

**Legislative and Games Committee
Meeting Minutes**

Held on

Thursday, February 27, 2014, 10:45 a.m.

at the

Connecticut Lottery Corporation

777 Brook Street, Rocky Hill

Connecticut 06067

Committee Members Present: Margaret Morton, Chairperson of the Legislative and Games Committee; Robert Morgan and, Jim Farrell. Natasha Pierre joined the meeting at 10:55 a.m. and Frank Farricker, Chairman of the Board arrived at 11:09 a.m.

Staff Members Present: Anne Noble, President & CEO; Diane Patterson; Chelsea Turner; Lana Glovach; Michael Hunter; and, Annmarie Daigle.

Call to Order: Margaret Morton called the meeting to order at 10:49 a.m.

I. Approval of Minutes:

The minutes of the November 13, 2013 Legislative and Games Committee Meeting were reviewed but a vote to approve was delayed until later in the meeting when there was a quorum.

II. Sales Performance:

Presented by Diane Patterson, VP Sales and Marketing.

- Highlights since the last meeting included a “Lottery University” presentation by Pollard Banknote on innovate merchandising and sales techniques, a social media promotion with WFSB that included giving away 5 Kindles and has helped boost our FaceBook “likes” to almost 15,000 fans and changes to Lucky for Life – the game now features a \$25,000 for life second prize.
- Total All Games Sales for January 2014 were approximately \$83.8 million. As of January 31, 2014, transfers to the General Fund were \$181.7 million. We are currently \$3 million off of budget, which is equivalent to one day of sales, so we are right on target.
- CT Games through January 31, 2014 were approximately \$555.4 million with the numbers games leading the way.
- Multi-state Games through January 31, 2014 were approximately \$91.1 million, an estimated \$5.5 million below budget. We are seeing some improvement. One big jackpot roll would help.
- In regards to Total Sales through January 31, the CLC is \$6 million ahead of last year and down to budget just .2%.

- Instant ticket sales were \$51.3 million for the month of January. Ms. Patterson discussed new recently launched games, “Golden Casino” “777”, “\$”, “Dueces Wild” and “Blackjack” and showed point of sale materials.
- Play3 and Play4 games were both steady with an estimated \$18.7 million for the month of January. Ms. Patterson discussed the red ball bonus payout promotion which helped and ran in January.
- Lotto sales for January 2014 were approximately \$1.8 million. The jackpot was recently hit. The winner had not come forward yet and no augmentation was necessary. Soon, we will also be introducing a LottoCash scratch ticket that will feature a lotto draw ticket as one of the prizes. We look forward to introducing the game to the marketplace.
- Cash5 sales for January 2014 were steady at approximately \$2.7 million.
- Super Draw 8 ended Dec. 31, 2013. Super Draw 9, a 50/50 \$5 game, will be drawn on March 17th. We will continue to leverage social media to help with these games.
- Powerball sales for the month of January were approximately \$5.3 million. Mega Millions sales for January were approximately \$1.9 million. Both games have experienced some jackpot fatigue. We also know that the media is especially important to driving sales in these two games.
- January 2014 Lucky for Life sales were approximately \$2.0 million. We are developing a New England social media promotion. Sales in MA are especially helpful to CT, RI, VT, and NH, its border states. .

Mr. Morgan asked for an update on lottery game sales at Mohegan Sun.

On a motion made by Mr. Morgan, seconded by Mr. Farrell, the minutes of the November 13, 2013 Legislative and Games Committee Meeting were unanimously approved.

III. Executive Session:

On a motion made by Mr. Morgan, seconded by Mr. Farrell, and unanimously approved, the Committee moved to Executive Session at 11:12 a.m. Ms. Morton invited: Ms. Noble, Ms. Patterson, Ms. Turner, Ms. Glovach, and Mr. Hunter to stay for the Executive Session relating to New Game Initiatives and Draft Games Rules for New Draw Game.

The Committee reconvened in regular session at approximately 11:35 a.m. Ms. Morton noted that no actions or votes were taken during Executive Session.

IV. Old Business:

Ms. Turner provided a Capitol update:

- 3 Keno repeal bills have been introduced in three different committees – Public Safety, Finance and Appropriations. One bill is the Speaker’s bill and is before Public Safety. A public hearing is scheduled on this bill on March 4 at 12:30. A second bill was introduced by Sen. Stillman and is before Finance. This bill has seventeen co-sponsors. The third bill was introduced by Sen. McKinney and is before Finance. The CT Lottery Corporation continues to answer questions about Keno to legislators, staff, non-partisan

offices and the press. To date, we have not seen or received the state-tribal agreement that would authorize the CT Lottery Corporation to move forward with Keno.

- There are 2 bills before Public Safety that would prohibit Sweepstakes Cafes in CT. There was a public hearing on one of these bills last week and there is a public hearing on the other next week. The only testimony at last week's hearing was provided by Senator Bartolomeo from Middletown. Sweepstake Cafes sell internet cards with sweepstakes entries. Ms. Noble explained that this is a gray area of the law and part of the issue is whether the patron is purchasing time on the internet or purchasing a sweepstakes entry. Ms. Turner explained that she will continue to monitor these bills.
- There are many other bills that we are tracking on a variety of topics including: the budget, procurement, gas prices, regulatory reform, etc.
- Ms. Noble reported that Congress recently passed the "Farm Bill", and that this large bill includes a provision that will affect lotteries. The provision prohibits SNAP recipients from receiving "substantial lottery or gambling winnings." The Lottery is working with other states to better understand the implications of the bill and potential implementation.
- Ms. Turner added that we continue to follow igaming developments at the federal level and in other states.

V. New Business:

On a motion made by Mr. Morgan, seconded by Mr. Farrell, the following resolution was made:

"Resolved, that the Legislative and Games Committee recommends to the Board of Directors that the Board approve the 5Card Cash game rules as revised."

The resolution passed unanimously.

VI. Adjournment:

On motion made by Mr. Morgan, seconded by Mr. Farrell, and unanimously approved, the meeting was adjourned at approximately 11:50 a.m.

Respectfully Submitted,

By: Diane Patterson
Vice President of Marketing and Sales
Connecticut Lottery Corporation