

**New Hampshire Lottery Commission**  
**14 Integra Drive, Concord NH**  
**Minutes of Commission Meeting**  
**June 29, 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:**

Pam Hamlin, GYK Antler	Curtis Barry, Barry Gov't Relations	Tyler Clark, PretiStrategies
Travis York, GYK Antler	EJ Powers, MontagnePowers	Alicia Preston, NHCGOA
Jeff Newman, GYK Antler	Jeff Mucciarone, MontagnePowers	Kurt Mathias, Boston Billiards
Taylor Yianakopolos, GYK Antler	Adam Schirett, SGSS	Jim Bouley, Denney & Bouley
Travis Flake, NHLLC	Gina Powers, RYP Granite	Jackson Bouley, Dennehy & Bouley

Chairman Douglas called the meeting to order at 10:05 a.m., which was held at Lottery Headquarters.

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

Chairman Douglas requested a motion to accept the minutes from the May 27, 2021, meeting. Commissioner Crews so moved and was seconded by Commissioner Holloway; all in favor, minutes were accepted.

**2. FINANCIAL REPORTS**

- a.** Chief Financial Officer Jim Duris reported that May sales increased \$9.1 million compared to the same period last year, and year to date, sales have increased \$101.4 million overall. Sales of instant tickets grew \$46.3 million, with e-Instants, Keno, Mega Millions, Powerball, and Fast Play performing over last year.
- b.** Mobile sports betting revenues for May totaled \$0.9 million, bringing the fiscal year to date to \$12.2 million. The handle was \$33.3 million, which includes promotional expense. For the year, we trued up the accrued monthly promotional expense which we estimate; this resulted in a credit to DraftKings of \$800 thousand. May's retail handle was \$9.0 million, with a net income of \$393 thousand.
- c.** Racing and charitable gaming revenues grew by \$577 thousand compared to the same period last year. Games of Chance has grown \$1.4 million over last year with modest growth to Bingo and Lucky 7.
- d.** May's profits to Education were \$11.3 million, and our estimated June transfer, sent with the May payment, was \$12.75 million. An additional payment for June will follow our audit. Combined, the transfer was \$7.1 million ahead of plan for the month, and \$32 million ahead year to date.

Commissioner Holloway asked for the fiscal year total, which Mr. Duris reported is \$142 million, \$46 million over last year. Commissioner Holloway remarked that we have a challenge to maintain that pace next year.

- e. Our accounts receivable include \$0 in delinquent accounts, as we are working with retailers to keep them on track. MUSL was negative due to their payment for outstanding prizes; it will be reconciled at the end of the month. Our state auditing bill came in at \$89 thousand, slightly lower than last year. The state auditors will be here in early July and will split their time with on- and off-site review. A fleet vehicle was purchased, increasing the vehicle expense to \$19.8 thousand, which will be reclassified at the end of the year to the asset account. May's printing expense was high due to game change notifications to players and retailers, and Advertising was high from a catch-up in media billing, as much of the expense comes at the end of the fiscal year. Additionally, we had dramatically cut our advertising last year due to COVID, which we have resumed. Mr. Duris noted that per our contract, we can roll over unused ad money to the next fiscal year as long as we stay within our contract amount. Commissioner Holloway inquired about the negative figure in interest from Treasury: Mr. Duris had estimated our transfer for this year at \$200 thousand and it ended up at \$60 thousand; the negative line item is a true-up of that difference.
- f. Chairman Douglas requested a motion to approve the financial report; so moved by Commissioner Crews and seconded by Commissioner Holloway.

### **3. SPORTS BETTING**

Director of Sports Betting Danny Maloney provided a breakdown of the May activity, noting that from late April through July, there are not a lot of major games. The NBA playoffs are about a third of our handle. Our baseball handle is up thanks in large part to the Red Sox performance this season. Chairman Douglas asked about live wagering in golf, and Mr. Maloney confirmed that it's catching on and the PGA is promoting it. Our handle for May was \$42 million, or \$3 million in GGR, and the State saw revenue of \$1.4 million. Fiscal year to date, we are just over \$16 million in revenue; Director McIntyre reminded the Commission that this is 60% over our projection for the first full fiscal year of wagering. June events are similar to May, with NBA and NHL playoffs; and the MLB is consistent.

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

- a. Chief Product and Program Officer Kelley-Jaye Cleland greeted the Commission and asked if they had questions about her prepared report. Overall, there is great news across the board, with a few areas of concern. Our iLottery first time depositor goal was not reached, but we are over goal on deposits. We have acquisition opportunities that we'll pursue in FY 2022. Fast Play has maintained pace to keep us at 200% growth year over year. Scratch tickets sales have been up in all but four weeks this fiscal year, which is remarkable. The \$25 ticket is off the charts in sales the last five weeks. Chairman Douglas noted this game does come at the expense of the \$20 and \$5 products which was acknowledged. However, Ms. Cleland noted that our per capita spend on instant tickets has grown from just over \$4 to \$5.8 in just the last few years.
- b. Commissioner Crews asked if iLottery has cannibalized our instant ticket sales at retail. Both Ms. Cleland and Director McIntyre replied that it has not; the iLottery player pool is smaller and a different type of player. While there was concern by the retailers at launch, it has proven to be no impact to brick and mortar store sales. Commissioner Holloway noted that Keno sales have dipped, and Ms. Cleland explained that it's happening in other states as well now that

entertainment options have opened back up. We do have opportunities for additional growth with the game, and Portsmouth is expected to vote on it again this fall. And compared to our projected sales, we have exceeded our plan by more than \$3 million in sales, with only 200 of a projected 250 retailers.

