

New Hampshire Lottery Commission
14 Integra Drive, Concord NH
Minutes of Commission Meeting
January 10, 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
Jay Lau	John Conforti	Tyson Peltz
Erin Snider	Ami Guimond	Sarah Ouellette

Others in Attendance:

Seth LaPointe, Sci Games	Dee Luszczyk, American Legion 43
Dick Bailey	Jan DiMarzio, CBC
Ryan Sahr, Intralot	Kristine Pare, Intralot
Jeff Newman, GYK	

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 November 15, 2023**, meeting. Commissioner Crews moved to accept and was seconded by Commissioner Pierce. All are in favor, motion passed 3-0.

2. RULEMAKING

- **Director of Investigation and Compliance Division, Valerie King**, asked the commission for a motion to submit a Conditional Approval Request for Final Proposal # 2023-210 regarding licensing requirements for Keno.
 - Commissioner Crews asked for a motion to approve the submit a conditional approval request for final proposal # 2023-210, Commissioner Pierce seconded. All are in favor.

3. FINANCIAL REPORTS

- **Chief Financial Officer, James Duris**, presented for October and November 2023.
 - Lottery sales for the month of October increased compared to the same period of the prior year. Powerball increased \$3.4 million due to another large jackpot, while Megabucks had an increase of \$0.6 million. iLottery performed well for the month with an increase of \$0.5 million.
 - October mobile sports betting had a great month with \$3.5 million in revenues. Retail sales decreased \$1.2 million compared to the prior year.
 - Racing and gaming for October decreased slightly compared to the prior year by \$70K. Historic Horse Racing increased \$1.4 million.
 - Operating transfers for October were \$18.8 million.
 - Lottery sales for the month of November decreased sharply compared to the same period of the prior year. Powerball decreased \$11.2 million. There was a record-breaking jackpot the previous year. Megabucks had an increase of \$0.5 million. All other games remained in line with the previous year's results. YTD instant ticket revenues have increased compared to the prior year by \$2.7 million. Though

the month's Powerball sales decreased sharply, YTD sales topped \$30.3 million, increase of \$3.3 million. iLottery has had an YTD increase of \$3.2 million. Lucky for Life and Megabucks sales have increased over \$1.6 million over the prior year.

- Mobile sports betting revenues of \$2.7 million was an increase of \$300K compared to the prior year. The handle was \$67.8 million for the month, a decrease of \$1.2 million compared to the prior year. Retail sports betting revenue of \$712K increased by \$1.1 million compared to the prior year. Retail sports betting handle was \$10.6 million for the month, a decrease compared to the prior year of \$13.4 million. Mobile YTD revenues have decreased \$59K and retail YTD revenues have increased \$247K compared to the prior year.
- Racing and gaming revenues increased by \$343K compared to the prior year. YTD revenues have increased by \$672K. Historic Horse Racing revenues came in at \$1.7 million, an increase of \$1.2 million. HHR revenues have increased by \$5.4 million for the year.
- Operating transfers for November were \$15.1 million. This was above projections by \$1.9 million. YTD transfers to ETF stand at \$82.3 million, beating projections by \$15.2 million.
- The detail of accounts receivable is as follows:
 - Operating AR \$ (188,417)
 - Tri-State Lotto \$ 1,012,096
 - MUSL \$ 394,587
 - Other AR \$ 3,443,964
- IT expense was high for the month due the renewal of Office 365. Printing costs are high for the month and year due to an increase of new game offerings and the annual calendar being purchased earlier than the prior year. Advertising expenses continue to be higher than the prior year as planned. All other expenses are in line with expectations.

Commissioner Crews moved to make a motion to approve the October Financials, seconded by Commissioner Pierce. Motion passed 3-0. Financial report is approved. All are in favor.

Commissioner Crews moved to make a motion to approve the November Financials, seconded by Commissioner Pierce. Motion passed 3-0. Financial report is approved. All are in favor.

4. SPORTS BETTING

- **Director of Sports Betting, Danny Maloney**, presented October and November results.
 - October `23 Mobile and Retail Results
 - \$77,838,541 in Handle
 - \$8,781,951 in GGR
 - Hold of 11.28%
 - \$3,806,755 in revenue to the State
 - YoY
 - ❖ Increase in mobile bets of 14.52%
 - ❖ Decrease in retail bets of -33.76%
 - ❖ Increase in active users of 26.35%
 - November `23 Mobile and Retail Results
 - \$78,491,464 in Handle
 - \$8,228,924 in GGR
 - Hold of 10.48%
 - \$3,593,339 in revenue to the State
 - YoY
 - ❖ Increase in mobile bets of 14.25%
 - ❖ Decrease in retail bets of -33.76%
 - ❖ Increase in active users of 26.35%
 - FY24 to date
 - \$298,874,097 in Handle
 - \$30,045,315 in GGR
 - Hold of 10.05%
 - \$13,093,517 in revenue to the State

5. SALES PRODUCT AND PROGRAM UPDATE

- **Director of Salesforce and Data, Jay Lau**, provided the commission with a presentation of Salesforce.
 - Mr. Lau gave an extremely detailed PowerPoint on Salesforce and why a customer relationship management (CRM) solution is important at the lottery. Mr. Lau spoke on the problem of not having a CRM and the challenges NHLC has without it. Mr. Lau also spoke about what the positives of having Salesforce will have on the lottery, and how this will solve many issues we've had in the past. We will now have a centralized and modern approach to customer relationship management.

