

**Meeting Minutes
Executive Committee of the
South Carolina Education Lottery Board of Commissioners
August 6, 2012
2 P.M.**

The Executive Committee of the South Carolina Education Lottery Board of Commissioners held a meeting on Monday, August 6, 2012, at 2 p.m. in the Third Floor Conference Room (#352), 1333 Main Street, Columbia, South Carolina.

The following committee members participated:

Tim Madden, Chairman
Dr. Edward Keith, Vice Chairman
Moffatt Burriss, Treasurer
Sam Litchfield, Secretary
Nancy Latham, At-Large

The Chairman called the meeting to order.

Evaluation of the Executive Director

The Executive Committee met to discuss and evaluate the Executive Director.

At the outset of the evaluation of the Executive Director, Mary Margaret Hopkins, Director of Internal Operations and Human Resources, provided a historical review of the compensation and benefits paid and provided to the Executive Director, Paula Harper Bethea, since her date of hire. Ms. Hopkins confirmed the salary for Mrs. Bethea is \$226,829 plus a monthly car allowance of \$700 and that there have been no increases or bonuses since the date of hire which was July 20, 2009.

Upon request from the Committee, Mrs. Bethea provided a self-evaluation and report and the Committee questioned her on various subjects. Among other points, she noted the following:

- her satisfaction with improving the economics of the organization, particularly through cost savings effectuated through attrition without replacement hires;
- the challenges anticipated in the future, particularly in light of the age and maturity of the lottery and threats of competition;
- a description of the morale of the employees (described as generally good, with pockets of people who exhibit low morale);
- her open door policy;
- staff's favorable response to salary adjustments;
- the possible use of the internet as a sales channel in the future; and
- the current status within the lottery industry of sales made or attempted in this fashion.

Ms. Hopkins reported employee morale was good overall, but some pockets of problems existed. However, Mrs. Bethea has a business approach and described that there is no formal grievance procedure for lottery employees.

The committee encouraged Mrs. Bethea to take a vacation and observed that she has not taken a formal vacation since being hired.

Mrs. Bethea indicated she has the tools and resources available to her which she believes she needs to successfully run and lead the organization. She noted the importance of her having flexibility to reward staff. Additionally, Mrs. Bethea expressed satisfaction in her performance and in her job.

Mrs. Bethea identified her goals for the coming year to be sustainability of sales and profits, cost savings, a hope of sharing some of the cost savings with the employees, increased transfers to the Education Lottery Account (ELA), integrity of the organization, and protection of the well-being of employees.

Mrs. Bethea also discussed her succession planning and to have others prepared for the retirement of directors. Upon request from the Committee, she described her professional development, specifically some of the leadership positions held with the North American Association of State and Provincial Lotteries (NASPL), her chairmanship of First Financial's and First Federal's Board and that she is the incoming president of the University of South Carolina Alumni Association.

Mrs. Bethea confirmed she has filed her ethics forms timely.

The Committee discussed compensation for Mrs. Bethea.

Executive Session

Commissioner Litchfield moved to go into executive session as authorized in § 30-4-70(a)(1) for the specific purpose of discussing personnel matters relating to the performance of the Executive Director. Commissioner Burriss seconded the motion, which the committee unanimously adopted.

Upon adoption of the motion, as provided in § 30-4-70(a)(1), Chairman Madden announced the specific purpose of the executive session as referenced in the above motion and asked all those in attendance to exit the meeting, except members of the Committee.

Return to Open Session

Upon conclusion of the executive session, the Chairman confirmed no action was taken during the executive session and no business other than that which was authorized by the motion was discussed.

Motion Adopted

Commissioner Latham moved the Executive Committee make the following recommendation to the Board:

As a result of the evaluation, information received, and the discussion, the Committee agreed to recommend to the full Commission that the Executive Committee conduct a mid-year review of Mrs. Bethea with the idea of financially rewarding Mrs. Bethea for her performance at that time.

Commissioner Madden seconded the motion, which was unanimously adopted.

Other Business

There being no further business, the meeting of the Executive Committee was adjourned.

_____/s/_____
Tim Madden, Chairman

December 3, 2012
Date

As required by Section 30-4-80, notification for this meeting was posted at SCEL headquarters, 1333 Main Street in Columbia. As provided in the Board Bylaws, the meeting notice and agenda were also posted on the SCEL website, sceducationlottery.com, and sent via facsimile transmission pursuant to requests made by media outlets and other organizations. These notifications included the time, date, place and agenda of the meeting.