- c. Launches for iLottery and scratch continue on the same cadence. Powerball and Lucky for Life games are in testing with their coming schedule changes. The CRM project is slightly behind, but as soon as DOIT finalizes their choice among vendors, we will file our statement of work. The player app is underway and we're aiming for an October launch for the first phase. The Scientific Games transition continues as their back office system is integrated with the Intralot system. PayWithMyBank should be launching on July 12 for another payment option for iLottery. Lucky for Life game change takes place on July 19, and we'll also have a soft launch of Gimme 5 in iLottery with marketing support planned for the following weeks.

## **5. MARKETING**

- a. Marketing Director Maura McCann had data for Commissioner Holloway's question about the media spend by the Maine Lottery. Compared to New Hampshire, we estimate they spend 45% more on their television budget, but their spots cost about half what we pay here as they have more markets. They air about 4,000 ads each year to our 1,000. Travis York of GYK Antler noted that our mix includes a high volume of digital, and our television spots include more expensive products; we focus on brand recall and credibility.
- b. Web traffic saw visits of 150 thousand in March, 157 thousand in April, and about 176 thousand in May. During those months, we had 88 thousand repeat visitors in March, 92 thousand in April, and 105 thousand in May.
- c. The monthly report includes the advertising and marketing campaigns for June and July. Ms. McCann brought to the Commission's attention that we and Intralot collaborate in broadcasting Amber Alerts with State Police. Notice is pushed to retailers on their pads and terminals, and she praised Intralot for handling one last week so efficiently.
- d. Two new games will be launching on iLottery next month, and a 4<sup>th</sup> of July promo will take over the home page that week. Another new campaign launches shortly with placemat advertising at the Common Man family of restaurants. We'll reach 100 thousand patrons and offer a QR code for easy access to our website. The Commission will be awaiting the response of this new/old form of advertising.
- e. We signed a sponsorship deal with NH Motor Speedway for the July 18 NASCAR race after several rounds of negotiation. This tie-in with DraftKings will include email blasts, online offers and digital display at the track. Mr. York added that this event directly reaches our target audience, which is the largest single gathering in New Hampshire. Concern over that audience being comfortable with the DraftKings app/digital platform was eased by the fact that all the NHMS ticketing is done online now. Bubba Wallace will be driving the #23 car which will feature DraftKings and NH Lottery logos, and we're working on an appearance with him before the race. Commissioner Holloway asked if we know about the track's capacity, which is expected to be nearly full at 80 thousand fans.
- f. Creative campaigns are underway, focusing on a brand campaign and a where the money goes – now called the Paul Holloway – campaign. Discussion over the direction and tone of that message followed.

- g.** Commissioner Crews expressed his satisfaction in our website's organic search rate and the increase in email reach, and asked if we are seeing open rates slow down as summer has arrived and the state opens back up. Taylor Yianakopolos of GYK Antler responded that we do a lot of targeted emails with daily winning numbers and jackpot alerts, and the open rates tend to track higher as those are opt-in customers. Mr. York added that we are now able to drive sales from those direct communications; we can leverage our reach by meshing the traditional email list with iLottery communications to reach a bigger audience. Commissioner Crews requested that the team conduct a pre-, during, and post-COVID analysis of our web and email activity.

**6. TRI-STATE**

- a.** Ms. McCann summarized the recent Tri-State Commission meeting, at which the chairmanship transitioned to Maine under Commissioner Julie Sheehan. Current projects include a Megabucks survey, which has seen good response so far; Big Spin last semi-finalist drawings in Vermont and New Hampshire; and negotiations for the next Tri-State scratch ticket called Big Country Cash. Finally, development continues on a multi-state progressive Fast Play game.

**7. COMPLIANCE**

- a.** John Conforti, Chief Compliance Officer, confirmed that the period for appeal is indeed over and we prevailed in the Wire Act case. New Jersey has taken the lead to get the opinion of 2018 repealed by the US DOJ for the rest of the country, but we are not signing on as we are protected under the First Circuit decision.
- b.** Historic Horse Racing (HHR) was signed into law and we're working on rules. We shared a draft with stakeholders for their written comments; their feedback will be reviewed and incorporated into the next draft in the coming weeks.

**8. OTHER**

Travis York introduced GYK Antler's new president, Pam Hamlin, and account executive Jeff Newman. They shared an update and presentation of their activity over the last year during COVID. As part of the communications team, EJ Powers from our public relations firm MontagnePowers recounted the success and volume of coverage the Lottery has gained over the last few years and noted the value and reach of that coverage.

**9. NEXT MEETING**

The next meeting will be on July 22 at 1:00 p.m. at Lottery Headquarters.

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 Douglas, Chairman

  
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H. Andy Crews, Commissioner

Respectfully submitted, Carmela Nolin