



Minutes of the Board Meeting  
held on  
Thursday, October 4, 2018  
At 12:00 p.m.  
at the  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut 06067

Board Members Present: Donald DeFronzo, Chairman; James Heckman; Michael Janusko; Patti Maroney; Robert Morgan; Margaret Morton; and Michael Thompson.

Staff Members Present: Greg Smith, President & CEO; Chelsea Turner, Interim Vice President; Paul Granato; Theresa Scott; Matthew Stone; Annmarie Daigle; and Bryan Figueroa.

Call to Order: Chairman DeFronzo called the meeting to order at 12:06 p.m.

I. Welcome:

Chairman DeFronzo welcomed the Board members and thanked them for attending today's meeting. Chairman DeFronzo thanked Robert Dakers for his tenure on the CLC Board since 2008, noting that Mr. Dakers has been a stable influence and wished him well in future endeavors. Chairman DeFronzo welcomed Patti Maroney, Fiscal Program Policy Section Director, who replaces Robert Dakers as the Secretary of Office of Policy and Management's designee to the CLC Board.

II. Approval of July 5, 2018 Meeting Minutes:

On a motion made by Mr. Heckman, and seconded by Mr. Janusko, it was:

“Resolved, that the Board hereby approves the July 7, 2018 Board meeting minutes.”

Mr. Morgan and Ms. Maroney abstained.

III. Approval of June 28, 2018 Meeting Minutes:

On a motion made by Mr. Thompson, and seconded by Mr. Morgan, it was:

“Resolved, that the Board hereby approves the June 28, 2018 Board meeting minutes.”

Mr. Morgan and Ms. Maroney abstained.

IV. Executive Report:

Mr. Smith welcomed and thanked the Board for attending today's meeting, then proceeded to provide the Board with an outline of today's agenda which included: FY18 financial highlights, game performance and marketing update, mapping the future, capitol update and key projects.

Mr. Smith noted that the Lottery continues to perform strongly and that as of September 30, General Fund transfers are \$81 million, which is 5.5% ahead of budget.

Mr. Smith highlighted the rising jackpots of Mega Millions at \$405 million, Powerball at \$229 million and Lotto at \$6.4 million. Also noted was the strong performance of instant tickets at both the \$10 and \$30 price points, notably the \$5,000,000 Ultimate ticket, which is currently the Lottery's best-selling \$30 instant game.

Mr. Smith discussed the most recent Buy 5 promotion and the upcoming PowerCruise promotion, including the social media efforts surrounding these events. Mr. Smith also noted that new Player Activated Terminals (PATs) are due to arrive in early 2019. Mr. Smith then shared computer-generated commercials for \$500,000 Extreme Cash, Premiere Play and Cash Celebration instant tickets.

Ms. Turner then provided a capitol update including ongoing conversations surrounding sports betting, iLottery and iGaming. She also discussed the many responsible gambling safeguards that would be included in these efforts.

Looking ahead, key projects include website modernization, streamlining financial reporting, review of drawing process, bonding, as well as projections for marketing and instant tickets.

This concluded the President's Report.

Sales Performance and Game Update:

Using sales charts, Ms. Theresa Scott, Interim Director of Sales, provided a brief report for the period ended September 30. All sales figures are unaudited estimates. Sales for all games during the period were \$101.2 million, up 4.1% from the same period last year. Instant games sales were \$178.1 million, which is above budget by 1.6%. Daily numbers games sales were \$60.1 million, which is above budget by 1.4%. Draw game sales were \$38.4 million, which is above budget by 4.1%. Powerball, Mega Millions, and Lucky for Life had combined sales of \$34 million through September 30. This is under our projections by 11.8%. The fiscal year projection for all games is \$1.288 billion, and year-to-date sales are approximately \$311 million.

V. Committee Reports:

Audit Committee:

Mr. Thompson noted that the Audit Committee met earlier this morning to discuss the ongoing financial audit by Blum Shapiro and will have a report by the next Board meeting. The Committee also discussed a purchasing justification; next steps for the compliance check program, which proved to be very successful; the ineligible player database; Positive Pay safe banking transactions; the 20X instant game; and database encryption. The Committee also met in Executive Session to discuss three agenda items as well as board committee structure. No votes or actions were taken in Executive Session.

Finance Committee:

Mr. Granato reported that the Finance Committee has not met since the last Board meeting as the annual financial audit is not complete as the quasi-public agencies have just recently received other post-employment benefits information from the State Comptroller's office. Blum Shapiro has not indicated any significant issues to date during their review.

Personnel Committee:

Mr. Thompson reported that the Personnel Committee met yesterday to discuss the vacant Director of Human Resources position, management and union compensation, training efforts, and also met in Executive Session to review pending claims and litigation. No votes or actions were taken in Executive Session.

VI. Executive Session:

At 1:01 p.m., on motion made by Mr. Thompson and seconded by Mr. Morgan, the Board moved to Executive Session to discuss:

- Pending Claims and Litigation/CHRO Matters

Mr. Smith, Ms. Turner and Mr. Stone were invited to stay for the Executive Session.

At 1:37 p.m. the Board reconvened in regular session.

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

Chairman DeFronzo noted that no votes or actions took place during Executive Session.

VIII. Adjournment:

On motion made by Ms. Morton, seconded by Mr. Heckman, and unanimously approved, the meeting adjourned at 1:38 p.m.

Respectfully submitted,

Matthew Stone  
Corporation Secretary  
Connecticut Lottery Corporation