

A special meeting of the Board of Aldermen was held Tuesday, October 12, 2021, at 7:p.m. in the aldermanic chamber as well as via Zoom teleconference.

President Lori Wilshire presided; City Clerk Susan Lovering recorded.

Prayer was offered by City Clerk Susan Lovering; Alderman Linda Harriott-Gathright led in the Pledge to the Flag.

To join by Zoom – please refer to the agenda or the website for the meeting link and telephone number.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please indicate if participating via Zoom state why you are not meeting in person and whether there is anyone in the room with you during this meeting which is required under the Right-To-Know Law.

City Clerk Lovering called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 12 members of the Board of Aldermen present: Alderman Michael B. O'Brien, Sr., Alderman Patricia Klee, Alderman Richard A. Dowd, Alderman June M. Caron, Alderman Benjamin Clemons (arrived at 7:06 p.m.), Alderman David C. Tencza, Alderwoman Elizabeth Lu, Alderman Ernest Jette, Alderman Jan Schmidt, Alderman Brandon Michael Laws (via Zoom), Alderman Skip Cleaver, Alderman Linda Harriott-Gathright, Alderman Lori Wilshire.

Alderwoman Shoshanna Kelly and Alderman Thomas Lopez were recorded absent.

Mayor James W. Donchess was also in attendance.

President Wilshire

We have a public hearing this evening on the operation of sports book retail locations within the City of Nashua and I'm going to ask Director Charles McIntyre from the NH Lottery to come up and just give us a brief overview of what this is and then we'll open the public hearing.

Charles McIntyre, Executive Director of NH Lottery

Good evening everyone. Charlie McIntyre – I'm the Executive Director of NH Lottery for the last 11 years. I'm here to submit for your approval or for you folks consideration a ballot item that has to go before the voters in order for a physical sports book location to be located within the confines of Nashua. Under the term of law, there are a maximum of 10 locations available across the State. As you can imagine based on our needs and maximum sort of economic potential, select locations would be (inaudible) so we would ask for your consideration and I'm here to answer any questions you have.

Alderman O'Brien

Thank you Madam President. Mr. McIntyre right now by putting this on the ballot just basically puts a roof over what's really what's going on now. Am I correct? The people would be able to go on their phones and to...

Charles McIntyre, Executive Director of NH Lottery

So there's really two elements here. There is mobile and computer and then there's physical sports books which are very much like a kind of high end sports bar and they attract (inaudible). So it's really two customers. Most of the retail book traffic is well off people and tend to be from Massachusetts who spend money in retail sports books. They like the physical activity. They like to be in person, and watch the games on TV, and order food. They don't like to do it through their phone. Its two very different customers. People use the phone and computer as well but we like to have both.

Alderman O'Brien

Follow up if I may? So it wouldn't be that far of a stretch cuz when I wrote this, it was my intention to help out charitable gaming. Although this portion of it does not any of it go into charitable gaming, it will enhance the opportunity for somebody who did go in like you say in the example to go in and watch the game live, enjoy it with his friends. He may walk over to a table of chance and make his first million or good luck to him or whatever.

Charles McIntyre, Executive Director of NH Lottery

Absolutely. For the first year it was 70 percent above expectations for revenue for the State. So we brought in about \$17 million. So you folks it probably would have been around \$800,000, \$70,000 would have come to Nashua give or take for education funding of that. Like I said \$17 million profit last year and that gets divvied up into the Education Trust Fund.

Alderman O'Brien

Yeah and this was before the ballot before and I think a lot of people didn't understand it. So I'm going to put you on the hot seat if I'm allowed. How would you inform the people that maybe there was some misconceptions in the past upon this and how this would enhance indirectly charitable gaming establishments?

Charles McIntyre, Executive Director of NH Lottery

It will impact because more folks will be in the facility to engage in that activity. It will drive a significant, a significant number of folks from Massachusetts to Nashua through (inaudible) activity up here. They're do all kinds of things. The folks that visit our retail sports book are very wealthy. They spend \$1,000, \$2,000, \$3,000 betting. So it's a very large economic activity that you'll benefit from.

Alderman O'Brien

Thank you Mr. McIntyre and thank you Madam President.

President Wilshire

Thank you.

Alderman Tencza

Thank you Madam President. Mr. McIntyre you said that there are ten licenses across the State. If we pass this here in Nashua do you anticipate that there will be one entity that gets a license or could several of the charitable gaming locations we have here in Nashua get licenses?

Charles McIntyre, Executive Director of NH Lottery

So it's not limited. So the ten is not set across the State. Actually it's not a license, it's more a can do liquor stores where we choose them with draftings based on what will believe economic impact. As you can imagine, we have benefitted dramatically because MA doesn't do this yet. So we're getting lots of customers across the border. So the border would be where we would concentrate. So the answer is no, we're not limited to only one.

Alderman Tencza

If I may follow up Madam President?

President Wilshire

Yes.

Alderman Tencza

I'm not sure people understand this. Right now if I have the Draft King app. on my phone, which quite candidly I do, I can place sports bets when I'm in my living room in Nashua. This would just allow us to have places which have a physical location within the city, correct?

