

New Hampshire Lottery Commission
14 Integra Drive, Concord NH
Minutes of Commission Meeting
January 14, 2020 · 2:30 p.m.

Commissioners:

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

Lottery staff in attendance:

Charles McIntyre	Katie Brown	Valerie King	Lynda Plante	Richa Yadav
John Conforti	Jim Duris	Maura McCann	Carmela Nolin	Rick McLaughlin

Others in attendance:

Kristen Paré, Intralot	Teri Blouin, Dept Admin Services	Travis York, GYK Antler
Sarah McGregor, Intralot	Rich Parsons, RYP	Lyndlee Hayes, GYK Antler
	Jim Bouley, Dennehy & Bouley	Taylor Yianokopolos, GYK Antler

Chairman Douglas called the meeting to order at 2:30 p.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

Chairman Douglas sought a motion to accept the November 20, 2019 meeting minutes. Commissioner Holloway so moved, and was seconded by Commissioner Williams who attended by telephone. All in favor, meeting minutes were approved with one correction.

2. FINANCIAL REPORTS

- a. Chief Financial Officer Jim Duris presented the partial financials for December as the books are not yet closed. The sales comparison shows that we are \$1.8 million over this week last year, driven mostly by Keno, instants, and iLottery. We are still behind \$2 million year to date compared to the Powerball and Mega Millions jackpot runs last year. Keno is performing very well, maintaining sales over \$750 thousand per week. We recently had a record week over \$800 thousand, and have just over 190 active retailers.
- b. The comprehensive annual financial report has been presented to the Fiscal committee with a clean opinion. It has been posted to our website, and with the audit closed, a final transfer of \$5.1 million for fiscal year 2019 was sent to Education in December.
- c. There are no issues on the horizon, though Mr. Duris is working to resolve an IRS finding from several years ago. There is a possibility that the IRS may not overturn the penalty and Lottery will have to pay it.

3. SALES AND PRODUCT DEVELOPMENT

- a. Product Development Director Kelley-Jaye Cleland presented an overview of the instant ticket performance. \$1 and \$2 tickets are a challenge nationwide. The absence of the \$5 Patriots ticket this year was felt, but the \$10 games are doing well, up 15% year over year. The \$3 price point will be shipping with other games and we expect to see strong sales with them. The new \$20 "\$100 or \$200" game is doing well, having sold over 35 thousand tickets in its second week. Commissioner Holloway inquired if players who typically buy \$25 games are instead buying this \$20 ticket. Ms. Cleland confirmed this does seem to be the case, and they are also buying \$10 games. The \$25 Granite State Platinum Millions will be launching in a few weeks, and we are excited to offer it to our players.
- b. Keno sales are excellent, with weekly sales exceeding \$800 thousand. Most retailers are on target, and some have been identified as needing help. Since the fall election, the cities of Rochester and Dover have added five locations. Ms. Cleland recognized Kristen Paré of Intralot for her effort in recruiting new retailers

in those cities. We have sent letters to town select boards to advise them of the Keno local option for their annual town meeting warrants. Finally, a senate bill was introduced to limit the number of times Keno can be voted on in a municipality; we will be watching the status of this bill

- c. Fast Play sales are down slightly, but still remain healthy year over year, with the \$5 price point the strongest. The tie-in with Keno has strengthened sales, and we're looking forward to launching a \$20 game this year which will start with a \$10,000 jackpot. Enhancements are being considered to put the game on all channels/terminals.
- d. iLottery sales were exceptional in December and player acquisitions are up from projections by three times. We still face challenges with deposits per user and getting those to increase while maintaining responsible gaming practices. NeoPollard has made enhancements on the back end to improve data analysis and reporting. New games are catching a huge percentage of our player activity. The Holiday Cheer cross-promotion brought in 2,600 unique page views and more than 800 first time depositors at a minimal cost per acquisition. This worked very well and is something that we will do again.
- e. Kristen Paré of Intralot summarized their activity, which includes enhancements for Gimme 5, Fast Play, The Big Spin, and Keno. They are also creating a road map for the sports betting retail solution, Sports 603. She introduced Sarah McGregor, business analyst, who has recently joined the team.

4. MARKETING

- a. Marketing Director Maura McCann presented the January graphics and creative for the month. Before going through the data, Ms. McCann pointed out that during the holiday week, instant ticket sales broke records at nearly 7 million. The iLottery focus will be football, despite the Patriots' playoff loss. Several generous registration promotions are planned and advertising to promote draw based game jackpot runs. There is an omni-channel thank you campaign being planned; this is inspired by Commissioner Holloway to show gratitude to our players for record sales.
- b. The event to kick off DraftKings' sports betting app at Shopper's Pub in Manchester on December 30 went very well, despite the bad weather. The app was launched a month early thanks to the Herculean efforts by DraftKings, and the Governor enthusiastically placed the state's first bet on the Patriots. The media coverage was widespread, with news reporting the launch all over the country. GYK Antler also launched a new Sports Betting page, from which the DraftKings app can be downloaded.
- c. GYK Antler presented five new television spots that will be released over time and with promo codes to enhance games. The campaign is called "Play Your Way" and features instant tickets, iLottery, Keno, and draw based games.

5. TRI-STATE COMMISSION

Ms. McCann added the developments from the December Tri-State Commission meeting. Gimme 5 will expand to five draws per week and will feature a fresh new logo upon launch. The Big Spin experiential instant game is under development by Intralot and Scientific Games for the three states. The responsible gambling public service announcement is under development by GYK Antler; it will be filmed when the weather warms up as it takes place outdoors.

6. COMPLIANCE

- a. Valerie King, Director of Racing and Charitable Gaming, sought a motion to submit an objection response for Lot 3000 (Sports Wagering Rule) to the Office of Legislative Services (OLS). Commissioner Holloway so moved, and was seconded by Commissioner Williams. All in favor, motion carried.
- b. Ms. King requested separate motions to submit the final proposal for Lot 7000, Bingo Rules; and the final proposal for Lot 7100, Lucky 7 Rules to OLS. Commissioner Holloway made the motions on both requests and Commissioner Williams seconded. Both motions passed unanimously, and the final proposals should be heard at the February JLCAR meeting.

7. OTHER

Director McIntyre recapped the successful launch of the sports betting application on December 30, and reported that in the two weeks since then, we have acquired an astonishing 21 thousand registered users and more than \$7 million in wagers. We are averaging around \$600 thousand in gross gaming revenue per day; and the wagers are spread across several sports, not just football. We are exploring physical locations for the retail sports books, and expect to announce the first four locations at the beginning of February.

8. NEXT MEETING

At 3:44 p.m., Chairman Douglas entertained a motion to enter non-public session under RSA 91-A to discuss personnel matters. Commissioner Holloway so moved, and was seconded by Commissioner Williams. Upon a roll call, the following members reported: Commissioner Holloway, Commissioner Williams, and Chairman Douglas.

The next meeting date will be set at another time.

Debra Douglas, Chairman

Paul J. Holloway, Commissioner

J. Christopher Williams, Commissioner

Respectfully submitted, Carmela Nolin