

# Massachusetts State Lottery Commission

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**STEVEN GROSSMAN**  
Treasurer and Receiver General

**PAUL STERNBURG**  
Executive Director

**DATE:** September 18, 2013

**TIME:** 10:00 a.m.

**PLACE:** Office of the Treasurer and Receiver General  
12<sup>th</sup> Floor  
One Ashburton Place  
Boston, MA

**MEMBERS PRESENT:** Steven Grossman, Treasurer and Receiver General, Chair  
Martin Benison, Commissioner  
Tim McMahon, Commissioner (arrived 10:15)  
Andrea Cabral, Commissioner (departed 10:15)

**ALSO PRESENT:** Paul Sternburg, Executive Director, Lottery  
William Egan, General Counsel, Lottery  
Beth Bresnahan, Assistant Executive Director of Marketing and  
Communications, Lottery  
Jean Caron, Executive Assistant to the Director, Lottery  
David Sweeney, Chief Financial Officer, Lottery  
Cathy Judd-Stein, Assistant Executive Director of Policy  
and Special Counsel, Lottery  
James MacDonald, First Deputy Treasurer  
Jamey Tesler, General Counsel, Treasury  
Al Gordon, Deputy Treasurer for Policy, Treasury  
Jon Carlisle, Media Relations, Treasury  
Francis Orlando, Director of Government Affairs  
Marvin Venay, Deputy Director of Governmental Affairs  
Colleen Quinn, State House News

## **1.0 Opening of the Meeting**

Treasurer Grossman opened the meeting at 10:10 a.m.

## **2.0 Acceptance of the Minutes of the Meeting of August 27, 2013**

Treasurer Grossman asked the Commission to accept the minutes of the meeting from August 27, 2013. Commissioner Benison made a motion to accept the minutes of the

meeting and Commissioner Cabral seconded the motion. The minutes were approved 3-0 at 10:10 a.m.

### **3.0 EXECUTIVE DIRECTOR REPORT**

Director Sternburg presented the Executive Director's report for September (Please reference the handout).

Director Sternburg gave an update on Lottery sales noting that overall sales for August 2013 were \$5 million higher than August 2012. The August FY14 prize payout was 71.7% as compared to 71.3% for August FY13. Even though the payout percentage for FY14 was 0.4% higher this year, the Lottery's overall monthly net profit for the month was \$11 million higher because of fewer accrued prizes. August's sales increase can be attributed to a \$2 million spike in the Instant Ticket portfolio; a \$5 million increase in Powerball sales due to the \$425 million jackpot; and, \$1 million in new sales from Jackpot Poker, which debuted in June 2013.

Our overall prize payout for the first two months of FY14 is 70.9% as compared to FY13's first two months of 74.0%. This 3.1% difference is driving a new profit increase of \$24 million for the first two months. The decrease in prize payout raised our net profit by \$13 million over last year. The Lottery has set a 72.3% payout for FY14 at the consensus revenue hearings.

Director Sternburg introduced the September Instant Ticket Games to be released on September 17<sup>th</sup> which included Platinum Millions which has a price point of \$20. Director Sternburg continued with a review of sales for each of the Lottery games and revenue results comparing August FY14 to August FY13 and also year-to-date FY14 vs. FY13.

Director Sternburg and Beth Bresnahan introduced the redesign of the Lottery's logo which will appear on all point of sale materials. Roll-out of the new logo will begin after the first of the year.

Treasurer Grossman informed the Commission about the Employee Recognition Cookout which took place in Braintree Headquarters. There were 27 employees that were honored for milestone years of service. The awards were: 40 years of service – 1 employee; 35 years of service – 7 employees; 30 years of service – 8 employees; and 25 years of service – 1 employee. It was a terrific celebration in which Treasurer Grossman read a brief bio and each employee accepted an award.

### **4.0 LOTTERY REFORM SCORECARD**

**Governance:** The Lottery, along with other public agencies and offices that may be affected by expanded gaming, is participating on the Massachusetts Gaming Commission's Gaming Research Advisory Committee, examining the social and economic impacts of gambling in Massachusetts.

Director Sternburg is attending a Press Conference being held by the Massachusetts Council for Compulsive Gambling tomorrow at 1:00 p.m. with regard to their research project regarding gaming in Massachusetts.

Treasurer Grossman asked for a motion to convene in executive session to allow the Commission to discuss the litigation position of the Commission because an open meeting may have a detrimental effect on the future litigation position of the Commission. This exception to the open meeting law is found in Massachusetts General Laws c. 30A, §21(a)(3).

The motion was made by Commissioner Benison and seconded by Commissioner McMahon at 10:29 a.m. A roll call vote was taken: Commissioner Benison: yes; Commissioner McMahon: yes; and Treasurer Grossman: yes. Motion approved 3-0.

The Commission reconvened at 10:35 a.m. with a motion to adjourn being made by Commissioner McMahon and seconded by Commissioner Benison. A roll call vote was taken: Commissioner McMahon: yes; Commissioner Benison: yes; and Treasurer Grossman: yes. Motion approved 3-0.