

**New Hampshire Lottery Commission  
14 Integra Drive, Concord NH  
Minutes of Commission Meeting  
March 18, 2021 · 12:30 p.m.**

**Commissioners:**

Debra Douglas, Chairman  
Paul Holloway, Commissioner  
H. Andy Crews, Commissioner

**Lottery staff in attendance:**

Charles McIntyre	Kelley-Jaye Cleland	Maura McCann	Lynda Plante
Katie Brown	Jim Duris	Danny Maloney	Jonathan Trinh
John Conforti	Valerie King	Carmela Nolin	

**Others in attendance:**

\*Guests attended by teleconference, and by the nature of that platform, not all participants are identifiable.

Chairman Douglas called the meeting to order at 12:32 p.m., which was held by teleconference.

**1. CONDITIONAL RESPONSE TO LOT 7300 UNLAWFUL GAMBLING MACHINES**

Director of Licensing and Enforcement Valerie King requested a motion to submit the Conditional Approval Response for Lot 7300, Unlawful Gambling Machines. Motion was made by Commissioner Crews and seconded by Commissioner Holloway with all in favor to submit the conditional approval response to Office of Legislative Services (OLS). Following this unanimous vote, the submittal letter was signed electronically by Chairman Douglas and the response was emailed to OLS, which is expected to return their approval.

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

Chairman Douglas requested a motion to accept the minutes from the February 18, 2021 meeting. Commissioner Crews so moved and was seconded by Commissioner Holloway; all in favor, minutes were accepted unanimously.

**3. FINANCIAL REPORTS**

- a. Chief Financial Officer Jim Duris reported that financials for February are in draft form and is working with Financial Data Management to solve some posting issues. Sales increased in February \$5.5 million compared to the same period last year, particularly for instant, e-Instant, Keno, and Fast Play. Mega Millions and Powerball sales have cooled since their jackpots were won, but the period of heavy activity helped their overall numbers rebound, increasing our year to date sales \$62.0 million over last year. Compared to this period last year, instant ticket sales grew over \$29.90 million, e-Instants are up \$8.0 million, and Mega Millions increased by \$7.5 million.
- b. Mobile sports betting had revenues of \$400 thousand in February, bringing us to \$9 million fiscal year to date; this month included a promotional expense accrual. Handle for the month was

\$42.9 million, a bit lower than the previous month. The Super Bowl had an \$8.0 million handle, but net was only \$22.5 thousand due to the heavy action on Tom Brady and Tampa Bay Buccaneers.

- c. Racing and charitable gaming revenues decreased by \$92.5 thousand compared to the same period last year. Year to date, Games of Chance has grown \$623.0 thousand, and Bingo and Lucky 7 are down by \$162.0 thousand. Part of the reason for the decrease is the accounting of "outs" – tickets that weren't cashed by patrons of the track. Unclaimed tickets are taken by us at the end of the year, and we enter them as temporary deposits; when the purge of those tickets happens in March, that decrease will reverse.
- d. The transfer to Education for February was \$7.8 million, which was below plan by \$1.2 million. Year to date, we are ahead of plan \$18.4 million, and the total transfers to Education this fiscal year so far have reached \$91.2 million. Chairman Douglas asked why we were \$1.2 million below if we are \$5.5 million ahead compared to last year. Mr. Duris explained that we are ahead in sales, but below in our revenue plan (transfers). He continued that he is finding that our cost of sales have increased more than in the past, and is investigating why. Chairman Douglas noted that we continue to lose revenue on Racing and Charitable Gaming; but Mr. Duris is confident that the purge of "outs" will help bring things back in line.
- e. Our accounts receivable reflect a negative receivable in MUSL, which is money collected for a prize, and that will go back out when the winner claims their prize. Treasury has not committed to a payment schedule yet; other AR is sports betting revenue.
- f. Expenses are in line with expectations, there are no surprises.

#### **4. SPORTS BETTING**

- a. Director of Sports Betting Danny Maloney noted that February ended in the black despite the Super Bowl hit. Mobile sports betting activity was dominated by NBA and college basketball, and table tennis is still going strong as a key event. Our hold fiscal year to date is 7.26%, which is a bit lower due to the Super Bowl wagering, especially pre-season when the odds were higher.
- b. Director McIntyre noted that we should rebound considerably during the NCAA basketball tournament, particularly after our players won big on the Super Bowl. NCAA March Madness extends into April, and will be followed by the Masters Tournament.

