

New Hampshire Lottery Commission

14 Integra Drive, Concord NH

Minutes of Commission Meeting

July 25, 2023 – 10:00 a.m.

Commissioners:

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

Lottery Staff in Attendance:

Charles McIntyre	Lynda Plante	Maura McCann	Valerie King
Tyson Peltz	John Conforti	Kelly Crockett	Jay Lau
Kelley Jaye Cleland	James Duris	Katie Brown	Heather Child
Len Mannino	Richa Yadav	Carolee Sliker	Danny Maloney

Others in Attendance:

Meredith Machulski, GYK	Molly Tobin, GYK	Adam Schmidt, SGI
Jeff Newman, GYK	Steve Beck, Intralot	Rich Parsons, RYP Granite
Paula Maltman, SGI	Ryan Sahr, Intralot	Molly Tobin
Curtis Barry	Melanie Carraher, DAS	Bobby Collins, RYP Granite
Matt Jordan, CDI	Ryan Boover, Intralot	Betsy Janes, CDI
Jeff Mucciarone, Montagne Powers		

Chairman Douglas called the meeting to order at 10:03 a.m. She also announced that from this point forward, according to RSA 91A, we will not be offering the Microsoft Teams call in option. The meetings are open to anyone that wants to physically attend.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

- Chairman Douglas requested a motion for the **Acceptance of Minutes for June 20, 2023**, meeting. Commissioner Pierce moved to accept, seconded by Commissioner Crews. Motion passed 3-0. Minutes accepted and signed.

2. FINANCIAL REPORTS

- **Chief Financial Officer, James Duris**, presented June's financial summary.
- Lottery sales for the month of June increased compared to the same period of the prior year. Keno and iLottery led the way both increasing for the month by \$0.6M. Powerball, Mega Millions, and Lucky for Life all saw increases of over \$0.3M. Instant tickets had a modest growth. Year to Date (YTD) instant ticket revenues have increased compared to the prior year by \$5.8M. YTD Powerball and Mega Millions increases are \$7.2M and \$20.1M. iLottery has had a YTD increase of \$7.6M, and Lucky for Life has increased to \$2.9M, while Keno increased \$0.9M.
- Mobile sports betting revenue decreased \$0.2M compared to the previous year with \$1.7M in revenues. The handle was \$38.8M for the month, which was a decrease of \$6.7M compared to the prior year. Retail sports betting handle was \$4.5M for the month, with a decrease of \$7.5M compared to the prior year. This resulted in \$288K in revenue. Mobile YTD revenues are up \$11.6M, and retail YTD revenues have increased \$1.9M compared to the prior year.
- Racing and gaming revenues do not include the year-end sales accrual so the comparison to the prior year is not currently valid.
- Operating transfers for June were \$13.8M, this was above projections by \$3.0M. We projected the June transfer at \$14.3M. YTD transfers to Education Trust Fund (ETF) stand at \$187.1M, beating full

year projections by \$47.4M. Please keep in mind that the year-end results are only an estimate at this point and could change.

Chairman Douglas requested a motion to accept what financial summary we have right now. Commissioner Pierce moved to accept, seconded by Chairman Douglas. Motion passed 3-0, and financial summary is approved.

3. SPORTS BETTING

- **Director of Sports Betting, Danny Maloney**, presented the June's sports betting results.
- June Mobile and Retail Results
 - \$39,307,736 in Handle
 - \$4,372,429 in GGR
 - Hold of 11.12%
 - \$1,944,484 in revenue to the State
- FY 23 Recap
 - Handle Fairly similar YoY, but hold percentage saw steep increase.
 - \$883,675,664 in Handle
 - \$80,996,813 in GGR
 - Hold of 9.17%
 - \$36,861,375 in revenue to the State

