Ms. McCann stated the Tri-State Megabucks Plus game will be on sale at the end of July, 2009. A \$3 instant game, "Billboard" will begin in May and will offer players an opportunity to win music downloads. Another new instant game, "Casholine" will go on sale in July and will offer players a chance to win a \$250 gas debit

card as one of the prizes. Ms. McCann stated a "Double Draw Dollars" promotion for the Pick 3 and Pick 4 games, will run the last two weeks in May, in an effort to increase the daily numbers game sales.

Ms. McCann reported that the Powerball game change in January, 2009 initially resulted in a loss of approximately 140 Powerball subscriptions, but 16 of the 140 have resubscribed to date when they were offered instant tickets. The non-subscribers will be contacted to hopefully discover their reasoning behind ending their subscriptions. Irene Nadeau, On-line Games Manager, stated that there are currently approximately 8197 Megabucks subscriptions.

Ms. McCann announced a public relations effort was recently made to advertise the \$10 New Hampshire Millionaire's Club instant ticket. WMUR, WZID, and the newspapers picked up the story to alert players that there is still a \$1 million instant top prize left in the game and to encourage them to buy a ticket. The tickets are still on sale and the drawing date to award one \$1 million prize has not been determined but once scheduled, adequate publicity of the event's details will be provided. The average number of tickets sold in the week following the announcement almost doubled, from approximately 18,000 to 36,000.

Commissioner Holloway inquired whether there was an adequate supply of \$1.00 instant tickets at the retailers. Robert Preston stated the sales figures indicate there is an adequate supply, but Cindi Murphy, Sales Supervisor, is researching the matter to be certain.

Maura McCann stated Commissioner Holloway had requested at the last Commission meeting, that the ad agency look into the sale of advertising on lottery tickets. A lengthy discussion was held on this subject. Travis York of GYK gave a synopsis of the possibility of the lottery generating revenue by charging a weekly fee to potential marketing partners to advertise their company products using bit map impressions on lottery tickets. Alternative pricing models such as offering coupons for redemption as another means of generating revenue was also discussed. Mr. York indicated the cost effectiveness of the proposed advertising methods would need to be evaluated by the lottery and ad agency to determine whether either should be pursued. The Commission requested that Director Wisler contact the Attorney General's office for their acceptance of the New Hampshire Lottery Commission proceeding with these ideas to generate revenue from additional sources other than lottery ticket sales.

#### **5. OTHER BUSINESS:**

Robert Preston, Games Manager, distributed a retailer activity report to the Commission. Mr. Preston stated during the current month, there were six new lottery retailers, and four store closings. Mr. Preston indicated there was an approximate loss of \$4.3 million in revenue since the beginning of Fiscal Year 09 due to store closings.

Mr. Preston announced that due to the popularity of the Red Sox instant ticket, it will be reordered. It is anticipated there will not be any lapse in Red Sox ticket sales.

A Power of Attorney (POA) authorization form was presented to the Commission for their approval. Director Wisler explained that effective July 1, 2009 the state's new computer system is requiring all state agencies to have an authorized Power of Attorney for approval of all purchase orders. The POA form lists Kassie Strong, Chief Financial Accountant for the Lottery, as the primary person to approve lottery purchase orders through the state's new financial system. Commissioner Holloway made a motion, seconded by Commissioner Douglas, to table the matter until the Power of Attorney form is revised to include certain guidelines specified by the lottery. So voted, unanimous.

Director Wisler suggested an amendment be made to the draft letter to the Governor regarding revenue. The amendment was agreed upon by the Commission.

Commissioner Holloway initiated a brief discussion regarding the possibility of the New Hampshire Lottery being able to offer keno. Director Wisler briefed the Commission on past legislative history for keno bills, stating they were voted down.

Commissioner Douglas made a motion, seconded by Commissioner Holloway, to adjourn the commission meeting at 11:50 a.m. So voted, unanimous.

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Richard J. Campbell, Jr., Chairperson

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Paul J. Holloway, Commissioner

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Debra Douglas, Commissioner