

**North Carolina Education Lottery Commission Meeting  
Meeting Minutes**

**Wednesday, March 22, 2023**

*Commissioners in Attendance:* Ripley Rand, Chair  
Cari Boyce  
Lindsey Griffin  
Chris Hayes  
Joshua Malcolm  
Jason Roth  
Pamela Whitaker  
Randy Jones

*Commissioners Absent:* Nigel Long

*Select Staff in Attendance:* Mark Michalko  
Billy Traurig  
Frances Little  
Bill Jourdain  
Randy Spielman  
Terri Avery  
Terri Rose  
Marbet Cuthbert  
Hayden Bauguess  
Cheryl Sutton  
Damen Harris  
George Walker

*Other Participants:* Benjamin T. Spangler, *Assistant Attorney General,*  
*Department of Justice*

The North Carolina State Lottery Commission meeting was held on Wednesday, March 22, 2023, at 10:01 a.m. via WebEx.

Chairperson Ripley Rand opened the meeting, greeted all Commissioners and acknowledged Frances Little, the newly assigned Executive Assistant.

Billy Traurig, Chief Legal Officer, read the remote meeting announcements. Mr. Traurig also mentioned there being a closed session for the meeting and advised the Commissioners of the process.

Roll call of the Commissioners was taken. Commissioner Nigel Long was absent; all other Commissioners were present.

Attendees recited the Pledge of Allegiance.

**Approval of Minutes**

Chair Rand called for a motion to approve the minutes for the December 14, 2022, Commission Meeting. The motion was made by Commissioner Whitaker and seconded by Commissioner Boyce. The motion passed unanimously.

## **Finance and Audit Committee Report**

### **Finance Update**

Bill Jourdain, Deputy Executive Director of Finance, Administration, and Security, gave a financial update to the Commissioners.

The update included information for the first seven months of Fiscal Year 2023 as of January 31st, Statement of Net Position, Statement of Revenues, Distribution of Revenue, FY 2023 Seven Month Comparatives (in millions), FY2023 Earnings for Education, and Cash Transfers to the Office of State Budget and Management.

Mr. Jourdain concluded stating the total revenue from the North Carolina Education Lottery since inception being \$9.98 billion. There were no questions from the Commissioners regarding his report.

### **Internal Audit Update**

Mike Suggs, Director of Internal Audit, was unavailable to attend the meeting. Executive Director, Mark Michalko stated the written audit reports were included in the documents sent to the Commissioners prior to the meeting. Mr. Michalko asked if there were any questions from the Commissioners, there were none.

## **Revenue Generating Committee Report**

Commissioner Long was unavailable for the meeting. Chair Rand acknowledged Commissioner Malcolm for stepping in to address the report. Commissioner Joshua Malcolm introduced the order of the Revenue Generating Committee report to be presented.

### **Brand Management & Communications Update**

Terri Rose, Deputy Director of Brand Management & Communications, gave an update to the Commission, including Scratch-Offs, Social Media Efforts, Cash 5 Retail and Digital Promotions, Fast Play Games, Beneficiary Campaign, First Tuesday Social, Pick 3 and Pick 4 Instant Cash Promotions, Lucky for Life, Keno Bonus Hours, Play Smart and Marketing Sponsorships.

Ms. Rose also mentioned, sometime in April the NCEL would be meeting an historic mark of \$10 billion being returned to education. NCEL would not be the first to do so, but would be the fastest in history. A new program launch in May will be working with the public talking about all the good work that has been done and the beneficiaries. There were no questions from the Commissioners.

Prior to the start of the Product Development and Gaming Update, Chair Rand noted during the Revenue Generating Committee Meeting that he'd recused himself from the Carolina Panthers Contract matter erring on the side of caution. He acknowledged to the Commission that he did not have a conflict of interest and would be voting on the matter being presented to the Full Commission.

### **Product Development and Digital Gaming Update**

Randy Spielman, Deputy Executive Director of Product Development & Digital Gaming, gave an update to the Commission, including Scratch-Off Game Review, FY23 Draw Game Initiatives, Daily Number Pick Games 3 and Pick 4, along with a FY23 Fast Play Update.

### **Contract Renewals**

The **Carolina Panthers Licensing and Prizing Agreement** was presented by Mr. Spielman to the Commission along with answering questions from the Commissioners.

