

**New Hampshire Lottery Commission**  
**14 Integra Drive, Concord NH**  
**Minutes of Commission Meeting**  
**May 27, 2021 · 10:00 a.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	
John Conforti	Valerie King	Carmela Nolin	

**Others in attendance:**

Ryan Sahr, Intralot  
Peter Bragdon, PretiStrategies  
Others by teleconference

Chairman Douglas called the meeting to order at 10:05 a.m., which was held in person and by teleconference.

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

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

**2. FINANCIAL REPORTS**

- a. Chief Financial Officer Jim Duris reported April Lottery sales increased \$16.7 million compared to the same period last year, and year to date, sales have increased \$92.2 million. Sales of instant tickets increased \$45.0 million, e-Instants grew by \$11.2 million, Fast Play grew \$8.8 million, and Keno is up \$11.6 million for the same period last year.
- b. Mobile sports betting revenues for April came to \$0.9 million, the fiscal year to date total is \$11.3 million. Handle for the month was \$37.4 million, and that includes the allowance for promotional expenses accrued monthly. Retail handle reached \$9.2 million, with a net income of \$463 thousand for April, which is higher than the month of March.
- c. Racing and charitable gaming revenues grew by \$525 thousand compared to the same period last year. Year to date, Games of Chance has grown \$1.0 million, and Bingo and Lucky 7 cash receipts have remained relatively flat.
- d. April's transfer to Education was \$12.7 million, ahead of plan by \$3.2 million for the month; and we are ahead of plan \$25.2 million year to date. Our total transfers to Education through April this fiscal year have reached \$118.0 million, with two more transfers in May and early in June, again at the end of June.

- e. Our accounts receivable are in line with expectations. We did receive our funds from Treasury: our estimate was \$220 thousand for FY 2020, but it came in at \$53 thousand. This is reflected as a decrease in revenues to true up the difference. Employee benefits are less than expected due to workers not using services during Covid; as a result, there was a refund to employees. This will not affect next year's figures as the State provides those estimates.
- f. Supplies expense was high this month due to shipping materials purchases. Other expenses include Maintenance and the additional costs of grounds keeping, and Advertising's catch-up of invoices. While those expenses were over \$400 thousand for the month, year to date, they are on target.
- g. Accounts payable is at almost \$5 million: this is comprised of approximately \$2.9 million in retailer bonuses from end of quarter; vendor fees are nearly \$1.0 million, and finally the Draft Kings promotional expense is around \$1.0 million. Mr. Duris expects to have these costs trued up by the end of the fiscal year.
- h. Commissioner Holloway asked how we compare with Vermont and Maine. As we do not see their financials, Mr. Duris is not able to definitively answer. Commissioner Holloway noted that the Maine Lottery does a great deal of television advertising and asked if we have plans to start marketing for next year, as we have a tough goal to reach.
- i. Chairman Douglas noted that we should formally accept the Financial report going forward and requested a motion to do so today. Motion was made by Commissioner Crews, seconded by Commissioner Holloway; all in favor, the Financial report was approved.

### **3. SPORTS BETTING**

Director of Sports Betting Danny Maloney reported that April was a solid month, with NBA leading the activity. Baseball is strong, particularly with the Red Sox currently in first place. Without football, our handle is typical, but boosted by the Masters and NCAA. Hockey playoffs have begun for the NHL. We hit a milestone last month by reaching the \$500 million mark in handle fiscal year to date. Director McIntyre noted that we exceeded our projection of \$400 million for the full fiscal year, and we still have May and June to go.

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

- a. Chief Product and Program Officer Kelley-Jaye Cleland reported that all product lines are healthy right now, but we are seeing a slight decline in instant ticket sales. This week we launched the new \$25 game, and that should help us rebound. She noted that many state lotteries are experiencing the same trends now that the public is returning to other entertainment options. We have some great launches coming up, including a \$20 game and are working on a new Patriots ticket for release later this year. Fast Play is a leading product this year; its visibility through Keno kiosks and the excitement of the progressive games have boosted sales. The Marketing team is working with GYK to expand its visibility by posting the Fast Play progressive jackpots and enhancing their game pages on the website. Commissioner Crews inquired how our performance measures against that in Maine and Vermont. Discussion followed comparing each state's sales, noting that the accounting of products like scratch tickets is different one lottery to another.
- b. Chairman Douglas asked for more details about the CRM project. Ms. Cleland explained we have written a statement of work to guide the contract components, and we're collaborating with DOIT in settling on a vendor. At that point, we'll have to go before Governor and Council (G&C)

to enter into the contract. Based on our budget, we might not be able to add the business intelligence and data warehouse components in the first phase, but we hope to work on this in the fall.

