

Maine State Liquor and Lottery Commission
Minutes of Meeting
Tuesday May 9, 2023
Virtual component using Zoom

Call to Order:

Commission Chair Fitzgerald called the meeting to order at 10:00 A.M.

Roll Call

Commissioners in Attendance: Elizabeth Fitzgerald, Julie Sheehan, Stacey Fitts, John Schneck, and Kimberly Monaghan

BABLO/DAFS Staff in attendance: Michael Boardman, Interim Director; Tracy Willett, Acting Deputy Director Liquor; Lisa Rodrigue, Lottery Marketing Manager; Daniel Meaney, Lottery Games Manager; Philip Mantis, Attorney General's Office; Terrance Meehan, Financial Analyst; and Julie Waller, Clerk of the Commission

Pine State Spirits in attendance (Spirits portion only): Sheila Gibbons, Adam Victor, Nick Sanborn, and Tammy Tyler

Scientific Games in attendance (Lottery portion only): Darrell Frecker

Fuseideas in attendance (Lottery portion only): Steve Mason, Renee Loring

Others in attendance:

Spirits portion only: David Hall, Scott Ramsey, Rob Andreasen, and Zach Redmann, Southern Glazer's; Gary Duncklee, RNDC; Kurt Ciechon, Stone Fence Beverage; Seth Ferris, MS Walker; Bob Barton, Ruby Wines; Dean Nowell, Bow Street; Jesse St. Laurent, Roopers; Dave Makson and Donald Damon, Damon's Beverage; Andy Delony, Distilled Spirits Council; Michael Meier and Cathy Sullivan, RSVP; Madeline Snow, Office of the State Auditor

Lottery portion only: Ron Miguel and Calvin Rinck

Approval of Minutes:

Commission Chair Fitzgerald asked for a motion that the minutes of the April 11, 2023, meeting be approved. A motion was made by Commissioner Fitts to accept the minutes; the motion was seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

Liquor Operations:

Interim Director Boardman provided an update regarding current legislation. He also announced that an agreement has been signed with Computronix to modernize the Division's processes by implementing an electronic licensing, enforcement, and taxation system.

Interim Director Boardman reported on April 2023 sales as follows:

- Sales report for April:
 - Shipping days: 20 TY vs. 21 LY
 - Cases sold were 98,850 TY vs. 100,980 LY; -2.11%
- Dollar Sales were \$16,786,439 TY vs. \$16,702,444 LY; +0.50%
 - Bailment collected: \$259,458
 - Depletion allowances: \$959,862
- Sales report for YTD:
 - Cases sold were; 1,192,001 TY vs. 1,196,625 LY; -0.39%
 - Dollar Sales were: 199,507,349 TY vs. \$189,874,629 LY; +5.07%
 - Shipping days: 214 TY vs. 215 LY

Interim Director Boardman reported the following sales and profit reports (sale and profit reports attached to the minutes):

- Maine Spirits Business Activity for April 2023
- Budget to Actual Financial Performance
- Sales comparisons by County for Maine
- Top 25 Agents in 3 Month Case Sales Increase

New Business:

- Commissioner Sheehan requested regular updates regarding legislation that affects the Bureau. She also requested regular updates regarding the contract with Pine State that is due to expire in 2024. Commissioner Sheehan raised the discussion that the Director of the Bureau is an appointed position. This is not the case in all States. The question was asked if this could be changed in the future. Commissioner Monaghan suggested that a change like this should start with a discussion with the Governor's office.

Old Business: None

New Product Listings:

- Acting Deputy Director Liquor Tracy Willett presented thirty-four (34) new product listings for May 2023. A motion was made by Commissioner Sheehan to approve all the items presented for listing; the motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (New product listings distributed and attached to the minutes.)

Label/Package Changes:

- Acting Deputy Director Liquor Tracy Willett presented one (1) label/package change for May 2023. A motion was made by Commissioner Schneck to accept the label/package change as presented; the motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Label/package change distributed and attached to the minutes.)

Value Added Packs: None

Rebates:

- Acting Deputy Director Liquor Tracy Willett presented eleven (11) rebates/coupons for May 2023. These rebates/coupons were standard in nature. A motion was made by Commissioner Schneck to accept these rebates/coupons; the motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Rebate/coupons distributed and attached to the minutes.)

Pine State Spirits:

- Sheila Gibbons reported on the following:
 - April POS Rack Art
 - Spring Copy & Creative- Pinterest
 - Summer Photography Selects- Strawberry Salad, Tequila Pork Lettuce Wraps, Berry Maine Crumble, Tequila Sunshine Sangria, Raspberry Lime Rickey, Maine Blueberry Daiquiri
 - April App Content Trends
 - April 2023 Top Ads
 - Facebook April 2023 Performance
 - Top Facebook Posts in April 2023
 - Instagram April 2023 Performance
 - April 2023 - Top Instagram Posts (by Likes/Reactions)
 - April 2023 Email Marketing
 - April 2023 In The Know
 - April 2023 Blogs
 - Maine Spirits App – Launched January 2018, Total Downloads – 107,489; New Downloads for April - 926
 - April 2023 Push Notification Results
 - April TikTok
 - Maine Spirits Spring Trade Show - Tuesday, May 16, 11:00-3:00 at Morgan Hill Event Center, Hermon, ME

Other Business: None

Public Comments: None

Lottery Operations:

Interim Director Boardman reported on the Lottery's resolve for Lottery Operations to study the bonuses paid to retailers for winning tickets sold in the Powerball Game that were not jackpot winners. He provided an update that the new \$30 game will come out May 18, 2023. He reported about new signage going up in the Walmart stores starting on May 8, 2023. Debit and credit features will be added to the vending machines in June 2023. Lottery Operations has put out an RFI (Request for Information) from consultants for the Gaming System. The Gaming System contract with Scientific Games expires in June 2025. Lottery Operations is hopeful that the Customer Service Manager position will be filled by the end of this week.

