



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

Held on
Thursday, October 12, 2023 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.; Michael Cicchetti; Douglas Dalena; Steven Ezzes (joined at 12:20 p.m.); James Heckman; Andrew Meehan; and Margaret Morton (all via teleconference).

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

I. Welcome:

Chair Simmelkjaer welcomed the Board members and called the meeting to order at 12:02 p.m. There was a brief discussion regarding the recent Powerball jackpot won the previous evening in California.

II. Approval of August 10, 2023 Board Meeting Minutes:

On a motion by Ms. Morton and seconded by Mr. Blanchette, the minutes of the August 10, 2023 Board Meeting were approved, with Mr. Meehan abstaining as he was not in attendance.

III. Approval of August 25, 2023 Board Special Meeting Minutes:

On a motion by Mr. Blanchette and seconded by Mr. Cicchetti, the minutes of the August 25, 2023 Board Special Meeting were approved, with Ms. Morton abstaining as she was not in attendance.

IV. Lottery Reports:

a. Financial Report:

Ms. Catherine Martorella, Chief Financial Officer, provided the Financial Report, noting that several large jackpots contributed positively to sales in the first quarter. Total sales for the three months ended September 30, 2023 were \$351.2 million, which is slightly ahead of budget by 0.1% and trailing last year's sales by just under 2%. She noted that the CLC transferred \$98 million from lottery sales to the general fund for the quarter, ahead of budget by \$7 million or 8% and just below the prior year by 1.2%. For the Sports Betting Division, total handle has been \$57.5 million, up 17.5% from last year and total sales are \$251 million for the year. This is an increase of 8% for the retail business and 25% for online. Retail hold for the period is 12% and 7% for online.

b. Marketing Report:

Mr. Smith provided the Marketing Report, referencing the CRM Marketing solution and initiative that is taking place so that we can develop messaging for cross channel promotion and cross channel marketing. Instant game sales are a little soft; there was a brief break in distributing tickets because of our office move and we will have nine new games in the market by the end of October which should be a good stimulus. Paperwork was submitted for our first \$50 instant ticket, which is scheduled to launch in December. We are excited to join the group of states that have a \$50 ticket on the market.

c. Sports Betting Report:

Sports Betting report provided by Andrew Walter. He noted that we have had good growth and most of the locations are out performing what they did last year. September sales is over \$26.1 million for both channels with a 60% increase in online year over year for. The XL Center sportsbook opened just about a month ago. CLC is planning to collaborate with CRDA to do some promotions. We recently announced the Total Mortgage Arena sportsbook project. This is a large construction project, we are targeting a winter time launch. Mr. Walter also noted we are in the process of negotiating contract terms with our new operator and working collaboratively with RSI and DCP to wind down. We hope to transition in the month of December.

d. President's Report:

Mr. Smith provided the President's Report. He was happy to report that the office move is complete and keys have been turned in to the Rocky Hill landlord. In regards to iLottery and Sports Betting, staff is working really hard on both fronts and would like to be up and running with both platforms before the end of the year.

He then informed the Board that Christopher Davis, Manager of Public Affairs, is leaving CLC for a different opportunity and we wish him well. Chris took a moment to thank the Board for the opportunity to work closely with the Board and is appreciative of the ability to work on projects like Wise Winnings and Responsible Gaming.

Mr. Smith also noted that the ribbon cutting ceremony at our new Wallingford office was held yesterday and there were quite a few media stations and state politicians here, including Governor Lamont.

V. Committee Reports:

a. Executive Committee:

Mr. Simmelkjaer provided an Executive Committee update. The Committee met on September 14, 2023, its main focus was sales and profits as well as prospective bylaws changes. In Executive Session, the Committee discussed gaming systems and contracts, litigation and succession planning. There were no votes or actions taken during the meeting.

b. Online Gaming Committee:

Mr. Simmelkjaer noted that the Online Gaming Committee met on August 23, 2023 to discuss the new Sports Betting vendor. No votes or actions were taken at the meeting.

VI. Executive Session:

On a motion by Mr. Blanchette and seconded by Mr. Meehan, the Board moved to Executive Session at 12:31 p.m. to discuss:

- a. Discussion of Gaming Systems, Contracts and Venues
- b. Discussion of Executive Compensation and Succession Planning

Mr. Smith, Ms. Durso, Ms. Perrotti 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 1:01 p.m., Chair Simmelkjaer noted that no votes or actions were taken while in Executive Session.

- b. Board Meeting Schedule for 2024

Mr. Simmelkjaer asked the Board to check their schedules and noted that the Board Schedule for 2024 would be voted on at the next meeting.

VIII. Adjournment:

Chair Simmelkjaer thanked everyone attending and noted that the next scheduled meeting is on December 14, 2023.

On a motion by Ms. Morton, seconded by Mr. Dalena, and unanimously approved, the meeting adjourned at 1:03 p.m.

Respectfully Submitted,

Melissa Durso
Corporation Secretary
CT Lottery Corporation