

**Video Lottery Advisory Council
Meeting Minutes
October 16, 2018**

Meeting 1

Members present: Bill Fasy - Delaware Park
Patti Key – Chief Executive Officer - Harrington Raceway & Casino
Vernon Kirk – Director - Delaware State Lottery
Mike Ordille - IGT
Ed Sutor –President & CEO - Dover Downs Hotel & Casino

Members absent: Mike Nickolich – Scientific Games/Bally
Kathy Wayne – General Manager – Scientific Games

Attendees: Rick Geisenberger – State of Delaware
Pete Bradley – Dover Downs Hotel & Casino
Steve Keener – Dover Downs Hotel & Casino
Lenny Tranchitella – Harrington Raceway & Casino
Mark Castro – Bally Technologies
Linda Velott – Delaware State Lottery
Jayne Gooden – Delaware State Lottery
Richard MacDonald – Delaware State Lottery
Bessie Gruwell – Delaware Thoroughbred Horsemen’s Assoc.

Opening of the Meeting

Ed Sutor

- The date, time and location of today’s meeting were posted on the State’s public meeting section of their website. The minutes of the previous meeting were approved and posted on the State’s website.
- There will be two sessions today and that will complete our meeting requirements for 2018.

Review of Competitive Situation

Ed Sutor

- Two new casinos opened in New Jersey this year, which increased competition in the market. This may have hurt some of their New Jersey casinos, but overall the mid-Atlantic area competition has increased.
 - However, rumors have emerged to a potential sale as it appears the partnership of Parx and Cordish is soon to break-up with a sale to a larger casino company like MGM. The National scene sees a move towards leveraged buy-outs as Caesars is being courted by a deep pocket billionaire with the Golden Nugget brand.
- To the South we have Ocean Downs squeezing out some of DE table game drop, which has decreased a bit for all three casinos and slightly more of a drop for Harrington.
 - We have made up some of this with improved hold percentages.
- MGM and Live! continue to grow their table game operations. Horseshoe not fairing as well.

- Something unique to Delaware – first time ever we had sports betting for NASCAR racing on race days. We had an unprecedented amount of national exposure.
- Requirements of this meeting are to continue with recommendations for the November 5, 2018 report.

Review of Lottery Initiatives

Vernon Kirk

- Sports Betting continues to be very well received. NASCAR did receive great publicity with Sports Betting; interview requests with ESPN and others were received to the Lottery. First time in the country for legalized gaming on a NASCAR property.
 - Amount of money involved was impressive. Again, it was very well received and popular.
- Sports betting continues to see very high hold percentages, which is encouraging to retailers; the parlay cards hold percentages and the college games being added helped as well.
 - Retailer of parlay card hold is 63% - great. Casinos on the other hand is well above what we expect with 23.5% combined hold.
 - Retailers parlay card with \$10 million and \$3.9 million bet at casinos - we are encouraged by these numbers.
- Rhode Island Lottery officials will be visiting at the end of October to review sports betting operations.
- From the Harness Racing Commission meeting – Dover Downs and Twin River's license for horseracing has been approved.

Review of Manufacturers New Products

Mike Ordille

- IGT rolled out their first sports betting terminal, which is a personalized terminal to watch and bet on the games as well. It is a significant addition to the market, waiting for more reviews, but product prospective market is doing well so far.
- This will interface with many sports revenue providers and offer a better high definition stream compared to a mobile device.

Bill Fasy

- G2E overview – All technology products on the games reviewed in Las Vegas were great. Slot machines/combo of games altogether added to dramatic entertainment.

Ed Sutor

- G2E was great this year, reviewed many table games products, including devices that we could do transactions right at the table game.

Mark Casto

- Bally's had success at G2E this year and showcased award winning products. The V75 Diamond Vision game, which currently has James Bond theme going, is doing very well.
- The Wave Excel cabinet is coming – second generation of Wave Excel coming on the heels of the J43 cabinet.

- Bally's covered their booth at G2E this year to create mystery and excitement – it worked. SciGames personnel at the booth did a great job interacting one on one with the guests.

With nothing further on the agenda, the meeting was adjourned.