

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING**

November 1, 2024

Chairperson Whalen Gibbs called the meeting to order at 10:00 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: Chairperson Whalen Gibbs; Directors: Sheridan Shamburg, Anna Jones, Mickey Parenton, TomEd Brumfield, Dan “Blade” Morrish, Gail McKay

B. Members Absent: Directors: Cynthia Hedge-Morrell, Carmen Jones, and Louisiana Deputy State Treasurer Rachel Kincade.

C. Staff Present: President/CEO, Rose Hudson, Senior Vice President/Secretary/Treasurer, Karen Fournet.

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

Chairperson Gibbs began by asking if anyone had any questions or corrections to the minutes of the August 23, 2024, Board Meeting. Director Brumfield **moved** to approve the August 23, 2024, Board Meeting Minutes and Director Shamburg **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 thanked the board members who attended the World Lottery Summit in Paris, France, in October. She hoped each had a good experience and was able to learn from the lotteries worldwide. She also said it was a great experience for herself and the two volunteers from the marketing department.

Ms. Hudson informed the Board that Lottery staff have been working on the corporation’s business plan and that there are three main areas of focus, Portfolio Management, Operational Changes, and Knowledge Transfer among employees. Portfolio management that will include planning for the Mega Millions change in April 2025, and all the training and education that will go along with these changes, looking at the Fast Play portfolio suite of games and what changes and enhancements needed to

support that product. Ms. Hudson moved to the second area, changing with technology. She mentioned that the Walmart Lazlo project could change the way to look at the kind of delivery of products, our website, mobile app, and payment processing options, or how we pay our players. Ms. Hudson noted there was a lot to do in those areas. The third area is from an operational standpoint inside the organization. Goals include moving towards paperless and redefining departments. Ms. Hudson mentioned with recent retirements that it is time to take a strong look at realigning and redefining departments. Ms. Hudson stated that this is a good opportunity to look at the future of the Lottery and ways to move forward with the technological demands and noted we are making very good progress there. She is hopeful that the Lottery will be through phase one by the end of this fiscal year. Ms. Hudson spoke about succession planning and spreading the wealth of information through the organization to determine who and what will be needed as the Lottery looks at the next levels and what information and professional development might be needed to ascend to those rolls.

Ms. Hudson updated the Board on the Lazlo project. She mentioned the Lottery and Walmart are making great progress. Test tickets were printed and that is a great step forward. The Lottery still has some work to do as well as Walmart and Lazlo, but the project is moving along. Other states are looking to be next up and get on board too.

Ms. Hudson welcomed John Aquilino from Intralot to the meeting, and thanked him for being with us, and for his assistance and cooperation and being our link to Intralot's main headquarters.

Ms. Hudson then informed the board that Lottery Vice President of Human Resources Shantel Richard would be sending reminders to some members to complete their overdue annual sexual harassment and ethics training modules as required by the state.

The meeting was then turned over to Senior VP, Secretary/Treasurer Karen Fournet, who began by presenting total sales through the end of October for the last five fiscal years. Sales are projected to reach \$188.9 million by the end of October, down \$41.3 million from last year. Mrs. Fournet stated that the decline is attributed to lower sales of the Lottery's jackpot games as jackpot fatigue and economic pressures continue to impact sales. For comparison, during the same time last fiscal year, there were three billion-dollar jackpots. Mrs. Fournet emphasized that the influence of large jackpots on sales is undeniable; these substantial prizes generate excitement and increase player engagement, ultimately boosting the Lottery's overall performance, mentioning their occurrence is unpredictable.

Mrs. Fournet presented a chart comparing the Lottery's fiscal year 2025 scratch-off sales to those of fiscal year 2024. While overall instant-win game sales are down \$3 million, sales of the Lottery's \$1, \$3, and \$20 scratch-off games are up compared to last year's totals. She stated that Lottery is continuing to work with Vinformatix, a data analytics company, to optimize its prize structures by price point to maximize sales. Instant-win games make up 55% of the Lottery's total games sales. Their payout is higher than draw-style games, it is important for us to balance the mix.

Mrs. Fournet compared the Lottery's major product lines and their actual fiscal year 2025 sales to budget for the four months ending October 31, 2024. While sales of instant-win and daily numbers games are down slightly, the jackpot game product line shows a significant shortfall compared to the budget, with a difference of \$8.5 million. Sales of the Lottery's instant-win games are running \$2.8 million under budget, while daily numbers game sales are \$1.6 million lower, resulting in a total

shortfall of \$12.9 million compared to the budget. General and administrative expenses through the end of September were running approximately \$600,000 under budget at \$5.2 million.

Mrs. Fournet reported that transfers to the state treasury through the end of October are projected at \$57.3 million, which is \$6.2 million less than budget. Mrs. Fournet remains optimistic the gap will be closed with the occurrence of larger jackpots in the remaining eight months of the fiscal year.

Mrs. Fournet ended her presentation with a video highlighting the importance and role of the Lottery's Data Center in verifying nightly winning numbers and system updates for timely and accurate payment of prizes.

V. Other Business

Mrs. Fournet told board members that finance, and personnel committee meetings will be scheduled prior to the next board meeting for members to review presentations on the Lottery's investment portfolio and retirement plans.


VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Wednesday, December 18, 2024, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

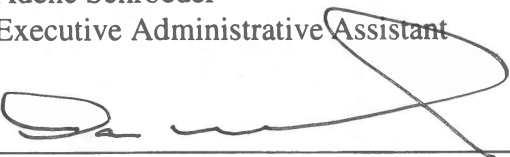
VIII. Adjournment

There being no further business, Chairperson Gibbs adjourned the meeting at 10:29 a.m.

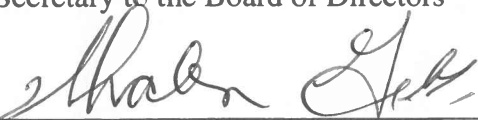
Date Approved: December 18, 2024



Adene Schroeder
Executive Administrative Assistant



Dan "Blade" Morrish
Secretary to the Board of Directors



Whalen Gibbs
Chairperson of the Board of Directors