

**NORTH CAROLINA EDUCATION LOTTERY
COMMISSION MEETING**
June 13, 2006

Meeting Minutes

Commissioners in Attendance: Dr. Charles Sanders, Chair
Robert Farris
Linda Carlisle
Bridget-Anne Hampden
Max Cogburn
Robert Appleton, *via telephone*
Dr. James Woodward
Secretary Bryan Beatty

Commissioners not in Attendance: John McArthur

Meeting was held on June 13, 2006 at 9:30 a.m. in the ABC Commission Room in the Administration Building located on 116 West Jones Street.

I. Introduction and Opening

- Dr. Sanders called the meeting to order by reiterating the Commission's firm commitment to serving the people of North Carolina, by providing funds for education which should truly be additive and supplemental.

II. Approval of Minutes

- Ms. Hampden made the motion to approve the minutes as submitted.
- Mr. Farris seconded the motion.
- The minutes were approved.

III. Attendance and Leave Policy

- Dr. Sanders introduced Margaret Bode, Director, Human Resources to present the proposed Attendance and Leave Policy.
- Ms. Bode reviewed the policy with the Commission. There was one addition requested to form education leave. So as to mirror the State's policy.
- Mr. Farris made the motion to approve the Attendance and Leave Policy with the addition.

- Ms. Carlisle seconded the motion.
- The Attendance and Leave Policy was approved.

IV. Recommendation to Purchase Dispensers

- Sam Hammett, Deputy Executive Director, Sales, presented his recommendation to purchase instant ticket dispensers to the Commission.
- After a brief discussion, Ms. Carlisle suggested that the Commission approve Mr. Hammett's recommendation and to also increase the purchase approval to support the lottery's needs into the early fall.
- Ms. Hampden made the motion to approve the purchase of up to 175,000 instant ticket boxes.
- Dr. Woodward seconded the motion.
- The purchase of up to 175,000 instant ticket boxes was approved.

V. Tablet Computer Purchase Recommendation

- Deb Doty, Deputy Executive Director, Lottery Operations, presented her recommendation to purchase tablet computers for the NCEL Sales Representatives to the Commission. She highlighted the eProcurement method of bid invitations and recommended that the Commission approve the purchase from the lowest bidder.
- Mr. Hammett explained the need for this type of real time communication in the sales field.
- Secretary Beatty made the motion to approve the purchase of the tablets from CDW-G at a price of \$129,509.25.
- Ms. Hampden seconded the motion.

- The purchase of tablet computers from CDW-G at a price of \$129,509.25 was approved.

VI. Security Systems Communications Connectivity Agreement

- Jerry Carter, Director, Security, presented the Security Systems Communications Connectivity Agreement to the Commission. He invited Robert Pitney, Manager, Security Information to address the Commission and answer any questions that they have relevant to the agreement.
- Mr. Pitney described the process of obtaining the bids and recommended choosing BellSouth due to cost and flexibility. The total price for a 36 month contract is \$241,985.00.
- Dr. Woodward made the motion to select BellSouth to provide the Security Systems Communication Connectivity for a total 36 month cost of \$241,985.00.
- Mr. Farris seconded the motion.
- The Commission approved the selection of BellSouth for the Security Systems Communications Connectivity Agreement with a total 36 month cost of \$241,985.00.

VII. 2X the Money Instant Ticket

- Mr. Shaheen presented a picture of the 2 X the Money instant ticket and explained to the Commission how the game was played. He further explained how the players were confused. He discussed the cost of pulling a ticket and mentioned that the NCEL will review the possibility of bearing some of the cost associated with printing the ticket. He informed the Commission that the NCEL sales representatives are retrieving the tickets.

VIII. Fiscal Year 2007 Budget

- Ms. Hampden, Finance Committee, Chair, presented the proposed FY07 budget to the Commission. She noted there is no data on which to base sales or cost projections. Ms. Hampden also noted that the Executive Director had presented a budget showing \$420,000,000.00 being generated for education from projected revenue of \$1.2 billion.

However, after discussions the Committee felt revenue of \$1.168 billion was more realistic with \$401,000,000 being generated for education. Mr. Shaheen stated that the NCEL will need at least two or three additional on line games in addition to 20 instant games available in order to attain the sales needed to meet the budget.

- Ms. Hampden reiterated the Finance Committee's confidence in the estimated sales figures and reminded the Commission that a 35% return to education is not an industry standard, although it is the NCEL's goal.
- Dr. Woodward moved to accept the budget as presented.
- Ms. Hampden seconded the motion.
- The budget was approved.

IX. Executive Session

- Dr. Sanders made the motion to enter into Executive Session pursuant to N.C.G.S. § 143-18.152(d).
- Mr. Farris seconded the motion.
- The Commission entered into Executive Session.
- The Commission reconvened in open session.

The meeting was adjourned.