

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD NH
MINUTES OF COMMISSION MEETING
May 30, 2018, 3:00 p.m.

Commissioners:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner
J. Christopher Williams, Commissioner

Lottery staff in attendance:

Charles McIntyre	John Conforti	Kelley-Jaye Cleland	Carmela Nolin
Lynda Plante	Valerie King	Katie Brown	Lynne Doyle
James Duris	Maura McCann	Leonard Mannino	Robin Parkhurst

Others in attendance:

Rose Longo-White, GYK Antler	James Bouley, Dennehy Bouley	Kurt Mathias, Boston Billiards
Kristen Paré, Intralot	Bill McLaughlin, Seabrook Greyhound	

Chairman Douglas called the meeting to order at 2:59 p.m.

1. CONDITIONAL APPROVAL RESPONSE TO LOT 8000, NEW RACING RULES

Valerie King, Director of Racing and Charitable Gaming, sought a motion to submit the Conditional Approval Response to Lot 8000, new Racing Rules. There were very minor changes made to the Final Proposal as recommended by the Office of Legislative Services (OLS) counsel. Motion was made by Commissioner Holloway and seconded by Commissioner Williams, with all in favor to submit the conditional approval response to OLS. Following this unanimous vote, the submittal letter was signed by Chairman Douglas and the response was hand-delivered to OLS, which is expected to return their approval immediately.

2. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Chairman Douglas sought a motion to accept the April 13 meeting minutes. Commissioner Holloway so moved, and was seconded by Commissioner Williams. No discussion, all were in favor.

3. FINANCIAL REPORTS:

- a. Chief Financial Officer Jim Duris referred to the financials for the months of March and April. He reported that the final numbers for March were outstanding. April was over projections by \$1 million, and Lottery sales increased \$4.3 million over the previous year month-to-date. Keno revenue figures have tightened up, and we now know that we are looking at administrative expenses of 2%. The Department of Health and Human Services (DHHS) has taken their first transfer, which are accumulated proceeds for four months. They will now be on a regular monthly transfer schedule.
- b. As noted by Chairman Douglas, the salaries line item has increased a bit. Mr. Duris explained that we have filled three key positions: Chief Compliance Officer, Human Resources Manager, and Senior Auditor. We are still running under budget overall. Retirees' benefits were changed to their own line item, moved from operating expenses; and there was a slight bump in delinquent retailers.
- c. Commissioner Holloway asked about travel expenses, which are up. It was suggested that these are fleet expenses, but Mr. Duris will research this and confirm with the Commission. Advertising is also up for the month, but much of that is due to the timing of billing from GYK. Commissioner Holloway noted that we are sponsoring the drag races at Epping. Marketing Director Maura McCann confirmed that this will be our third year as sponsor; we will, however, not be sponsoring the New Hampshire Motor Speedway this summer.
- d. Commissioner Williams inquired about indirect costs which have gone up by \$45,000 over last year. Director McIntyre and Mr. Duris explained that these are a variety of services billed by the State over which we have no control.
- e. Director of Sales and Product Development Kelley-Jaye Cleland provided a comparison chart of sales at New Hampshire Liquor Stores for fiscal years 2009 through 2017. Over the past three years the total sales continued to increase, in particular the scratch ticket sales. The FY 2018 Liquor sales to date have

exceeded the FY 2017 total sales number, with five weeks still to go in the fiscal year, making this a record year. Discussion regarding the impact of the economy and the employment rate on lottery activity followed.

4. INTRALOT:

Kristen Paré of Intralot reported that their team successfully added online games to the Keno MPs. They are getting ready for the next release on July 8, which will also add two progressive Fast Play games to the MPs. She noted that Keno sales have topped \$6.4 million; and Intralot is preparing for the software change to extend Keno play time to 1:00 a.m. once HB 1260 is signed into law.

