

# *Massachusetts State Lottery Commission*

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**DATE:** August 26, 2014

**TIME:** 10:00 AM

**MEMBERS PRESENT:** James MacDonald, First Deputy Treasurer as designee for Steven Grossman, Treasurer and Receiver General  
Tim McMahon, Commissioner  
Martin Benison, Commissioner  
Doug Levine, General Counsel and designee for Andrea Cabral, Commissioner

**ALSO PRESENT:** Beth Bresnahan, Executive Director, Lottery  
William Egan, General Counsel, Lottery  
Al Gordon, Deputy Assistant Treasurer, Director of Policy  
Cathy Judd-Stein, General Counsel, Treasury  
Christian Teja, Communications and Marketing, Lottery  
Kami Ward, Executive Assistant, Lottery  
Colleen Quinn, Reporter, State House News

## **I. Opening of Meeting**

First Deputy Treasurer James MacDonald indicated that State Treasurer Steven Grossman has designated him to sit as Chairman as he had a schedule conflict. First Deputy Treasurer MacDonald opened the meeting at 10:04 a.m.

## **II. Approval of Minutes from July 29, 2014**

First Deputy Treasurer MacDonald asked the Commission to accept the minutes of the meeting from July 29, 2014. Commissioner McMahon made a motion to accept the minutes of the meeting and General Counsel Levine seconded the motion. The minutes were approved 4-0 at 10:05 a.m.

## **III. Executive Director's Report**

- a. Sales update**
- b. Marketing update**

Executive Director Bresnahan provided an update on Lottery sales for the month of July, reporting that sales were up \$19 million as compared to July 2013 due to a spike in Instant

Ticket sales. Prize payout for the month was slightly higher at 71.07 percent compared to 70.76 percent in July 2013. The increase in prize payout decreased net profit by \$1 million as compared to July 2013.

Executive Director Bresnahan shared additional details of sales across the Lottery's game portfolio for July 2014. Detailed charts are reflected in the "*Massachusetts State Lottery Commission Executive Director's Report*" which include:

- The Instant Ticket portfolio saw a significant \$22 million sales increase in July following the release of four new games (\$1, \$2, \$5, \$10) in mid-June and continued excitement in the marketplace around the \$30 *World Class Millions* ticket that launched in April. Additionally, KENO experienced an increase of over \$1.4 million.
- Powerball sales were down \$3 million due to a smaller jackpot offering as compared to last year; Megabucks Doubler sales dropped approximately \$500,000; Lucky for Life sales were down approximately \$495,000; and, Jackpot Poker, the second monitor game that debuted in June 2013, saw a sales decline of \$1 million.

Executive Director Bresnahan previewed four new Instant Tickets to be released on September 16, 2014: *\$10,000 Payout* (\$1), *\$100 Frenzy* (\$2), *\$1,000,000 PayDay* (\$5), and *\$10,000,000 Mega Fortune* (\$20). She also shared the Point of Sale advertising for the September games which highlighted the "fortune" theme.

Executive Director Bresnahan talked about the \$2 Boston Bruins Instant Ticket that will be released on September 30<sup>th</sup>. This will be the fourth co-branded ticket with the Bruins since September 2010. To date, the Lottery's Bruins-themed tickets have amassed over \$140 million in sales and generated approximately \$23.8 million in net profit.

Executive Director Bresnahan provided an update on World Class Millions Sales. After 18 weeks in the market sales are at \$259 million. The game is approximately 34 percent sold.

Executive Director Bresnahan provided an update on KENO Sales which were up \$1.4 million dollars, and shared that sales for the Lottery's second monitor game, Jackpot Poker, were down. The Lottery is looking to undertake graphic/visual updates to KENO then plans to retool its second monitor offering. Other highlights of game performance included: a slight increase in The Numbers Game sales, as well as in the Mass Cash game; Megabucks Doubler sales were down due to a lower jackpot offering as compared to last year; Lucky for Life sales were also down as compared to last year. Executive Director Bresnahan indicated that her team had met with the five other New England states participating in the regional game, along with several other states interested in joining the game on the previous Thursday. The group plans to expand the game in January 2015 in order to provide more prizes, more winners and more overall excitement in the game. The group plans to meet again in mid-September. Additional draw games that saw decreases in July were Mega Millions and Powerball, both due to a lower jackpot offerings.

#### **IV. Matters Requiring Massachusetts State Lottery Commission Approval**

**VOTED: For the reasons set forth in the memorandum dated August 22, 2014, the Executive Director is hereby authorized to enter into a successor collective bargaining agreement between the Massachusetts State Lottery and SEIU, Local 888, for the prior of July 1, 2014 – June 30, 2017.**

General Counsel Egan provided a brief overview of the terms and conditions of the Successor Collective Bargaining Agreement, which is reflected in the “*Massachusetts State Lottery Commission August 2014 Commission Meeting*” report, in summary below:

1. Union agrees to new language (requested by management in the Sick Leave, Group Health Insurance and Promotions Articles.
2. Union agrees to recognize that all field employees will have a forty (40) hour work week, and that all in-house personnel shall be assigned a thirty-seven and one-half (37.5) hour work week.
3. The parties agreed to update the language on Orientation and Stand-by Duty.
4. The parties agreed to extend all existing side letters of agreement.
5. The parties agreed to include brothers and sisters in law, as well as nieces and nephews in the one (1) day bereavement leave provisions.
6. Lottery agrees to increase contributions to Health and Welfare Fund.
7. Lottery agrees to salary increase of 1.5% every six months for a period of three years.
8. Lottery agrees to a one-time lump sum payment of \$170.00 to all active employees six months from signing the CBA.

General Counsel Egan informed the Commissioners that he had discussed the terms of the Successor Collective Bargaining Agreement with Commissioner Boland, who was absent from the meeting, on the Friday prior to the meeting and she asked that he relay her affirmative vote in favor of the agreement.

First Deputy Assistant Treasurer MacDonald asked for a motion to approve the contract. Motion was made by Commissioner Benison and seconded by General Counsel Levine. Motion approved 5-0.

First Deputy Treasurer MacDonald asked for a motion to adjourn. Motion was made by Commissioner Benison and seconded by Commissioner McMahon. Motion approved 4-0 and the meeting adjourned at 10:26 a.m.

#### DOCUMENT LIST (Distributed to or referred to at meeting)

1. Booklet entitled: “Massachusetts State Lottery Commission August 2014 Commission Meeting”
2. Booklet entitled: “Massachusetts State Lottery Commission Executive Director’s Report Presented on: August 26, 2014”