

**New Hampshire Lottery Commission  
14 Integra Drive, Concord NH  
Minutes of Commission Meeting  
February 14, 2019 9:30 a.m.**

**Commissioners:**

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

**Lottery staff in attendance:**

Charles McIntyre	John Conforti	Maura McCann	Steve Johnston
Katie Brown	Jim Duris	Carmela Nolin	Perley Smith
Kelley-Jaye Cleland	Valerie King		Sharda Rao

**Others in attendance:**

Travis York, GYK Antler	Lyndlee Hayes, GYK Antler	Kristen Paré, Intralot
Rose Longo-White, GYK Antler	Ryan Sahr, Intralot	

Chairman Douglas called the meeting to order at 9:33 a.m.

**1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES**

Chairman Douglas sought a motion to accept the January meeting minutes. Commissioner Williams so moved, and was seconded by Commissioner Holloway via teleconference. All in favor, meeting minutes were approved as submitted.

**2. FINANCIAL REPORTS**

- a. Chief Financial Officer James Duris presented the sales report for the month, but the full financials are not yet available due to the timing of the meeting. There continues to be an upward trend; we are at \$2 million for the month and \$22 million for the fiscal year. The Comprehensive Annual Financial Report (CAFR) has been published and presented to the Fiscal Committee last week which went well.
- b. Tri-State financials were presented at that commission meeting last week; however, there has been some disruption due to many vacancies at the Vermont Lottery which will be addressed later in this meeting.

**3. SALES AND PRODUCTS**

- a. Kelley-Jaye Cleland, Director of Sales and Product Development, presented a product development update. Three new instant tickets will launch this month at \$1, \$2, and \$10 price points. The \$10 "\$50 or \$100" ticket features those two prizes and is the second series of the game, but will have a more frequent payout. Other notable instant games coming up are \$5 Red Sox, which will feature second-chance drawings of Red Sox tickets; and a new series of the \$10 "\$500,000 Fortune." This game will be produced in a huge print run and feature much higher payouts than the current game. In April, "My Big Million" will be our first \$20 game launch since 2016; we expect it to do well as players favor \$20 tickets. Instants account for 70% of our sales, and we are seeing positive momentum and sales rebound at every price level. Launch strategies will be discussed with our vendor Scientific Games in the next few weeks.
- b. January iLottery sales and recruitment goals were met thanks to the great effort in acquisition. We are focused now on reaching the players who unsubscribe to email updates when they register. We want to recapture these players, because the value of those who use bonuses exceeds the value of those who do not. When they choose to opt out of emails, a pop-up with stronger language will stress why the player should continue to subscribe, emphasizing free games and bonus offers. We passed our first-time depositors goal for January, and have very ambitious goals set for February based on predicted jackpot runs. We are behind for the month right now, but Director McIntyre pointed out that we need to look at the annual goal in aggregate. Our recruitment went so much faster than we anticipated as early adopters signed on in October during the billion-dollar jackpot run, so that pool of players has already

been converted. However, once they're signed up, they play. We have achieved 65% of our netgaming revenues already just halfway through the fiscal year. Travis York of GYK Antler added that in their experience, a full year of data is important in analyzing the trends in e-commerce: seasons, shopping habits, and marketing pushes.

- c. Fast Play is experiencing record sales, particularly at pouring establishments where patrons are seeing the game as a great companion to Keno. Marketing is putting together a how-to video to assist first-time players at Keno retail locations. Ideally, we would like to have 3-5 new Fast Play games each quarter.
- d. Keno had a record last week of \$555 thousand in sales; there are 170 total locations, and about 159 are active. Keno is on the warrant in several key southern tier communities for the upcoming town meeting, including Merrimack, Londonderry, Windham, Litchfield; several in the Route 4 corridor; and Conway. Warrants must be posted by February 25<sup>th</sup>, so we will have a full count of towns by then. Commissioner Williams asked if we have visited any of these communities; we have indeed been to about a dozen to speak to select boards. City elections will take place this fall, and strategies for working with city councils was discussed.

