

**TOWN OF DEERFIELD
BOARD OF SELECTMEN
February 14, 2022
Public Hearing - Keno**

Call to Order

5:30 pm – Chairman McGarry called the meeting to order

Present: Fred McGarry, Chairman, Richard Pitman, Vice Chairman, Alden Dill, and Cynthia McHugh, Selectmen

Absent: Dwight Barnes, Selectman.

Chairman McGarry:

“The Board of Selectmen will hold a public hearing in accordance with RSA 31:95-b on Monday, February 14, 2022 at 5:30 pm. This hearing shall be held for the purpose of discussing the operation of KENO in the Town of Deerfield, as the question will be on the official ballot. The hearing shall be held in the downstairs conference room of the George B. White Building, 8 Raymond Road, Deerfield, NH”

And we will open the public hearing.

Does anyone have any comments, questions with regard to Keno and if you do, please go to the desk over there and provide your name and address, too.

Mike Nichols – 43 Mountain Road

I'm Mike Nichols. I'm here represented Hope-Batchelor American Legion Post 103.

We placed the warrant article because we'd like to add Keno as a service that we provide and also allow for an income stream for the American Legion here in Deerfield. So, I'm also 43 Mountain Road.

Chairman McGarry: Okay, thank you. Board have any questions?

Maura McCann:

Good evening, everybody. Maura McCann. I work for the New Hampshire Lottery. I'm going to just tell you a little bit about Keno.

Eighty-nine cities and towns here in New Hampshire have approved the sale of Keno. Tickets may be purchased anytime. Drawing are held from 11 am to 1 am every five minutes, seven days a week and there are over 200 locations throughout the state that sell Keno.

Nearby, Keno is on sale in, let's see. There are five locations in Raymond and one each in Allenstown, Auburn and Epsom. Allenstown, Auburn, Candia, Epsom, Hooksett, Northwood and Raymond have all approved the sale of Keno.

This is the fourth year that we have offered the game. Originally, it was tied to funding full day kindergarten.

Shortly after it went on sale, it then, the money from the net profit, then was earmarked for just public education through 12 here in New Hampshire.

Last year, Keno sales were \$47 million. In 2020, they were \$28 million and in 2019, \$26 million and you can see the effect that the COVID pandemic had on Keno sales.

Businesses that sell Keno earn an eight percent sales commission. That in turn helps with their bottom line perhaps by paying staff and by making updates to their locations or with many of our non-profit organizations that sell the game, they use the money in support of charities or other good causes.

I know that a few people here in Deerfield had questions about responsible gambling. I am also the chair of the New Hampshire Council for Responsible Gambling and I work closely with another council on problem gambling.

We do have a 24/7 hotline that is answered by an individual to assist with either those that have an issue with gambling or it could be a friend or family member looking for assistance for again, that friend or family member.

We just received funding within the past year or two and we are using that funding to do mental health screening specific to identifying those with problem gambling issues.

We're also providing now, most recently, seminars that people that provide mental health counseling can watch in order to learn how to provide some guidance with those that have issues with problem gambling.

So, I'm more than happy to answer questions anything about Keno or with Responsible Gambling or whatever you may have.

Chairman McGarry: Does the Board have any questions?

Selectman Dill: I guess the question that I'd have is it's the Legion that's, that pushed the petition for this, this year but if this passes, it's not just for the Legion, it's to open up Deerfield for Keno in general.

Ms. McCann: It is and I understand there are perhaps, up to three locations here that could apply for a Keno license, yes.

Vice Chairman Pitman: Would they come to us for that or you?

Ms. McCann: They come to us.

Vice Chairman Pitman: But would we find out?

Ms. McCann: You would find out because they would advertise the fact that they have the game available, yes.

Vice Chairman Pitman: So, do we have to act on this tonight, Fred?

Selectman Dill: No, it's just a public hearing.

Chairman McGarry: Just a public hearing.

Selectman Dill: This is on the ballot.

Chairman McGarry: Right. Cindy?

Selectwoman McHugh: I know the last time this came up there was a concern about where the money goes for. Education, doesn't necessarily mean that it comes to, it would help out a Deerfield school or how do they, how do you figure out what education programs or what schools that this money will go to?

Ms. McCann: Sure, so by law, the profit from the sale of lottery tickets is earmarked to education and each money, we send over that net profit to the state treasurer's office. Specifically, it goes into the Educational Trust Fund.

It's up to the Department of Education to disperse it further to the school districts.

Chairman McGarry: What percentage of the, of the sales, actually go to the state?

Ms. McCann: On average, for all of the products that we offer, 29 cents on every dollar.

