

CONNECTICUT LOTTERY CORPORATION

Minutes of the Board Meeting  
held on  
Thursday, April 20, 2017  
At 12:00 p.m.  
at the  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut 06067

Board Members Present: Frank Farricker, Chairperson of the Board and Interim President & CEO; James Heckman (joined via teleconference at 12:15 p.m.); Michael Janusko; Robert Morgan; Natasha Pierre; Michael Thompson; and Diane Winston.

Staff Members Present: Alfred DuPuis; Paul Granato; Michael Hunter; Jane Rooney; Matthew Stone; Chelsea Turner; Annmarie Daigle; and Rebecca Lambert.

Board Members Not Present: Board Members not in attendance provided the Connecticut Lottery Corporation with advanced notice of scheduling conflicts.

Call to Order: Mr. Morgan called the meeting to order at 12:05 p.m.

I. Mr. Farricker welcomed Board members and asked Mr. Morgan to Chair the meeting. Mr. Morgan began by welcoming new Board member, Michael Janusko.

II. Approval of November Minutes:

On motion made by Mr. Thompson, seconded by Ms. Pierre, and approved, it was:  
“Resolved, that the Board hereby approves the November 17, 2016 Board meeting minutes.”

Mr. Janusko abstained.

III. Approval of February Minutes:

On motion made by Ms. Pierre, seconded by Mr. Thompson, and approved, it was:  
“Resolved, that the Board hereby approves the February 23, 2017 Board meeting minutes.”

Mr. Janusko abstained.

IV. Executive Report:

President’s Report:

Mr. Farricker welcomed and thanked the Board for attending today’s meeting. Mr. Farricker briefly discussed the budget process, noting that the FY18 Budget would be ratified at the June Board meeting. He noted that part of the transition effort was to go through the organization chart and review positions.

Sales Performance and Game Update:

Mr. Farricker presented the report using sales charts, which included the highlights below. All sales figures are approximate.

Mr. Farricker noted that after beginning as a somewhat difficult year we are back in a profitable direction after seeing some dips in sales in December and January. Our general fund transfer goal is \$338 million; we are about \$11 million behind.

Instant games have rebounded in the last month and a half, and the trend lines are going back up. CT Games are down 3%.

Lotto, Cash5 and Lucky Links Day and Night are all steady.

Keno has been expanding exponentially in the last few months. We are adding resources for off-hours to visit the restaurants and bars to promote the game. Mr. Farricker gave credit to all who have contributed to making Keno a success story and noted we could expect strong performance on the horizon.

A brief discussion centered around the Mega Millions game which will change in October 2017. The game will now be a \$2 game, more like Powerball and the addition of a jackpot-only option. Mr. Farricker noted that the general consensus with the senior staff was to opt out of this jackpot-only ticket option.

Powerball is flat. There were no extraordinary prizes since the January 2016 \$1.5 billion jackpot.

Lucky for Life is perking up with the addition of North Carolina and is now in 23 states.

This concluded the Executive Report.

V. Committee Reports:

Personnel Committee:

Ms. Pierre reported that the Personnel Committee met on April 18, 2017. Ms. Pierre noted no actions occurred as a result of the meeting and that further discussion would occur during Executive Session.

VI. Executive Session:

At 12:21 p.m., on motion made by Mr. Thompson and seconded by Mr. Janusko, the Board moved into Executive Session to discuss:

- Discussion of legal strategy regarding proposal received from member of the public.
- Discussion of legal strategy regarding indemnification claim made by senior employee.

With regard to the second item, Mr. Morgan asked for a motion to replace the word “employee” with “personnel”. Mr. Morgan asked for a motion to add a third item to the Executive Session, “Discussion of preliminary draft organizational chart”. Mr. Thompson made a motion for these two items, with Ms. Winston seconding.

Ms. Rooney and Mr. Stone were invited to stay for Executive Session.

The Board reconvened in regular session at 1:27 p.m.

VII. Discussion and Action Re: Executive Session:

Mr. Morgan stated that no votes or actions took place during Executive Session.

VIII. New Business:  
Marketing Plan:

Mr. Thomas Trella, Director of Portfolio Strategy and Analysis, gave a brief overview of strategic initiatives for the next three years. The new plan has a focus on branding and attracting new customers.

Ms. Pierre asked the status of the iLottery bill. Ms. Turner replied that the bill had a public hearing before the Public Safety and Security Committee but did not get put on the agenda for a vote. Mr. Trella added that we are moving forward in anticipation of the bill being passed at some point in the future.

Mr. Janusko asked how many states currently have iLottery. Ms. Turner replied that there are four states currently with iLottery, in various iterations.

Mr. Thompson asked what percentage of Michigan’s revenue comes from iLottery. Mr. Walter, CLC Counsel, answered the percentage to be approximately 20%. Mr. Farricker noted that iLottery would not be taking players away from brick-and-mortar establishments but would be attracting new players.

Ms. Turner mentioned that iLottery would be helpful in the case of inclement weather because sales reflect a decline when players cannot visit their retailer. She stated that conversations at the Capitol regarding the bill are ongoing.

Review and Possible Action Re: Lucky for Life Game Rules Change:

After a brief discussion with regard to Lucky for Life Game Rules, noting there was no change in matrix or price, on motion by Mr. Morgan and seconded by Ms. Pierre, the following resolution was made and unanimously approved:

Resolved, that after due consideration, the Board of Directors approves the Official “Lucky for Life” Game Rules amended as presented.

Review of Mega Millions Game Changes:

There was a brief discussion concerning the Mega Millions game. As Mr. Farricker had mentioned earlier in the meeting, beginning in October 2017, the game will now be a \$2 game, with the addition of a jackpot-only option for \$1 more. Mr. Farricker noted that the general consensus with the senior staff was to opt out of this jackpot-only ticket option at this time.

Review and Possible Action Re: Amendment to Bylaws with regard to budget timing:

After a brief discussion regarding the budget process, on motion made by Mr. Morgan and seconded by Ms. Pierre, the following resolution was made and unanimously approved:

Resolved, that after due consideration, the Board of Directors hereby approves the amendment of Article VI, Section 1 of the corporation's Bylaws as shown below to provide that the President must submit the annual budget for the ensuing fiscal year to the Board, Finance Committee, or other designated committee or subcommittee for approval at least sixty (60) days prior to the close of the current fiscal year instead of ninety (90) days prior to the close of the current fiscal year (Additions are underlined; deletions are crossed out):

**ARTICLE VI BUDGET, FISCAL YEAR,  
BANK DEPOSITS, CHECKS, ETC.**

**Section 1**

**Budget**

At least ~~ninety (90) days~~ sixty (60) days prior to the close of the fiscal year the President shall submit an annual budget for the ensuing fiscal year to the Board, Finance Committee or other designated Committee or Subcommittee, for approval. The Board shall establish an annual budget of revenues and expenditures, along with reasonable reserves for working capital, capital expenditures, debt retirement, and other anticipated expenditures, in a manner and at levels considered by the Board as appropriate and prudent. The President may request amendments to the approved budget at any regular or special meeting, and the Board may approve such changes to the annual budget as it deems appropriate.

IX. Adjournment:

The next meeting of the Board of Directors will be May 23, 2017.

On motion made by Mr. Thompson, seconded by Ms. Pierre, and unanimously approved, the meeting was adjourned at 2:01 p.m.

Respectfully submitted,

Chelsea Turner  
Corporation Secretary/Connecticut Lottery Corp.