



Special Meeting of the Finance Committee

Held on
Monday, June 3, 2019 at 9:00 a.m.,
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members: Patrick Birney, Chairperson of the Finance Committee and Patti Maroney (both via teleconference).

Staff Members: Gregory Smith, President & CEO; Chelsea Turner, Vice President; Paul Granato; Matthew Stone; Annmarie Daigle; and Kristen Williams

Call to Order: Mr. Birney called the meeting to order at 9:26 a.m.

I. Approval of May 10, 2019 Meeting Minutes:

On a motion made by Ms. Maroney and seconded by Mr. Birney, the minutes of the May 10, 2019 Finance Committee Meeting were unanimously approved.

II. Review of Draft FY20 Budget:

Mr. Birney requested that Mr. Granato report on the revised draft FY20 budget, which was previously discussed at the May 10, 2019 Finance Committee Meeting.

Mr. Granato noted that total sales revenue for FY20 is projected at \$1.331 billion, an increase of \$42.6 million compared to the FY19 budget. All prize components of lottery games are budgeted at their statistical payout percentages. Total prizes are budgeted at \$829.6 million. Retailer commissions are budgeted based on their respective sales component and total \$74.3 million. Gaming system vendor fees are based on sales revenue for each lottery game and are estimated at \$15.8 million. Marketing expense is anticipated at \$13.6 million with an increased emphasis on digital marketing. Production expenses are estimated at \$6.7 million. After payments of \$2.3 million to the Chronic Gamblers Fund and \$3.2 million to the Department of Consumer Protection for regulatory costs, there will be a transfer of approximately \$358 million to the General Fund.

The Committee then discussed open positions and compensation. Mr. Birney asked for these topics to be further discussed at the June 13, 2019 Board of Directors Meeting during Executive Session.

On a motion by Ms. Maroney and seconded by Mr. Birney, the Finance Committee recommends to the Board of Directors to adopt the FY20 Budget.

III. Adjournment:

On a motion made by Ms. Maroney and seconded by Mr. Birney, the meeting adjourned at 10:10 am.

Respectfully Submitted,

Paul A. Granato
Chief Financial Officer