

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING**

June 23, 2023

Chairperson Sheridan Shamburg called the meeting to order at 10:00 a.m. in the Board of Directors Conference Room located at the Louisiana Association of Business and Industry, 500 Main Street, Baton Rouge, Louisiana.

I. Attendance

- A. Members Present:** Chairperson Sheridan Shamburg; Directors: Whalen Gibbs, Sean Wells, Anna Jones, TomEd Brumfield, and Louisiana Deputy State Treasurer Rachel Kincaid.
- B. Members Absent:** Director: Cynthia Hedge-Morrell, Carmen Jones, Dan “Blade” Morrish,
- C. Staff Present:** President/CEO, Rose Hudson, Senior Vice President/General Counsel, John Carruth, Vice President of Finance/Controller, James Goodrum.

II. Pledge of Allegiance

Chairperson Sheridan Shamburg 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 Shamburg began by asking if anyone had any questions or corrections to the minutes of the April 28, 2023, Board Meeting. Director Brumfield **moved** to approve the April 28, 2023; Board Meeting Minutes and Director A. Jones **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 the board for their flexibility and agreeing to hold today’s board meeting at the Louisiana Association of Business and Industry building while Lottery Headquarters are closed because of a lack of power due to the generator replacement project.

She then mentioned that she is collaborating with an architect on a plan to refresh Lottery Headquarters this fiscal year, and there is a possibility of having other board meetings at LABI while construction is underway.

Ms. Hudson then provided the board with an update on the results of this year’s legislative session. She said that she was disappointed that SB157 by Sen. Franklin Foil did not pass. If passed, the bill would have allowed the Lottery to sell draw-style games via the internet. She said

that solid opposition from the Louisiana Oil Marketers and Convenience Store Association kept the bill from gaining traction on the floor of the legislature. Rose said she proposed a plan to ensure members' commissions would remain whole. She presented the independent study by Spectrum Gaming Group in 2019 that demonstrated iLottery would have no adverse impact on brick-and-mortar sales, but these efforts did not sway the organization. Sen. Foil has expressed willingness to revisit the bill during next year's legislative session if the association's concerns can be addressed. Rose said that she has also reached out to another trade group, the Louisiana Retailers Association whose members include many of the Lottery's chain retailers. She shared that this group is more open to discussing a plan for moving forward on iLottery. She said she will continue educating trade groups as well as new legislators and committee members that take office after elections this fall about this topic and Lottery operations in general.

Ms. Hudson reminded the board that the North American Association of State & Provincial Lotteries (NASPL) conference will be held in Milwaukee from Oct. 30 to Nov. 2 and encouraged those interested to attend. She mentioned that this would be the last conference to include a trade show until 2025.

The meeting was then turned over to Lottery Vice-President of Finance Jimmy Goodrum.

Mr. Goodrum began by presenting a resolution concerning the corporation's Supplemental Retirement Plan. The plan allows the board to decide to make an annual discretionary contribution of up to 4% based on the Lottery's fiscal and operational performance and its financial outlay. Jimmy then provided the board with a brief presentation on the Lottery's retirement plans, their comparison to the state's retirement offering and the Lottery's projected fiscal year finish.

He noted that sales for this fiscal year are expected to be \$650 million through the end of June, which is \$50 million better than budget and \$67 million higher than last fiscal year. This represents the Lottery's best year ever!

Mr. Goodrum reported that transfers to the state treasury through the end of June are projected to be over \$210 million, which is \$20 million better than budget, \$20 million higher than last year and is the largest total transfer in the Lottery's history!

General and administrative projected expenses through the end of June are running approximately \$1 million under budget at \$20.5 million.

At the end of the presentation, Mr. Goodrum asked the board for their permission to provide the discretionary contribution to employees. The board voted to provide the maximum 4% discretionary contribution, recognizing staff's teamwork and performance to achieve this fiscal year's successful finish.

V. Other Business

Chairperson Shamburg presented to the Board of Directors **Resolution No. 2023-06-23-1** relative to the Supplemental Retirement Plan. Chairperson Shamburg asked for any public comments relative to this resolution. There being no public comments, Director A. Jones made a **motion** to approve **Resolution No. 2023-06-23-1** and Director Wells **seconded** the motion. There being no objections, the resolution was unanimously **approved** and **passed**.

Chairperson Shamburg presented to the Board of Directors **Resolution No. 2023-06-23-2** relative to the Website Design, Development, Hosting, and Support Contract. Ms. Hudson explained that the evaluation committee is recommending Firefli be awarded the contract. Chair Shamburg asked for any public comments relative to this resolution. There being no public comments, Director Brumfield made a **motion** to approve **Resolution No. 2023-06-23-2** and Director Gibbs **seconded** the motion. There being no objections, the resolution was unanimously **approved** and **passed**.

Chairperson Shamburg announced that officers needed to be elected for the Louisiana Lottery Corporation Board of Directors for the upcoming fiscal year.

Director A. Jones nominated Director Cynthia Hedge-Morrell for the position of Secretary of the Board. There being no objections, Cynthia Hedge-Morrell was **elected** as Secretary of the Board of Directors for the Louisiana Lottery Corporation.

Director Gibbs nominated Director Anna Jones for the position of Vice Chairman of the Board. There being no objections, Anna Jones was **elected** as Vice Chairman of the Board of Directors for the Louisiana Lottery Corporation.

Chairperson Shamburg nominated Director Whalen Gibbs for the position of Chairman of the Board. There being no objections, Whalen Gibbs was **elected** as Chairman of the Board of Directors for the Louisiana Lottery Corporation.

VI. Executive Session to Discuss the Performance of the President

Chairperson Shamburg asked for a motion to go into Executive Session to discuss the performance evaluation of the president. Director A. Jones made the **motion** and Director Gibbs **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 Shamburg asked for a motion to adjourn the Executive Session and Director A. Jones made a **motion** to adjourn the Executive Session and Director Gibbs **seconded** the motion. There being no objection, the motion was **approved**, and Executive Session adjourned at 11:00 a.m.

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

Director A. Jones made a **motion** to increase President Rose Hudson's salary by six (6%) effective as of July 1, 2023. Director Gibbs **seconded** the motion. There being no objection, the motion was unanimously **approved**.

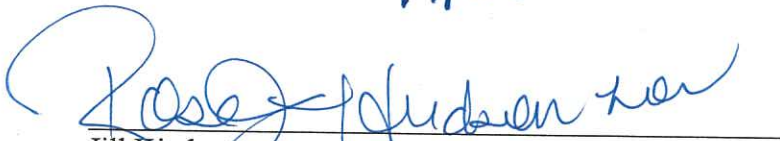
VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday, August 25, 2023, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

VIII. Adjournment

There being no further business, Chairperson Shamburg adjourned the meeting at 11:15 a.m.


Date Approved: 9/9/23



Jill Kitchens
Executive Administrative Assistant



Cynthia Hedge-Morrell
Secretary to the Board of Directors



Whalen Gibbs
Chairman of the Board of Directors