

**NORTH CAROLINA EDUCATION LOTTERY  
COMMISSION MEETING**

May 16, 2006

*Meeting Minutes*

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

*Commissioners not in attendance:* Robert Appleton

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Meeting was held on May 16, 2006 at 9:30 am. The public was invited to attend the meeting by visiting the Ground Floor Hearing Room, located in the Archdale Building on 512 North Salisbury Street or by dialing 919-501-4273.

**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**

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

**III. Purchasing Policy**

- Mr. Shaheen presented the NCEL Purchasing Policy. He stated that the policy for the most part mirrors the State's purchasing policy while ensuring flexibility to market a consumer product. Robin Diehl, Deputy Executive Director, Finance and Administration agreed.
- Mr. Shaheen also proposed new levels of signing authority for various members of the NCEL management team as they relates to estimates, purchase requisitions, purchase orders, check requests, invoices and statements.

**Executive Director**

- Under \$90,000
- No limit for financial documents related to any contract or purchase approved by the Commission.

**Deputy Executive Director Finance/ Administration**

**Deputy Executive Director Legal/ Security**

**Deputy Executive Director Management Information System**

- Under \$50,000
- \$20,000-\$49,999.99 will require pre-notification to the Executive Director.

**Director of Finance**

- Under \$40,000
- \$20,000-\$39, 999.99 will require pre-notification to the Executive Director.

**Deputy Executive Director, Sales**

**Deputy Executive Director, Marketing and Advertising**

**Deputy Executive Director, Legislative & Corporate Communication**

- Under \$20,000

**All Directors**

- Under \$10,000
- Ms. Carlisle made the motion to approve the Purchasing Policy and the signing authorities.
- Mr. Cogburn seconded the motion.
- The motion to accept the Purchasing Policy and signing authorities was approved.

#### **IV. Travel Policy**

- Mr. Shaheen presented the NCEL Travel Policy noting that the parameters set for hotel expenditures and meals were low for today's market, but mirrored the State's policy. He requested raising the limits.
- Sec. Beatty noted that the State's policy allows for exceptions to these rates and the same should apply to the NCEL.
- Dr. Woodward recommended that the policy be brought back to the table after one year for review and possible modifications.
- Two amendments will be made to the Travel Policy. The first is to remove all reference to NCEL staff picking up cars from Motor Fleet. NCEL has cars on site for staff to use. The second change involves requiring canceled tickets or boarding passes for air travel reimbursement. Due to the limitations of supporting documents when using e-travel, any general type of proof of air travel will be accepted.
- Mr. Farris made the motion to approve the Travel Policy with amendments.
- Dr. Woodward seconded the motion.
- The Travel Policy was approved.
- **Wireless Phone Usage Policy**
- Mr. Shaheen presented the NCEL's Wireless Phone Usage Policy. After a brief discussion, Mr. Farris asked that the second paragraph on page two (2) be deleted. This paragraph concerned employee's liability if involved in an accident while using their cell phone.
- Secretary Beatty made the motion to approve the Wireless Phone Usage Policy.
- Dr. Woodward seconded the motion.
- The Wireless Phone Usage Policy was approved.

#### **V. Instant Ticket Dispensers**

- Mr. Shaheen explained to the Commission that GTECH had supplied their required amount of 50,000 instant ticket dispensers. The NCEL will need 160,000 more over the next few months to display inventory in retail stores. There was a brief discussion regarding the procurement process for obtaining prices. Mr. Shaheen informed the Commission that the dispensers would be an on going need. The total cost for the dispensers for this particular order will be \$335,000 plus shipping charges.
- Mr. McArthur made the motion to approve the purchase of the Instant Ticket Dispensers.
- Mr. Farris seconded the motion.

#### **VI. FY 06 Budget Information**

- Mr. Shaheen presented the board with a Statement of Revenue/ Expenses. He stated that a line item budget for the new fiscal year would be available in June for review.

#### **VII. Updates**

- Mr. Shaheen stated that as of Monday, NCEL sales had reached \$141,000,000. He noted that beginning May 30 retailers activated packs will settle twenty-one (21) days after activation. They are currently settling within five days. He alerted the Commission that the method of recording sales would change as a result.
- He told the Commission that new tickets would be released at a pace of two (2) or more games every two (2) weeks. He also noted that the new instant game Bingo was being released today.

#### **VIII. T.V. Drawing Station Recommendation**

- Mr. Shaheen explained the RFP process to the Commission. He noted that the committee which reviewed the RFP consisted of: Lou Ann Russell, Deputy Executive Director, Advertising/ Marketing; Margaret Bode, Director Human Resources; and Susan Singley, Marketing

Manager. Mr. Shaheen explained to the Commission what the responsibilities of the station selected would be.

The only two stations to responded to the RFP were WRAL and WTVD. Mr. Shaheen shared the review committee's findings and recommended that the contract be awarded to WRAL.

- Dr. Woodward made the motion to accept Mr. Shaheen's recommendation of WRAL.
- Mr. Farris seconded the motion.
- The contract for T.V. Drawing Station was awarded to WRAL.

#### **IV. Powerball**

- Mr. Shaheen proposed allowing NCEL employees, excluding himself, to be allowed to purchase Powerball Tickets in states other than North Carolina.
- Mr. Cogburn made the motion to allow employees, excluding Mr. Shaheen, to purchase Powerball tickets in states other than North Carolina.
- Dr. Woodward seconded the motion.
- The Commission voted to allow NCEL employees, excluding Mr. Shaheen, to purchase Powerball tickets in states other than North Carolina.
- There was a discussion regarding retailer incentives. These incentives would encourage retailers to promote the sale of Powerball tickets. Mr. Shaheen presented the Commission with incentives offered by other lotteries. The Commission agreed to postpone voting on a motion while legal counsel prepares an opinion on the legality of the use of incentives within the Lottery Act.
- Pam Walker, Director, Communications and Alice Garland, Deputy Executive Director, Legislative/ Corporate Communications presented the Commission with a brief description of how to play Powerball.

The meeting was adjourned.