

## CITY COUNCIL WORK SESSION REGARDING KENO

MUNICIPAL COMPLEX – CONFERENCE ROOM A

PORTSMOUTH, NH

DATE: MONDAY, AUGUST 21, 2017

TIME: 6:30PM

Present: Mayor Blalock, Assistant Mayor Splaine, Councilors Dwyer, Pearson, Spear (7:00 p.m.), Cyr and Denton

Absent: Councilor Perkins and Lown

Others Present: Kelly Jay Cleland

Kelly said the legislation passed is for the lottery game keno which would be used to fund full day kindergarten and the cost per pupil would be \$1,100.00. She explained that this is New Hampshire specific and would operate from 11:00 a.m. to 11:00 p.m., 7 days per week, with 20 winning numbers drawn by random number generator, every 5 minutes.

Kelly indicated that the question of having Keno could go on the ballot by a vote of the City Council or it could be done through the public submitting initiative petitions. She stated that the game is a \$1.00 minimum to play and spoke to the self-service terminal and that the game is allowed at pouring establishments. She stated principal owner(s) would be subject to criminal background checks and final approvals to see KENO 603 is subject to NH laws and NH Lottery Commission rules and regulations. She also reported that there is a \$500 annual licensing fee per retailer. Kelly stated each city and town must pass KENO locally in order for establishments to sell. In addition, Kelly reported that establishments will earn 8% commission on every dollar sold for the KENO 603 games, which is the highest commission for Keno in the United States. She also reported that there is an opportunity for double bonus of an additional 5% on the increase of sales on traditional lottery product, year over year.

Kelly said DoE will calculate and distribute the grant of \$1,100 per pupil (enrolled in approved program) to each school district. She spoke to the requirements of a referendum question on the ballot.

Assistant Mayor Splaine said we could vote this evening to put this on the ballot. Kelly stated that the public hearing can take place after the vote to put the question on the ballot. Assistant Mayor Splaine said it could be in a casino or large function hall that has a liquor license but Bed and Breakfast will not be permissible.

Acting City Manager Colbert Puff said the City Council could hear from the public at the next meeting for a public hearing.

Councilor Cyr asked if he won \$250.00 from a bar downtown that has Keno would the establishment be on the hook for the payment. Kelly said yes, establishments should

have separate accounts. She further stated if Keno is allowed then the establishments would be allowed to sell the other lottery products.

Councilor Dwyer asked what the City's ability is if any to regulate this. City Attorney Sullivan said the statute is silent on the point and the NHMA said there would need to be a change in the statute or would come from a law suit. Kelly spoke to the Educational Trust Fund.

Mayor Blalock thanked Kelly Jay for her presentation.

At 7:00 p.m., Mayor Blalock closed the work session.

Respectfully submitted by:

Kelli L. Barnaby, MMC, CMC, CNHMC  
City Clerk