5. ADVERTISING:

- a. Ms. McCann directed the Commission to their packets and the June advertising pieces. She noted that we are seeing a lot of Fast Play winners who played at Keno locations. Liquor has asked for aisle signs directing customers to Lottery; and iLottery will soon be advertised and integrated on online game tickets. Ms. McCann complimented Ms. Cleland on her management of iLottery review and roll-out, and remarked how thrilled we are with the relationship with our vendor, NeoPollard.
- b. The next advertising effort will focus on the number of New Hampshire winners in a new commercial, largely in response to the anonymity lawsuit. An ad will be presented for the Commission's review.
- c. The next Tri-State meeting will be held in June, and will include marketing experts from Hasbro and the Boston Bruins.
- d. Ms. McCann concluded her report with a summary of the Lafleur's conference she and Ms. Cleland recently attended at which they presented the launch of Keno in New Hampshire. Rose Longo-White of GYK added her own compliments of both working with NeoPollard and of the Keno launch presentation.

6. RULEMAKING:

- a. Valerie King, Director of Racing and Charitable Gaming, sought a motion to adopt Lot 2000, MUSL (Multi-State Lottery Association) rules, which were due to expire in April. This rulemaking readopted the MUSL rules with updates to reflect current practices, and they will be in effect for ten years. So moved by Commissioner Holloway, and seconded by Commissioner Williams. Vote was unanimous, motion carried.
- b. Ms. King requested the adoption of Pari 1106.03, Lucky 7 open deals (also known as commingling). This rulemaking amended the Lucky 7 rules to allow up to four deals (i.e., games) of Lucky 7 tickets to be open at one time. Commissioner Holloway so moved and Commissioner Williams seconded. So voted, unanimous.
- c. Ms. King sought a motion to repeal old Pari racing rules. These remaining Pari rules must be repealed before the new Lot rules can be adopted. Commissioner Holloway so moved and Commissioner Williams seconded. So voted, unanimous.
- d. The Office of Legislative Services (OLS) approved the Lot 8000 Conditional Approval request submitted at the beginning of this meeting. Ms. King requested a motion to adopt Lot 8000, which serves to renumber the old Pari rules repealed in the last item under a single LOT chapter. So moved by Commissioner Holloway, and seconded by Commissioner Williams; all in favor, motion carried.

7. NEXT MEETING:

The next two meetings will take place on

- June 21, 3:00 p.m. at Great Bay Community College in Portsmouth and
- July 18, 9:30 a.m. at Lottery headquarters. This meeting will include a public hearing for proposed changes to Keno rules.

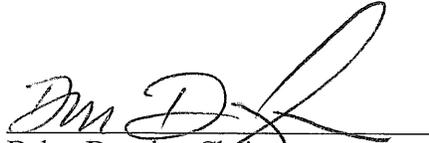
8. OTHER:

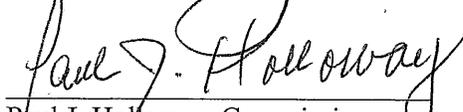
Director McIntyre introduced Lottery employees to the commission: Lynne Doyle, Subscriptions; Robin Parkhurst, new Department of Information Technology lead; and John Conforti, Chief Compliance Officer replacing Sudhir Naik. Mr. Conforti previously represented Lottery as our Assistant Attorney General.

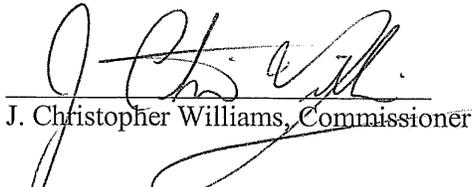
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Chairman Douglas inquired if Governor and Council approved the extension of the lease of our headquarters at 14 Integra Drive; it was confirmed that they had.

Chairman Douglas entertained a motion to go into non-public session under RSA 91-A to discuss a personnel issue. So moved by Commissioner Holloway at 3:57 p.m. and seconded by Commissioner Williams. Upon roll call, the following members reported: Commissioner Williams, Commissioner Holloway, and Chairman Douglas.


Debra Douglas, Chairman


Paul J. Holloway, Commissioner


J. Christopher Williams, Commissioner

Respectfully submitted, Carmela Nolin