

**North Carolina Education Lottery
Budget Amendment Commission Meeting**

Meeting Minutes

Tuesday, August 12, 2014

Commissioners in Attendance: Keith Ballentine, Chairman
Alice Underhill
Amy B. Ellis
Courtney Crowder
A.J. Daoud

Commissioners not in Attendance: Doug Baker
Chris Shew
David Kirby

Staff in Attendance: Alice Garland
Caryl James
Bill Jourdain

The North Carolina Education Lottery Commission meeting was held Tuesday, August 12, 2014 at 12:15pm, at the Raleigh Marriott Crabtree Valley, Raleigh, NC.

Chairman Ballentine called the meeting to order and reminded the Commission that they operate under the State's code of ethics. He also informed commissioners that funds raised by the North Carolina Education Lottery (NCEL) should be used to supplement, not supplant education dollars in North Carolina and that such expenditure is controlled by the North Carolina Legislature.

Finance and Audit Report

Mr. Bill Jourdain, Deputy Executive Director of Finance, Administration and Security, presented the revised budget documents to Commissioners. The changes are the result of a consensus meeting between the NCEL and the Office of State Budget and Management (OSBM), as well as the Legislative Fiscal Research Department based on the State Budget that was passed in the Legislature. The projected increase in net revenue to education is \$31.8 million. This brings the total projected amount to education for FY14-15 to \$520,491,901.

Executive Director Garland informed the Commissioners that she communicated to the staff regarding her "stretch goal" which is to break the \$2 billion in sales for FY15. If it appears the NCEL is on target to reach that goal, she will ask Commissioners, at the December meeting, to increase the advertising expenditures to \$19.5 million. That amount is still less than the 1% cap established in the NC State Lottery Act.

After budget discussions and explanations were complete, Commissioner Crowder made a motion to approve the revised budget and Commissioner Tyson seconded. Commissioner Daoud opposed. The motion passed and the revised budget was approved.

Operations and Personnel Report

Commissioner Tyson presented information regarding the existing paid time off (PTO) policy. Currently, employees (below Director level) who separate from the NCEL with less than one year of service are not able to receive a payout for any unused PTO. Ms. James requested this policy be changed to allow employees who separate with less than one year of service be eligible to receive payment for any unused PTO.

Commissioner Tyson also requested changes to the policy that would eliminate the "equal time off" (ETO) schedule. Employees would now be able to earn overtime pay for any hours worked on a holiday.

Another requested change is to establish a shift differential policy. This would affect employees who work at least 80% of their time between 3:00pm and 8:00am. The proposed differential pay amount is 5%.

Commissioner Daoud made a motion to accept the policy revisions and Commissioner Crowder seconded. The motion carried.

Executive Director's Report

Executive Director Garland presented information to Commissioners regarding the upcoming NASPL conference. The conference will take place in Atlantic City, NJ during the first week in October 2014. All Commissioners are invited to attend.

The new Deputy Executive Directors were introduced: Tony Chung, DED of MIS and Gaming Systems and Terri Avery, DED of Sales. Mr. Chung and Mrs. Avery have both been employed by the NCEL for a number of years. She also announced there were some position changes to the Sales Department. Daniel Rose and Reggie Barnes will be renamed as Director of Sales for the Eastern Region and Director of Sales for the Western Region, respectively.

Being no further business, the meeting was adjourned.



W. Keith Ballentine, Commission Chairman

9/16/14

Date