

New Hampshire Lottery Commission
14 Integra Drive, Concord NH
Minutes of Commission Meeting
May 22, 2024 – 10:00 a.m.

Commissioners:

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

Lottery Staff in Attendance:

Charles McIntyre	Lynda Plante	Valerie King
James Duris	Maura McCann	Kelly Crockett
John Conforti	KJ Cleland	Jay Lau
Danny Maloney	Chelsea Blackstone	Tim Sharich

Others in Attendance:

Steve Beck, Intralot	Rich Parsons, RYP Granite
Ryan Sahr, Intralot	Adam Schmidt, SG

Chairman Douglas called the meeting to order at 10:02 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

- Chairman Douglas Accepted the Minutes of April 30, 2024, meeting. Commissioner Crews moved to accept and was seconded by Commissioner Pierce. All are in favor, motion passed 3-0.

2. FINANCIAL REPORTS

- **Chief Financial Officer, James Duris**, presented April 2024, financial summary.
 - Lottery sales for the month of April increased compared to the same period of the prior year. Powerball led the way with an increase of \$3.4 million over the prior year. Instant ticket sales decreased by \$1.5 million, while iLottery increased \$1.5 million. All other game sales remained relatively flat. YTD instant ticket revenues have decreased \$4.5 million. YTD Powerball sales are now \$53.0 million, an increase of \$10.6 million. iLottery has had a YTD increase of \$7.2 million. Megabucks sales have increased over \$5.7 million over the prior year.
 - Mobile sports betting revenues of \$2.3 million was a slight decrease of \$0.4 million compared to the prior year. The handle was \$53.5 million for the month, a decrease of \$3.3 million compared to the prior year. Retail sports betting revenue of \$10.4K decreased by \$213K compared to the prior year. Retail sports betting handle was \$6.3 million for the month, a decrease compared to the prior year of \$2.0 million. Mobile YTD revenues for mobile and retail have decreased \$2.5 million and \$1.8 million, respectively.
 - Racing and gaming revenues came in at \$857K, an increase of \$116K compared to the prior year. YTD revenues have increased by \$955K. Historic Horse Racing revenues came in at \$2.3 million, an increase of \$1.0 million. HHR YTD revenues were \$16.5 million, an increase of \$10.5 million over the prior year.
 - Operating transfers for April were \$18.3 million. This was above projections by \$5.3 million. YTD transfers to ETF stand at \$167.2 million, beating projections by \$33.0 million.
 - Advertising expense has increased over the prior year. The FY24 budget increased this year. All other expenses are in line with expectations.
 - Interest from Treasury totaling \$272K posted for the 2nd quarter of FY24.

Commissioner Crews proposed a motion to approve April financials, seconded by Commissioner Pierce. All are in favor, motion passed 3-0.

3. SPORTS BETTING

- **Director of Sports Betting, Danny Maloney**, provided April's meeting presentation.
 - April Mobile and Retail Results
 - \$59,854,282 in Handle
 - \$5,331,763 in GGR
 - Hold of 8.91%
 - \$2,306,465 in revenue to the State
 - YOY Bets and Active users (Apr`23 to `24)
 - Increase in mobile bets of 5.02%
 - Decrease in retail bets of 8.29%
 - Increase in active users of 2.34%
 - Since Inception
 - \$109,625,126 in revenue to the State