Interim Director Boardman reported on YTD (through April 29, 2023) sales as follows:

- Draw Sales FY23 \$70,034,968; +\$16,234,183 or +30.17%
- Fast Play Sales FY23 \$11,680,754; +\$1,312,868 or +12.66%
- Instant Game Sales FY23 \$266,244,753; +\$2,730,556 or +1.04%
- Total Combined Sales FY23 \$347,960,475; +\$20,277,607 or +6.19%

- Lottery Profit Transfer to General Fund
 - April Actual FY23 \$5,635,410; -374,206 to Budget -6.23%
 - YTD Actual FY23 \$60,385,750; +\$7,501,128 to Budget +14.18%

- Profit Transfer to Outdoor Heritage Fund
 - April Actual FY23 \$85,448 +8,525 to Budget +11.08%
 - YTD Actual FY23 \$857,102; +\$180,182 to Budget +26.62%

(Fiscal Year Comparison and Monthly Profit Report attached to minutes)

New Business:

- Rulemaking - Interim Director Boardman addressed the Commission regarding the need to update the Maine State Lottery Rules. He went over all the rules that are necessary to change. A motion was made by Commissioner Sheehan to move the Commission adopt the Basis Statement as presented for the rule changes to the Maine Lottery Rules and direct Interim Director Boardman to proceed with the rulemaking process; the motion was seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

Old Business: None

Approval of New Games:

- Marketing Specialist Lisa Rodrigue presented three (3) new game for approval.
 - (\$1) CASH TIME
 - (\$3) DOUBLE RED BINGO
 - (\$5) JACKPOT PARTY

A motion was made by Commissioner Sheehan to accept these games as presented; the motion was seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Games attached to the minutes.)

Report on Tri-State Activities:

- Commissioner Sheehan spoke of the Tri-State meeting she attended in April. She announced that Terrance Meehan is the new Financial Analyst for Tri-State. New technology was brought up called a Random Number Generator (RNG). It is a computer-generated drawing. Lotto America has moved to using a RNG. The next Tri-State meeting is scheduled for June 1, 2023.

Scientific Games:

- Darrell Frecker reported that Fast-Play is doing well. There are new Fast-Play games coming up in July. They are excited about Maine's first \$30 instant game. They are running a few promotions this month. The Gimme 5 game promotion runs May 14 through May 27. Loyalty program- annual Mother's Day Points for Prizes store promotion. They are currently finalizing plans for the Powerball NASCAR promotion which will run in June. They are working on the 2023 Summer promotion. They are on track with Megabucks with a new logo, adding extra draw day, with drawings on Monday, Wednesday, and Saturday now. They are continuing testing on the upcoming credit and debit project. All self-service vending machines will be able to accept credit and debit. This will happen early summer. A Pick Three Pick Four promotion was completed in April. Living Lucky with Luke Combs deadline is September 12. The Price is Right promotion is coming to an end in June. PHD sales for April this year were higher than any other April in history. Year to date sales for play central terminals are running higher than any other previous year.

Fuseideas:

- They were quiet for the first two weeks of April by plan. In mid-month they launched their Fast Play advertising supporting the new game. Fast Freddy has two 15-second spots running on TV as bookends. One is at the beginning and one at the end of a spot of advertising. They also have radio running currently. During April they also supported the Pick Three Pick Four ticket promotion with a full run of radio during the promotion dates. In May they are continuing with Fast Play TV, radio, and digital advertising. Steve presented the Fast Play Location Finder Mobile Advertising. Moving through May they will continue to support Fast Play. They have the Gimme 5 instant ticket promo from May 14 through May 27. In June they will be supporting the Powerball NASCAR promotion. They are shooting a new set of TV spots for the Reward ME too sequel next week. They are developing campaign materials for Cash Pop. They will be working on Tri-State Megabucks for the fall and the Warehouse Dash. Fuseideas was awarded a first-place prize for the Northeast Regional Addy Awards for the Maine Lottery Ugly Sweater Holiday TV spot. They are now being considered for the National Addy Awards.

Other Business:


- Interim Director Boardman addressed that there was a provision in the rules that maxed us out to a \$5 price on draw tickets, it has been changed to \$20.

Public Comment: None

Adjournment:

The next Commission meeting is scheduled for Tuesday, June 13, 2023, at 10:00 a.m.
The June 2023 meeting is tentatively scheduled for July 11, 2023, at 10:00 a.m.

There being no further business Commissioner Sheehan made a motion to adjourn; the motion was seconded by Commissioner Schneck. The roll was called, and the motion carried unanimously. The meeting adjourned at 12:15 p.m.


Elizabeth Fitzgerald, Chair
Maine State Liquor & Lottery Commission


Michael Boardman, Interim Director
Bureau of Alcoholic Beverages & Lottery Operations