

**Special Legislative and Games Committee
Meeting Minutes**

Held on
Friday, February 27, 2015
12:00 p.m.
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members Present: Margaret Morton, Chairperson of the Legislative and Games Committee; Robert Morgan, and Megan Culmo

Staff Members Present: Anne M. Noble, President & CEO; Chelsea Turner; Diane Patterson; Lana Glovach; Paul Granato; Michael Hunter; Rebecca Lambert, and Cynthia Hadden

Others Present: Frank Farricker, Chairman of the Board of Directors, joined the meeting at approximately 12:08 p.m.

Call to Order: Margaret Morton called the meeting to order at 12:02 p.m.

I. Approval of Minutes:

On a motion made by Mr. Morgan and seconded by Ms. Culmo, the minutes of the November 6, 2014 Special Legislative and Games Committee Meeting were unanimously approved.

II. Sales Performance and Game Update:

Presented by Ms. Diane Patterson, Vice President of Sales and Marketing. Using sales charts, Ms. Patterson provided the following report for the fiscal year through January 31.

- Regarding All Games, sales are at \$653 million, \$7 million ahead of last year and \$15 million ahead of budget. Ms. Morton asked what the cause was for the drop in sales in Fiscal Year 2013 during a certain time period. Weather-related issues may have impacted sales.
- Sales for CT Games were \$584 million in January, which is \$5 million ahead of budget.
- Multi-State Game Sales are at \$69 million. Jackpot levels for Powerball and Mega Millions will be discussed later in the presentation.

- Total Sales are at \$653 million as of the end of January. As of February 26, total sales were at \$739.5 million. As of January 31, the CLC has contributed approximately \$180 million to Connecticut's General Fund.
- The Instant Game portfolio saw the release of 12 new games since the last Committee meeting. Samples of the games' tickets were distributed to the Committee members. Ms. Patterson noted that these tickets represent approximately 47 million tickets that were printed, \$250 million in potential sales and \$78.6 million in potential profits. Ms. Noble stated that December and January saw the CLC's best instant games performance in CLC history.
- Play3 and Play4 Day and Night Combined sales for December and January were good at \$19.9 million and \$19.3 million, respectively.
- Play3 Day sales were \$4.1 million for January.
- Play3 Night sales were \$5.9 million for January.
- Play4 Day sales were \$3.7 million for January.
- Play4 Night sales were \$5.6 million for January.
- 5 Card Cash sales are \$30.1 million actual for the fiscal year; the game was budgeted for \$2 million in sales. There have been 11 top prize winners since the game launched in May 2014, the last one being on January 7, 2015. The game is currently producing an average of 13,000 winning experiences per day.
- Lotto is currently below budget at \$12.1 million. There was a \$4.7 million jackpot winner on January 30, 2015.
- Cash5 continues to perform steadily, with sales of \$2.6 million in January. There has been a slight drop in Cash5 sales.
- Regarding Connecticut Super Draw, there have been three versions run since the last Committee meeting. Version 11 ended on December 31, 2014. Version 12 had a 31 day run, from January 2, 2015 to February 1, 2015. The current version went on sale on February 2, 2015, and sales will end on March 17, 2015, with the drawing being held on March 18, 2015. Ms. Patterson noted that this game has had a long life compared to similar style games in other lottery jurisdictions. There was some discussion about whether there is a place in the portfolio for this style of game in the near and longer term future. The CLC will continue to evaluate this.
- Powerball & MegaMillions combined sales were \$10.8 million in January.
- The most recent large Powerball jackpot was advertised at \$500 million, and took 21 rolls to reach that level. Sales in CT for that jackpot run were approximately \$21 million, which was lower than expected.
- MegaMillions currently has a jackpot of \$127 million. The first 4 rolls for this jackpot have produced approximately \$850,000 in sales.
- The Lucky for Life game expanded outside of New England to 14 states in January 2015. CT sales were \$1.7 million for January. There was a second prize winner from Montana for the drawing held on February 26, 2015. The District of Columbia joined the Lucky for Life game the week of February 17, and Kentucky will be joining the game in March. There was some discussion about the CLC's role in the expanded game.
- Mr. Morgan raised the issue of fraud in prize claims. Ms. Noble stated that the CLC has a process in place to prevent fraudulent prize claims, and a brief discussion ensued.

This concluded the Sales Performance and Game Update.

III. Executive Session:

On a motion made by Ms. Culmo and seconded by Mr. Morgan, the Committee moved into Executive Session at 12:25 p.m. Ms. Morton invited Ms. Noble, Ms. Turner, Ms. Patterson, Ms. Glovach, Mr. Granato, Mr. Hunter and Mr. Farricker to stay for the Executive Session related to New Game Initiatives, Review of Draft New Game Rules and Review of Draft of Revised Game Rules.

The Committee reconvened into regular session at approximately 12:52 p.m. Ms. Morton noted that no actions or votes were taken during Executive Session.

IV. New Business:

Ms. Turner provided the Committee with a Capitol update. There was some discussion about proposed bills in the Connecticut General Assembly and in Congress. On February 5, 2015, Ms. Noble testified before the Public Safety and Security Committee of the Connecticut General Assembly regarding a bill dealing with expired tickets. Written testimony was also submitted on two other bills. Ms. Turner and Ms. Noble will continue to keep the Board of Director's apprized of legislative developments.

On a motion made by Mr. Morgan and seconded by Ms. Culmo, the following resolution was made:

Resolved, that the Legislative and Games Committee recommends to the Board of Directors that the Board approve the Official "Lucky Links" Day and Night Game Rules, as presented.

This resolution passed unanimously.

On a motion made by Mr. Morgan and seconded by Ms. Culmo, the following resolution was made:

Resolved, that the Legislative and Games Committee recommends to the Board of Directors that the Board approve the proposed revisions, as presented, to the following specific game rules concerning ineligible players:

- Mega Millions (CT amendment), § 24.B
- Powerball (CT amendment), § 24.B
- Lucky for Life (CT amendment), § 11.A
- 5 Card Cash, Part III, § G(2)(b)
- Lotto, Part IV, § F(3)(b)
- CT Super Draw, Part V, § C(3)(c) through (e)

This resolution passed unanimously.

V. Adjournment:

On a motion made by Mr. Morgan and seconded by Ms. Culmo, the meeting adjourned at 1:16 p.m.

Respectfully Submitted:

Chelsea Turner
Director of Government Regulatory and Operational Affairs
Connecticut Lottery Corporation