

NEW HAMPSHIRE LOTTERY® COMMISSION
14 INTEGRA DRIVE, CONCORD NH
MINUTES OF COMMISSION MEETING
November 16, 2017, 9:30 a.m.

Commissioners:

Debra Douglas, Chairman
Paul J. Holloway, Commissioner

Lottery staff in attendance:

Charles McIntyre	Valerie King	Sudhir Naik	Cammy Nolin
Lynda Plante	Kelley-Jaye Cleland	Katie Brown	Steve Johnston

Others in attendance:

Angela Streba, GYK Antler	Bill McLaughlin, R&G Resources	Dave Collins, Rath Young & Pignatelli
Ryan Sahr, Intralot	Curtis Barry, Eagle Strike	Teri Blouin, DAS
Kristen Paré, Intralot	Glenn Wallace, Rath Young and Pignatelli	Fran Wendleboe, Power House Gaming
Tyler Clark, Dennehy & Bouley	Kurt Mathias, Boston Billiard	
Dick Bouley, Dennehy & Bouley	Mike Schiano, MPC	

Chairman Douglas called the meeting to order at 9:40 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES:

Commissioner Holloway moved to approve the October 25, 2017 minutes; seconded by Chairman Douglas. So voted, unanimous.

2. PUBLIC HEARING FOR THE REPEAL AND ADOPTION OF RULES:

Chairman Douglas opened oral testimony for the repeal of old Pari Racing Rules and adoption of new Lot Racing Rules. Bill McLaughlin of R& G Resources signed up to provide written testimony, which was submitted to Valerie King, Director of Racing and Charitable Gaming. Seeing no one else to testify, Chairman Douglas closed the public hearing.

3. INTRALOT:

Ryan Sahr of Intralot reported that the Mega Millions game changes and Hot Lotto draw down are done, with thanks to Business Analyst Katie Brown. Keno development is ahead of schedule; all hardware has been received and out-of-box testing is taking place. Director McIntyre took the opportunity to recognize the enormous effort and long hours being put in by both Lottery and Intralot staff to launch Keno in the span of just a few months.

Commissioner Holloway inquired how Lottery decides whether an establishment is on our Keno list. Director of Sales and Product Development Kelley-Jaye Cleland explained that we are making calls, taking calls, and following up with visits to the eligible locations. The acceptance rate ranges 19% – 33% across the cities that adopted the measure. Assuming that 12% of eligible establishments host Keno, we will meet our target for projected revenue. Ms. Cleland added that several towns have reached out to us, and notably Derry and Salem have already put the measure on their March town meeting ballots. Chairman Douglas asked if we have enough employees to cover all the additional work. Ms. Cleland responded that we are monitoring our needs, and Director McIntyre believes that if we meet revenue projections, we can explore expanding staff. Keno applications continue to come in, however there is a bottleneck with background checks which is slowing the process down.

The city of Rochester will hold a recount next week to confirm the passage of Keno, which was approved by one vote. Lynda Plante will attend to represent the agency.

4. TRI-STATE:

In the absence of Marketing Director Maura McCann, Directory McIntyre recapped the recent Tri-State Commission meeting held November 2 and 3 in Portsmouth. Tri-State is looking at several new games, including a Tri-State Patriots package. Chairman Douglas expressed apprehension about the cost of that game to New Hampshire, but it was suggested that we can negotiate a better deal. Travis York of GYK Antler added that there are very few licensed properties in our market for us to partner with. Vermont Lottery has a new director, Daniel Rachek. It is possible that the merger between Vermont Lottery and Liquor commissions may happen, and Director McIntyre will reach out to Director Rachek soon.

5. ADVERTISING:

The Tiny House drawing will take place tomorrow at 11:00 a.m. If the winner opts for cash instead of the house, we will likely sell it. Chairman Douglas wants instructions drawn up prior to the drawing to cover moving the house, insuring it, and setting the timeline to take possession.

The Replay loyalty program is coming to an end. Angela Streba of GYK Antler explained that the cash prizes are being funded by unclaimed prize money. Mr. York added that the cost of loyalty programs is not on trend anymore, and there are other options we can explore with online gaming on the horizon.

Ms. Cleland reported that our holiday tickets are on sale and shipped to retailers at the end of October. Ms. McCann is out with the GYK team shooting television ads this week, including spots for the new "Luck, Yeah!" campaign, Keno, draw games, and instant tickets. Mr. York has a revised strategy concept plan that he will provide the Commission.

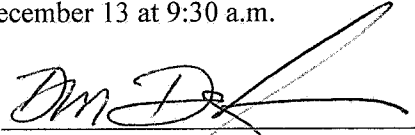
6. OTHER:

- a. Keno passed city elections in eight out of twelve municipalities where it appeared on the ballot. Winning Manchester and Nashua was vital; and we will have to go back to Lebanon in March. After the Thanksgiving holiday, we will concentrate on the upcoming town meeting season, focusing on those with the largest population bases, number of eligible licenses, and proximity to the state border.
- b. A motion to accept the Final Proposal of Fantasy Sports rules was requested by Racing and Charitable Gaming Director Valerie King. Chairman Douglas requested minor spelling corrections, and moved to accept the rules with those changes. Commissioner Holloway seconded, so voted, unanimous.
- c. Ms. King sought a motion to authorize a refund of the \$25,000 bond held for Casablanca Casino's charitable gaming license. She explained that gaming operators' bonds are based their outstanding obligations to the charities and state taxes. In reassessing Casablanca, it was determined that their bond should be increased to \$50,000. Their \$25,000 bond is a cash bond; they will replace it with a \$50,000 surety bond. Commissioner Holloway moved to authorize the refund; Chairman Douglas second. So moved, unanimous. It was agreed that Director McIntyre can sign the letter to Treasury for this request.
- d. The Intralot contract amendment was presented to the Commission. Director McIntyre reported that the final amendment is the result of many discussions and rounds of negotiations. It is largely predicated on the fact that we would not be able to pull off the requirements of launching new initiatives in the next year and a half without their collaboration. There are still many steps before the amendment is approved, and will be submitted as a sole source contract extension. Motion to enter into contract amendment with Intralot was made by Chairman Douglas, seconded by Paul Holloway. So voted, unanimous.

- e. Chairman Douglas entertained a motion to go into non-public session to discuss a personnel matter under RSA 91:A at 10:20 a.m.; Commissioner Holloway so moved, seconded by Chairman Douglas seconded, all in favor. Upon a roll call, the following members reported: Commissioner Holloway, and Chairman Douglas.

7. **NEXT MEETING:**

The next meetings will be on Wednesday, December 13 at 9:30 a.m.



Debra Douglas, Chairman



Paul J. Holloway, Commissioner

Respectfully submitted, Cammy Nolin