

# **NORTH CAROLINA EDUCATION LOTTERY COMMISSION**

## Meeting Minutes

*Members in Attendance:* Dr. Charles Sanders, chair  
Robert Appleton  
Robert Farris  
James Woodward  
Secretary Bryan Beatty  
Linda Carlisle  
Max Cogburn (Presumptive Appointee)  
John McArthur

*Meeting was Held:*

*January 6, 2006 at 9:00 a.m., Telephonic Conference Call 919-854-2257. Open for public hearing in the ABC Commission Room, 5<sup>th</sup> Floor Administration Building, 116 West Jones Street, Raleigh.*

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### **I. Introduction and Opening**

- Dr. Sanders called the meeting to order.

### **II. Approval of Minutes**

- Mr. McArthur moved to approve the minutes from the December 28, 2005 meeting. Mr. Farris seconded. The minutes were approved.

### **III. Approval of Job Classifications**

- Tom Shaheen, Executive Director introduced new job classifications to the commission. He is seeking approval for several levels. The first being level, four (\$39,000- \$59,000), the second level, five (\$32,000- \$52,000) and the third level, six (\$22,000- \$42,000).
- Mr. Farris moved to approve the job classifications. Mr. Appleton seconded the motion. A discussion followed on job descriptions within each level, as well as, how the salary ranges were determined. The motion was passed.
- Mr. Shaheen made the motion to update the bonus structure for the newly approved classifications. Level five will receive \$2500 and level six \$1,000. Ms. Carlisle seconded the motion. The motion was passed.

#### **IV. Drug Testing Policy**

- Mr. Shaheen introduced the Drug Testing Policy for approval. He noted that Mr. Farris suggested several changes. Mr. Shaheen moved that the policy be approved pending the amendments. A discussion followed. Lars Nance from the Attorney General's office indicated that there was no problem with approving the document pending the amendments.
- Ms. Carlisle moved to approve the policy with amendments. Sec. Beatty seconded the motion. The policy was approved.

#### **V. Minority Outreach Plan**

- Mr. Shaheen presented the Minority Outreach Plan to the commission for approval. A discussion followed.
- Ms. Carlisle made the motion to approve the plan with one amendment. The amendment would reduce the points granted by adhering to line item (G) concerning negotiating in good faith with interested minority businesses and not rejecting them as unqualified without sound reasons based on their capabilities from 15 points to five. Mr. Appleton seconded the motion. The plan was approved as amended.

#### **VI. Retailer Dispute Resolution Procedures**

- Mr. Shaheen introduced the procedures policy for approval. A discussion followed.
- Ms. Carlisle moved to approve the policy. Mr. McArthur seconded the motion. The policy was approved.

#### **VII. Lottery Game Ticket Prices**

- Mr. Shaheen noted that in the Lottery Act Sec. 18C-114A11 item one states that the commission has the responsibility of setting the number and value of prizes for winning tickets or shares in a lottery game including prizes, merchandise or items consisting in deferred payments, prizes of tickets or shares in the same lottery game or other lottery games and establishing the various prizes for the various games. Item two is establishing the rules of such games, item three is the sales price of the tickets. Mr. Shaheen is asking that the commission delegate authority to him to make these day to day business decisions.

- Dr. Woodward moved to delegate authority to Mr. Shaheen to make the day to day business decisions regarding games, payments and prizes. Mr. Farris seconded the motion. The delegation of authority was approved.

#### **VIII. Advertising RFP**

- Mr. McArthur recused himself from this discussion.
- Mr. Shaheen stated that a draft of the RFP has been developed and has been sent to the Attorney General's office for review. He noted that he hopes to have it posted by January 11. It was determined that a copy of the Advertising RFP will be distributed to the RFP committee for approval as soon as legal approval is granted. In addition, the RFP will also be forwarded to the commission for review.
- Sec. Beatty made the motion to accept the outlined procedure for approving the advertising RFP. Mr. Appleton seconded the motion. The motion was approved.

#### **IX. Update on ALE**

- Dr. Sanders updated the commission on the progress made with ALE. He stated that he has had discussions with Sec. Beatty. They agreed to develop a contract between ALE and the commission to supply 12 agents and three clerical personnel in the immediate future, leaving open the possibility to add more positions as needed. The contract will require a certain level of performance and accountability. This group will initially be responsible for qualifying retailers, and then will begin the process of monitoring the performance of the retailers. The contract will be for a period of two years, renewable at 18 months.
- Dr. Sanders noted that the hiring process has begun to hire personnel to fill these positions.

#### **X. Update on Legal Status**

- Dr. Sanders updated the commissioners on the status of the court challenges regarding the legality of the lottery law enactment, as well as, the status of the injunction. He invited Mr. Nance to comment. Mr. Nance indicated that he believes that Norma Harrell and Tiare Smiley have been assigned to the case. He is not sure of the procession of the case, although he confirmed that service has been made. Dr. Sanders reminded the commission members to submit any service of process that they have received to the Attorney General's office. Mr. Farris stated that he had spoken with Grayson

Kelley, Deputy Attorney General. Mr. Kelley informed him that his staff was moving as expeditiously as possible to resolve the issue.

**XI. Update on Lottery Progress**

- Mr. Shaheen noted that the questions and answers to the vendor's questions on the RFP, both Online and Instant, have been posted on the website as scheduled. The vendors, who submitted letters of intent to bid, were notified that the questions and answers have been posted. He stated that the submissions would be received on Friday, January 13 at 4:00 p.m. His staff is currently setting up all security that needs to be in place. Mr. Shaheen reviewed the steps in receiving and evaluating the RFP submissions with the commission. He indicated that each committee would draft a conclusion report, which would be submitted to him for review. He will then make his recommendation to the committee on February 3, 2006.
- Mr. Shaheen stated that there are several new employees at the commission headquarters. He discussed the new employees and their previous experience.

**XI. Other Business**

- It was determined that a meeting to receive the recommendations on the RFP submissions would be scheduled for the evening of February 2, 2006. The commission agreed to tentatively schedule a meeting on February 13 to receive the recommendations from the advertising RFP.

**The meeting was adjourned.**