

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING**

December 13, 2023

Director Whalen Gibbs called the meeting to order at 10:00 a.m. in the Board of Directors Conference Room located at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

I. Attendance

- A. Members Present:** Chairperson: Whalen Gibbs; Directors: Sheridan Shamburg, Anna Jones, TomEd Brumfield, Carmen Jones, Dan "Blade" Morrish, Cynthia Hedge-Morrell, and Louisiana Deputy State Treasurer Rachel Kincade.
- B. Members Absent:** Directors: Sean Wells, Gail McKay
- C. Staff Present:** President/CEO, Rose Hudson, Senior Vice President/Secretary/Treasurer, Karen Fournet, Senior Vice President/General Counsel, John Carruth

II. Pledge of Allegiance

Chairperson Whalen Gibbs asked Rose Hudson to lead the Board of Directors and all attendees in our Pledge of Allegiance.

III. Approval of the Minutes of Prior Board Meeting

There were no changes to the minutes from the Oct. 27, 2023, meeting, and they were approved by consent. The meeting was then turned over to President Rose Hudson for her report.

IV. President's Report

Ms. Hudson began by providing an update on the ongoing project to refresh the Lottery's Headquarters building. Work upstairs on the first phase of the project is complete and phase two is currently underway with a completion date of early Jan. 2024. In late December, crews will move downstairs to the marketing department and begin the third phase. She said the project is on schedule, on budget and will be finished in February 2024.

Ms. Hudson then told the board that meetings to formulate a draft budget for fiscal year 2025 will begin soon. A meeting of the board's finance committee will be set before the Feb. 9 board meeting to review and recommend the budget for full board approval so it can be presented to the legislature in the spring.

Ms. Hudson then said that the Lottery has received official notice from the Mega Millions Consortium that they are moving forward with plans to launch a new \$5 version of the game on April 8, 2025. Changes to the game include raising the ticket price from \$2 to \$5, adjusting the matrix and increasing the number of Megaplier multipliers from 5X to 10X. The new \$5 tickets will automatically include the Megaplier feature and the odds of winning the jackpot will be lowered. She said the Lottery team has a lot of work to do between now and then to communicate the game's changes and value proposition to players.

Lastly, Ms. Hudson reminded the board that their annual sexual harassment and ethics training are due and asked them to check the board member portal for more information on how to complete it if they haven't already done so.

Ms. Hudson then introduced Lottery Vice President of Internal Audit Steve Rosales. Mr. Rosales then provided the board with an overview of the Lottery's internal audit processes.

The meeting was then turned over to Senior VP, Secretary/Treasurer Karen Fournet.

V. Other Business

Mrs. Fournet began by analyzing total sales through the end of December for the last five fiscal years and demonstrated the tremendous growth the Lottery has experienced since before the pandemic. Sales are projected to end December at \$330.3 million, down \$9.4 million from the same time last year. This year's results show a gain of \$98.1 million from pre-pandemic sales and represent the highest six-month fiscal year start in the 32-year history of the Lottery, with the exception of last fiscal year. She noted that the difference between this fiscal year and last is \$10 million in sales generated from the \$2 billion Powerball jackpot hit in November 2022.

Mrs. Fournet then compared the Lottery's major product lines and their actual fiscal year 2024 sales to budget for the six months ending Dec. 31, 2023. Sales for all three product lines are up when compared to budget, with a substantial \$27.6 million difference in sales for the Lottery's jackpot games. Sales of the Lottery's instant-win games are up \$3.7 million and numbers game sales are up \$5 million over budget for a grand total of \$36.4 million better than budget.

General and administrative expenses through the end of October were running approximately \$500,000 under budget at \$7.1 million.

Lastly, Mrs. Fournet reported that transfers to the state treasury through the end of December are projected at \$104.5 million, which is \$12.3 million better than budget.

VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday February 9, 2024, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801. The Finance Committee meeting is TBD.

VIII. Adjournment

There being no further business, Chairperson Gibbs adjourned the meeting at 10:30 a.m. The next regularly scheduled board meeting is set for February 9, 2024, at 10 a.m.

Date Approved: February 9, 2024

Adene Schroeder
Adene Schroeder

Executive Administrative Assistant

Cynthia Hedge Morrell
Cynthia Hedge-Morrell

Secretary to the Board of Directors

Whalen Gibbs

Whalen Gibbs

Chairman of the Board of Directors