

**NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD, NEW HAMPSHIRE 03301
MINUTES OF COMMISSION MEETING
TUESDAY, DECEMBER 9, 2008 9:30 AM**

PRESENT:

Richard J. Campbell, Jr., Chairperson
Paul J. Holloway, Commissioner
Arthur P. Klemm, Jr., Commissioner
Rick Wisler, Executive Director
Diane Campbell, Administrative Assistant I
Georges Roy, Administrator III
Maura McCann, Programs Information Officer
Robert Preston, Games Manager
Patrick Griffin, Griffin, York & Krause, Inc.
Travis York, Griffin, York & Krause, Inc.
Rose Longo-White, Griffin, York & Krause, Inc.
Moe Pepin, SGI
Liz Dimmick, SGI
Ed Dupont, SGI/Dupont Group
Alex Koutroubas, Dennehy & Bouley

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

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway made a motion, seconded by Commissioner Klemm, to approve the October, 2008 commission meeting minutes. So voted, unanimous.

2. COMMISSION VOTE TO APPROVE INITIAL PROPOSAL FOR AMENDMENTS TO SW 3000, RULES OF NEW HAMPSHIRE POWERBALL GAME:

Commissioner Holloway made a motion, seconded by Commissioner Klemm, to approve the initial proposal for amendments to Sw 3000, Rules of New Hampshire Powerball Game. So voted, unanimous.

Director Wisler updated the Commission on the status of the upcoming Powerball game change.

3. COMMISSION VOTE TO ADOPT SW 900 RULES OF LOTTERY INTERCEPT:

Commissioner Holloway made a motion, seconded by Commissioner Klemm, to adopt Sw 900, Rules of Lottery Intercept. So voted, unanimous.

TRI-STATE REPORT:

Commissioner Campbell stated the last Tri-State Commission meeting was held last Friday at the New Hampshire Lottery in Concord. The net profit for October decreased by \$1.5 million or 13.62%. The Tri-State Commission approval was given for verification of the random number generator for the Weekly Grand game at a cost of \$6,500. The Tri-State Commission approved the Pick 3/Pick 4 modification. The Pick 4 middle pair bet was approved in October.

Maura McCann, Programs Information Officer, stated the Weekly Grand game will begin February 1, 2009 which will replace the Tri-State Paycheck game. Ms. McCann presented Weekly Grand point of sale materials to the Commission. The \$2.00 Tri-State Megabucks Plus game is expected to launch in July, 2009, and the game's logo is completed. The business plan will be presented to the Commission for approval in January, 2009. Commissioner Campbell stated the next Tri-State Commission meeting is scheduled for January 9, 2008.

5. ADVERTISING:

Maura McCann presented point of sale materials for the January, 2009 Powerball game change. Final changes are being made to the television and radio advertising in support of the Powerball game change. The last draw for the Powerball game with the current matrix is scheduled for January 3, 2009, with sales for the new Powerball beginning January 4, 2009. Ms. McCann reported the NH Lottery Star television commercial was ready and will be pulsed into the existing buys.

Ms. McCann stated new lottery van decals were being displayed on the fleet to reflect the lottery's new logo. The first of four from the new instant ticket category promotion recently launched and will run until mid January. In February, the next phase of the promotion will launch introducing two more categories. The final category will launch toward the end of the fiscal year. Ms. McCann reported positive results for the newly released Ringo program through Replay.

The \$5.00 Boston Celtics Green instant ticket sales have averaged approximately \$174,000-\$212,000 per week making it the leading \$5.00 game over the past month, until bumped by the \$5.00 Naughty or Nice instant game. Player awareness of the Boston Celtics Green prize packages has increased. Advertising for this game was discussed.

A discussion was held on the status of a New Hampshire Lottery Red Sox instant ticket. Director Wisler reported the ticket has been developed, but the final terms for prize packages were in negotiation.

A discussion was held on the subscription program and the promotion of it. Commissioner Klemm requested that the Lottery research the possibility of New Hampshire lottery retailers selling subscriptions directly to the public. Scientific Games will research what other states sell subscriptions directly from the lottery terminals and provide the information to the lottery. Commissioner Holloway requested that the Commission be notified of the date(s) for vendor presentations in response to the Request for Proposal for the on-line gaming system.

Travis York stated the success of the instant ticket category promotion will be evaluated at the completion of the program. Despite decreasing instant ticket sales instant tickets entered on the Replay site increased by approximately 10,000 per week since the instant ticket category promotion began. Patrick Griffin indicated that a large number of Replay members are continuing to participate in Replay.

Current economic conditions and their negative impact on sales were discussed. Director Wisler stated lottery sales for New Hampshire, Maine and Vermont were comparable and within ½% of each other. A discussion was held regarding options for budget reductions to comply with the Governor's request. Staffing costs for the Portsmouth and Salem outlets were reviewed. The ad agency presented commercials for Weekly Grand, New Hampshire Lottery Star and the "Seasonal Fun" instant ticket category promotion.

6. OTHER BUSINESS:

Georges Roy, Administrator III, stated the estimated net profit of \$6.2 million for December was transferred to Education. This was approximately \$600,000 below the projected amount.

7. NEXT MEETING:

Commissioner Campbell made a motion, seconded by Commissioner Holloway, to schedule the next Commission meeting for January 13, 2009 at 9:30 a.m. So voted, unanimous.

Commissioner Campbell made a motion, seconded by Commissioner Klemm, to adjourn the commission meeting at 11:20 a.m. So voted, unanimous.

Richard J. Campbell, Jr., Chairperson

Paul J. Holloway, Commissioner

Arthur P. Klemm, Jr., Commissioner