

MINUTES  
ARKANSAS LOTTERY COMMISSION  
Monday, October 17, 2011  
National Park Community College  
Eisele Auditorium  
Dierks Center for Nursing and Health Sciences  
Hot Springs, AR

Chairman Lamberth called the meeting to order. Commissioners Pickard, Campbell, Engstrom, Faris, Frazier and Hammons were also present. The ASL was represented by Interim Director Baldrige, Internal Auditor Hyde, Bishop Woosley, Lance Huey, Patricia Vick, and Susan Chamberlain.

The first order of business was consideration of the draft minutes of the September 19, 2011, meeting. By a motion of Commissioner Pickard to approve and seconded by Commissioner Engstrom, the minutes were approved without dissent.

The next item on the agenda was a report from the Interim Director. She noted that sales were up about 4.5 million dollars over last September, but that overall, there was little change from last year. Commissioner Engstrom pointed out that there would be some period in which the salaries reported would take a big drop because of the current vacancies in the upper management positions. Commissioner Campbell asked if there would be a consideration of a total restructure of the organization that could alter one or more of the vacant positions. Ms. Baldrige stated that it was her understanding that those positions were to remain vacant until a permanent director was hired.

Commissioner Hammons was recognized to give a report from the Personnel Committee. He thanked the ASL staff members for their outstanding presentations. He also extended thanks to Interim Director Baldrige, Patti Vick, and Susan Chamberlain for the work they did in putting together the combined Retreat/Commission meetings on October 16 and 17. He then called on Commissioner Faris, who made a motion to allow ASL staff to move forward and fill the Human Resources Generalist position that was vacant and to encourage OPM to expedite the request. Commissioner Hammons seconded that motion. There being no opposition, the motion carried.

The next item on the agenda was consideration of the ALC Director search. There was a discussion regarding finalization of the qualifications for the search. Commissioner Faris asked that he be given time to review the information in his agenda packet and bring the item up for discussion at the next ALC meeting, to which all present agreed. Chairman Lamberth then said that the commission would need to consider a posting date, or at least an approximate time table for posting for the Director's position. Discussion followed. Commissioner Pickard asked Chief Legal Counsel Woosley to research the previous search for a lottery director and to refresh the commission so that they could duplicate the process.

Internal Auditor Hyde was called upon by Chairman Lamberth to give his report. He said that virtually 100% of his time during the past month was spent working with Crowe Horwath and Legislative Audit on the Comprehensive Annual Financial Report, and that he had very little else to report. Chairman Lamberth then asked the Audit and Legal Committee if there was anything to report. Commissioner Pickard asked Internal Auditor Hyde to explain the process of the annual audit. Mr. Hyde told the commission that Legislative Audit had basically completed the audit and an exit conference would be called soon. After the exit conference was held, ALC

management would be given time for responses if there were any findings. The official audit would not be reported until November 10, the date of the Joint Legislative Audit Committee meeting. Commissioner Pickard added that the personnel involved in the exit conference would include himself, as Chair of the Audit and Legal Committee, as well as the Interim Director, the Chief Legal Counsel, and the Internal Auditor. The report would be released on November 9, the day before the Joint Legislative Audit Committee meeting, but could not become public record prior to the meeting.

Next on the agenda was consideration of the outside legal counsel RFQ. Commissioner Pickard read from the draft of the Audit and Legal Committee meeting minutes of October 7, 2011: "Commissioner Engstrom said that the committee previously agreed to recommend to the full commission the exploration of contracting with an outside legal counsel source, but that in order to clear up any confusion, he moved to approve the contracting of outside legal counsel and have the committee forward it to the full Commission. Commissioner Faris seconded the motion, and the committee unanimously approved the recommendation to contract for outside legal counsel be forwarded to the Commission." Commissioner Pickard made a motion to move the recommendation forward and Commissioner Engstrom seconded the motion. Chairman Lamberth opposed the motion, but the ayes carried and the motion passed.

There being no further business on the agenda, the meeting was adjourned.