

**New Hampshire Lottery Commission**  
**14 Integra Drive, Concord NH**  
**Minutes of Commission Meeting**  
**August 27, 2019 2:30 p.m.**

**Commissioners:**

Debra Douglas, Chairman  
Paul Holloway, Commissioner  
J. Christopher Williams, Commissioner

**Lottery staff in attendance:**

Charles McIntyre	John Conforti	Maura McCann	Britni Halvorsen
Katie Brown	Jim Duris	Carmela Nolin	Irene Rondeau
Kelley-Jaye Cleland	Valerie King	Lynda Plante	Tonya Walsh
		Edie Chiasson	Stephen Johnston

**Others in attendance:**

Kristen Paré, Intralot	Dick Bouley, Denney/Bouley	Jamie Timbas	Anthony Fusco, Ocean Gaming
Travis York, GYK Antler	James Bouley, Dennehy/Bouley	Dante Timbas	Brian Smith, Boston Billiards
Taylor Yianakopoulos, GYK Antler	Gina Powers, RYP Granite	Jim Rafferty, The River	Bill McLaughlin, Seabrook Greyhound Park
		Alicia Preston, NHCGOA	

Chairman Douglas called the meeting to order at 2:30 p.m.

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

Chairman Douglas sought a motion to accept the July 25 meeting minutes. Commissioner Holloway so moved, and was seconded by Commissioner Williams. All in favor, meeting minutes were approved as submitted.

**2. FINANCIAL REPORTS**

- a. Chief Financial Officer Jim Duris reported mixed results for the first month of the new fiscal year. While there was a drop in Mega Millions compared to last year, sales increased in Instants, Keno, and iLottery. Charitable Gaming revenues look lower for the first month of FY 2020 due to a reversal of a year-end adjustment for the last month of fiscal year 2019. Transfers to Education were \$5.9 million, up \$800 thousand over last year; this includes \$473 thousand from Keno, and \$21 thousand to Health and Human Services for problem gambling.
- b. Our Accounts Receivable will be adjusted when Tri-State transfers in late September, which is currently at about \$200 thousand. There are no surprises with operating expenses, which are in alignment with expectations. Shared state expenses are billing slowly in part due to the Continuing Resolution, which has caused difficulty to most agencies. Salary expenses are up over last year as we have filled some open positions. Membership fees' line items have dropped as we are now spreading the liability over the year, instead of the months in which the fees are paid.
- c. The State interest estimate is due soon; their goal is to provide this amount on a monthly schedule instead of annually, and should be more accurate in that method.

**3. SALES AND PRODUCTS**

- a. Kelley-Jaye Cleland, Director of Product Development and Sales summarized the activity of the major product groups. Keno recruitment continues: we surpassed 190 retailers and are maintaining an average of \$600 thousand per week in gross sales. Fast Play is holding steady at \$100 thousand weekly. Despite not reaching the goal of number of players, iLottery's First Time Depositors revenue goal was achieved this month as the average deposit per user was up.

- b. Travis Emerson, Lottery Sales Supervisor, reported on last month's Keno Power Hour promotion. It used unclaimed, expired prize money to give a \$2 Fast Play ticket to players who spent \$5 or more on Keno. The promotion was first conducted over four days in mid-June to all Keno retailers, and was supported on the MP's so all locations could participate without additional retailer or Lottery staff. The first phase went well both through sales and giveaways, and saw a positive effect for retailers. As we did not spend all the expired prize money the first week, we repeated the promotion the following week and advertised it on Keno tickets and via terminal messages to the retailers. We gave away over \$45,000 in Fast Play, using half of the available funds; overall it was a positive experience that we learned from and will offer again. Mr. Emerson concluded by thanking the teams at Lottery and Intralot for their efforts in making it all work so seamlessly.
- c. Keno has been added to the ballots in Portsmouth, Keene, Dover, and Rochester. We are not yet sure about Concord. We will be advertising more in those markets leading up to the vote in the fall.
- d. Ryan Sahr, General Manager of Intralot, congratulated the team on the Keno promotion success; and noted recent high-tier prizes in Powerball and Mega Millions. He showed samples of Intralot's new branded apparel that will help identify them when they are servicing clients.
- e. Commissioner Holloway inquired the number of locations and duration of equipment downtime reported by WMUR last weekend. Director McIntyre and Marketing Director Maura McCann responded that it was 4% of the network at most, despite how it was represented. Mr. Sahr added that the issues involved older equipment operating on DSL.

