

**Personnel Committee
Special Meeting**

Thursday, August 30, 2012

at 1:00 p.m.

held at the

Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members: Gale Mattison, Chairperson; Steven Bafundo; Natasha Pierre; Kenneth Saccente; Margaret Morton, in attendance.

Other Attendees: Frank Farricker, Chairman of the Board via teleconference; Anne Noble, President & CEO; Lana Glovach; Chelsea Turner; Jane Rooney.

Call to Order: Chairperson Mattison called the meeting to order at 1:00 p.m.

I. Approval of Minutes:

On a motion made by Ms. Pierre, seconded by Mr. Saccente and unanimously approved, the minutes of the June 27, 2012 Personnel Committee Special Meeting were approved.

II. Annual review of CLC policies. The Committee reviewed the Life and Disability Policy, Retirement Plan Contribution Policy, and Managerial Tuition Policy. The Committee also reviewed the Managerial Compensatory Time Report. The Committee will report its review of these policies and report to the Board

II. Executive Session:

On a motion made by Ms. Pierre, seconded by Mr. Saccente and unanimously approved, the Committee moved to Executive Session. Chairperson Mattison invited Ms. Noble, Ms. Glovach, Ms. Turner and Ms. Rooney to stay for the Executive Session relating to the review of the draft of the Ethical Conduct Policy and for FY 2012 Management Compensation Plan and Management Incentive Compensation Plan. Ms. Noble was invited to stay for her own Performance Evaluation. Ms. Turner, Ms. Glovach and Ms. Rooney left the Executive Session at 1:40 p.m. The Committee and all staff reconvened at 2:04 p.m.

No votes or action were taken during Executive Session

IV. Old Business:
None

V. New Business:

On a motion made by Ms. Morton, seconded by Ms. Pierre and unanimously approved, it was:

Resolved: “Management Incentive Compensation Program”

The Personnel Committee hereby resolves and recommends to the Connecticut Lottery Corporation’s Board of Directors to pay incentive compensation as earned under the Fiscal Year 2012 Management Incentive Compensation Program.

The Personnel Committee finds that paying incentive compensation at the stated earned amount, without the cap, is in the best interest of the Connecticut Lottery Corporation (“CLC”). In support of this resolution, the Personnel Committee finds as follows:

- Incentive Compensation is authorized in the Lottery’s enabling legislation;
- Incentive compensation is pay for performance, rather than tenure and is an estimated element of total compensation;
- Lottery management employees are not eligible for longevity;
- Employees who underperform are not eligible for incentive compensation;
- The Board of Directors adopted and approved the Management Incentive Compensation Program, in accordance with the above principles, on September 15, 2011;
- Incentive compensation was earned under the terms of this Program based on the record performance and efforts of the CLC in FY 12;
- The CLC returned \$310 million to the state’s General Fund, \$22.3 million over budget;
- CLC FY 12 revenues were approximately \$1.082 billion, \$56 million over budget;
- The intent of the Program is to compensate employees for outstanding results and to retain talent, rather than pay employees for years of service. The results warrant compensation under the FY 2012 Program as earned.”

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

Resolved: “The Personnel Committee has reviewed the performance of Anne M. Noble, President & CEO of the Connecticut Lottery Corporation. Looking at her four performance objectives: Management of Direct Reports, Strategic Plan management, Coordination and Support of the Board and the Review and assessment of online and I-gaming, we find her performance to be Outstanding. The Chairman of the Committee has discussed the review with Ms. Noble. The Committee also recognized the exceptional financial performance of the Corporation in the record setting sales and return to the general fund this year. While such a trend may be difficult to sustain, it significantly exceeded the expectations of the committee. The overall evaluation is Outstanding.”

VI. Adjournment:

On a motion made by Ms. Pierre, seconded by Mr. Saccente, and unanimously approved, the meeting was adjourned at 2:06 p.m.

Respectfully submitted,

By: Jane Rooney
Director of Human Resources
Connecticut Lottery Corporation