

**LOUISIANA LOTTERY CORPORATION  
BOARD OF DIRECTORS MEETING  
October 13, 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 Directors: J. T. Taylor, Verge Ausberry, Jr., Sean Wells, Butch Gautreaux, Heather Doss and Deputy State Treasurer Renee Ellender Roberie.
- B. **Members Absent:** Secretary Lisa Reardon and Director Larry Cager.
- 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 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**

Chairman Robichaux began by asking if anyone had any questions or corrections to the minutes of the June 23, 2017 Board Meeting. Deputy State Treasurer Renee Ellender Roberie advised that she was marked absent in the minutes and did attend the June 23, 2017 Board Meeting. Therefore, she would like the minutes changed to reflect that she was present. With the change being made, Director Ausberry **moved** to approve the June 23, 2017 Board Meeting Minutes and Director Gautreaux **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 thanking Chairman Robichaux, Vice Chairman McCaskill and Director Wells for attending the NASPL 2017 Annual Conference in Portland, Oregon in September. She added that it was nice to see familiar faces in the crowd as she transferred the NASPL presidency to Charles McIntyre of the New Hampshire Lottery.

Ms. Hudson informed the Board Members that the Louisiana Lottery Corporation was recently recognized with two awards by the Southern Public Relations Federation at their annual conference held in Tupelo, Mississippi in September. The awards included a Lantern Award for the Baby Cakes King Cake Giveaway Scratch-Off Ticket and a SPRF Award of Excellence for the *Exchange*.

Ms. Hudson also informed the Board Members that the Louisiana Lottery Corporation was recently named as one of the top 50 companies to work for by the *Baton Rouge Business Report* in its "2017 Best Places to Work in Baton Rouge" rankings for small to medium-sized companies. The top-ranked companies on this year's list were unveiled on October 11, 2017 during an awards breakfast held at the Crowne Plaza in Baton Rouge, Louisiana.

Additionally, Ms. Hudson thanked all the Board Members for taking their time to speak with her on the direction of the Louisiana Lottery Corporation and helping to develop ideas for moving the company forward. She stated that one of the ideas that surfaced from those conversations was to have Senior Vice President Karen Fournet add background and operations information to the financial presentations presented at the Louisiana Lottery Corporation Board of Directors Meetings.

In concluding, Ms. Hudson reminded Board Members about upcoming changes to the Mega Millions Game that are scheduled to go into effect on October 28, 2017 and presented the new television commercial produced to highlight those changes.

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 \$52.2 million to end August due to the historic \$758.7 million Powerball Jackpot. Since then, sales have leveled off and are projected to reach \$35.8 million to end October.

In continuing, Ms. Fournet began by briefing Board Members on the structural differences between the Multi-State Lottery Association (MUSL) and the Mega Millions consortium in regard to game change decisions. She explained that MUSL consists of a board of directors that includes all thirty-six (36) member lotteries, and an executive committee consisting of a president, vice president and secretary.

There is a dual voting mechanism within MUSL. The first vote is taken with each member having a single vote. The second vote is based on each states' share of prior year game sales. A two-third (2/3) vote of both methods is required among members to make changes to MUSL games.

The Mega Millions consortium is not a formal legal entity, but rather a group of states selling the same product. The Mega Millions group consists of eleven (11) member lotteries. All decisions on game changes are made by a majority of its eleven (11) members.

Since the two organization were not able to agree on a national game, the decision was made for each organization to license the other entity's members to see its jackpot game.

Ms. Fournet reported that Powerball sales through the end of October are projected to be at \$37.4 million, which is \$8.2 million higher than last year due to the recent \$758.7 million jackpot in August.

Ms. Fournet stated that Mega Millions sales through the end of October are projected to be at \$11.1 million, which is the same as last year.

Ms. Fournet advised that combined Powerball and Mega Millions sales through the end of October are projected to be \$48.5 million.

Ms. Fournet reported that Lotto sales are at \$7.6 million, down \$800,000 from last year due to lower jackpots.

Ms. Fournet informed that sales of Pick 3 and Pick 4 are holding steady with a slight increase at \$33.4 million through October. These games continue to be the most stable games in the Louisiana Lottery Corporation's product mix. Both games have experienced growth compared to the same time period last year.

In continuing, Ms. Fournet advised that instant sales are experiencing a fantastic start to the fiscal year. Instant sales are going strong through October at \$68.4 million which are up \$5.4 million from last year, even with a comparable average prize payout percentage of 63.18.

Ms. Fournet reported overall fiscal year-to-date sales though the end of October is projected to be \$161.6 million which is \$14.4 million higher than last year.

Ms. Fournet stated that general and administrative expenses are running \$200,000 over budget at \$3.6 million through October 2017 due to the timing of Louisiana Lottery Corporation advertising campaigns. This number is expected to even out throughout the fiscal year.

In concluding, Ms. Fournet reported that transfers to the Louisiana State Treasury through the end of October 2017 are projected at \$56.6 million. She added that this amount is \$7.7 million above budget.

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** – Vice Chairman and Personnel Committee Chairman Blake McCaskill reported that the Personnel Committee had a meeting in August prior to the Board of Directors Meeting relative to Proposed Resolution No. 2017-10-13-1 which is on the agenda today. At this time, he asked Kenyetta Sewell, Vice President of Human Resources, to explain the proposed resolution. Ms. Sewell advised that the resolution is to clarify the Louisiana Lottery Corporation’s leave accrual policy on disability benefits to state that employees are eligible to earn leave while on other approved leave. In continuing, Vice Chairman and Personnel Committee Chairman McCaskill presented to the Board of Directors **Resolution No. 2017-10-13-1** relative to the Louisiana Lottery Corporation’s Personnel Policies and Rules. Vice Chairman McCaskill asked for any internal and/or public comments relative to this agenda item. There being no comments, Vice Chairman McCaskill made a **motion** to approve **Resolution No. 2017-10-13-1** and Director Taylor **seconded** the motion. There being no objections, the motion was **approved and passed with no opposition**.

**Finance Committee** – Chairman Ausberry advised that the Retirement Investment Committee and the Finance Committee held meetings today, prior to the Lottery Corporation Board of Directors Meeting. He reported that the Annual Review of Investment Funds by Principal Investments was completed and JPMorgan Asset Management reviewed the Louisiana Lottery Corporation’s investment portfolio and completed the performance review.

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

## **VI. Other Business**

There was no other business to discuss at this time.

## **VII. Announcements**

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Wednesday, December 20, 2017 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 Taylor made a **motion** to adjourn the meeting and Director Ausberry **seconded** the motion. There being no objection, the motion was **approved** and Chairman Robichaux adjourned the meeting at 10:40 a.m.

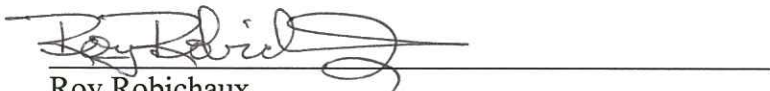
Date Approved: December 20, 2017



Wendy Reeves  
Executive Administrative Assistant



Lisa Reardon  
Secretary to the Board of Directors



Roy Robichaux  
Chairman of the Board of Directors

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