Chairman McGarry: So, 29 percent?

Ms. McCann: 20 percent, yes.

Chairman McGarry: Okay, and then 8 percent goes to the businesses?

Ms. McCann: Yes.

Chairman McGarry: Okay.

Selectwoman McHugh: You said all that you offer. That doesn't mean just Keno.

Ms. McCann: Correct. It's all of our products. On average, 29 percent.

Chairman McGarry: Is there a different number for Keno?

Ms. McCann: There's a different number for each product that we offer, yes.

Chairman McGarry: Do you know what it is for Keno?

Ms. McCann: I'm going to say, the last time I looked it was about, it might have been 18 percent and specifically because the businesses are paid a greater sales commission because there is more work involved with selling Keno.

So, any of our other products like scratch tickets or Powerball or mega millions, that's a 5 percent sales commission. So, with Keno, it's eight percent plus there are prizes paid out obviously, when people play the game and the percentage paid back to education, the net profit, is also determined by the prizes that are paid as well as what it takes to run the game from specifically, any cost that the Lottery incurs.

Chairman McGarry: So, when somebody wins Keno, at, say the Legion, does the Legion actually make a payment to that individual or ...

Ms. McCann: Yes. So, prizes that are less than \$600.00, so \$599.00 and below, can be paid out, for example, at that organization.

Anything \$600.00, great than \$600.00, has to come to New Hampshire Lotter headquarters to get the prize paid.

Chairman McGarry: I'll direct my question to the Legion. If you have a bunch of winners, you hopefully have a big enough pocketbook to make the payments?

Mr. Nichols: Yes, we do. We currently have Lucky Seven tickets or paper tickets so we have a separate register just for that and it is my understanding that we will have a separate register that just does Keno so that, you know, because they're separate line items (couldn't hear the rest of the sentence).

So, there's a separate register that carries (couldn't hear) plus we have a safe that we keep as well for, say we have four winners in the same night at \$599.00, we would have to have a safe for money because we wouldn't leave that out in the register.

Chairman McGarry: Right.

Selectman Dill: Erroll had one in the back there.

Chairman McGarry: Erroll and then Mrs. Cady? Would you go to the microphone, Erroll? We don't have a portable mic, do we?

Mr. Rhodes: In the future, right?

Erroll Rhodes – Church Street:

I was just wondering, you know, you accounted for 37 percent of the money. I just view tax, all these gambling games as taxes so what percent goes to prizes and what percent gets retained by the government in administering it? That's my question.

Ms. McCann: The administrative costs at the Lottery are very low. It's about 2 percent. Again, as I recall, perhaps it was 18 percent that was earmarked for net profit. On top of the 8 percent, we also would pay through sales commission, there is a gaming vendor that we use to sell the tickets. They get, I think about 2 percent for each ticket sold and then the rest would be in prizes paid to players.

Chairman McGarry: So, it would be 18 percent to the Lottery Commission, 2 percent to the vendor selling the tickets and 8 percent to the establishment so that's 28 percent total?

Ms. McCann: You do better math than I do. Yes sir. It is not my forte but ...

Chairman McGarry: Mrs. Cady, would you go to the microphone, too?

Mrs. Cady – Old Centre Road:

Did I hear that it's 24/7 the tickets sold around the clock and if so, is the establishment required to sell them around the clock?

Chairman McGarry: I believe it was what, 11 am to 1 am? Yeah, so it's not 24/7. Is that correct, Maura?

Ms. McCann: Actually, all of our products are on sale 24/7. They can be sold 24/7 but obviously it's specific to the hours of operation within a location and your right, the drawings for the tickets that are sold are held from 11 am to 1 am daily, seven days a week and the drawings are held every five minutes.

Chairman McGarry: Okay, so I was confusing the drawings from 11 to 1 from sales.

Ms. McCann: Exactly. Right but anybody could go in at 10:00 am and buy a ticket or they could buy a ticket at obviously 2 pm or they could buy a ticket at midnight so yes, on sale 24/7.

Chairman McGarry: So, do you, when you buy a ticket, do you buy it for a draw at a space, specific time during the day?

Ms. McCann: Yes. Right. If you were to buy a ticket shortly after 2:00 in the afternoon, you would be buying the ticket for the drawing that would be held at 2:05 pm.

Chairman McGarry: Okay. Erroll, again.

Selectman Dill: How much, on average, are the local businesses taking in on this?

Ms. McCann: So right, so if we did \$47 million in sales last year, and they made 8 percent so the businesses made over \$3 million in sales commission.

Selectman Dill: But more to my question is, I'm sure there's some places that are selling the gross majority of that \$47 million. Do you have any local numbers since you said that we had six towns around us that are selling Keno for how much sales are happening in those six towns?

