



**Special Meeting  
of the Finance Committee of the  
Connecticut Lottery Corporation**

Held on  
Friday, June 2, 2017 at 3:00 p.m.  
at the  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut 06067

Committee Members: Patrick Birney, Chairperson of the Finance Committee; Robert Dakers; Robert Morgan (attended by teleconference).

Staff Members: Chelsea Turner, Interim President & CEO; Kendra Eckhart; Paul Granato; Michael Hunter; Solomon Ramsey; Carlos Rodriguez; Matthew Stone; Thomas Trella; Todd Volpe; Annmarie Daigle; and Lydia Pac.

Call to Order: Mr. Birney called the meeting to order at 3:03 p.m.

I. Approval of May 12, 2017 Minutes:

On a motion made by Mr. Dakers and seconded by Mr. Morgan, the minutes of the May 12, 2017 Special Meeting of the Finance Committee were unanimously approved.

II. Old Business:

Financial Software Conversion Update

Mr. Granato presented the Committee with a status update regarding the financial software conversion. Mr. Granato stated that the software conversion is moving along well and as planned. Finance staff is currently balancing the two systems and as soon as that is completed, parallel testing will take place throughout June.

III. New Business:

Keno Recruitment Update

Mr. Ramsey presented the Committee with an overview of the business process for a new CT Lottery Keno retailer. The following steps were presented:

- An application submitted by a retailer is received by Retailer Services and uploaded into AIM (Application Information Module).
- Preliminary Retailer Information (PRI) is performed by a New Business Representative at the location.
- CLC Equipment Placement Diagram is completed by the New Business Representative at the location.
- Sales goals are discussed.
- The Lottery ticket placement and Plan-O-Gram are discussed and agreed upon.
- After DCP approval, the retailer is scheduled for New Retailer Training, which is conducted by the New Business Coordinator.
- Within five business days, Lottery equipment is installed and a New Business Representative and Lottery Sales Representative go to the location and conduct a New Retailer Setup.
- The retailer signs off on the new retailer training checklist and lottery sales begin.
- New Business monitors the weekly sales of the new location for 14 weeks.
- After the monitoring period ends, the successful new location moves to the Sales Department and becomes part of the regular retailer base.

#### Instant Games Update

Mr. Rodriguez presented the Committee with an overview of the Instant Games sales performance. The following highlights were presented:

- The Instant Games sales performance is outstanding. In FY16, FY15, and FY14, the CT Lottery ranked 5<sup>th</sup> of 44 lotteries. The CT Lottery will again deliver over \$700 million in instant sales in FY17; marking only the second time that has happened in CT Lottery history.
- Monthly sales comparisons, and Keno sampling.
- FY18 sales momentum.
- FY18 scratch games scheduled to launch.

#### IV. Review of Draft Budget for FY18

The Finance Committee chose to discuss the Draft Budget in public session rather than in Executive Session.

- Total sales were \$1,082,000,000 in 2012 and we project to end FY17 at \$1,220,400,000. This equates to a 2.5% compound average growth rate since 2012.
- Total sales budget for next year is \$1,254,000,000 which is 2.95% above FY17 estimate based on continued emphasis on Keno, a somewhat stronger instant portfolio, and a small bump from the \$2 price point for Mega Millions.
- Prizes and commissions and gaming system fees are all driven by sales.

- Marketing and advertising are budgeted at \$13.7 million, an increase of \$300,000 from prior year budget.
- Production expenses are budgeted at \$9.2 million based on production of 40 games and an increase in the number of licensed games.
- Operating expenses are \$25.6 million for FY18 budget. \$20.9 million or 82% of that total is related to salaries and fringe benefits.
- Budgeted General Fund transfers are \$340 million in FY18.

Mr. Morgan left the meeting at 4:50 p.m.

V. Adjournment:

On motion made by Mr. Birney and seconded by Mr. Dakers, and unanimously approved, the meeting was adjourned at 4:56 p.m.

Respectfully Submitted,

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By: Paul A. Granato  
Chief Financial Officer  
Connecticut Lottery Corporation