

**Personnel Committee Meeting  
New Mexico Lottery Authority  
August 17, 2016  
MINUTES**

**Call to Order:** A. Bailey called the meeting to order at 11:02 a.m., and asked for a roll call. Present and constituting a quorum were Mark Koson, Amy Bailey and Dan Salzwedel.

Present from NMLA were; David Barden; Sylvia Jaramillo; Evelyn McKnight and Wilma Atencio.

Also present were: Jon Zajdel and Steve Beck with Intralot; Othiamba Uni with Think New Mexico.

**Approve Proposed Agenda:** A. Bailey called for a motion to approve the proposed agenda. D. Salzwedel moved to accept the proposed agenda as presented; second by M. Koson. Carried; 3-0.

**Public Comment:** None.

**PERSONNEL Committee Report – A. Bailey, Committee Chair:**

**Compensation Guidelines:** D. Barden reported that the compensation guideline simply mirrors the changes the Board asked the CEO to make to the policy over the past two years as far as the evaluation process and when the evaluations are due. One change to the policy allows the CEO to be more competitive in offering salary adjustments to keep critical employees. An example of this occurring is with our Creative Animator. He creates TV spots, radio and traffic spots and by having him in house we've had significant cost savings in advertising dollars. This change would allow the CEO to obtain permission of the Board of Directors or Chairman to offer a more competitive salary adjustment if necessary to go above the 10%.

E. McKnight provided an overview of the changes. E. McKnight reported that the Compensation Guidelines are revised to reflect methodology changes adopted during the most recent compensation study conducted by Gallagher Benefit Services (GBS). The changes are as follows:

**Page 4 of 9      Job Evaluation Process**

- **Existing item #3** (at top of page) is stricken. The point factor scoring system is no longer used by the industry to slot positions for purposes of compensation. Positions are now slotted based on market data from comparable organizations by benchmarking similar positions based on job content, nearby geographic areas, and the duties and responsibilities of the position.
- **Existing item #4)** is renumbered to "3" and the word "*midpoint*" is added based on the recommendation of GBS to reflect current industry standards. (There is a 10% difference in midpoint from one grade to the next; which is consistent with industry standards.)
- **New items #4, 5, and 6,** are a recodification of existing language from Page 5 of 9.
- **New item #7** was previously item #5 (Renumbered only.)
- **New item #8** was previously item 6. New language is added to allow the Chairman to act on behalf of the Board for increases of greater than 10%, if it is not feasible to obtain Board approval.
- The remaining language in this section is stricken beginning with: "*In the job evaluation process, it is particularly important to note that:*" (The existing sections are recodified above.)

**Page 5 of 9      New Jobs:**

- **Item #2** is stricken because it was used in conjunction with the point factor system.

- **Existing Item #3** is renumbered to #2.

Page 7 of 9     **Merit Increases**

- This section is updated to reflect changes in the new merit based evaluation system. Stricken language deletes references to grades and step increases for security officers. Employees now receive merit increases based on annual evaluations, if funds are available and approved by the Board.

Pages 8 of 9     **Performance Evaluations**

- Language relating to the old salary grades, forms and guidelines are stricken relating to the prior processes used with evaluations.
- Management now develops the forms and guidelines for the performance evaluations for all salary grades with the exception of the CEO. That is why the verbiage relating to salary grades is deleted.
- The evaluation period is changed to March 1<sup>st</sup> through the end of February.
- The requirement of twice a year reviews is deleted for operational purposes.
- Other language is modified to denote title changes of positions, i.e., the Chief of Staff/Director of Administration, it will then be” forwarded to the CEO for his review.
- Also, updated the evaluation dates to reflect the new evaluation period and deleted the “*at least four months of service, and proration verbiage*” and changed to “**one year of service**” to be considered for a merit increase.

D. Salzwedel commented for clarification purposes that these changes really represent a corresponding outline to what we’ve done with the CEO’s evaluation and our performance driven objective the board has established. D. Barden stated correct.

M. Koson commented that he is good with the changes and requested at the next quarterly meeting, the personnel committee be provided a list of employees with salary grades. A bench mark to see where we would be at next year and possibly make some tweaks.

A. Bailey reported that the revisions are great. Likes the discretion in giving beyond the 10% to a employee who is valuable to the team and the lottery doesn’t want to lose them. Lottery has worked hard to have a good team. We are providing a good positive work environment and that staff will be compensated according to the market.