Ms. McCann: I did not bring the sales with me but I can certainly provide those, yes.

Chairman McGarry: Mike, could you go to the microphone, too?

Selectman Dill: We need more mics, I guess.

Mr. Nichols: I was sent a spreadsheet for just American Legion specific and so I do know that the American Legions here in New Hampshire gained roughly \$1.1 million in sales. That wasn't their commission. That was in sales.

Selectman Dill: And there's probably a couple hundred of them, I 'm guessing, right?

Mr. Nichols: Right. Yes.

Selectman Dill: There's a lot of math in this.

Ms. McCann: There are only 200 sales locations statewide so it would be less.

Selectman Dill: Okay. First, you have to figure out a town that does it ...

Chairman McGarry: Right.

We have any other questions? Mr. Rhodes?

Mr. Rhodes: I'm just curious, Erroll Rhodes, Church Street. I'm curious what the plan is from either the Legion's perspective from the, you're with the Lottery Commission?

Ms. McCann: I am.

Mr. Rhodes: Indeed, the Lottery Commission's perspective to educate the public prior to March 8th? Is there going to be a website, a campaign, mailers, what kind of process are you going to undertake to bring everybody up to speed? Is this it?

Ms. McCann: I can't speak on behalf of the town of Deerfield but anybody interested in understanding the Keno game itself can certainly go to our website, nhlottery.com and find out all the particulars about the game.

Chairman McGarry: Okay, do we have any ...

Selectman Dill: On other quick question. Just lottery question wise.

When you're entering this, every five minutes, you're, are you, are the drawings, New Hampshire, they're not New Hampshire wide, they're Keno system wide, correct?

Ms. McCann: How to answer that question? The numbers that are drawn apply to every drawing here in New Hampshire so they are specific to New Hampshire and the game of Keno, yes.

Selectman Dill: And how much do the tickets cost?

Ms. McCann: They could be, it all is dependent upon the bet that is made.

Selectman Dill: Which is?

Ms. McCann: It could be \$1.00 up to \$20.00 or the game is such that there are 80 numbers to choose from and the Lottery chooses 20 winning numbers. Somebody playing the game of Keno can bet one number, two numbers, five number, right up to 20 different numbers on their ticket and then they could also purchase for more than one drawing.

Chairman McGarry: So, the Lottery picks 20 numbers...

Ms. McCann: 20 winning numbers out of 80.

Chairman McGarry: So, you could pick just one number and that would end up conceivably be one of the twenty that's chosen.

Ms. McCann: It could be, yes.

Chairman McGarry: And what's the return on picking one number?

Ms. McCann: The return, I'm not ...

Chairman McGarry: How much do you win when you pick one number?

Ms. McCann: I mean, it would be all dependent upon the amount of money that you bet.

Chairman McGarry: Well, if you've got, if you bet a dollar, is it dependent upon the total number of people what are in that pool betting.

Ms. McCann: No, it's specific to, it's not a para-mutual payout. It's a specific payout that's won.

Chairman McGarry: So, if you bet a dollar, you'd get what?

Ms. McCann: I, unfortunately, don't off the top of my head. I would have to take a look at the website because there are many different, as we mentioned, the different amounts that you can bet on a ticket. You can bet \$5.00 on that ticket. You could bet \$10.00 on that ticket, all determined by again, the number of numbers that you choose.

Mr. Harrington: I have a question from someone who couldn't be here.

Chairman McGarry: Okay.

Mr. Harrington: What gambling addition resources are available with this program?

Ms. McCann: They would be specific for all of our tickets, all of our products that we offer. There is a 24/7 hotline that is answered and that again, as I mentioned earlier tonight, it could be the person that is recognizing that they have an issue with gambling or it could be friend of that person or it could be a family member.

So, if that hotline is called, it's answered and there are referrals made for that person or the friend or family member to get assistance.

Chairman McGarry: Do we have any other questions from the test audience?

Mr. Harrington: Are there any questions from the test audience attending?

(Test audience) None from me, thank you.

Chairman McGarry: Thank you, Maura.

Selectman Dill: I don't think, we don't have any other ones.

Chairman McGarry: Okay, any other questions? Seeing none, thank you, Maura.

Ms. McCann: Thank you very much for letting me talk about Keno tonight. Thank you.

Chairman McGarry: With that result, I'll close this public hearing and again, this will be on the ballot for our March town meeting vote.

*The Minutes were transcribed and respectfully submitted by Dianne L. Kimball, Recording Secretary
Pending approval by the Board of Selectmen*