4. SALES PRODUCT AND PROGRAM UPDATE

- **Digital Marketing Manager, Chelsea Blackstone**, provided the commissioners with an update on My603 Rewards program. Scanning non-winning tickets to earn points breaks down into a point value of \$1 equaling one hundred points earned. There is a max of 300,000 points a player can earn per month which equals \$3,000 worth of non-winning tickets. Players can use their points to purchase Lottery Cash, Lottery Coupons, or entries into My603 Reward drawings. The types of items are Lottery Cash which has a dollar value that can be used to purchase any lottery game at a retail store. Lottery coupons are a coupon that gets a specific game for free. The My603 Rewards drawings are drawings a player can enter with earned points that run weekly, monthly, quarterly, or maybe a special promotion drawing. With the My603 Rewards program, players can now track their progress, see their My603 Rewards drawing entries, access their purchased rewards, and view their rewards history. April resulted in 18,912 users, a huge increase from the prior month. April being the first full month for My603 Rewards revealed 590,398 total tickets scanned for points. The most scanned draw tickets were Powerball, scanned scratch tickets were \$25 Diamond Jubilee, and the most scanned Fast Play was the \$5 Granite State Jackpot. The total of Lottery cash and coupons sold was 3,846, and coupons redeemed were 84%. This indicates that our players are highly engaged with the new My603 Rewards. Golden Spin's second chance drawing launch saw 68.5% more entrants than Ultimate Dash and 98.6% more tickets scanned than Ultimate Dash.
- **Director of Salesforce and Data, Jay Lau**, provided the commissioners with an update on the Salesforce project. Working with DAS and DoIT, we have arrived at a point where we received four vendors who responded to the RFP. The Lottery team here provided the technical scoring. Pricing was completed by the purchasing team. The lowest-price vendor was the highest-scoring vendor, and we decided to move forward with them. Due diligence was done on this vendor. The vendor's online rating and customer feedback were checked, reference checks with the State of Vermont were verified, and discussions with DoIT took place to look at the experiences they had with other agencies. G&C approved the RFP on May 15, 2024, to move forward with Tech Mahindra. We are looking to have a kick-off meeting in June.
- **Chief Product and Programming Officer, KJ Cleland**, provided a report for the month of April. Ms. Cleland gave an iLottery update through the end of April. Coinciding with when this report was written, we have six weeks to go in the Fiscal Year (FY). FTD goals have been exceeded by 13%. We are just 4% shy of the deposit goal and 1% shy of the total NGR goal. Ms. Cleland stated that we are now over the 1% for the FY. In April we had the third highest deposits in the past six months with 30% in the first seven days. We also had the second-highest number of unique depositors in the past six months. Due to the many big wins in April, the NGR has been impacted by \$421K in winnings. The marketing teams have done a great job in promoting the big e-Instant wins. Ms. Cleland gave an update on the iLottery enhancements with a focus on always making things easier for the players. New deposit methods, easier withdrawal communications, and widget designs are all important for making playing easier. The marketing team focused on offering free e-Instant games, enhancing the options to give a player one game for logging in or deposit offers. The goal is for players to have an easy experience withdrawing their winnings as it is to make deposits. Jackpot Spectacular, the multi-state e-instant, launched on April 24, 2024, that garnered over 11% of the total e-Instant sales on its first day. This has grown to account for almost 1/3 of e-Instant total sales. Ms. Cleland reported that the Q3 LSR Bonus is currently up for Fiscal Committee approval. All LSRs are negative for scratch tickets, and Keno is a fair split. There will be an upcoming LSR meeting, and those who

are positive will share their best practices with the group. Promotions are Fast Play Tuesdays, and Keno Power Hour through June 27, 2024.

3. MARKETING REPORT

- **Director of Marketing, Maura McCann**, provided a report for the month of April. Ms. McCann reported that we surpassed \$3 million in sports bet wagers. April hosted all types of events which made the month very busy. May isn't as busy but there will be Mother's Day events and promotions as well as upcoming Father's Day promotions and events. Golden Spin is up and running in all three States. The Second Chance Ultimate Dash is concluding at the end of this month, but the ticket is still available. Ms. McCann reported that we're seeing Sports betting interest in the Caitlin Clark effect for the WNBA. Tri-State went well starting Thursday with vendors presenting licensed properties. We had Presentations from Alchemy 3, Atlas Experience, EQL Games, Pollard Banknote Limited, and Scientific Games.

4. OPERATIONS UPDATE

- **Chief Operating Officer, Lynda Plante**, provided updates for the month of April. Ms. Plante introduced a new field auditor, Tim Sharich, and an update on all the open positions. There are currently four posted positions being recruited for. Employee recognition week took place May 5, 2024 – May 11, 2024, and included a pizza luncheon, ice cream, and raffle prizes. Know Your Numbers on-site clinic will be held on May 30, 2024, for all employees. Ms. Plante updated the Commissioners on the expansion of the Lottery's leased space. This will support the Investigations and Compliance Division. We are currently working with DPW for a new server room, HVAC, generator, and roof. The project has moved forward to G&C with an anticipated approval to confirm the selected contractor. Once approved, notice to proceed will be provided and phase one of the project will commence as soon as mid-July.

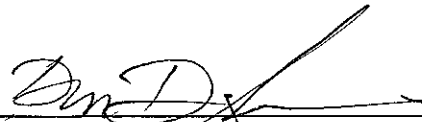
5. COMPLIANCE

- **Chief Compliance Officer, John Conforti**, provided the Commissioners with an update for April. We are seeing a lift in GOC in State revenue from last March 2023. State revenue is trending over \$2 million every month, and charity is trending over \$1 million every month. No new rooms are coming on board right now, no significant expansions, and none are closing. Ocean Gaming is opening a new renovation for Memorial Day weekend. The Governor signed SB 472, relative to Historic Horse Racing, establishing operations of GOC for the benefit of the host community, and relative to charitable gaming dates for municipalities and charitable organizations.

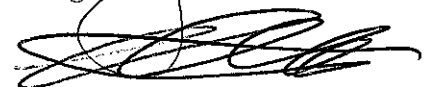
6. NEXT MEETING

- Friday, June 21, 2024, at 10 a.m. Located at New Hampshire Lottery Headquarters, 14 Integra Drive, Concord, NH, 03301.

Chairman Douglas entertained a motion to adjourn at 11:15 a.m. Commissioner Pierce moved and seconded by Commissioner Crews. All are in favor, motion passed 3-0.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner