



**Special Meeting  
of the Legislative and Games Committee of the  
Connecticut Lottery Corporation**

Held on  
Wednesday, April 18, 2018 at 12:00 p.m.  
at the  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut 06067

Committee Members: Margaret Morton, Chairperson of the Legislative and Games Committee (via teleconference); Robert Morgan; and Meghan Culmo (via teleconference).

Staff Members: Chelsea Turner, Interim President and CEO; Matthew Stone; Kendra Eckhart; Theresa Scott; Andrew Walter; Annmarie Daigle; and Rebecca Lambert.

DCP Staff Members: Lynda Brandt; and Viola Pietrandrea

Call to Order: Ms. Morton called the meeting to order at 12:05 p.m.

I. Approval of Minutes:

This item was tabled to the next meeting due to lack of quorum.

II. Sales Performance and Game Update:

Using sales charts, Ms. Theresa Scott, Interim Director of Sales, provided the following report for the period ended March 31. All sales figures are unaudited estimates.

- Regarding All Games, sales in March were \$118 million.
- Regarding Connecticut Games:
  - Instant Games sales through March 31 were \$538.9 million. This is 0.3% under budget. The fiscal year projection for Instant Games through March was \$540.6 million. Current Actual Year-to-Date Instant Game sales are more than \$575 million, up 1.7% over last fiscal year. A new \$30 ticket was integrated into the instant portfolio, \$5,000,000 Ultimate. This game alone garnered more than \$3.4 million in sales within a 13 day period of its launch. Our full fiscal year projection is \$730 million for Instant Games.

- Daily Numbers Games sales through March 31 were \$179.5 million. This is under budget by 0.4%. This category gained 0.2% from the last report in January. The fiscal year projection for these games is \$242 million, and is currently up 0.6% over last fiscal year.
- Draw Game sales through March 31 were \$104.7 million. This is below projections by 1.7%, but the category has gained 2.3% since the last report in January. Overall this category is up 12.1% over last fiscal year.
- Regarding Multi-State Games:
  - Powerball, Mega Millions and Lucky for Life had combined sales of \$120.3 million through March 31. This is ahead of projections by 14.5%. The fiscal year projection for these games is \$140 million, and sales are currently up 23.6% over last fiscal year.
- Regarding Total Sales:
  - Total sales through March 31 were \$945 million, 1.4% ahead of budget. On Monday April 16, sales reached \$1 billion, which was 9 days earlier than last fiscal year. Total sales are up 5.1% over last fiscal year.

Ms. Kendra Eckhart, Interim Director of Marketing, provided the Committee with the following Marketing and Games Update:

- A new instant \$30 game, \$5,000,000 Ultimate, launched just over 3 weeks ago, and has already generated \$4.8 million in sales. This game has also not cannibalized sales in the \$10 category, and we have only seen a slight decline in \$5 game sales.
- Recent promotions for the Cash5 game yielded an increase in sales of 4.3%.
- Focus group testing will take place in April with testing of extended play style scratch games. They will also include testing on merchandising, and large format scratch game concepts.
- A new Keno commercial was recently shot in Connecticut at Sonalyst Studios.
- The RFP for an advertising agency has been completed. The contract is currently under review with both the successful agency and the CLC. Once the contracts are executed, the CLC looks forward to announcing the agency that was selected.
- New instant games will be launching soon, including Cashlicious, a \$5 game that features different chocolate-themed scenes that will be launched for Mother's Day, and \$500,000 Extreme Cash, a bright pink ticket that will catch eyes at retail.
- The CLC is looking at ways to leverage new technologies in the industry. We are currently negotiating a contract with the vendor for Player Activated Terminals (PATs) to replace current Instant Ticket Vending Machines (ITVMs) in retail locations. Also, an RFP has been issued for a Loyalty Club, with responses due by April 25.
- Keno continues to perform well. Sales for the game through April 17 are \$151.8 million, with \$100 million in prizes paid. New locations in Shelton & New Milford are helping advance the message that Keno can be played in any environment.

This concluded the Sales Performance and Game Update.

### III. New Business:

#### Capitol Update:

Ms. Turner provided the following Capitol update to the Committee:

There are a number of bills that the CLC has been following closely. SB 277: AAC Online Lottery Games died in the Public Safety Committee. However, SB 540: AAC Sports Wagering and Online Lottery Draw Games in the State has passed the Finance Committee. This bill includes language that supports offering lottery draw games online, and would also allow the CLC to be an operator of sports betting. HB 5307: AAC Sports Wagering in the State also passed out of the Public Safety Committee narrowly. The fate of the bill depends, in part, on the SCOTUS decision on sports betting, which could be issued at any time.

Other bills being followed include SB 417, which would lower the threshold for the CLC to collect child support and taxes owed from prizes of \$5,000 to \$2,000; HB 5306 which would require DECD to issue an RPF to study gaming and its possible expansion in Connecticut; SB 280, which would require OPM to evaluate using the CLC revenue stream to fund state employee and teacher pensions; SB 445 AAC an Analysis of the Recommendations of the Commission on Fiscal Stability and Growth; and HB 5587 AAC the Commission on Fiscal Stability and Economic Growth.

Ms. Turner shared information about an opinion that the Attorney General recently released regarding, among other things, the future of sports betting in Connecticut.

Sec. 660 of SB 1502, the budget that passed this past fall, is also being followed up on. This provision requires the CLC to reduce operating expenses by approximately \$1 million in this fiscal year and next fiscal year. The definition of "operating expenses" is unclear, so the proposed fix is that the CLC increase its General Fund Transfers by \$1 million for fiscal years 2018 and 2019 over the preceding year. Members of all caucuses seem amenable to this proposal.

There has been no budget issued yet. There is potential for a Special Legislative Session to be held during the summer.

This concluded the Capitol Update.

IV. Adjournment:

On a motion made by Ms. Morton and seconded by Mr. Morgan, the meeting adjourned at 12:33 p.m.

Respectfully Submitted:

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Matthew Stone  
Corporate Secretary  
Connecticut Lottery Corporation