

New Hampshire Lottery Commission

14 Integra Drive, Concord NH
Minutes of Commission Meeting
August 23, 2022 – 2:00 p.m.

Commissioners:

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

Lottery Staff in Attendance:

Charles McIntyre	Kelley-Jaye Cleland	Maura McCann	Valerie King
James Duris	Danny Maloney	John Conforti	Lynda Plante

Others in Attendance:

Kurt Mathias, Boston Billiards	Robert Clegg, Boston Billiards	Gina Powers, DraftKings
Adam Schmidt, SGI	Paula Maltman, SGI	Molly Tobin, GYK Antler
Peter Bragdon, CDI		

Chairman Douglas called the meeting to order at 2:05 p.m. Public attendance available in person and via Microsoft Teams Meeting.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

- Chairman Douglas requested a motion to accept the minutes of the July 26, 2022, meeting. Commissioner Crews moved to accept, seconded by Commissioner Pierce. Motion passed 3-0. Minutes accepted and signed.

2. FINANCIAL REPORTS

- Chief Financial Officer, James Duris, reported on the July financials. Overall, July sales increased \$8 million from the same period last year. Mega Millions sales increased \$9.7 million, Powerball increased \$.5 million and iLottery increased \$1.3 million over the prior year. For the same time period, Instant tickets decreased by \$2.8 million, and Keno saw a decrease of \$.5 million. All other games remained steady.
- Mobile sports betting revenue nearly doubled coming in at \$1.8 million for the month compared to \$.9 million the previous year. The handle was \$33.1 million for the month, an increase of \$2.7 million. Retail sports betting had a handle of \$9.5 million for the month (an increase of \$3.1 million) and \$346,000 in net income.
- Racing and Gaming and Historic Horse Racing revenues were reported after the closing date. July receipts were recorded as June sales based on the gaming dates.
- The transfer for the month of July was \$18.4 million, which is above the projection of \$8.1 million.
- Vendor fees for iLottery increased by \$542,000 compared to the prior year due to increased sales. Advertising expenses were comparatively low for the month due to the new contract discussions between Lottery and GYK Antler. The expenses will be caught up in July. All expenses relating to Tri-State are estimates and all other operating expenses are in line with expectations.

3. SPORTS BETTING

- Director of Sports Betting, Danny Maloney, reported that this has been a very strong month with \$2.1 million in revenue to the state at a hold percentage of 10.49%. The July percentage break down for sports betting is 78% mobile and 22% retail handle and 83% mobile and 17% GGR. New Hampshire is in line with comparative Northeastern states. The most popular sports for the month were 50% baseball with golf and tennis making up another 20%.

4. SALES AND PRODUCT DEVELOPMENT

- Chief Product and Program Officer, Kelley-Jaye Cleland, provided an overview of July. iLottery had a strong month with 91% of players depositing were draw based game (DBG) oriented players. Currently in August, the rate is 49%. Mobile use is still trending up with 73% of the first-time depositors using mobile and additional 5% deposited through the app which is also mobile.
- Fast Play sales increased 9% over last year. The \$20 Twenty 20's game continues to account for 53-76% of the total Fast Play sales each week.
- Ms. Cleland indicated that scratch tickets are starting the fiscal year down 7% from last year, the start of the year is not always indicative of the end result. The \$20 price point is 10% up over last year and will receive an extra boost with a new \$20 ticket launching at the end of August.
- Keno is now being sold at traditional retail with the first licensed traditional retailer having over \$550 in sales the first week. The goal for FY23 is 450 retailers and over \$58 million in total sales. Ms. Cleland advised the trend is 13% below the weekly selling average to meet the goal, but overall we are down 6%. For fiscal year 2023, 8% less tickets are sold per week than FY22, but players are spending on average 2% more on each ticket. Ms. Cleland recognized the great work by Research Analyst, Aime-Jo Bacon, for her efforts examining the Keno trends.
- There are many upcoming product and program enhancements which include Lucky for Life added to the iLottery platform this year and Megabucks having a game change in September of 2023 that will add a third draw and join the iLottery platform, and the last day to purchase Megabucks subscriptions is October 31.
- A letter was mailed to all eligible retailers on becoming a Keno retailer. There are 12 licenses in process and one active.

5. MARKETING

- Director of Marketing, Maura McCann, noted that July marked a historic month for iLottery performance, recording the highest monthly registrations to date, as well as decreases across both CPAs as a result of the billion-dollar jackpot.
- The 2022 sponsorships are winding down. They included the New Hampshire Motor Speedway and DraftKings, New Hampshire Fisher Cats with DraftKings offers through QR codes at the ballfield, product support with the Nashua Silver Knights, Winnepesaukee Muskrats and Keene SwampBats along with Whitcomb racing at the Monadnock Speedway. The New England Dragway annual event was also a success.
- New Keno Creative Campaign will be executed in the coming months, TV, Radio and Digital. At this time, Point of Sale pieces are being developed to support the game at the new locations.
- There was great success with the prior NH Lottery app digital campaign that a new campaign to support the downloads is being executed July through September.
- The new Jackpot Alert Campaign – That's Wild is all set to be executed with the next jackpot run. We will be doing a social post to retire the screaming goat.
- The FY 23 Radio campaign has been executed featuring an "Otter" that tells people each month what the new scratch tickets that are on sale. "Otter" is from the word "Lottery".
- Ms. McCann pointed out there are ongoing second chance drawings including the Big Country Cash, Gem-a-palooza and Go Pats!

6. TRI-STATE

- Director of Marketing, Maura McCann, noted that the financial reports were not available due to the timing of the meeting, yet Mr. Wenner (VT Lottery) provided a Tri-State fiscal year overview. Sales were lower than forecasted by \$4.6 million or 5.5%. Megabucks, Pick 3, and Pick 4 sales were down yet Fast Play was up. Net profit for the year was \$96,000 less than forecasted.
- The Tri-State group is working on the next scratch tickets which will be the SGI product called Cash Dash and Golden Nugget brought to us by Alchemy 3.

- The group will meet in person in November to review options for future promotions as well as to hear creative to support the change to the Tri-State Megabucks game in September of 2023.

7. OPERATIONS

- Chief Operating Officer, Lynda Plante, announced that there are two new hires coming on board September 9. Karen Krause will be the new Brand and Communications Manager and Bobbie Mayo will be the new Licensing Supervisor. There are many open positions in which seven are currently being recruited for at the agency. Just last week alone, the agency conducted 15 interviews.
- Ms. Plante indicated Facilities Superintendent, Eric Prescott, is working with various vendors to add the US, NH, and POW flags to the grounds.


8. COMPLIANCE

- Chief Compliance Officer, John Conforti, reported on the progress of HHR applications. There are presently 4 pending applications with no additional applications filed since the last meeting. There has been significant progress on those applications, and we expect to have more rooms open in the next few months. We also anticipate additional applications being filed shortly. Commissioner Crews asked about the status of the open rooms. Mr. Conforti reported that the Commission has been very pleased with the operations and that audits of the rooms are in progress.

9. NEXT MEETING

The next meeting is scheduled for September 22, 2022, at 10 a.m. at Lottery Headquarters.


Motion to adjourn by Commissioner Pierce, Seconded by Commissioner Crews. Motion passed 3-0. Meeting adjourned at 3:19 p.m.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner