

## **New Hampshire Lottery Commission**

14 Integra Drive, Concord NH  
Minutes of Commission Meeting  
August 26, 2021 · 10:00 a.m.

### **Commissioners:**

Debra Douglas, Chairman  
H. Andy Crews, Commissioner  
Erle Pierce, Commissioner

### **Lottery staff in attendance:**

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

### **Others in attendance:**

Rick Newman, NHGOA	Taylor Yianakopolos, GYK Antler	Ryan Sahr, Intralot
Katherine Paisly, Exacta Systems	Travis York, GYK Antler	Tom Leccese, Chasers
Peter Bragdon, PretiStrategies	Jeff Clifford, Exacta Systems	Alicia Preston, NHCGOA
Jodi Grimbilas, JG Strategies	Kristen Paré, Intralot	Jim Bouley, Denney & Bouley
Adam Schmidt, JG Strategies		

Chairman Douglas called the meeting to order at 10:01 a.m., which was held at Lottery Headquarters.

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

Chairman Douglas requested a motion to accept the minutes from the July 22, 2021, meeting. Commissioner Crews so moved, Chairman Douglas seconded, and all in favor, minutes were accepted.

### **2. FINANCIAL REPORTS**

- Chief Financial Officer Jim Duris opened the July financial report with news that sales increased \$10.7 million compared to the same period last year. Instant ticket sales led that growth with \$6.3 increase, and Keno was strong with growth of \$2.1 million. Our other products are in line with expectation.
- Mobile sports betting revenues for the month totaled \$1.1 million, and handle was \$30.3 million. The revenue includes the allowance for promotional expense which being accrued monthly. Handle at retail was \$6.3 million, and revenue totaled \$359 thousand for July.
- Racing and charitable gaming revenues for the month was \$198 thousand, and increase of \$23 thousand over the same period last year.
- The July transfer to Education was \$9.5 million, which was on target with expectation. This also reflects the transfer of the loan principal for the pay-off of the mortgage.

- Accounts receivable are aligned with expectations, the MUSL line item for claims has since been trued up. We received the delivery of three vans for the fleet, currently assigned to equipment expense at \$69 thousand; these will be reclassified as assets at the end of the month. Advertising expenses were high again, but all other line items are within expected ranges.
- Chairman Douglas requested a motion to approve the financial report; so moved by Commissioner Crews and seconded by Commissioner Pierce; motion passed unanimously.

### **3. SPORTS BETTING**

Danny Maloney, Director of Sports Betting, gave the breakdown for July which was dominated by baseball; table tennis and NBA playoffs tied for second. Combined between mobile and retail sports books, the State's revenue for the month was \$1.5 million, retail did well in July. In a comparison of handle and revenue across mobile and retail, Mr. Maloney noted that retail took in 1/6 of handle, but it generated 1/4 of the revenue for the month. Commissioner Crews inquired if this was consistent going back several months. While it does fluctuate, we expect to see more handle with the football season, especially with the return of the VIP players, but the hold will likely remain the same.

### **4. SALES AND PRODUCT DEVELOPMENT**

- a. Chief Product and Program Officer Kelley-Jaye Cleland reported on the following sales activity:
  - We missed our rather aggressive goals for iLottery in July. However, July saw a 53% increase in first time deposits over June, higher deposits and revenue, and a 105% increase in new registrations.
  - Online sales of Gimme 5 has contributed to a 32% increase in overall sales, and we've observed that those players are more consistent with their purchases and are likely to play e-Instant games. Lucky for Life has also seen success with the move to seven days a week, rebounding from a slight dip before the change to an overall sales increase of 24%. Ms. Cleland complimented the ICS audit team for managing two separate back office systems with the addition of these games online.
  - Fast Play continues to grow year over year, with a current increase of 16% over this time last fiscal year. We are working on new family of progressives in three price points, and hope to have them finalized in the next few months. This family could carry over into instant and e-Instant games as well.
  - Instant ticket sales are up nearly 4% over this time last year, and the new version of \$500,000 Fortune is contributing to that success. This game is a player favorite, and we've increased the print run and overall number of prize, and added a higher top prize with this third series. The new \$20 ticket launches next week. The 2021 \$5 Patriots instant game has been on sale for a few weeks, and has a tie-in e-Instant on iLottery called Patriots Payout. Both traditional and online games feature second chance prize opportunities, and we plan to expand it to the rewards program app later this year.
  - Keno is projected to reach \$55 million in sales this fiscal year, and this is without the number of retailers we originally projected, and many places are limiting their hours due to staff shortages. Director McIntyre noted that establishments in Portsmouth are losing customers to towns that have Keno; restaurant owners and fraternal organizations are leading a grass roots effort to encourage patrons and citizens to vote for Keno's passage at the city election this November. Power Hours are planned in the next month, including the seacoast area.

