

**Special Legislative and Games Committee
Meeting Minutes**

Held on
Thursday, April 16, 2015
10:45 a.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 (via teleconference); Robert Morgan, Jim Farrell, Megan Culmo (via teleconference), and Natasha Pierre

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

Call to Order: Ms. Morton called the meeting to order at 10:49 a.m.

I. Executive Session:

On a motion made by Mr. Morgan and seconded by Mr. Farrell, the Committee moved into Executive Session at 10:50 a.m. Ms. Morton invited Ms. Noble, Ms. Turner, Ms. Patterson, Ms. Glovach and Mr. Hunter and to stay for the Executive Session related to New Game Initiatives.

The Committee reconvened into regular session at approximately 11:01 p.m. Ms. Morton noted that no actions or votes were taken during Executive Session.

II. Approval of Minutes:

On a motion made by Mr. Morgan and seconded by Ms. Culmo, the minutes from the February 27, 2015 Special Legislative and Games Committee Meeting were approved. Mr. Farrell and Ms. Pierre abstained from voting.

III. 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 March 31.

- Regarding All Games, sales are at \$847 million, and the Connecticut Lottery Corporation (CLC) is poised to be at \$900 million within the next day, which would be the earliest we have reached that amount in sales in recent history.
- Sales for CT Games are at \$753 million, which is \$9.3 million ahead of budget.
- Multi-State Game Sales are at \$93 million. Lower jackpot levels in Powerball and Mega Millions are a factor in returns being down to last year and lower sales in these games. There have been thirteen jackpots this year, which is less than in previous years.
- Total Sales are at \$847 million as of the end of March, which is \$26 million ahead of budget. The CLC is averaging \$3.1 million in sales per day. Ms. Noble noted that sales are slightly behind last year's numbers because of the performance of the Mega Millions and Powerball games.
- The Instant Game performance is strong; the last six months have seen the highest Instant Games sales than in any previous year. Instant Games are currently at \$504 million, or 3.4% ahead of budget.
- Play3 and Play4 Day and Night Combined sales are at \$182 million, or 1.5% below budget. Ms. Patterson noted that the 4-digit games appear to be performing better than the 3-digit games, experiencing 4 strong months of sales.
- Play3 Day sales were \$4.6 million for March.
- Play3 Night sales were \$6.5 million for March.
- Play4 Day sales were \$4 million for March.
- Play4 Night sales were \$6 million for March.
- 5 Card Cash sales are \$38 million actual for the fiscal year. There have been twelve top prize winners since the game launched in May 2014, an average of one top prize win per month. Ms. Patterson spoke about the winners of the October 14, 2014 drawing who came to the CLC office to claim their prize four days before the winning ticket expired. They are a couple who met as a result of the tragedy of losing their homes to Hurricane Sandy, and they are planning to use their prize money to purchase a new home together.
- Lotto sales are at \$15 million, with a current jackpot of \$2 million. February sales for Lotto were soft, due in large part to a jackpot being won on January 30, and also because of the bad weather in February.
- Cash5 continues to perform steadily, with sales of \$2.6 million in March. These sales are slightly below last year's sales.
- CT Super Draw #13, ended with the drawing on March 18, 2015. The prize awarded was \$103,887.50, which was half of all sales for the game, equivalent to 41,555 tickets sold. The CLC has decided to retire the CT Super Draw game at this time, but may revisit it in the future.

- Powerball's low jackpots seems to be affecting sales. The high jackpot for this year was \$500 million, won in February; the low jackpot for this year was \$60 million,

- won in July. The average jackpot is \$178 million, and lower jackpot levels translate into lower sales. In Fiscal Year 13, the total sales for the year were \$107 million; currently for Fiscal Year 15, sales are at \$53 million.
- The most recent large Powerball jackpot was advertised at \$500 million, and took twenty one rolls to reach that level. Sales in CT for that jackpot run were approximately \$21 million, which was lower than expected.
 - Mega Millions is experiencing the same decreased sales as Powerball, with an average jackpot of \$191 million this year. We are used to seeing twelve large jackpots per year from this game, but this year we have only seen five. There is concern that we will not see the jackpot levels needed to bring sales up before the end of the fiscal year.
 - The Lucky for Life game has seen a slight increase in sales since “The Game of a Lifetime” launched to lotteries outside of New England in January. To date twelve \$25,000 a year for life second prizes have been awarded, 3 of them to CT players. CT is in the top five of all participating states for sales and per capita.

This concluded the Sales Performance and Game Update.

IV. New Business:

Ms. Turner provided the Committee with a Capitol update. She spoke about HB 7054, An Act Concerning Keno. Ms. Noble testified before the Finance, Revenue and Bonding Committee on April 15 about this bill, as did Solomon Ramsey, the CLC’s Director of Recruitment and Retailer Services. There was also testimony from Paul Sternburg, the former Director of the Massachusetts Lottery, four Lottery Retailers, as well as letters of support from over fifty Lottery Retailers. Ms. Turner said that the next step could be a potential vote on Keno in the Finance Committee.

Ms. Turner also provided an update on Senate Bill 1090, An Act Concerning Gaming. She let the Committee know that regarding the bill, the CLC’s position is “do no harm to the Lottery,” and that casino gaming expansion is currently being considered along I-91 in Enfield, I-84 in Danbury, and I-95 in Bridgeport. Ms. Noble also provided a synopsis of the Attorney General’s concerns regarding the issue, as outlined in a letter he sent to the Legislative leadership on April 15, 2015.

Lastly, Ms. Turner shared that HB 5924 regarding expired tickets, and a long-standing expired Lotto ticket by Clarence Jackson, failed in the Public Safety Committee. She expects this bill to resurface in some fashion before the end of the session.

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

Resolved, that the Legislative and Games Committee recommends that the full Board of Directors approve and support the Connecticut Lottery Corporation's efforts to continue to work with Legislature and move forward toward the passage of HB 7054, An Act Concerning Keno.

This resolution passed unanimously.

V. Adjournment:

On a motion made by Mr. Farrell and seconded by Mr. Morgan, the meeting adjourned at 11:25 a.m.

Respectfully Submitted:

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