

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING**

September 9, 2023

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, TomEd Brumfield, Cynthia Hedge-Morrell, Carmen Jones, Dan “Blade’ Morrish, Gail McKay, and Louisiana Deputy State Treasurer Renee Free.
- B. Members Absent:** Directors: Anna Jones & Sean Wells
- 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

Chairperson Gibbs began by asking if anyone had any questions or corrections to the minutes of the June 23, 2023, Board Meeting. Director Brumfield **moved** to approve the June 23, 2023; 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 began by welcoming Gail McKay to the board and thanking him for agreeing to serve. She then recognized the Lottery’s accounting department for recently receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for the 25th consecutive year for their annual comprehensive financial report.

Ms. Hudson reminded the board that North American Association of State & Provincial Lotteries (NASPL) will be held in Milwaukee from Oct. 30 to Nov. 2 and encouraged those interested to attend.

Ms. Hudson then told the board that their annual ethics and sexual harassment training modules are due and asked them to check the board member portal for more information on how to complete them.

Lastly, Ms. Hudson said that SB201 by Sen. Hewitt passed during the legislative session allowing the board to hold two virtual meetings per year if they choose to do so. She said that the Lottery already has the technology in place to conduct virtual meetings.

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

Mrs. Fournet began by providing the board with a brief summary of the year end results for fiscal year 2023. The Lottery ended the fiscal year with \$652.4 million in sales, which is the highest total in the history of the corporation.

Instant win games were the top revenue generator in the Lottery's portfolio, amounting to \$337.7 million and representing 51.8% of total sales. Sales of the Lottery's daily numbers games, Pick 3, Pick 4 and Pick 5 totaled \$138.4 million. Jackpot games were significantly higher than last year with sales reaching \$176.2 million thanks to higher jackpots. Karen noted that draw-style game sales are important for the Lottery's profitability and ability to fund higher payouts on instant-win games, as their payout averages 50%.

She pointed out that the Lottery has experienced tremendous growth during the last four fiscal years, with sales up \$128.4 million when compared to fiscal year 2019 pre-Covid.

She then demonstrated the effect jackpot fatigue has on Powerball and Mega Millions sales. Since 2015, there have been eight jackpots worth \$1 billion or more, with six of them occurring since 2021. Sales totals have not yet reached what they were during the first \$1 billion jackpot in 2015 due to players not getting excited about playing until the jackpot has reached much larger levels.

(New paragraph)

Mrs. Fournet provided a summary of general and administrative expenses through the end of fiscal year 2023 indicating that actual expenses were \$700,000 under budget at \$20.8 million.

Mrs. Fournet stated that transfers to the state treasury for fiscal year 2023 were at \$212.1 million, which was \$20.6 million better than budget. This was our highest transfer total in the Lottery's history.

Lastly, she reported that fiscal year 2024 sales to end August were \$121.6 million, up \$11.7 million from last year thanks to two \$1 billion jackpots during the start of the current fiscal year.

V. Other Business

Chairperson Gibbs presented for the board's approval to allow the Lottery to enter into a \$1.8 million contract with Wesley Construction to refresh the Lottery Headquarters building. She said

the refresh will be constructed in five phases, with phase one set to begin in October. The entire project should be finished in March 2024. Chairperson Gibbs asked for any public comments relative to this discussion. There being no public comments, Director Hedge-Morrell made a **motion** to approve, and Director Shamburg **seconded** the motion. There being no objections, the motion was **approved** and passed.

VI. Executive Session to Discuss the Performance of the President

Chairperson Gibbs asked for a motion to go into Executive Session. Director Shamburg made the **motion** and Director Hedge-Morrell **seconded** the motion. There being no objection, the motion was **approved**, and the Board of Directors went into Executive Session at 10:30 a.m.

Chairperson Gibbs asked for a motion to adjourn the Executive Session and Director Hedge-Morrell made a **motion** to adjourn the Executive Session and Director Shamburg **seconded** the motion. There being no objection, the motion was **approved**, and Executive Session adjourned at 11:00 a.m.

After adjourning the Executive Session, Chairperson Gibbs called the regular meeting of the Board of Directors back to order at 11:00 a.m.

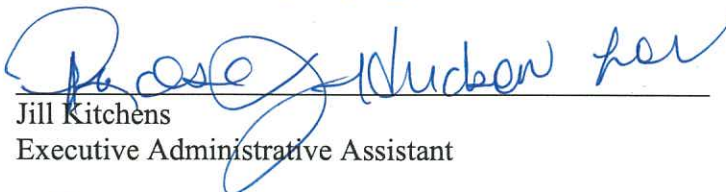
VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday, October 27, 2023, 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 11:15 a.m.

Date Approved: 10/27/23



Jill Kitchens
Executive Administrative Assistant



Cynthia Hedge-Morrell
Secretary to the Board of Directors



Whalen Gibbs
Chairperson of the Board of Directors