

**Special Legislative and Games Committee
Meeting Minutes**

Held on
Wednesday, September 17, 2014
2:00 p.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; Jim Farrell (via teleconference); Kia Murrell, and Natasha Pierre

Staff Members Present: Anne M. Noble, President & CEO; Diane Patterson; Chelsea Turner; Lana Glovach; Michael Hunter; Rebecca Lambert, and Cynthia Hadden

Call to Order: Margaret Morton called the meeting to order at 2:03 p.m.

I. Approval of Minutes:

On a motion made by Ms. Murrell and seconded by Ms. Pierre, the minutes of the April 21, 2014 Special Legislative and Games Committee Meeting were unanimously approved.

II. Sales Performance and Game Update:

Presented by Ms. Diane Patterson, Vice President of Sales and Marketing. Using sales charts, Ms. Patterson provided the following report for the first two months of this fiscal year:

- Regarding All Games, the CLC is off to a good start in the first two months of FY 2015. The CLC experienced its best July for sales in recent years, with \$90.9 million. This year the CLC is competing against large jackpots from last year, but has had sales of \$183.1 million in FY'15 to date.
- Sales for Instant games in CT have been solid. There was some discussion about the Durational Game category, which refers to games that are intended to be time limited.
- In Multi-State Games, the CLC is currently up against large jackpots from this time last year, \$448 million and \$399 million for MegaMillions and Powerball, respectively. Current jackpots are significantly lower for both games, and this is affecting sales.

- For Total Sales, the CLC is \$3.2 million or 6.7% ahead of budget for General Fund transfers, and \$1.5 million or 0.8% ahead of budget for total sales.
- Last year the CLC saw a softening in the Instant Games portfolio, but instant tickets are on the rebound. The \$108 million in sales is attributable in part to recently launched games. One of those games is \$250,000 Cashword.
- With Play3 & Play4 Day and Night combined are paying out less prize money.
- Play3 Day sales are estimated at \$8.3 million for FY'15.
- Play3 Night sales are estimated at \$11.9 million for FY'15.
- Play4 Day sales are estimated at \$6.7 million for FY'15.
- Play4 Night sales are estimated at \$10.4 million for FY'15, and will even out over the course of the year.
- 5 Card Cash launched on May 4, 2014. There have been 7 top prize winners of \$255,555.
- For Lotto, we have seen higher jackpots in previous summers. There was a \$3.6 million jackpot won in July of this year. Ms. Noble noted that the February 18 (FY'14) jackpot was almost the same as the August (FY'15) jackpot and that sales for both of these months were almost the same.
- Cash5 sales are suggesting cannibalization from 5 Card Cash sales.
- Connecticut Super Draw experienced its typical December spike, and the last edition did not sell out. Changes will be made.
- Powerball had its highest jackpot at \$122 million in FY'15. Sales for this game are therefore down.
- MegaMillions has a current jackpot of \$74 million.
- Lucky 4 Life added a second prize of \$25,000 a year for life in September 2013. There have been 37 winners of this second prize, 14 of which were from Connecticut. The top prize of \$1,000 a day for life has not been won since June 2013.

This concluded the Sales Performance and Game Update.

III. Executive Session:

On a motion made by Ms. Pierre and seconded by Ms. Murrell, the Committee moved into Executive Session at 2:31 p.m. Ms. Morton invited Ms. Noble; Ms. Patterson; Ms. Turner; Ms. Glovach, and Mr. Hunter to stay for the Executive Session related to New Game Initiatives and the Review of the Draft Official Game Rules for Lucky for Life and Lucky for Life Multi-jurisdictional Game Agreements.

The Committee reconvened into regular session at approximately 3:23 p.m. Ms. Morton noted that no actions or votes were taken during Executive Session.

IV. New Business:

On a motion made by Ms. Pierre and seconded by Ms. Murrell, the following resolution was made:

Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that said Board approve the Official "Lucky for Life" Game Rules and Connecticut amendments, as presented.

This resolution passed unanimously.

On a motion made by Ms. Murrell and seconded by Ms. Pierre, the following resolution was made:

Resolved, that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that said Board authorize the President of the Corporation to execute, on the Corporation's behalf, the Lucky for Life Game Regional Agreement, with the further authority to make any changes to the Finance & Operations Procedures and the Drawing Procedures as the President deems advisable. The appropriate committee of the Board shall be informed of any material changes to those procedures.

And it is further resolved that, after review and due consideration, the Legislative and Games Committee recommends to the Board of Directors that said Board authorize the President of the Corporation to execute, on the Corporation's behalf, the Lucky for Life Licensee Lottery Participation Agreement in connection with the expansion of the Lucky for Life game. The Legislative and Games Committee also recommends that the Board authorize the President to execute any and all future amendments to the agreement that add lotteries to this multi-jurisdiction game and to report the addition of lotteries to this committee.

This resolution passed unanimously.

V. Adjournment:

On a motion made by Ms. Pierre and seconded by Ms. Murrell, the meeting was adjourned at 3:26 p.m.

Respectfully Submitted:

Diane Patterson
Vice President Sales and Marketing
Connecticut Lottery Corporation