#### **4. MARKETING**

- a. Ms. McCann presented the late August marketing report. The new instant games are now being advertised on the website and the fall/Halloween poster has been sent to Liquor stores. Holiday tickets go on sale in November at several price points. Santa Paws at \$1 feature the twelve pets from the social media contest earlier this year; they are in a series on a connected background. The \$2 Holiday Cheer tickets encourage players to check out iLottery by offering a free play bonus code. Finally, the Holiday Lights \$5 instant showcases five scenes from last year's Light Up the Lottery contest winner. The customer relationship management efforts for iLottery includes the segmented messages tailored for tiers of players and are constantly adjusted by both Lottery and NPi.
- b. In the news last month, Lottery sponsored the annual school bus race at Epping's New England Dragway. The race between Teacher of the Year Keith Noyes, Director McIntyre, Governor Sununu, and WGIR personality Roadkill was shortened to heats between the Governor and Roadkill; the latter of whom won. Director McIntyre and Ms. McCann attended the press event at which Hannaford donated their \$24,000 retailer commission to Liberty House homeless shelter in Manchester. And Lottery's Request for Proposal for Sports Wagering System and Services was mentioned repeatedly in local and national news channels.
- c. Travis York of GYK Antler affirmed that the agency is actively supporting many different Lottery products across all media channels. Social media, emails, and promotions are highly targeted which improves their cost effectiveness; and iLottery's one-year anniversary will be a major campaign in September. Product tie-ins are planned for the holidays, including a new Light up the Lottery promotion, which is the thread across many products and social media. New GYK staff will be attending NASPL next month to learn about the industry. Understanding that the budget is still under a Continuing Resolution, GYK is being sensitive to operate within current financial constraints, but they are standing by for holiday advertising efforts. With the growth of iLottery and year to date sales already ahead by 6%, GYK's marketing report will be a new feature of these meetings; Mr. York introduced Taylor Yianakopolos for this month's summary.
- d. Ms. Yianakopolos reviewed the key outcomes of our market reach for July. Given that there was no jackpot run, the half-million visits to the website is notable. The majority of visitors to the website are using mobile devices (50%); and tablet and desktop users are evenly split at 25% each. The winning numbers page is the most visited, followed by the home page, and iLottery. GYK continues to enhance the site, adding the iLottery pop-up upon opening the home page, and the iLottery information page to introduce the platform. These optimizations are helping to convert and engage new players. The feedback on social

media to new game announcements was overwhelmingly positive this summer. The team is looking forward to the coming months' results, particularly with the iLottery anniversary.

**5. TRI-STATE**

- a. The Tri-State Lotto Commission met earlier this month and among the initiatives being developed is an instant ticket called The Big Spin. It's an experiential game that begins with a scratch ticket and adds a monitor show that would have to work across multiple vendors' operating systems.
- b. Last year's New England Patriots season ticket second chance prizes have been mailed out. The Patriots Organization will be proposing a makeup event for last season's Chalk Talk that fell short of expectations.
- c. Tri-State is discussing game changes such as increasing Gimme 5 to five drawings per week; and adding a multiplier option and possibly increasing the number of weekly drawings to Megabucks. Next steps will depend on whether other multi-state games change in the coming months.
- d. New Hampshire requested our Tri-State unclaimed, expired prize money, which totals \$1.2 million. The next Tri-State meeting is in Portland, Maine, over October 24 and 25. A select group of vendors has been invited to present on the first day, and the Commission will meet the following day.

**6. COMPLIANCE**

Director of Racing and Charitable Gaming Valerie King sought a motion to allow the initial proposal for sports betting to be entered into rulemaking. The motion was made by Commissioner Holloway and seconded by Commissioner Williams. All in favor, motion carried. Ms. King indicated that there will be a public hearing for these rules as well as Bingo and Lucky 7 at an upcoming October meeting.

**7. OTHER**


- a. Ms. King introduced members of the Licensing staff who have worked hard to launch the new charitable gaming database "MLO" (My License Office). MLO replaces several products to handle licensing, financial, and even inspection reports. Britni Halvorsen, Games of Chance licensing specialist; Irene Rondeau, Bingo/Lucky 7 licensing specialist; and Tonya Walsh, licensing manager tested and fine-tuned the system prior to go-live on June 17, which went smoothly with no interruptions to financial reporting. Chairman Douglas asked the team if the new system has simplified their operations, and Ms. Walsh confirmed that it has, despite their initial apprehension. Later phases of the software will eventually allow licensees to check their license status and file reports online. Mr. Duris noted that the delayed implementation of MLO was an audit finding last year, though not under our control; getting it running before the close of the fiscal year was imperative.
- b. Director McIntyre repeated that there is still no state budget and we are operating under a 3/12 Continuing Resolution. We are managing the additional bookkeeping requirements; but as Mr. Duris reminded the Commission, our budget last year was based on rent and not a mortgage and related operating expenses, so it is cumbersome.
- c. The retailer incentive plan for iLottery's first year was introduced as 5.5% of sales (deposits). Director McIntyre requested a motion to change the incentive to 4.5% of net gaming revenue, shared across the retail network. Retailers feared that instant ticket sales would be negatively impacted with the launch of iLottery, but instead, those sales actually increased. Commissioner Holloway moved to accept the 4.5% incentive of net gaming revenue to Lottery retailers, and Commissioner Williams seconded. All were in favor and motion carried.


8. **NEXT MEETING**

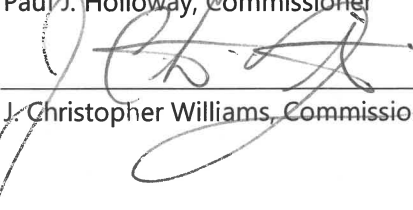
The next meetings will be on September 24 at 2:30 p.m. and October 15 at 2:30, both at Lottery headquarters.

At 3:50 p.m., Chairman Douglas entertained a motion to go into non-public session under RSA 91-A to discuss vendor procurement. Commissioner Holloway so moved, and was seconded by Commissioner Williams. Upon a roll call, the following members reported: Commissioner Holloway, Commissioner Williams, and Chairman Douglas.

The non-public session adjourned at 4:25 p.m.

  
\_\_\_\_\_  
Debra Douglas, Chairman

  
\_\_\_\_\_  
Paul J. Holloway, Commissioner

  
\_\_\_\_\_  
J. Christopher Williams, Commissioner

Respectfully submitted, Carmela Nolin