#### **5. SALES AND PRODUCT DEVELOPMENT**

- a. Chief Product and Program Officer Kelley-Jaye Cleland reiterated that February was a great month and iLottery revenues continue to do well, even after the jackpot runs. Fast Play sales have been seen to increase even after the jackpot resets, and Keno has sustained \$1 million in sales for several weeks. Keno sales for retailers are averaging \$5,000 per location per week, over the \$3,300 target, all despite having fewer retailers than we projected. Instant ticket sales were impacted by Covid; and it appears that players are spending stimulus dollars on scratch games.
- b. Product enhancements will be impacted by the changes to national games, so we will limit our changes to games on terminals. Sports 603 is going live in about six weeks. Instant and iLottery roadmaps should be available to share in the next several weeks.
- c. Our sales office has been opened back up, and Ms. Cleland complimented Devin Goley, Julie Pass, and Laurie Ridenour-Patterson for the great job they are doing in communicating our new protocol for safety and the claims process. Our sales staff are returning to field work, and we are monitoring their safety.

- d.** The player application is going forward and we hope to have a statement of work this week, with a go-live date of phase one in September. Work units have been sharing their stories and needs/wants for the proposed CRM tool. An online enhancement is planned for nearly every month, with the new Gimme 5 for iLottery planned for May 10.
- e.** Ms. Cleland noted draw based game changes coming in the next few months. Katie Brown will take the lead on the Intralot system; and Richa Yadav leads on the iLottery system. The legacy platform for subscriptions will be phased out over the next year, and we hope to offer several more games to the iLottery side. Susan Smart of the Subscriptions and Retailer Licensing has been integral to the migration off that legacy platform and to the auto-renewal subscription option in iLottery.
- f.** Finally, Ms. Cleland requested the Commission's approval for the following:
  - Deploying the retailer scratch ticket incentive plan, which has been finalized and is ready for deployment on April 1; Commissioner Holloway so moved and was seconded by Commissioner Crews. All in favor, the motion passed.
  - Extending our instant ticket contract with IGT with minimal changes by a two-year term per our 2017 agreement. Commissioner Holloway moved and Commissioner Crews seconded, and the motion passed unanimously.
  - Extending our instant ticket contract with Scientific Games, moving to a revenue share model, similar to the NeoPollard arrangement. This gross gaming revenue arrangement will include cost of shipping and a sales rep app, and will extend to six years. Commissioner Crews moved to approve this extension, seconded by Commissioner Holloway; all were in favor and motion passed.

## **6. MARKETING**

- a.** Marketing Director Maura McCann noted that marketing pieces have transitioned to the spring color palette. Advertising support will focus on the new \$1 603 instant ticket scenes, and \$5 7-11-21 multi-media scratch game, which will have a live drawing event. The new \$50 or \$100 ten-dollar ticket and the Loaded family in multiple price points will launch in May. Plans include television and radio support, and life-sized point of sale displays for the \$25 game launch.
- b.** Player acquisition for iLottery remains the top priority. Our February push was to female players, and in March, advertising will target male players. Later, we will focus those efforts based on zip code. A new welcome bonus will include cash and free e-Instants. We deployed a survey to users who have not played iLottery for a long period their reasons for not participating, and had over one thousand responses.
- c.** We continue to work with DraftKings to craft our message to the New Hampshire market. March Madness provides a perfect opportunity to acquire new players, emphasizing that anyone can play, not just seasoned bettors. A press release goes out today with advice from legendary book maker Johnny Avello, and several more are planned through the NCAA tournament with follow-up reports. DraftKings identified tent-pole events that our advertising will concentrate on, and they will recommend New England influencers to help promote those events.
- d.** Finally, our team is gearing up to launch Sports 603, including support on our website. Other changes will impact the subscriptions pages, and related online game descriptions.
- e.** Commissioner Crews asked to receive results from the survey, and thanked Ms. McCann for continuing to provide website traffic data.

**7. COMPLIANCE**

Ms. King confirmed that OLS sent their response regarding Lot 7300, and we are ready for a motion to adopt this rule. Commissioner Holloway so moved and Commissioner Crews seconded. The motion passed unanimously.

**8. OTHER**

Director McIntyre introduced Jonathan Trinh, who has recently joined the Instant Ticket Department.

**9. NEXT MEETING**

The next meeting will be on April 22 at 10:00 a.m. by teleconference.

At 1:20 p.m., Chairman Douglas entertained a motion to end the meeting and go into non-public session, under RSA 91-A to discuss personnel discussions. Upon a roll call, the following members reported: Commissioner Holloway, Commissioner Crews, and Chairman Douglas.



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Debra M. Douglas, Chairman



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Paul J. Holloway, Commissioner



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H. Andy Crews, Commissioner

Respectfully submitted, Carmela Nolin