



Minutes of the Board Meeting

Held on

Thursday, February 6, 2020

at 12:00 p.m.,

at the

Connecticut Lottery Corporation

777 Brook Street

Rocky Hill, Connecticut 06067

Board Members: Patrick Birney, Vice Chair; Wilfred Blanchette Jr. (via teleconference); Dawna Capps (via teleconference); Meghan Culmo (via teleconference); Margaret Morton (via teleconference); and Michael Thompson (via teleconference).

Staff Members: Greg Smith, President & CEO; Peter Donahue; Paul Granato; Matthew Stone; Annmarie Daigle; and Bryan Figueroa.

Call to Order: Mr. Birney called the meeting to order at 12:03 p.m.

I. Welcome & Pledge of Allegiance:

Vice Chair Birney welcomed the Board members and thanked them for attending today's meeting.

II. Lottery Report:

a. Financial Report:

Using sales charts, Mr. Paul Granato, Chief Financial Officer, provided a brief report for the period ending December 31, 2019. All sales figures are unaudited.

Financial highlights included \$636.8 million in net sales for the period, down \$27.8 million from the previous year. Mr. Granato noted that a lower prize expense, \$386.6 million compared to \$408.5 million last year, brings the General Fund transfer for the period to \$184.1 million, \$1.8 million below last year.

b. Review of Sales Performance:

Mr. Peter Donahue, Senior Director of Marketing, provided sales results for the fiscal year-to-date period ended January 31, 2020. Mr. Donahue highlighted Connecticut games, which are up approximately \$11.4 million to budget, with Keno and Lotto performing exceptionally well. He noted that the multi-state games, Powerball, Mega Millions and Lucky for Life are down approximately 30.5% collectively below budget, mostly due to jackpot spikes in late 2018.

Ms. Culmo joined the meeting at 12:22 p.m.

c. President's Report:

Mr. Smith was pleased to report that recent sales results are closing the deficit compared to last year by about 20%, with the daily numbers, Keno and Lotto performing strongly. He also noted a possible upcoming promotion for the daily games as well as a retailer incentive program, which

we plan to begin in March. Mr. Smith discussed both the Mega Millions and Powerball game rules documents and executive summary, which will be voted on later in the meeting, noting that the CLC was not electing to offer the Double Play Promotion/Add-On for either game at this time. Also mentioned was the planning of the Lucky for Life game moving to a daily draw. Mr. Smith then reported that the launch of the new FastPlay game would be delayed by about four weeks due to additional time required by Scientific Games for programming and testing, noting that no revenue for FastPlay was projected for this year.

Mr. Smith then discussed recent sponsorships with the University of Connecticut basketball programs as well as the upcoming Hartford Yard Goats season. Also highlighted were recent Keno parties that the CLC sponsored at various locations across the state.

Mr. Smith highlighted several initiatives the CLC is undertaking next month in recognition of Problem Gambling Awareness Month, including the resolution that will be voted on at today's meeting.

Lastly, Mr. Smith reported on plans for the upcoming legislative session, which include both sports betting and lottery bills. He noted he would be presenting at an informational hearing on gaming next Tuesday, February 11th.

This concluded the Lottery Report.

III. Approval of the December 12, 2019 Board Meeting Minutes:

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

“Resolved, that the Board hereby approves the December 12, 2019 Board meeting minutes”.

The motion passed unanimously.

IV. Endorse Problem Gambling Awareness Month:

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

Resolved, that the Board of Directors of the Connecticut Lottery Corporation endorses the Lottery's observance of and participation in Problem Gambling Awareness Month in Connecticut, from March 1, through March 31, 2020, to raise public awareness about the potential risks of gambling, and to reinforce the Connecticut Lottery Corporation's commitment to corporate social responsibility.

V. Committee Reports:

a. Executive Committee:

Mr. Birney stated that the Executive Committee met on January 9, 2020 primarily in Executive Session to discuss pending claims and litigation as well as the President & CEO's performance review and compensation.

b. Audit Committee:

Mr. Thompson stated that the Audit Committee met on January 23, 2020 primarily in Executive Session to discuss pending claims and litigation as well as quarterly liquidated damages, noting there were no material claims and no actions were taken at the meeting.

c. Legislative and Games Committee:

Ms. Morton reported that the Legislative and Games Committee met on January 29, 2020 to review and approve the Mega Millions and Powerball game rules changes, which will be discussed later

today, as well as the legislative agenda.

VI. Executive Session

At 12:43 p.m., on motion made by Mr. Blanchette and seconded by Ms. Morton, the Board moved to Executive Session to discuss:

- a. Pending Claims and Litigation: Civil Suits and CHRO Matters
- b. President and CEO Performance Review and Compensation

Mr. Smith was invited to stay for Executive Session. Mr. Stone was invited to stay for the first item only.

The Board reconvened in regular session at 1:19 p.m. with Mr. Birney noting that no votes or actions were taken in Executive Session.

VII. New Business:

- a. Review and Possible Action: Mega Millions and Powerball Game Rules:

On a motion by Mr. Birney, seconded by Mr. Blanchette, and unanimously approved, it was:

“Resolved, that after due consideration and on the recommendation of the Legislative and Games Committee, the Board of Directors hereby approves the Mega Millions game rules changes.”

On a motion by Mr. Birney and seconded by Ms. Culmo, and unanimously approved, it was:

“Resolved, that after due consideration and on the recommendation of the Legislative and Games Committee, the Board of Directors hereby approves the Powerball game rules changes.”

- b. Discussion and action, if any, on items discussed during Executive Session:

On a motion by Mr. Blanchette, seconded by Ms. Morton, and unanimously approved, it was:

“Resolved that, after due consideration, the Board of Directors hereby increases the President and CEO’s compensation by 3.5%, to match the increase awarded to the other staff members, retroactive to Jan 3, 2020.”

VIII. Adjournment:

On motion made by Mr. Blanchette and seconded by Ms. Morton, the meeting adjourned at 1:22 p.m.

Respectfully Submitted,

Matthew Stone
Corporation Secretary
Connecticut Lottery Corporation