

**LOUISIANA LOTTERY CORPORATION  
BOARD OF DIRECTORS MEETING**

**June 28, 2024**

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

**II. Pledge of Allegiance**

Chairman 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**

Chairman Gibbs began by asking if anyone had any questions or corrections to the minutes of the April 26, 2024, Board Meeting. Director Brumfield **moved** to approve the April 26, 2024; Board Meeting Minutes and Director Morrish **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 congratulating board members Gail McKay and Anna Jones on recently being confirmed by the Legislature.

Ms. Hudson then provided the board with an update on the results of this year’s legislative session. No bills pertaining to the Lottery were passed, except SB462 by Sen. Hodges. The bill allows the Governor of Louisiana to select the chairman of boards and commissions in the state. Ms. Hudson said the Governor’s Office has not contacted the Lottery regarding a chairman selection, so the board would be able to hold their elections during today’s meeting.

Ms. Hudson informed the board that the Lottery is making progress regarding the sales at 56 Walmart fuel center and neighborhood market locations across the state. Ms. Hudson informed the board that retailer training for Walmart is scheduled to be held in August. Ms. Hudson

recognized the Lottery's Baton Rouge Regional Office sales staff and thanked them in advance for their hard work in helping to launch the Walmart project. Ms. Hudson said that work with Lazlo, a lottery technology vendor, on another project to implement in-lane game sales in Walmart is still ongoing and she will keep the board up to date on its development.

Ms. Hudson told the board that she recently had the opportunity to nominate two Lottery employees to serve as volunteers at the World Lottery Summit being held in Paris, France from Oct. 21-24, and both were chosen. Ms. Hudson then congratulated Product Specialist Jamie Lato and Communications Specialist Jakeyla Chavis from the Lottery's marketing department for being selected, saying what a great opportunity it will be for both to increase their industry knowledge.

Ms. Hudson also recognized the Lottery's accounting team for receiving a clean audit that included the Basic, Supplemental, and 457(b) retirement plans for the last fiscal year.

Ms. Hudson reminded board members of the July 1 deadline to complete their annual required ethics and sexual harassment training.

The meeting was then turned over to Senior VP, Secretary/Treasurer Karen Fournet. Mrs. Fournet's presentation started with an analysis of total sales through the end of June for the last five fiscal years and demonstrated the growth the Lottery has experienced. Sales are projected to end June at \$640.1 million. Mrs. Fournet said that although down \$12.3 million from last year, the results show a gain of \$131 million from June 2020, and making this the second highest fiscal year total in the 33-year history of the Lottery, with FY2023 being the highest. Mrs. Fournet said that jackpot fatigue remains a factor in declining lower jackpot game sales. Noting that the Lottery's daily games are performing exceptionally well and are experiencing their second highest sales totals in corporation history with projections totaling \$141.9 million through the end of June, only \$800,000 away from their highest sales total ever.

Mrs. Fournet then demonstrated the impact of the Lottery's strategy of gradually increasing the prize structure for its scratch-off games on sales since June 2011. The growth strategy was paused after 2015 when the Legislature appropriated \$20 million from the unclaimed prize fund due to state budgetary issues. In June 2020, the Louisiana Legislature passed a significant amendment to the Lottery law, reducing its transfer mandate from 35% of revenue to 25%, giving the corporation new budgetary flexibility and allowing the Lottery to resume its growth strategy to increase sales. For fiscal year 2024, the Lottery increased the average payout for scratch-offs to 69%, up from 67% the previous year. Mrs. Fournet stated that because of the higher average payout, players have shifted from purchasing lower price point games to higher price point games over the years and sales have increased from \$148.1 million in 2011 to a projected total of \$312.1 million in 2024. Mrs. Fournet said that the Lottery is working with a data analytics company to continue to optimize prize payout percentages and prize structures for the best sales outcome, considering recent economic inflationary pressures on purchasing behavior.

Mrs. Fournet then compared the Lottery's major product lines and their actual fiscal year 2024 sales to budget for the 12 months ending June 30, 2024. Mrs. Fournet pointed out instant-win sales are down slightly, sales for the Lottery's daily numbers and jackpot game product lines are up when compared to budget, with a substantial \$29.3 million difference in sales for the Lottery's jackpot games. Mrs. Fournet mentioned sales of the Lottery's instant-win games are running \$4.6 million under budget and daily numbers game sales are \$5.4 million over budget for a grand total of \$30.1 million better than budget.

Mrs. Fournet mentioned that general and administrative expenses through the end of May were running approximately \$1.3 million under budget at \$19.6 million.

Mrs. Fournet ended her presentation reporting that transfers to the state treasury through the end of June are projected at \$200 million, which is \$8.5 million better than budget. This projected transfer total could increase after the end of the fiscal year when the financial statements are finalized.

## V. Other Business

The meeting was turned over to Jimmy Goodrum, Vice President of Finance, who presented **Resolution No. 2024-06-28-1** concerning the corporation's Supplemental Retirement Plan for employees. This resolution allows the board to make up to a 4% discretionary contribution to the plan based on fiscal and operational performance. A full 4% contribution was recommended, and Chairman Gibbs asked for any public comments relative to this resolution. There being no public comments, Director Shamburg made a **motion** to approve **Resolution No. 2024-06-28-1** and Director Morrish **seconded** the motion. There being no objections, the resolution was unanimously **approved and passed**.

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

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

Director Shamburg nominated Director Dan "Blade" Morrish for the position of Secretary of the Board. There being no objections, Director Brumfield seconded the motion, Dan "Blade" Morrish was **elected** as Secretary of the Board of Directors for the Louisiana Lottery Corporation.

## VI. Executive Session to Discuss the Performance of the President

Chairman Gibbs asked for a motion to go into Executive Session to discuss the performance evaluation of the president. Director Hedge-Morrell made the **motion** and Director Shamburg

**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.

Chairman Gibbs asked for a motion to adjourn the Executive Session and Director Shamburg made a **motion** to adjourn the Executive Session and Director Hedge-Morrell **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 Gibbs called the regular meeting of the Board of Directors back to order at 11:00 a.m.

Director Brumfield made a **motion** to increase President Rose Hudson's salary by 4 (4%) effective as of July 1, 2024. Director Morrish **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 23, 2024, at the Louisiana Lottery Headquarters, 555 Laurel Street, Baton Rouge, LA 70801.

### VIII. Adjournment

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

Date Approved: 08/23/2024

  
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Adene Schroeder  
Executive Administrative Assistant

  
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Dan "Blade" Morrish  
Secretary to the Board of Directors

  
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Whalen Gibbs  
Chairman of the Board of Directors