4. SALES AND PRODUCT DEVELOPMENT

- **Chief Product and Programming Officer, Kelley-Jaye Cleland**, provided an overview for the month of June.
- KJ reported iLottery had a fantastic year. Her team now meets monthly with others streaming from finance, and compliance. This provides an overview of what they've done, what works and doesn't work, different challenges or roadblocks, and communication is greatly improved.
- iLottery FY24 goals are over the previous year actuals. Our FTD goal is down 41% from what our actual is for this year. We are up 11% and 10% higher respectively for the profits and net gaming. These are very reasonable goals, with 33% growth this year over the previous year, and this is truly exciting.
- The \$10 Fast Play game has done extremely well. In less than a week, July 16th thru July 21st midafternoon, the \$10 games was \$65,000 of the total sales at \$214,000.
- The new Fast Play game has been launched, and the others are looking to be launched after the holidays.
- Starting up the new year scratch is looking strong and is up 7% at the start. The new \$25 is performing about \$1.4 Million each week which is really strong. Lower price point games are performing strong. We have a few \$2 games that are different which we haven't tried before, and players are trying these.
- The line up this year is exciting. We have the \$25 game, \$1,000,000 Ultimate Dash that is supportive through Tri State, Holiday games that are off the chart with a launching of a \$20 game, the High Roller Family, and the Anniversary with another \$25, and a \$5 game. There will also be a \$50 game and a \$100 game coming. KJ feels this year will be extremely exciting.
- Round II of the RFP is due August 9th at 4pm.
- Keno \$500 licensing fee was removed.
- KJ announced that the position for Brand and Communications Manager is open. The finalization of Sales Force and Data, Field Supervisor, and Keno & Key Account Coordinator are still in the works for authorization.
- Commissioner Crews praised the work and dedication that the Lottery Sales Reps (LSR) are doing for the Lottery Commission.

Commissioner Douglas requested a motion to accept the FY24 Sales Rep Bonus. Commissioner Pierce moved to accept, seconded by Commissioner Crews. Motion passed 3-0.

5. MARKETING

- **Director of Marketing, Maura McCann**, provided an overview of the month of June.
- Ms. McCann reported that the \$10 Life Free and Win, last Monday sales alone they did \$9,400 worth of sales.
- There was the July 31st Holiday in retail promotion run.
- Maura spoke about the iLottery Acquisition, July, and August Campaign. The players can sign up to get free games using the promo code advertised. With a first deposit the Lottery will match that deposit 100%. This has turned out to be very positive Ms. McCann reports. This and the jackpot have really brought in a lot of new players.
- The Ultimate 23XI fan Race Day experience at the NH Motor Speedway, went on despite the rain and tornado watch. The chance with the give aways to meet Bubba Wallace, was exciting as well.
- The New England Dragway's annual Jet Cars Under the Stars event July 29th went well with fully crowded stands of people.
- The 2023 New Hampshire Teacher of the Year, Christian Cheetham will be one of the drivers at the driveway, and this was extremely positive on social media.
- Ultimate Dash coming up in late August is currently being finalized.
- Maura reported that we have the website project and we're working with all our stakeholders. These meetings have been extremely productive.

6. OPERATIONS

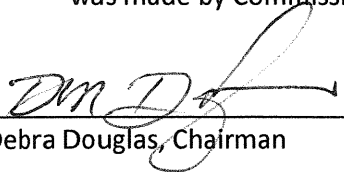
- **Chief Operating Officer, Lynda Plante**, provided an update for June.
- Lynda introduced the newest employee to the Lottery Commission, and she also gave an update on the three remaining open positions. Accountant I, Agency Audit Manager, and Brand Communications Manager are currently being recruited for.
- Nine employees signed up to attend the CRASE (active shooter training) on June 21st and July 19th.
- Ms. Plante gave they announce that the Carmela J. Nolin Memorial bench has been completed and installed.
- The building Project with KOAL PLLC out of Gilford, NH., is currently progressing. The Lottery Commission is working with Department of Public Works (DPW) to request a bidding proposal for a new server room, HVAC generator, and roof. The budget has been approved and the next steps are being determined.

7. COMPLIANCE


- **Chief Compliance Officer, John Conforti**, reported sales reports for the month of June.
- Mr. Conforti reports that he has two presentations to report on for the month of June. The first one is Games of Chance (GOC), and Historic Horse Racing (HHR) market trend numbers. As Jim from financing said, we are a little bit ahead in the financials, but we had a stronger month in June than in May on Games of Chance. This is a good sign because HHR is continuing to grow. GOC will be monitored to maintain strong levels while HHR can continue its path of growth.
- GOC after June is at 1.7Million, whereas HHR is a touch under at \$800,000.
- One note as of July 1st, the maximum bet was increased from \$10 to \$50. Staff did a fantastic job of getting that turned around, and as of Saturday everybody was making \$50 bets.
- HHR in the first month did over \$100Million in handle. The Brook is the strongest of the group right now.
- The next report is the Quarter four of 2023 Charity Allocations that shows all the charities that receive funds during the quarter and the percentage of rent that they paid out of that charity

allocation by room. 96% of the revenues are substantial, particularly to them being handed out more than \$100,000 on different occasions to these individual charities.

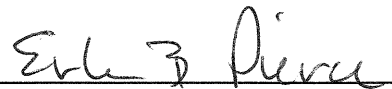
Chairman Douglas entertained a motion to adjourn at 11:16 a.m. to go into a nonpublic meeting which was made by Commissioner Crews and seconded by Commissioner Pierce. Motion passed 3-0.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner