

**NEW HAMPSHIRE LOTTERY® COMMISSION
GREAT BAY COMMUNITY COLLEGE
320 CORPORATE DR, ROOM 422 PORTSMOUTH
MINUTES OF COMMISSION MEETING
January 25, 2018, 2:00 p.m.**

Commissioners:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner

Lottery staff in attendance:

Charles McIntyre	Maura McCann	Sudhir Naik	Carmela Nolin
James Duris	Kelley-Jaye Cleland	Valerie King	

Others in attendance:

Travis York, GYK Antler	Ryan Sahr, Intralot	Alicia Preston, NH Charitable Gaming Operators Association
Rose Longo-White, GYK Antler	Mike McLaughlin, Seabrook Greyhound Park	Anna Grace Holloway, Guest
Angela Streba, GYK Antler	Kurt Mathias, Boston Billiards	Fran Wendleboe, Powerhouse Gaming

Chairman Douglas called the meeting to order at 2:02 p.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway moved to approve the December 13, 2017 minutes; seconded by Chairman Douglas. So voted, unanimous.

2. FINANCIAL REPORTS:

Chief Financial Officer James Duris reported that the December books are closed, with a \$11.9 million profit for the month. Our year-to-date profit is at \$45.7 million, which is \$8 million over last year. Sales and fees totaled \$33.7 million, which is nearly \$4 million over last year. Transfers to the Education Trust Fund are \$45.7 million, compared to the forecast \$39.9 million. Commissioner Holloway asked for a comparison of Powerball over this time last year, which was impacted by recent half-billion dollar jackpot. We have also had the advantage of the Mega Millions price change which should lift us above last year.

Chairman Douglas asked why the Pick 3/Pick 4 sales are low. Director of Sales and Product Development Kelley-Jaye Cleland suggested that those games are played by a devoted group of players. Perhaps these players have gone out of state for the winter, but she will check with the Lottery Sales Representatives for their observations.

Commissioner Holloway inquired what makes up the accounts receivable, which currently are at \$8 million. Mr. Duris believes that it is timing; if the EFT sweep has not taken place following a big sales week just prior to the end of the month, the accounts receivable grow greatly. Director McIntyre added that it ebbs and flows with sales, and should level out with the next EFT sweep.

Chairman Douglas noted that membership fees are up significantly in the budget. This is attributable to World Lottery Association's dues, but for which we have achieved a level two responsible gambling rating. NASPL dues are also billed twice a year now.

Mr. Duris concluded his report by noting that we are running under budget for salaries and IT costs. Director McIntyre asked Mr. Duris to explain that Department of Health and Human Services (DHHS) does not yet have an account set up for the problem gambling services earmarked for 1% of Keno revenues. Mr. Duris responded that until they know what those costs will be, DHHS cannot hire contractors to provide the services. Marketing Director Maura McCann, who represents the Lottery on the Council for Problem Gambling, added that the group's director, Ed Talbot, has been in contact with DHHS and has offered himself as a resource.

3. INTRALOT:

Ryan Sahr of Intralot congratulated the agency for the half-billion-dollar Powerball jackpot winner and several \$50 thousand-dollar winners. He reported that the system handled the volume of online ticket sales well leading up to the Powerball and Mega Millions jackpots; and is looking forward to hitting the million dollar mark in Keno sales. A software update in April will add Powberball, Mega Millions, and Megabucks to the MP devices (Keno kiosks); incorporate the new Power Cruise promotion; and add iLook to the Lottery Sales Representatives' iPads. Lotto America is slotted for June; the Powerball winner take all game variation is planned to launch in September; and the fourth release will be in December.

4. TRI-STATE:

Marketing Director Maura McCann has nothing to report for Tri-State, as the next meeting is scheduled for February 9 at New Hampshire Lottery headquarters, weather permitting.

5. ADVERTISING:

Ms. McCann referred the Commissioners to their packet, which includes new pad slides and graphics for January, promotions and winners. Ms. McCann described the excitement of getting the \$560 million Powerball jackpot winner call on January 6, and coordinating the press at the retailer's location in Merrimack. Some frustration was expressed at the lack of response from WMUR when trying to offer them the opportunity to break the story shortly after receiving the call Saturday night, along with lack of follow-up by WMUR the next day at the store in Merrimack.

Last year's Powerball Power Cruise promotion and cruise was discussed and it was noted that the musical artists booked for entertainment for the Powerball Power Cruise II seem to better match the demographics of the players who typically enter a cruise promotion.

Travis York from GYK Antler reported that aside from typical daily activities, their initiatives are Keno and preparing for integrating with iGaming. The Luck Yeah! campaign is rolling out in early February. Chairman Douglas asked when iGaming will launch. Director McIntyre responded there are meetings to work out the schedule, but likely the second half of 2018. He reminded the Commission that the Legislature passed Keno, Fantasy Sports, and iGaming at the same time last summer. We were obligated to work on Keno first to get it passed through city elections; otherwise there would be a two year wait for Keno in those municipalities. He noted that we launched the biggest initiative in the State and cut expenses in the process. Mr. York added that although the iGaming platform will be provided by the games vendor, the way it's integrated throughout all the lottery gaming channels will give us a big infusion of activity. It is expected to capture a much younger demographic of gamers who use mobile devices, and can leverage the Fantasy Sports market as well.

6. OTHER:

- a. Valerie King, Director of Racing and Charitable Gaming, sought permission to enter an initial proposal for Lucky 7 enhanced deals rulemaking. Commissioner Holloway so moved, and Chairman Douglas seconded; all in favor, unanimous.
- b. The Multi-State Lottery (MUSL) rules are scheduled to expire in April, and need to be re-adopted. Ms. King informed the Commission that the proposed rule removes several internal policies and procedures that are in the current rule; internal functions do not belong in rules. Mr. King is seeking permission to enter the proposed rule into rulemaking. Commissioner Holloway moved to accept the rules, and Chairman Douglas seconded; all in favor, unanimous.
- c. Fantasy Sports' conditional response had to be updated with a minor change. Ms. King addressed a concern that JLCAR had with an attestation to a criminal records check. This does not need to be included because we already do a background check, so the reference was removed. Commissioner Holloway moved to accept the conditional response, Chairman Douglas seconded. So moved, unanimous.


- d. Keno is up and running in seven cities. Our original estimate to the Legislature was \$500 per day, per location; we are now averaging \$560, and that is accelerating. We expect to hit \$1 million in sales by Saturday. We are now concentrating on towns, focusing on municipalities along the southern border that have a significant number of eligible license, as well as geographically critical places in the North Country. Director McIntyre estimates that we need to reach 150 licensees to achieve revenue goals. Ms. McCann described the experience of presenting Keno to Select Boards, and Ms. Cleland complimented Intralot on their recruitment efforts and upcoming open house to promote Keno. Discussion over the benefits to the establishments followed, and gaming operator Kurt Mathias of Boston Billiards attested to the impact he's seen at fellow Keno locations.
- e. The proposed Tri-State deal for next year's Patriots affiliation and game was discussed, but there is no decision required until after the Superbowl.
- f. Chairman Douglas entertained a motion to go into non-public session under RSA 91:A to discuss personnel issues. At 3:00 p.m. Commissioner Holloway so moved, seconded by Chairman Douglas; all in favor. Upon a roll call, the following members reported: Commissioner Holloway and Chairman Douglas.

7. NEXT MEETING:

The next meeting will be on Tuesday, February 13 at 9:30 a.m. at Lottery Headquarters in Concord.

Edited: Due to scheduling conflicts, the meeting time has been moved to 2:00 p.m.


Debra Douglas, Chairman


Paul J. Holloway, Commissioner

Respectfully submitted, Carmela Nolin