- c. The recently approved Scientific Games contract opened the way for our transition project; beginning with the Gem Intelligence app for our sales reps, and the transition of activity in the warehouse and Tel-Sell.
- d. The Sales department has welcomed two new staff in the Sales office: Emilie Horne and Christine Robbs, who will also manage second chance contests.
- e. The Gimme 5 launch for iLottery has been postponed to July. Payment methods and compliance requirements for iLottery were discussed, including the new PayWithMyBank option.
- f. Ms. Cleland requested a decision by the Commission on which prize payment method to base the instant ticket incentive payout for retailers as high tier prizes can be claimed either in annuity or cash options. Commissioner Crews suggested that we consider the potential for future changes in programs and prizes, to which Director McIntyre agreed as our business and sales are migrating upwards. This would also apply to games like Lucky for Life (Powerball and Mega Millions are capped at \$75 thousand). The Commission agreed that the incentive amount should be based on the cash value of those prizes.

## **5. MARKETING**

- a. Marketing Director Maura McCann addressed Commissioner Holloway's question about the media spend at the Maine Lottery, and she will reach out for those figures. In addition, we have begun the marketing effort for FY 2022 by polling our team for where the effort should be spent. Commissioner Holloway's concern is that Legislators will be looking for more money and we should focus on advertising.
- b. May instant games will be getting extra point of sale support, the \$25 ticket features large standups and displays for retailers. Social media promos and posts have had great participation levels, engaging players on different platforms.
- c. iLottery support continues with a winners campaign, highlighting new and high tier prize winners in e-Instant games. While the jackpot run is over with the Mega Millions win in Pennsylvania, Powerball is still rolling. Both online games have seen great acquisition in iLottery, and our new player numbers continue to grow.
- d. Promotions this month included a Cinco de Mayo buy one/get one for Gimme 5, and later in June we'll have a Keno Power Hour. Tri-State expired unclaimed prize money is funding those promotions. Retailer incentive check presentations with press releases are supporting our retailers on the local level, and our sales reps enjoy the interaction with their network.
- e. Press includes the release announcing the \$500 million handle in sports betting. The new videos with Scott Zolak have been launched on social media. NASCAR and DraftKings have entered into an agreement, and the number 23 car driven by Bubba Wallace will be featured at different venues. We are negotiating with NH Motor Speedway to sponsor a race; in turn, we'd like to market Lottery and DraftKings to their customer data base. It's a great opportunity to acquire new players, and spectators could use their DraftKings app during the race in real time.
- f. The ticker feed for the sportscast on WMUR is being fine-tuned; GYK is assisting with our request to strengthen the DraftKings branding. Commissioner Crews suggested that television advertising lightens up in the summer months and it might be a good opportunity for us to increase ours.

- g. Tri-State is deploying a Megabucks survey next month, and the Tri-State progressive is still being considered despite it being a heavy lift to merge the two vendors' different operating systems.

**6. COMPLIANCE**

- a. Chief Compliance Officer John Conforti announced that the case was dismissed in a lawsuit brought by a DraftKings customer who was unable to access that website over his Ethernet.
- b. DraftKings has migrated fairly smoothly to a new technology platform on the mobile side; the retail side has had a few non-critical issues with the customer interface. The migration was from Kambi to SBTech, DraftKings new acquisition. The handle reflects that the migration hasn't affected players' participation, and sales for May are on track.

**7. OTHER**

- a. Director McIntyre informed the Commission that we have four RFPs coming up in the new fiscal year. Among them are for a gaming consultant, which will be reviewed by Lottery staff; and advertising, which the Commission will be largely involved in.
- b. Our budget has been approved, and includes an amendment to allow us to pay off the mortgage for headquarters.

**8. NEXT MEETING**

The next meeting will be on July 1 at 10:00 a.m. *Editor note: the meeting date was changed to June 29, 10:00 a.m.*

Chairman Douglas entertained a motion to adjourn at 11:20 a.m., which was made by Commissioner Crews and seconded by Commissioner Holloway.

  
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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