

**LOUISIANA LOTTERY CORPORATION  
BOARD OF DIRECTORS MEETING  
December 20, 2017**

Chairman Roy Robichaux called the meeting to order at 10:04 a.m. in the Board of Directors Conference Room located at the Louisiana Lottery Corporation Headquarters, 555 Laurel Street, Baton Rouge, Louisiana.

**I. Attendance**

- A. Members Present:** Chairman Roy Robichaux, Vice Chairman Blake McCaskill and Secretary Lisa Reardon; Directors: J. T. Taylor, Verge Ausberry, Jr., Sean Wells, Butch Gautreaux, Larry Cager, and Deputy State Treasurer Renee Ellender Roberie.
- B. Members Absent:** Director Heather Doss.
- C. Staff Present:** President/CEO, Rose Hudson, Senior Vice President/Secretary/ Treasurer, Karen Fournet and Senior Vice President/General Counsel, John Carruth.

**II. Pledge of Allegiance**

Chairman Roy Robichaux led the Board of Directors and all attendees in our Pledge of Allegiance.

**III. Approval of the Minutes of Prior Board Meeting**

Chairman Robichaux began by asking if anyone had any questions or corrections to the minutes of the October 13, 2017 Board Meeting. Director Taylor **moved** to approve the October 13, 2017 Board Meeting Minutes and Director Ausberry **seconded** the motion. There being no objection, the minutes were **approved**. The meeting was then turned over to President Rose Hudson for the President's Report.

#### IV. President's Report

Ms. Hudson began by advising the Board Members that Stephanie Fonte, Executive Assistant, retired on November 30, 2017. She noted that Ms. Fonte had been an employee with the Louisiana Lottery Corporation for 26 years. Jill Kitchens is currently taking on her executive assistant duties in the Executive Department at the Louisiana Lottery Corporation Headquarters.

Ms. Hudson updated the Board Members on plans for the Powerball "Winner Take All" promotion. The Multi-State Lottery Association had a conference call on December 19, 2017 where it was decided to push implementation back from April 2018 to September 2018. The implementation delay will allow more time to finalize details regarding how the game will operate and be marketed.

Ms. Hudson then recognized the Louisiana Lottery Corporation's Marketing Team for their efforts to ensure that this year's *SAINTS GAME ON!* Second-chance prize winners had memorable game-day experiences. She mentioned letters sent in by two of the winners letting us know how much they appreciated the experience and that they felt well taken care of while at the game.

Additionally, Ms. Hudson informed the Board Members that an attorney representing the winner of the \$191.1 Million Powerball Jackpot visited the Louisiana Lottery Corporation Headquarters to claim the price on December 12, 2017. Additionally, she thanked the Marketing Department, Finance Department, Prize Payment Department and legal personnel for working together to ensure the payment process went smoothly.

Ms. Hudson reminded the Board Members that the budget for next fiscal year will be crafted after the holidays and she will be looking to them for assistance.

In continuing, Ms. Hudson advised the Board Members that each of them had been given a packet of information on how to complete their annual ethics and sexual harassment training and the deadline for the training to be completed is December 28, 2017.

In concluding, Ms. Hudson told the Board Members that she has been accepted to the Council for a Better Louisiana's "Leadership Louisiana" Program for 2018. Additionally, she advised that she will be traveling the State of Louisiana to get a better understanding of the challenges we face as a State.

At this time, Ms. Hudson turned the floor over to Karen Fournet, Senior Vice President/Secretary/Treasurer, to present the financial report via Power Point Presentation.

Ms. Fournet began by analyzing monthly sales for fiscal years 2015-2018. She advised that sales in July started out at \$37.9 million and jumped to \$52.1 million to end August due to the historic \$758.7 million Powerball Jackpot. Since then, sales have leveled off and are projected to reach \$38.9 million to end December.

Ms. Fournet reported that Powerball sales through the end of December are projected to be at \$49.5 million, which is \$6 million higher than last year due to the recent \$758.7 million jackpot in August. She added that jackpot fatigue continues to impact sales levels.

