Maine State Liquor and Lottery Commission
Minutes of Meeting
Tuesday, July 14, 2020
Virtual Meeting using Zoom

Call to Order:

Acting Chair Patricia Rice called the meeting to order at 10:01 A.M.

Roll Call

Commissioners in Attendance: Betsy Fitzgerald, Patricia Rice, Julie Sheehan, and Larry Davis

BABLO/DAFS Staff in attendance: Deputy Director Tim Poulin (Spirits portion only), Deputy Director Michael Boardman, (Lottery portion only), Tracy Willett, Spirits Operations Manager (Spirits portion only), Lisa Rodrigue, Lottery Marketing Specialist (Lottery portion only), Terry Meehan, Financial Analyst; Eileen Bonenfant, Clerk of the Commission; and Michelle Robert, Assistant Attorney General for the Bureau. (Lottery Portion Only): Brandie Free, AnnaMaria Prouty Christine Royce, Benjamin Scott, Joan Auger, Barbara Campbell, Julie Earl, Nola Farley, Kevin Gagnon, Renee Hamlin, Amanda Haskell, Jean McLeod, Christy McKeen, George Wilson.

Pine State Spirits in attendance (Spirits portion only): Stephanie LaPointe, Jason Clary, Don Potter and Terry Goddard.

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

Others in attendance:

Spirits portion only: Gary Duncklee, Horizon Beverage; Seth Ferris, MS Walker; David Hall, Rob Andreasen and Zach Redmann, Southern Glazers; Cathy Sullivan, RSVP; Alan Nye, Old Port Spirits; Dean Nowell, Bow Street Beverage; Patrick Murphy, Martignetti; Christine Cummings, Maine Grocers’ and Food Producers’ Association; Andrew Stewart, Blue Barron Distillery; Jody Reese, Stone Fence Beverage; Dave McConnell, Three of Strong Distillery; JJ Mokarzel,. Joe Louis Spirits

Lottery portion only: Steven Mason- Fuseideas

Explanation of Virtual Meeting

Acting Chair Rice read a statement explaining how the Commission will be managing the meeting virtually and the authority to conduct the meeting virtually. (Statement attached to the minutes)

Approval of Minutes:

Acting Chair Rice asked for a motion that the minutes of the June 9, 2020, meeting be approved. A motion was made by Commissioner Fitzgerald to accept the minutes. Motion was seconded by Commissioner Davis. The roll was called, and Commissioners Rice, Sheehan, Davis and Fitzgerald voted in the affirmative; the motion passed unanimously.
Liquor Operations:

Deputy Director Poulin reported on June 2020 sales as follows:

- Sales report for March:
  - Selling days: 20 TY vs. 22 LY
  - Cases shipped were 127,962 TY vs. 108,516 LY; +17.92%
  - Dollar Sales were $21,018,388 TY vs. $17,724,649 LY; +18.58
  - Bailment collected: $224,127
  - Depletion allowances: $1,181,980
- Sales report for YTD:
  - Cases shipped were 1,361,785 TY vs. 1,275,287 LY; +6.78%
  - Dollar sales were $221,397,050 TY vs. $203,377,666 LY; +8.86%
  - Selling days: 259 TY vs. 257 LY

Deputy Director Poulin also reviewed the following sales and profit reports (sale and profit reports attached to the minutes):

- Maine Spirits Business Activity for June 2020
- Sales comparisons by County for Maine (counties of interest).
- Luxury Program sales
- Budget to Actual financial performance

New Business: None

Old Business: None

New Product Listings:

Spirits Operations Manager Willett presented fifty-two (52) new product listings for July 2020. A motion was made by Commissioner Fitzgerald to approve all the items presented for listing. Motion was seconded by Commissioner Davis. 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/Packaging Changes:

Spirits Operations Manager Willett presented thirty (30) label/package changes for July 2020. A motion was made by Commissioner Davis to accept the label/package changes as presented. Motion seconded by Commissioner Sheehan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Label/package changes distributed and attached to the minutes.)
Value Added Packs:

Spirits Operations Manager Willett presented one (1) value added pack/seasonal wraps for July 2020. A motion was made by Commissioner Sheehan to accept the value-added pack/seasonal wrap. Motion seconded by Commissioner Fitzgerald. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Value added pack/Seasonal wrap distributed and attached to the minutes.)