With no additional questions, Commissioner Malcolm specified the Revenue Generating committee unanimously voted to pass the renewal contract on to the full commission for approval. On behalf of Committee Chair Long and the Revenue Generating Committee, Commissioner Malcolm asked for a motion to authorize the staff to move forward with negotiating the contract with the Carolina Panthers based on the terms presented by Randy Spielman on behalf of Mark Michalko.

With no additional questions and a second not being needed a roll call vote was taken. The vote passed unanimously.

The **Scientific Games Scratch Off and Related Services Contract** was presented by Mr. Spielman to the Commission along with answering questions from the Commissioners.

With no additional questions or comments, Commissioner Malcolm specified the Revenue Generating Committee unanimously voted to recommend the item for action and approval to the Commission. On behalf of Committee Chair Long and the Revenue Generating Committee, Commissioner Malcolm asked for a motion to authorize the staff to move forward with the final negotiations and to put the contract in place with the terms and conditions presented by Mr. Spielman on behalf of Mark Michalko.

With no second being needed a roll call vote was taken. The vote passed unanimously.

### **Sales Update**

Terri Avery, Deputy Executive Director of Sales, presented an update to the Commission, including Digital Menu Boards, New Payment Methods Prize Debit Cards, Walmart Sales, and Game Penetration Data.

Ms. Avery answered questions from the Commissioners.

### **Operations and Personnel Committee Report**

Commissioner Pamela Whitaker reviewed with the Commission details of the recent Operations and Personnel Committee Meeting along with the stats of the current employee turnover rate.

Marbet Cuthbert, Director of Human Resources gave an update to the Commission which detailed the Compensation Analysis Study that is currently being administered by Gallagher and Associates. Ms. Cuthbert advised Gallagher and Associates would be presenting the results of the study at the upcoming June 14, 2023 Operations and Personnel Committee Meeting. Ms. Cuthbert and Mr. Jourdain answered questions from the Commissioners.

Commissioner Whitaker revisited the discussion regarding the PTO Policy as requested by Commissioner Malcolm. There were no changes recommended by the Operations and Personnel Committee. Ms. Cuthbert answered questions from the Commissioners.

The Commission requested a report providing data points regarding employees under the PTO Policy that terminated employment 1<sup>st</sup> quarter or mid-year. These employees would have been paid for PTO hours that they did not work due their PTO being occurred entirely at the first of the year. A request was also made for information concerning the structure of the benefit package regarding state issued and NCEL issued benefits which together compile the compensation package for employees.

Ms. Cuthbert agreed to compile the data. Mark Michalko advised the report would be circulated to the Commission.

Chair Rand referred the matter back to Commissioner Whitaker and the Operations and Personnel Committee for further consideration by the Committee.

#### **Executive Director Report**

##### **Legal**

Mr. Billy Traurig, Chief Legal Officer, reminded the Commissioners to file their Ethics Commission Annual Statement of Economic Interest which is due by April 15, 2023. Any questions can be directed to Mr. Billy Traurig or anyone at the Ethics Commission.

##### **Diverse Business Spending**

Cheryl Sutton, Director of Supplier Diversity and Outreach provided an update including, 3<sup>rd</sup> Quarter Spending, A Success Story, and information pertaining to the Diversity Champions Kick Off. There were no questions from the Commission.

##### **Legislative Update**

Hayden Bauguess, Director of Governmental Affairs presented an update to the Commission, including Legislative Budget Update, Sports Betting/Sports Wagering Bill and information regarding Virtual Lottery Terminals (VLTs). Mr. Bauguess, Mr. Traurig, and, Mr. Michalko answered questions from the Commission.

A request to be provided a copy of the Sports Wagering Bill was requested. Mr. Bauguess agreed to provide a copy of the Sports Wagering Bill to the Commissioners.

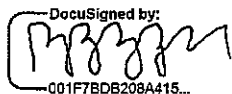
**Other Business**

With no other business to discuss, Chair Rand called for a motion to convene to closed session which was made by Commissioner Griffin. The motion was seconded by Commissioner Jones and passed unanimously.

The Commission moved to closed session at 12:09 p.m.

The open session reconvened at 1:15 p.m. Chair Rand mentioned there would be further discussion regarding in-person meetings. Commissioner Jones asked that the matter be brought to the full Commission and not a committee for vote. Chair Rand agreed.

Chair Rand called for a motion to adjourn, which was made by Commissioner Jones. The motion was seconded by Commissioner Griffin and passed unanimously. The meeting adjourned at 1:19 p.m.

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Chairperson Ripley Rand

6/30/2023

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Date