Ms. Fournet stated that Mega Millions sales through the end of December are projected to be at \$16.9 million, which is \$1.9 million higher than last year. She stated that this is the best 6-month fiscal start since 2013 when Mega Millions experienced a \$636 million jackpot which was a record at that time.

Ms. Fournet advised that combined Powerball and Mega Millions sales through the end of December are projected to be \$66.4 million which is up \$7.9 million from last year. The Louisiana Lottery Corporation continues to monitor the impact of October's Mega Millions game changes to sales for both Mega Millions and Powerball. While the total sales have risen, there is not the same level of Mega Millions participation as before the price change, as players may be jackpot-shopping.

Ms. Fournet reported that Lotto sales are at \$10.8 million, down \$2.3 million from last year due to lower jackpots. In addition, Lotto has experienced a decline in sales since Mega Millions changes took effect in October. The Louisiana Lottery Corporation is exploring options to boost player interest in the game.

Ms. Fournet informed that sales of Pick 3 and Pick 4 are holding steady with a slight increase at \$49.7 million through December. These games continue to be the most stable games in the Louisiana Lottery Corporation's product mix, which is vital to support the instant ticket prize structure.

In continuing, Ms. Fournet advised that scratch-off sales remain strong through December at \$104.1 million, up \$5.7 million from last year, even with a comparable average prize payout percentage. Results represent a \$30 million swing since 2012 when the Louisiana Lottery Corporation began its prize structure strategy. However, she advised that the Louisiana Lottery Corporation must continue to monitor its unclaimed prize fund and evaluate decisions to maintain this momentum.

Ms. Fournet reported overall fiscal year-to-date sales through the end of December is projected to be \$236.5 million which is \$12.4 million higher than last year.

Ms. Fournet stated that general and administrative expenses are running \$200,000 under budget at \$6.6 million through December.

Additionally, Ms. Fournet reported that transfers to the Louisiana State Treasury through the end of December 2017 are projected at \$82.8 million. She added that this amount is \$5.7 million better than budget.

In concluding, Ms. Fournet presented Board Members with information on how the Louisiana Lottery Corporation compares to lotteries in other states in terms of revenue earned and the percentage that is required to be transferred to the state government. The Louisiana Lottery Corporation currently ranks second in the nation, just behind Oklahoma, in the percentage revenue transferred to state government. Additionally, the Louisiana Lottery Corporation is only one of two states to have every form of legalized gaming within its borders. In terms of total dollars transferred, the Louisiana Lottery Corporation also ranks as the most efficient among lotteries similar in population and number of gaming options available.

A copy of the financial presentation is attached.

At this time, the meeting was turned over to Chairman Robichaux.

#### **V. Board Committee Reports**

**Personnel Committee – Personnel Committee** – Secretary Blake McCaskill advised that there was no Personnel Committee Report at this time.

**Finance Committee** – Chairman Verge Ausberry advised that there was no Finance Committee Report at this time.

**Bylaws Committee** – Bylaws Committee Chairman Butch Gautreaux advised that there was no report at this time.

#### **VI. Other Business**

Ms. Hudson advised that a Finance Committee Meeting has been tentatively scheduled for February 2, 2018. She stated that once the date and time has been finalized, all Board Members will be notified.

#### **VII. Announcements**

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday, February 9, 2018 to be held in the Board of Directors Conference Room of the Louisiana Lottery Corporation Headquarters located at 555 Laurel Street, Baton Rouge, Louisiana.

### VIII. Adjournment

There being no further business, Chairman Robichaux invited a motion to adjourn the meeting. Director Reardon made a **motion** to adjourn the meeting and Director Taylor **seconded** the motion. There being no objection, the motion was **approved** and Chairman Robichaux adjourned the meeting at 10:40 a.m.

Date Approved: February 9, 2018

  
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Wendy Reeves  
Executive Administrative Assistant

  
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Blake McCaskill  
Vice Chairman to the Board of Directors

  
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Roy Robichaux  
Chairman of the Board of Directors

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