Rebates:

Spirits Operations Manager Willett presented seventeen (17) rebates and coupons for July 2020. All rebates and coupons were standard in nature. A motion was made by Commissioner Davis to accept all rebates and coupons. Motion seconded by Commissioner Sheehan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (Rebates distributed and attached to the minutes.)

Pine State Spirits:

Sheila Gibbons reported on the following:

- Summer creative for the racks, cocktails and product promotion
- Latest blog
- Summer sweepstakes offered by suppliers
- Instagram Weekend Takeovers

Other Business: None

Public Comments: None

Lottery Operations:

Director’s Report:

Deputy Director Boardman reported on the plans to open the lottery lobby to customers. The phased in approach allows winners of $20,000 or more to schedule an appointment to make their claim in person. That will be followed by a lower amount until such time all winners can safely be accommodated. Deputy Director Boardman also reported that lottery field staff will be phased back out into the field. This process will start slowly with Reps only visiting retailers that are in need of specific services. Deputy Director Boardman also informed the commission of the bureaus decision to adjust the General Fund budget for FY21 from $57 Million to $60 Million.

Deputy Director Boardman reported that for the sixth year in a row the lottery set several new records including profit to the General Fund, commissions to retailers, instant sales, total sales and prizes
paid to winners. Mr. Boardman thanked the lottery staff, vendors and commissioners for their efforts to achieve these records.

Deputy Director Boardman reported on YTD sales as follows:

- Draw Sales FY20 $; 51,493,262 - $16,728,082 or -25.52%
- Fast Play Sales FY20 $10,766,782; +$4,167,399 or +63.15%
- Instant Game Sales FY20 $251,894,321 + $27,259,067 or +12.13%
- Total Combined Sales FY20 $314,154,365; +$14,698,384 or +4.91%

- Lottery Profit Transfer to General Fund
  - June Actual FY20 $5,418,085; + $729,231 to Budget +15.55%
  - YTD Actual FY20 $64,583,928; + $7,583,928 to Budget +13.31%

- Profit Transfer to Outdoor Heritage Fund
  - June Actual FY20 $76,150; + $32,908 to Budget +76.10%
  - YTD Actual FY20 $651,148; - $148,852 to Budget -18.61%

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

New Business: None

Old Business: None

Approval of New Games: Deputy Director submitted four new games for approval.

- ($10) $250,000 Spectacular
- ($5) Lady Luck
- ($3) Path to Riches
- ($1) 2 for $1

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

Scientific Games:

Darrell Frecker reported that Scientific Games and the lottery team will meet at the end of July to plan out the next several months of instant games. Scientific Games continues to work with the lottery on upcoming promotions and new games such as the Big Spin game. Mr. Frecker reported that Gimme5 is now being drawn 5 days a week and the implementation on the system went as planned. Calvin Rinck reported the lottery is currently running their Splash N Dash summer promotion on the RewardME lottery site. Ticket entries are very strong so far surpassing previous promotions.
Fuseideas:

Steve Mason reported that we are basically silent on television and radio on July as we typically are. July is a slow month for lottery in general so it’s not a good investment to advertise in July. Mr. Mason did report we will be advertising at the end of the month as part of the NESN agreement as the Red Sox begin their abbreviated season. The Boston Bruins are also part of the agreement and the lottery will on during those games once the begin again.

Other Business: None

Public Comment: None

Adjournment:

The next Commission meeting is scheduled for August 11, 2020, at 10:00 a.m. as a virtual meeting.

The September meeting is tentatively scheduled for Tuesday September 8, 2020 at 10:00 a.m. as a virtual meeting.

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

Patricia Rice, Acting Chairman
Maine Liquor & Lottery Commission

Gregory Mineo, Director
Bureau of Alcoholic Beverages & Lottery Operations