Charles McIntyre, Executive Director of NH Lottery

That's exactly right and I can tell you this, it even surprised me how very different the customer base is and folks like yourself that use your phone versus folks who want to go and physically have that experience – particularly last year in COVID where you couldn't go to live sporting events. Going to a sports book was the next best thing.

Alderman Tencza

Thank you.

Alderman Jette

Mr. McIntyre I looked at the State law and I couldn't figure out the answers to these questions so since you're here if I could ask it. Of the amount that's bet by the betting public, how much goes to Draft Kings? How much goes to the location? How much goes to the Lottery Commission? How much, if any, comes to the city?

Charles McIntyre, Executive Director of NH Lottery

So the city is really based on real estate taxes directly if I understand it correctly because that's not my area. I (inaudible) the math on the gambling side. So I'll address that. It's a three-way partnership in the retail facilities between the State, Draft Kings and the physical location. It ends up being about 40-30-30. Forty percent to the State; thirty to the Draft Kings to run the activity, make markets, do the wagering, and then the host gets about 30 percent give or take. It varies. We have some offsets as to promotional activities. We give – I would call it dispensation but we give it an offset if you do a promotion activity, we'll deduct it from that but that's the ratio.

Alderman Jette

What about prize money?

Charles McIntyre, Executive Director of NH Lottery

So you're asking how much the State makes off a say a \$1,000 wager. By and large, there's a figure known as a halt on wages. You place a bet, there are odds that are assigned to that bet which essentially have a profit built in of around five percent give or take. We also offer a different product which have a little higher hold. For example if you place a bet on three teams to do the exact same thing, all win, the profit margin is a little higher on that. So give or take, it's about 7 percent profit on all the monies wagered in a given year but that varies by month. We lost money on the Super bowl. We got killed. Everybody bet on Tom Brady. Everybody but we got the money during the NCAA basketball tournament. So last year we had about \$500 million wager in State on sports. Of that, that profit was about \$35 million and we split that amongst the parties. It makes sense. The math makes sense.

Alderman Jette

Okay. Thank you.

President Wilshire

Anyone else?

Alderwoman Lu

Thank you. So Mr. McIntyre are you saying none of it goes directly to the city?

Charles McIntyre, Executive Director of NH Lottery

I'm saying that it goes to the trust fund. All of our money goes into the trust fund.

Alderwoman Lu

I can't hear what you're saying.

Charles McIntyre, Executive Director of NH Lottery

All of our money goes to the Education Trust Fund. So we don't keep any of it. All of our profit goes to the Educational Trust Fund and that gets directly distributed to the cities and towns.

Alderwoman Lu

Okay. Thank you.

President Wilshire

Anyone else? Seeing none, thank you very much Mr. McIntyre. We appreciate you being here answering questions.

I am going to open up the public hearing at 7:12 p.m.

PUBLIC HEARING

Shall the City of Nashua allow the operation of sports book retail locations within the City of Nashua?

TESTIMONY IN FAVOR

Giovanna Bonilla

Good evening. I'm Giovanna Bonilla. I reside at 5 Hopi Drive here in Nashua. I'm here to speak in support of ballot question #1. So early in 2019, New Hampshire passed legislation allowing mobile towards betting in the State. That's happening today all over New Hampshire, including Nashua. I think that's where a bit of the confusion came in on the previous ballot question. People did not understand that it was already legal. I could place a bet from this podium right now – I won't – but it is legal.

So in the legislation, they allowed each city and town to vote on if they would allow local retail sports book for in-person bets to be placed. Almost 2,000 cities and towns have since voted to allow retail sports book locations. Currently Manchester and Seabrook are the only two to have operational retail sports book. Charlie spoke to this – they want to pick the best places. That makes sense so clearly being a border town if given the opportunity we have a great opportunity there to be one of them. So I think it's a missed opportunity if we don't pass this.

A retail sports book would indirectly benefit our local nonprofits. Anyone that's going to come and want to bet on a game and hang out, they're going have drinks, they're going to get some food, they might, you know, play a game which all benefits the charitable gaming at the charitable gaming locations, which is where these sportsbooks seem to be going into because the security is in place. It's already monitored by the Lottery. The audits are done frequently. We just had one ourselves. This would draw people over the border and keep dollars to be spent here in the Gate City. People coming out to check out the sports book would likely try their hand at the games and a sports book would also create more jobs right here in Nashua. It's my hope citizens of Nashua will join me in voting yes on question #1. Thank you.

President Wilshire

Anyone else wishing to give testimony in favor?

TESTIMONY IN OPPOSITION

President Wilshire

I'm going to open it to testimony in opposition. Is there anyone that wishes to give testimony in opposition? Seeing no one.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

President Wilshire closed the public hearing on sports betting at 7:15 p.m.

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN THAT THE OCTOBER 12, 2021, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED, BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea: Alderman O'Brien, Alderman Klee, Alderman Dowd, Alderman Caron,
Alderman Clemons, Alderman Tencza, Alderwoman Lu, Alderman Jette,
Alderman Schmidt, Alderman Laws, Alderman Cleaver,
Alderwoman Harriott-Gathright, Alderman Wilshire

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Nay:

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MOTION CARRIED

The meeting was declared adjourned at 7:16 p.m.

Attest: Susan Lovering, City Clerk