

New Hampshire Lottery Commission

14 Integra Drive, Concord NH

Minutes of Commission Meeting

April 21, 2022 · 10:00 a.m.

Commissioners:

Debra Douglas, Chairman

Erle Pierce, Commissioner

Lottery staff in attendance:

Charles McIntyre	Kelley-Jaye Cleland	Maura McCann	Lynda Plante	Sydney Albee
Katie Brown	Jim Duris	Danny Maloney	Amanda Laskey-Eddy	
John Conforti	Valerie King	Carmela Nolin	Candi Tibbetts	

Others in attendance:

Travis York, GYK Antler	Paula Maltman, Scientific Games	Rick Newman, NHCGOA
Jeff Newman, GYK Antler	Peter Bragdon, PretiStrategies	Kurt Mathias, Boston Billiards
Adam Schmidt, JGStrategies	Jackson Bouley, Dennehy & Bouley	Mike McLaughlin, Community Bingo

Chairman Douglas called the meeting to order at 10:00 a.m., which was held at Lottery Headquarters. Commissioner Crews was not in attendance.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

Chairman Douglas requested motions to accept the minutes from the March 24, 2022, meeting. Commissioner Pierce so moved, Chairman Douglas seconded, and minutes were accepted.

2. FINANCIAL REPORTS

- Jim Duris, Chief Financial Officer, reported that the month of March was mixed. Sales for the month decreased \$1.7 million compared to the same period last year. Instant tickets decreased \$2.4 million, but this was offset by increases of \$203 thousand for Keno, \$275 thousand for Lucky for Life, and \$559 thousand for Fast Play. Year to date sales have increased \$22.7 million for the fiscal year, and instant tickets have had growth of \$5.8 million for that period. Both Keno and Powerball have had growth of \$7.1 million each. Mr. Duris noted that market conditions (higher gas and grocery prices) are impacting sales.
- Mobile sports betting revenues for March reached \$2.3 million, compared to \$1.4 million the previous year. Handle was a total of \$60.3 million, an increase of \$15.9 million over this period last year. Retail sports betting handle was \$18.6 million, with net income of \$200 thousand. Year to date, revenues are \$14.1 million for mobile and \$2.6 million for retail; this is \$4.3 million over the prior year.
- Racing and charitable gaming revenues were down in March by \$180 thousand in comparison to March last year, this is due to the timing of "out" tickets and vouchers for racing, which were recognized as revenue. Year to date, revenues have increased \$900 thousand, with Games of Chance increased \$761 thousand over last year to date.

- March's transfer to Education was \$12.8 million, which exceeded projections by \$0.8 million. Our year-to-date transfers total \$109 million, which is above our projected \$97 million; and year-to-date increase of \$3.9 million over last year.
- For accounts receivable, Other AR was up due to solid sports betting and iLottery sales in March, which drives up cost. Instant ticket costs (printing and delivery) continue to increase, and are \$2.5 million over prior year; vendor fees are up \$2.5 million due to increase in sales of iLottery. Due to lower retail sales, retailer commissions are down. And we were finally able to purchase a new car for the fleet
- Education expense is higher than last year, as more people are taking advantage of this benefit. And advertising expense is high, but we're working to get on track for timely billing and not get a high volume in June.
- Chairman Douglas asked Mr. Duris for our fiscal year revenue estimate; conservatively we moved from \$128 million to \$132 million. Chairman Douglas requested a motion to accept the financial report; so moved by Commissioner Pierce. All in favor, report was accepted.

3. SPORTS BETTING

- Director of Sports Betting Danny Maloney noted that March activity was up over February and included more than March Madness action. The area teams' tournaments began at the beginning of the month, and our handle for the local games was as busy as the nationals; college basketball alone did over \$43 million in handle. Hockey is picking up as we get closer to playoffs.
- This was the best state take for a non-football month, with a hold of 6.7% and a state profit of \$2.5 million. Our VIP players swapped platforms, resulting in flat retail profits and high revenue for mobile.

4. SALES AND PRODUCT DEVELOPMENT

Chief Product and Program Officer Kelley-Jaye Cleland was at an industry conference and did not present in person but provided the Commission with her monthly report.

- Chairman Douglas requested clarification of specifications under development noted in the report. Business Systems Analyst Katie Brown explained that for upcoming projects, the Microlot and Keno MP screens will be revised to accommodate more (new) games on the display. Director McIntyre added that changing out the equipment at this point would be prohibitively expensive.

5. MARKETING

- Maura McCann, Marketing Director, invited Lottery's account manager Taylor Bengtson to join her for the Marketing report. New player acquisition across products includes 1432 players for DraftKings, and 1600 in iLottery, which has had 900 join in April so far. There is a new logo for Powerball as the game turns 30, but NH Lottery has opted not to use it.
- Are You Game campaign is in full swing, and we are planning ways to bring the excitement of the campaign to the public in live events. The second chance contest for Big Country Cash is generating interest, and we'll be working on ad support to drive more app downloads.

- Retailer check presentations have been happening around the state. The sales reps are excited for the chance to participate in these events. Sponsorships are largely set for the year, with several small locations and some larger stadiums. To promote the sponsorship without tying up staff in overtime, Keno banners will be displayed at the locations. Negotiations continue with NH Motor Speedway and DraftKings to sponsor the July 17 race.
- Fast Play Fridays are happening each week at retail. On the app, we have Fast Play Frenzy second chance for non-winning Fast Play tickets through the end of the month. Our first in-person promotion took place in the North Country this week and we'll be conducting more at over a dozen locations throughout the state in the coming month. Cinco de Mayo promo will feature a Gimme 5 buy one/get one.
- As we approach the end of the fiscal year, we've identified some advertising funds that we can direct to new projects, including a benchmark study. The next fiscal year's planning will soon be underway.

6. OPERATIONS

- Chief Operations Officer Lynda Plante introduced Sydney Albee in her new role as digital marketing manager. There are several positions still open including a business systems analyst, sales supervisor, licensing supervisor, and brand and communications manager. Ms. Plante and HR Manager Sharda Rao participated in a virtual job fair through Employment Security and had twelve visitors. Commissioner Pierce asked if we're starting to see more applicants. Ms. Plante acknowledged we are, but many are not a good fit.
- Facilities Manager Eric Prescott has recently collaborated with the state energy management office to replace more than 160 light fixtures with high-efficiency LED units. The project was paid for entirely with grant money and will ultimately save us thousands of dollars a year in energy costs. Chairman Douglas praised Mr. Prescott for his hard work keeping the building and grounds in top shape.
- We are expecting a proposal for the construction plan for building improvements and cubicle upgrades.

7. COMPLIANCE

- Chief Compliance Officer John Conforti provided a brief Historic Horse Racing update. There are currently six applications in process, including four submissions, two in process that are close to launch, and two more expected later this summer. Mr. Conforti lauded his team, Valerie King, Josh Santos, Leila McDonough, and the Licensing unit for their hard work in processing them.
- Ms. King noted that we need to hold a public hearing for Lot 700, Employee Recognition Program, which will need to go to JLCAR early next month.

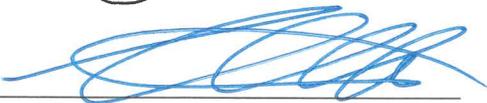
8. NEXT MEETING

The next meeting will be on May 31, at 10:00 a.m. at Lottery Headquarters and will begin with the public hearing for Lot 700.

Commissioner Pierce made a motion to adjourn, seconded and meeting ended at 11:04 p.m.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner

Respectfully submitted, Carmela Nolin