- b. Ms. Cleland updated the Commission on the development of several new initiatives:
  - The Scientific Games (SGI) change is underway and there are many teams at Lottery and SGI involved in the testing and development of the new LSR app and ticket inventory system.
  - The Product and Marketing groups are actively developing branding for the player app.
  - The CRM project has been pushed out a bit as DOIT has to go before the Governor and Council in September to get contracts approved. She noted that the Data and Product Analyst position has been hard to fill; we are at a disadvantage competing with the private sector as companies are hiring with less experience and at higher pay.
  - The Lottery Sales Rep incentive program needs to be renewed this coming year, and Ms. Cleland has met with Commissioner Crews and will form a subcommittee to explore other options and parameters for eligibility.

## **5. MARKETING**

- Marketing Director Maura McCann emphasized that iLottery player acquisition is the top priority for Marketing. She added that though we can attract new players with bonuses and offers, we need to keep them interested.
- Jackpot alert ads are standing by with the growth of both the Mega Millions and Powerball jackpots.
- Our Patriots scratch ticket is going strong, players are glad to see it back; we are the only New England state currently offering the team's licensed instant ticket. There is a promotion for \$10 iLottery bonus tie-in with this ticket, as well as drawings for home game tickets.
- We have been busy with our sponsorships this summer: the school bus race was recently held in front of a packed stadium at the New England Dragway in Epping. Commissioner Douglas will throw out the first pitch at an upcoming Fisher Cats baseball game.
- Her team and GYK Antler are developing creative for "where the money goes," brand halo, and holiday campaigns simultaneously.
- We're collaborating with DraftKings for digital advertising and existing media buys. We'll promote the sports betting app with QR codes on tent cards to be placed on tables at Keno locations.
- Signage on our two billboards have been updated to the new Monday, Wednesday, Saturday Powerball drawings. We have an opportunity for a third location, which will feature our corporate message and perhaps our new \$500 Fortune instant ticket.
- Commissioner Crews inquired why display ad budget dropped off. Ms. Yianakopolos of GYK Antler responded that they shifted focus to social media advertising which has had better results.
- Ms. McCann concluded her report with the presentation of the Powerball television spot announcing the new Monday draw.

## **6. TRI STATE COMMISSION**

- Ms. McCann summarized the Tri-State Lotto Commission meeting which took place two weeks ago. The Big Spin grand prize event is coming up on September 4. The next game featuring a second chance grand prize is Big Country Cash, expected to go on sale in early 2022. The specifications for multi-state Fast Play game is being developed between the states and their lottery vendors. Finally, the next Tri-State meeting will take place on November 5 featuring vendor presentations proposing sales strategies post-pandemic.

**7. COMPLIANCE**

Chief Compliance Officer John Conforti informed the Commission that we are in the middle of the public comment period for Lot 8300 Historic Horse Racing rules. There may be some areas that need to go before the Commission, but are expected to be narrow in scope. The written comment period ends at 4 p.m. on September 9 and Mr. Conforti invited stakeholders to submit any questions to him as soon as possible. Director of Licensing and Enforcement Valerie King shared the Office of Legislative Services' schedule, noting that we have until 4 p.m. on September 30 to submit our final proposal for the JLCAR meeting in October.

**8. NEXT MEETINGS**

The September Commission meeting will be on Thursday, September 30, at 10:00 a.m. at Lottery headquarters.

October's Commission meeting was also set, it will be on Monday, October 25, at 10:00 a.m. at Lottery headquarters.

Chairman Douglas entertained a motion to adjourn at 11:07 a.m., which was made by Commissioner Crews and seconded by Commissioner Pierce; motion passed.

  
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Debra Douglas, Chairman

  
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H. Andy Crews, Commissioner

  
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Erle Pierce, Commissioner

Respectfully submitted, Carmela Nolin