#### **4. MARKETING**

- a. Marketing Director Maura McCann noted that the Keno corporate advertising is in full swing, which is likely to have helped achieve these record sales. She referred to the Marketing report for the iLottery digital advertising and banner ads. The Tri-State drawing videos have been moved to a Tri-State YouTube channel, particularly as they are viewed in Maine, New Hampshire, and Vermont. Prior to the Superbowl, we ran a fun Patriots Facebook promotion that garnered nearly one thousand comments in support of the team.
- b. Maine, New Hampshire, and Vermont lotteries are launching a Megabucks survey called "What Do You Think? (WDYT?)." Maine has sent the survey to members of their loyalty program and have received around 2,500 responses. New Hampshire and Vermont are posting the link on their social media and have received approximately 100 and 200 responses respectively in this first week. Feedback will guide future game enhancements.
- c. Chairman Douglas complimented GYK Antler on the Keno character advertisements, which are now in regular rotation on television.

#### **5. TRI-STATE**

- a. The last Tri-State meeting was held in Concord one week ago. There was no one to present the financials at that time as Vermont currently has several vacant positions, including chief financial officer and executive director.
- b. As part of the marketing and product development plan developed at the Burlington meeting (attainable Tri-State goals), the committee will be focusing on Megabucks: analyzing the player survey and game sales, and will be reviewing jackpot rollovers, game modifications, and different matrices.
- c. The marketing and product development group is looking at the Fast Play product which is doing well in all three states; should we consider a Tri-State Fast Play game? The group will be reviewing past suggested changes to the Gimme 5 game that include adding more drawings to make it five or seven days a week; and if the draw frequency changes, does it get rebranded as a Pick 5 (Pick 3/Pick 4/Pick 5).
- d. The spring Tri-State Commission meeting will be on May 9 and 10 in Gorham.
- e. The Tri-State finance summary will be distributed to the New Hampshire Commission for their review.

#### **6. OTHER**

- a. Director McIntyre referred the Commissioners to the draft audit findings reported by the State's Legislative Budget Assistant. There were three findings; our draft responses are due tomorrow and will be collated and submitted by Deputy Director Lynda Plante. There will be an exit meeting to finalize the audit, and we will then appear before the Fiscal committee to address any concerns.

- b. New employees Perley Smith, Facilities, and Sharda Rao, Human Resources were introduced by Director McIntyre. Mr. York of GYK Antler introduced Lyndlee Hayes, who will be focused on iLottery recruitment efforts.
- c. Director McIntyre noted that we are up 15% over last year, which itself was a record year.
- d. Racing and Charitable Gaming Director Valerie King will attend JLCAR tomorrow, February 15. Lot 1000 All Instant Lottery Games is on the consent agenda, and expected to be approved. If so, the amendment can be adopted at the next Commission meeting. Lot 600 Prize Claims is on the regular agenda. Ms. King has submitted a Condition Response Request to resolve the one minor issue raised by OLS. The Request is expected to be accepted by JLCAR at tomorrow's meeting. If all goes as expected, the Commission will need to move to approve the Conditional Approval Response at the beginning of its March meeting. The Response will then be delivered to OLS for approval. Upon approval, the Commission may adopt Lot 600 before the close of its meeting. The public hearing to amend and renumber the Games of Chance rule is also scheduled to take place at the March meeting.
- e. Director McIntyre briefed the Commission on the legislation that has affected our agency. Games of chance bills have been stricken down. Sports betting had its first public hearing and was not met with significant opposition. The Governor's budget is being presented today, which will be the focal point for a few days.
- f. Chairman Douglas entertained a motion to accept the incentive program discussed last month. Commissioner Williams so moved and was seconded by Commissioner Holloway. All were in favor, motion passed.


**7. NEXT MEETING**

The next meeting will be on March 21 at 9:30 a.m.

Motion to adjourn was made by Commissioner Williams at 10:30 a.m. and seconded by Commissioner Holloway; all in favor, meeting adjourned.



Debra Douglas, Chairman



Paul J. Holloway, Commissioner



J. Christopher Williams, Commissioner

Respectfully submitted, Carmela Nolin