6. MARKETING REPORT

- **Director of Marketing, Maura McCann**, provided a report for the month of December.
 - Ms. McCann ecstatically reported that we had record breaking ticket sales the week of the holiday of \$8.2 million, and Powerball sales that week was \$2.1 million. Michigan won the Powerball, and many were happy that it wasn't California again. Maine Tri-State Megabucks has been the lead in sales, but with the addition of the extra day, and adding it to our online platform, we have surpassed them. With promoting the Jackpot, it's good to see that the extra advertisement paid off as well.
 - Ms. McCann reports that we surpassed our goal for iLottery players. There were over fifteen hundred new players for the month of December. Ms. McCann was excited to report two big winners from iLottery games, and this came right after the new advertisements. This was a huge help from NPI's creative. In addition, there were twenty-two hundred new players for sports betting.
 - Ms. McCann gave an update on the digital side of iLottery, and there are social media targeting projects that will be kicked off in the next week or so. There is the High Roller e-Instant game coming out. This is one of three games that will come out the end of January first of February. We have the fast play game, e-Instant game, and all three of these will be rolling out in the next thirty days.
 - Ms. McCann is excited about the Lottery's 60th Anniversary coming in March. We have scratch ticket games, and e-instant games to celebrate, and the promotion is between GYK and the Lottery. Chairman Douglas asked what will be done. Ms. McCann said they are still in the planning stages of what we will be doing exactly for the 60th Anniversary.

7. OPERATIONS UPDATE

- **Chief Operating Officer, Lynda Plante**, provided updates for the month of January.
 - Ms. Plante presented and introduced New Hampshire Lottery's three new employees, Erin Snider, Sarah Ouellette, and Ami Guimond. In addition to the new employees, Ms. Plante announced the promotions of Jay Lau, and Christine Robbs. Ms. Plante was excited to report that six employees would be attending the CRASE training on January 30, 2024. Chairman Douglas was excited to hear about that. The facilities and fleet portion of Ms. Plante's presentation announced that the weatherization project has been completed in the garage, and this project was fully funded by Energy Management.
 - Ms. Plante continues to update the commission on the status of the building project with Koal PLLC out of Gilford, NH. G&C approved the request to renew the vendor contract December 20, 2023, and we are still anticipating early 2024 for the process to move forward.

8. COMPLIANCE

- **Chief Compliance Officer, John Conforti**, reported that Concord Casinos seized operations on January 1, 2024. We are still in the appeal period for that decision, but it was an orderly closure. Mr. Conforti praised his team for doing a great job.
 - Mr. Conforti reported briefly on the November 2023 GOC and HHR revenue report. November was a remarkably stable month, which we've not had many since the HHR launch. We had no new rooms added, no massive new expansions, and no \$50 wager increases.
 - Mr. Conforti informed the committee that the last big change that's now showing since these numbers is the large expansion of Gate City. They now have the greatest number of HHR machines operational. Moving forward for the next few months, we don't have any new facilities or expansions projects coming, at least until late spring early summer.

- **Director of Investigation and Compliance Division, Valerie King**, requesting a motion to adopt the Final Proposal for #2023-210, regarding licensing requirements for Keno.
Chairman Douglas entertained a motion for the Keno licensing requirements. Commissioner Crews moved and seconded by Commissioner Pierce. All are in favor.
- Ms. King asked for a motion to submit to the Final Proposal #2023-206 regarding amendments to the Lucky 7 Rule.
Chairman Douglas entertained a motion for the submittal of the Final Proposal #2023-206 regarding Lucky 7 being submitted to OLS for JLCAR on February 16, 2024. Commissioner Crews moved and Commissioner Pierce seconded. All are in favor.

9. Next Meeting

- Tuesday, February 6, 2024, at 10:00 a.m., located at Lottery Headquarters, 14 Integra Drive, Concord, NH, 03301.

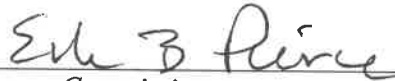
Chairman Douglas entertained a motion to adjourn at 11:06 a.m. Commissioner Pierce moved and seconded by Commissioner Crews. All are in favor.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner

Respectfully submitted, *Kelly Crockett*