



DRAFT MINUTES
Regular Meeting
of the Board of Directors of the
Connecticut Lottery Corporation

Held on
Thursday, December 8, 2022 at 12:00 p.m.
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Board Members Present: Robert Simmelkjaer, Board Chair (via teleconference, left at 12:56 p.m.); Wilfred Blanchette, Jr. (via teleconference, left at 1:07 p.m.); Michael Cicchetti (via teleconference); Matthew Daskal (via teleconference, left at 12:55 p.m.); Steven Ezzes (via teleconference); John Flores; James Heckman (via teleconference); Manny Langella (via teleconference); Andrew Meehan (via teleconference); and Margaret Morton (via teleconference, joined at 12:29 p.m.).

Staff Members Present: Gregory Smith, President & CEO; Peter Donahue; Melissa Durso; Jodi Ganzer; Catherine Martorella; Lauren Perrotti; Mark Walerysiak; Andrew Walter; Christopher Davis; and Annmarie Daigle.

I. Welcome:

Chair Simmelkjaer welcomed the Board members and called the meeting to order at 12:07 p.m.

II. Executive Session:

On a motion by Mr. Blanchette and seconded by Mr. Flores, the Board moved to Executive Session at 12:08 p.m. to discuss:

- a. Review of Managers' Incentive Compensation Plan
- b. Real Estate Update
- c. Sports Betting Update
- d. President & CEO Performance Review

Ms. Durso, Ms. Ganzer, Mr. Smith and Mr. Walter stayed for items a., b., and c. of the Executive Session.

III. New Business:

- a. Discussion and Action, if any, on Items Discussed During Executive Session.

The Board returned to public session at 12:34 p.m. with Chair Simmelkjaer noting that no votes or actions were taken during Executive Session.

On a motion by Mr. Blanchette, seconded by Mr. Ezzes, and with Mr. Daskal abstaining, it was:

Resolved, that after review and due consideration, and upon the recommendation of the Personnel Committee, the Connecticut Lottery Corporation's Board of Directors hereby approves the Manager Compensation recommendation for the Incentive Component for FY2022 as presented by the President and the Director of Human Resources.

b. Review and Approval of Board Meeting Schedule for 2023.

On a motion by Mr. Blanchette and seconded by Mr. Heckman, the Board Meeting Schedule for 2023 was unanimously approved.

IV. Approval of August 11, 2022 Board Meeting Minutes:

On a motion by Mr. Flores and seconded by Ms. Morton, the minutes of the October 13, 2022 Board Meeting were unanimously approved.

V. Lottery Reports:

a. Marketing Report:

Mr. Donahue reported on CLC's Marketing efforts noting that consumer's expectation as to the prize amount has been elevated due to the recent Powerball and Mega Millions jackpots. On December 6th there were two Lucky for Life winners in Connecticut, a top prize winner and a second prize winner. Mr. Donahue then presented the holiday TV commercial and discussed the annual Give a Child a Toy, Not a Ticket responsible gambling campaign, with 49 toy drop off locations across the state.

b. Sports Betting Report:

Mr. Walter noted that we had a strong October and increased sales year-over-year for November. Although our sales do much better during football season, the FIFA World Cup has been a nice addition.

c. Financial Report:

Ms. Catherine Martorella, Director of Finance and Acting CFO, reported that Total Sales for October were \$126 million, or 3% ahead of budget and 0.7% ahead of the prior year mainly due to the historic \$1.9 billion Powerball run. General Fund Transfers for the month of October were \$37.7 million.

For the four months ending October 31, 2022, Total Sales were \$484 million, down 2.5% from the prior year and slightly ahead of budget, 0.6%. General Fund Transfers year-to-date are \$137.5 million, up \$11.4 million from budget.

d. President's Report:

Mr. Smith noted that we are in a good spot through November and saw some of our best results in draw game ticket purchases due to recent jackpots. He also noted that operating expenses are down \$3 million from last year, which is allowing us to see the results we are achieving thus far. Mr. Smith reported that he has heard from several lottery claimants of their appreciation of our financial guidance efforts either through the recently rolled out Wise Winnings program or seeking financial guidance on their own. Lastly, Mr. Smith noted recent supplier diversity efforts. Mr. Christopher Davis will present a full update in February, but we are already seeing good results with our recent contacts with minority business organizations and have awarded a few contracts and opportunities to these businesses.

VI. Committee Reports:

a. Executive Committee:

Mr. Smith reported on the Executive Committee on behalf of Chair Simmelkjaer, noting that the Committee held a regularly scheduled meeting on November 10th. The Committee heard an update on profits, procurement and real estate, as well as pending claims and litigation and the President's performance review. No votes or actions taken.

b. Audit Committee:

Mr. Meehan noted that the Audit Committee met on October 25th and heard an update on liquidated damages, with services levels holding steady. The Committee also reviewed the meeting schedule for next year and discussed several topics in Executive Session with no actions or votes taking place.

c. Finance Committee:

Mr. Ezzes reported that the Finance Committee met on December 7th and received a review of the Audit Report from CliftonLarsonAllen which the Auditors gave a clean report with no outstanding issues. The Committee also heard a sales and general fund update similar to today's financial report.

d. Personnel Committee:

Mr. Smith provided the Personnel Committee report for Mr. Blanchette. He noted that the Committee met earlier in the week to review the Managers' Incentive Compensation Plan, which the Committee made the recommendation to the full Board to approve. Also reviewed were edits to CLC's attendance policy.

e. Sports Betting Development Committee:

Mr. Smith provided the Sports Betting Development Committee report on behalf of Chair Simmelkjaer, noting that the Committee met on November 18th for the primary purpose to discuss a contractual negotiation matter during Executive Session. No votes or actions were taken.

VII. Adjournment:

Mr. Flores thanked everyone, expressed his pleasure to be part of the Board over the years, and wished the CLC continued success.

On a motion by Ms. Morton, seconded by Mr. Heckman, and unanimously approved, the meeting adjourned at 1:11 p.m.

Respectfully Submitted,

Melissa Durso
Corporation Secretary
CT Lottery Corporation