D. Barden reported that the lottery has issued a Job Posting for an assistant to the Chief of Staff/Director of Administration. The job title is Deputy Director of Administration. D. Barden will provide a copy of the job description to the committee members.

A. Bailey entertained a motion to approve the Compensation Guidelines Policy. D. Salzwedel made a motion to approve the compensation guidelines policy as presented by the staff with the understanding there may be some redacting done/editorial but not substance or collective changes; second by M. Koson. Carried; 3-0.

**Drug Free Workplace Policy – Renamed Safe Workplace Policy:** D. Barden reported that the lottery is combining two policies into one; renaming the title to Safe Workplace Policy and updated the policy with new language recommended by the lottery’s counsel. The added definition provides a clearer understanding of what drugs are and how they’re defined in today’s world. The lottery will be requesting the repeal of the “Pre-Employment Drug Testing Policy”.

E. McKnight provided a brief overview of the changes. The Drug Free Policy has been changed to the Safe Workplace Policy to promote a safe business environment for everyone working or conducting

business at the NMLA. After consulting with legal counsel it was recommended that the following changes be made to our policy. *The Pre-employment Policy provisions are merged into this uniform policy.*

**Page 3 of 8 Definitions**

- Existing definitions for **Controlled Substance and Mood Altering Chemical** have been stricken and replaced with more comprehensive definitions to clarify Substance, Illegal Drug, Drug Paraphernalia, Prescription Drugs, Inhalant, Under the Influence, Work Place, and Reasonable Suspicion.

**Pages 4 - 6 Policy**

- This section is stricken, but substantially updated in the policy (see pages 6-8).

**Page 6 of 8 CAPTION ADDED**

- New language is added in large font stating that employees may not be under the influence of impairing substances while performing NMLA business. The following are not permitted: possessing, selling, distributing, or purchasing certain controlled substances while at the work place. Employees may not use, possess, sell, transfer, purchase or distribute, or be under the influence of any substance at the work place that impairs their performance.
- Revised definitions are included, including over the counter drugs.

**Page 7 of 8 Pre-employment Testing**

- Language is incorporated, relating to Pre-employment Testing for Impairing Substances. This language was previously included in the Pre-employment Drug Testing Policy.

**Page 7 of 8 Employment Substance Testing**

- Criteria is set forth relating to when employment substance testing may be conducted. This occurs when there is reasonable suspicion, i.e., an accident that results injury to the employee, others, or the property on NMLA. The item also addresses an employee's failure to submit to a test and the results of a positive test, including employee suspension.

**Page 7 of 8 Employee Counseling**

- Employee counseling provisions are modified giving the NMLA the discretion to require an employee to complete a substance assistance or rehabilitation program at their expense before returning to work.

**Page 7 of 8 Duty to Disclose**

- Employees have a "Duty to Disclose" any conviction of illegal drugs, alcohol, or prescription drugs or related violations or crimes, including pleas of nolo contendere (i.e. no contest) to HR within five days of any conviction. Failure to disclose may result in an employee's removal from the premises up to and including termination.

D. Salzwedel clarified that based upon counsels recommendation, this policy expands substances that the lottery would examine for and be able to oversee through the process and sanction the process. Just updating the policy, correct? D. Barden reported yes.


A Bailey entertained a motion to approve the Safe Workplace Policy. D. Salzwedel made a motion to approve the policy as presented by the staff with the understanding there may be editorial changes, but not substance or collective changes; second by M. Koson. Carried; 3-0.

**Repeal – Pre-Employment Drug Testing Policy:** E. McKnight requested the repeal of the Pre-Employment Drug Testing Policy, since it has been included in the Safe Workplace Policy that was just discussed.

A. Bailey entertained a motion to repeal the Pre-Employment Drug Testing Policy. M. Koson made a motion to repeal the Pre-Employment Drug Testing Policy; second by D. Salzwedel. Carried; 3-0.

**Other:** None.

**Adjournment:** A. Bailey entertained a motion to adjourn the meeting. D. Salzwedel moved to adjourn the meeting; second by M. Koson. Carried; 3-0. The meeting adjourned at 11:24 a.m.

  
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Amy Bailey, Committee Chair  
Date 08/16/2016