



**Special Telephonic Meeting
of the Legislative and Games Committee**

Held on
Tuesday, September 26, 2017 at 3:00 p.m.
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members: Margaret Morton, Chairperson of the Legislative and Games Committee; Meghan Culmo; James Heckman; Natasha Pierre; and Diane Winston (all via teleconference)

Staff Members: Chelsea Turner; Matthew Stone; Andrew Walter; Theresa Scott; Kendra Eckhart; Annmarie Daigle; and Rebecca Lambert.

Call to Order: Ms. Morton called the meeting to order at 3:01 p.m.

I. Approval of Minutes:

On a motion made by Ms. Winston and seconded by Mr. Heckman, the minutes from the June 28, 2017 Special Legislative and Games Committee Meeting were unanimously approved.

II. Sales Performance and Game Update:

Using sales charts, Ms. Theresa Scott, Interim Director of Sales, provided a brief report for the period ended August 31. All sales figures are unaudited estimates. Sales for all Games during the period are \$115.7 million, up 13.2% from July 2017. Instant Games sales were \$119 million, which is 3.1% over budget. Daily Numbers Games sales were \$39.4 million, which is slightly under budget by 0.8%. Draw Game sales were \$23 million, which is under budget by 4.5%. Powerball, Mega Millions, and Lucky for Life had combined sales of \$36.5 million, which is 53.3% ahead of budget. These strong results can be attributed to the recent Powerball jackpot run. Total Sales during the period were \$217.9 million, which is 7.3% ahead of budget. The fiscal year projection for all games is \$1.253 billion, and year-to-date sales are approximately \$298 million.

Ms. Turner provided the Committee with a Marketing and Games Update: Ms. Turner noted that game performance continues to do well, driven largely by instant ticket sales, Powerball, and Keno. The recent Powerball jackpot run produced sales of \$26.8 million, with \$12.3 million being returned to the General Fund as a result. The CLC continues to use focus-group testing to gain consumer insight about potential enhancements to its games, including Lotto

and a new \$5 spotlight game. The CLC launched a new \$20 instant game, Connecticut Millionaires Club, which will be supported by radio, television, and point-of-sale advertising. There will also be advertising for the two new \$5 holiday games this year, supported by radio, television, and point-of-sale.

The CLC is currently working on issuing an Advertising RFP, which we expect to issue in October. As always, the CLC is looking at ways to leverage new technologies in the industry. We are looking at Player Activated Terminals (PATs) to replace current Instant Ticket Vending Machines (ITVMs) in retail locations. PATs are able to sell instant tickets and draw-game tickets, which could be helpful in securing new Keno locations. Finally, the CLC is exploring the possibility of offering a Loyalty Club. The belief is that iLottery will be able to be launched successfully if a Loyalty Club is in place at the time of launch, because there would already a database of players established. Steve Wagner, CLC Director of Information Technology, is leading the project team, and expects to issue an RFP for a Loyalty Club in the next few months.

This concluded the Sales Performance and Game Update.

III. New Business:

Review and Possible Action Re: Mega Millions Rules Changes

Mr. Walter informed the Committee that the proposed rule changes to Mega Millions include a change to the price of a Mega Millions ticket, a change in the matrix of the game, and a change to the amount of the starting jackpot amount. There is also a proposed “jackpot only” option being introduced that the CLC has opted out of until further analysis of its performance can be established.

On a motion made by Ms. Morton and seconded by Mr. Heckman, it was

Resolved, that the Legislative and Games Committee recommends to the Board of Directors that the Board of Directors approve the Mega Millions game rules changes.

The motion passed unanimously.

Review and Possible Action Re: Cash5, Play3 Day, Play3 Night, Play4 Day and Play4 Night Rules Changes

Mr. Walter informed the Committee that the proposed rule changes eliminate the CLC’s existing lost ticket claim policy, as has been done with all other draw games that the CLC offers.

On a motion made by Ms. Morton and seconded by Ms. Culmo, it was

Resolved, that the Legislative and Games Committee recommends that the Board of Directors approve the Cash5, Play3 Day, Play3 Night, Play4 Day and Play4 Night game rules changes.

This motion passed unanimously.

Capitol Update

Ms. Turner informed the Committee about several items pending at the Capitol. There was no language in the proposed budget for iLottery legislation. The CLC will continue to work with legislators to pass an iLottery bill in the future. The CLC Board sent a letter to the Public Safety and Security Committee to ensure the trust and integrity of the CLC, and progress has been made on all areas of improvement noted in the letter. The CLC will continue to monitor the expansion of the casinos in Connecticut, including MMCT Venture, the joint company between the Mohegan and Mashantucket Pequot tribes, and MGM's proposed Bridgeport casino. Finally, the CLC has been in open communication with the DCP, including a project to help consumers detect potential lottery scams.

This concluded the Capitol Update.

Adjournment:

On motion made by Ms. Winston and seconded by Mr. Heckman, the meeting adjourned at 3:31 p.m.

Respectfully Submitted:

Matthew Stone
Corporate Secretary
Connecticut Lottery Corporation