



DRAFT MINUTES

**Meeting
of the Board of Directors of the
Connecticut Lottery Corporation**

Held on
Thursday, February 8, 2024 at 12:00 p.m.
at the
Connecticut Lottery Corporation
15 Sterling Drive
Wallingford, Connecticut 06492

Board Members Present: Robert Simmelkjaer, Board Chair; Wilfred Blanchette, Jr.; Douglas Dalena; Steven Ezzes; Ajay Gupta; James Heckman (joined at 12:38 p.m.); Andrew Meehan; and Margaret Morton (all via teleconference).

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

I. Welcome:

Chair Simmelkjaer welcomed the Board members and called the meeting to order at 12:02 p.m.

II. Approval of December 14, 2023 Board Meeting Minutes:

On a motion by Mr. Blanchette, seconded by Mr. Gupta, the minutes of the December 14, 2023 Board Meeting were unanimously approved.

III. Approval of January 18, 2024 Board Special Meeting Minutes:

On a motion by Mr. Dalena and seconded by Mr. Blanchette, the minutes of the January 18, 2024 Board Special Meeting were approved, with Mr. Ezzes and Ms. Morton abstaining as they were not in attendance.

IV. Lottery Reports:

a. Financial Report:

Ms. Martorella provided the Financial Report stating that Sales through December of 2023 are behind by about \$41 million. Total gross profits were \$16.5 million lower than last year but above budget. Most of the deficits have to do with the timing of the multi-state jackpots. Total contributions to the General Fund were \$190 million through December. With regard to Sports Betting, the financial report is abbreviated due to the transition to Fanatics in December. Sales through December were \$131 million, with excise taxes of \$328,000 and sports wagering tax of \$1.3 million. Online sales are 56% of total sales and retail is 44%.

b. Sports Betting Report:

Sports Betting report provided by Andrew Walter. He noted that the transition to Fanatics soft launch was successful; interior and exterior signage was switched out quickly. There are now several thousand accounts established by players and it seems that we are off to a good start in February compared to last year. We working closely with CRDA to advertise the XL Center location as it is a new establishment without an existing client base.

c. Marketing Report:

Mr. Smith provided the Marketing Report stating that instant ticket sales are turning a corner and are approximately 50% of our lottery sales. The weather impacted 4 days in January 2024 by approximately \$1.8 million. CLC's 2nd Chance platform is ready for launch and it is scheduled to go live in the beginning of March with a full ad campaign. We are projecting 6 games for 2024 and more for 2025. He noted that we have hired a new Sr. Director of Marketing and that person will be starting mid-February.

d. President's Report:

Mr. Smith provided the President's Report. He too noted that we have been collaborating with CRDA on the XL Center and it needs to be both a good sports betting location and bar/restaurant for it to be a successful venue. He noted that the launch for the ilottery platform is further delayed and that although IGT has known about the regulatory requirements for about a year, they are struggling to meet some of them. We do not have a projected new launch date at this time.

Mr. Simmelkjaer said that the courier options, such as Jackpocket would have been a cleaner and quicker path to market and it appears to be operating effectively in many states but noted that it appears that we have constraints here in Connecticut.

V. Committee Reports:

a. Executive Committee:

Mr. Simmelkjaer provided an Executive Committee update. The Committee met in January and heard a brief update on sales and discussed succession planning for applications and interest for CEO position.

b. Audit Committee:

Mr. Meehan noted that the Audit Committee held a Regular scheduled meeting on January 30th. Topics discussed were a purchase exemption justification and new financial auditor; regulatory oversight and a meeting with DCP. No votes or actions were taken at the meeting.

c. Legislative & Games Committee:

Ms. Durso noted that the Legislative & Games Committee met on February 5, 2024. The Committee was updated on CLC's legislative initiatives and draft agenda for this session and was informed that the team is beginning to schedule meetings with leadership in Hartford. No votes or actions took place at the February meeting.

VI. Executive Session:

On a motion by Ms. Morton and seconded by Mr. Simmelkjaer, the Board moved to Executive Session at 12:49 p.m. to discuss:

a. iLottery Update

- b. Sports Betting Update
- c. Legislative Update
- d. Discussion of Succession Planning

Mr. Smith, Ms. Durso, Ms. Perrotti, Ms. Ganzer and Mr. Walter stayed for Executive Session.

VII. New Business:

- a. Discussion and Action, if any, on items discussed during Executive Session

Upon returning to public session at 1:28 p.m., Chair Simmelkjaer noted that no votes or actions were taken while in Executive Session.

- b. Election of Vice Chair:

On a motion by Mr. Simmelkjaer, and seconded by Ms. Morton, Mr. Blanchette was unanimously elected Vice Chair for a period of one year.

- c. Endorsement of Problem Gambling Awareness Month.

Ms. Durso read a resolution endorsing March 2024 as Problem Gambling Awareness Month which was unanimously accepted by the Board.

VIII. Adjournment:

Chair Simmelkjaer thanked everyone for attending and noted that the next regular meeting is scheduled for April 11, 2024.

On a motion by Mr. Dalena, seconded by Ms. Morton, and unanimously approved, the meeting adjourned at 1:32 p.m.

Respectfully Submitted,

Melissa Durso
Corporation Secretary
CT Lottery Corporation