

**Special Meeting of Board of Directors
New Mexico Lottery Authority
December 04, 2013
MINUTES**

Call to Order: Board Chair D. Salzwedel called the meeting to order at 4:00 p.m. D. Salzwedel asked for a roll call. Present and constituting a quorum were; Mark Koson, Amy Bailey, Claude Austin, Dan Salzwedel, John Kubiak and Paul Guerin. Salvatore Baragiola absent.

D. Salzwedel stated that there is a form that if anyone wishes to speak publicly, the form needs to be filled out by the person.

The following employees were present from NMLA: Sylvia Jaramillo, Adriana Binns, Evelyn McKnight, Pam Poteat, Dave Ramirez, Vince Torrez, Wilma Atencio, Gale Johnson, Jessica Jinzo, Michael Boland and Linda Hamlin. Also present were Randy Reeves, Frank Duran, Karen McCallum, Cheryl Bonnar, Belinda Melton, Scott Eliason with Moss Adams and Christopher Cunningham.

Approve Proposed Agenda: D. Salzwedel called for a motion to approve the proposed agenda. C. Austin made the motion to accept the proposed agenda; second by J. Kubiak. All in favor, 6-0.

Public Comment: No Public Comment.

Reports:

FINANCE/AUDIT Committee Report – M. Koson, Committee Chair:

FY 13 Financial Audit Report: D. Salzwedel reported that the financial audit had been preliminarily viewed by the finance audit committee and deferred to M. Koson. M. Koson introduced the lottery's financial auditor, Scott Eliason of Moss Adams to present an overview of the FY 2013 Financial Audit. S. Eliason reported that the audit took place in the fall and all areas were tested, completed and reviewed with lottery representatives. The audit process went gracefully as in previous years. No audit adjustments. One audit finding this report. Three previous findings related to IT; two were cleared and one still pending. Audit was done in accordance with government auditing standards. Moss Adams is issuing a clean opinion (unmodified opinion) on the Financial Statements.

M. Koson makes a motion to approve the FY 13 Financial Audit Report as presented; second by A. Bailey. All in favor, 6-0.

PERSONNEL Committee Report – A. Bailey, Committee Chair:

Consideration of Approval of Proposed Candidate for Interim Chief Executive Officer

(CEO): A. Bailey reported on item IV, B – 1 and on behalf of the Board, thanked S. Jaramillo for her role as Acting CEO during this transition. A. Bailey reported in the last meeting, the Chairman discussed that the personnel committee would interview and discuss potential candidates and the committee has done that over the last several weeks.

A. Bailey would like to move/make a motion for approval to retain Mr. David Barden as the Interim CEO of the NM Lottery; second by M. Koson. All in favor, 6-0.

A Bailey reported that Mr. Barden has extensive lottery experience. Mr. Barden launched two lotteries in the South (Arkansas and South Carolina) and had a deep interest in being an Interim CEO. His background is in Marketing and IT. Mr. Barden is a practicing attorney and has worked in the state government sector, with the legislature and has experience in the political background. Mr. Barden knew about the lottery's history, where we've been, where we would like to go and has some great innovative ideas for the lottery. Mr. Barden would be notified by the Board of the position.

Approval of CEO Position Description, Position Announcement, Related Documents and

Timeline: A. Bailey reported that the Board members have been provided with a copy of the proposed advertisement for the CEO as well as the NM Lottery Job Description for CEO and everyone is pleased with both items. The only exception is the advertisement – Board needs to fill in the date, once the timeline has been determined. The timeline needs to be discussed to close the job advertisement. January 15, 2014 was the date chosen. No changes to job description. A. Bailey reported that once all materials are in, the Board can vet the candidates, review the information, make selections and start scheduling interviews. Finalists will be interviewed by the full Board.

M. Koson commented that a lot of people know about the job opening and a month should be plenty of time to get good applicants. The advertisement would be posted on the lottery website, mass emailing to other lotteries, a list provided from last advertisement, newspapers in NM, Business community (Chambers) and through the industry publications.

A. Bailey move for approval of the CEO position description, the position announcement as well as other related documents and the timeline which will involve advertising through January 15th for the position; second by M. Koson. All in favor, 6-0.

P. Guerin asked for point of clarification. Advertising through January 15 or accepting applications. A. Bailey clarified and reported accepting applications.

ADJOURNMENT: D. Salzwedel entertained a motion to adjourn the meeting. C. Austin moved to adjourn the meeting. J. Kubiak second. All in favor, 6-0. The meeting adjourned at 4:32 p.m.