

Meeting Minutes
Executive Committee of the
South Carolina Education Lottery Board of Commissioners
January 7, 2015
9:00 A.M.

The Executive Committee of the South Carolina Education Lottery Board of Commissioners held a meeting on Wednesday, January 7, 2015, at 9:00 a.m. in Room #407, 1333 Main Street, Columbia, South Carolina.

The following committee members participated:

Tim Madden, Chairman
Dr. Edward Keith, Vice Chairman
Nancy Cannon, Treasurer
Sam Litchfield, Secretary

The Chairman called the meeting to order.

The Chairman led the discussion regarding the evaluation of the Executive Director by reviewing the challenges and uncertainties facing SCEL in the next few years. As for the Board, with a new President *Pro Tempore* and a new Speaker of House, the membership may change as the current terms expire. Commissioner Bristow's resignation will add a new Commissioner early in 2015.

The Executive Director was recognized to report the stability of SCEL senior staff over the next few years given their tenure and future plans. She also explained her efforts to recruit new talent with private business experience and to groom existing talent to move into senior positions as positions might become vacant due to retirement over the next five years. The Chairman acknowledged the efforts of Mrs. Bethea to ensure the long-term success of SCEL by effectively addressing succession planning within the various departments. He also noted that it may be necessary and appropriate for Mrs. Bethea to exercise her discretion in offering financial incentives to retain certain senior and/or mid-level managers.

As in the past, Mrs. Bethea's performance was found to be exceptional in every key area of leadership and management. The discussion progressed to awarding an increase in her salary. Over her five and a half year tenure, all efforts to reward her performance have been declined and Mrs. Bethea's current salary is the same as the salary of the prior

Executive Director in 2009. Consequently, the salary for this position is substantially below that of the chief executives or even some of the senior managers for the other enterprise entities in South Carolina. Mrs. Bethea was asked if she knew when she might consider leaving SCEL. She responded that she would definitely not stay five more years and with a milestone birthday in the near future, the thought of stepping down in 2015 has crossed her mind. The Chairman shared with the Committee that Mrs. Bethea had been approached with several significant opportunities during the past year. The Chairman stated that given the potential changes in Board membership over the next few years, it is worthwhile to consider financial incentives for Mrs. Bethea, similar to those used in the private sector, to encourage her to remain with SCEL for as long as possible.

The Committee discussed various options since hiring a new Executive Director would likely require a salary well above the current salary, the cumulative effect of declining past attempts to increase her salary, the length of the incentive package, and the need to develop a plan that does not create a “lame duck” period when her ability to effectively lead SCEL would be greatly diminished. Mrs. Bethea stated that she was not interested in any arrangement where she would be paid for time remaining on a contract after her departure.

After further discussion, it was the consensus of the Committee to recommend that the Board authorize the Chairman to negotiate and enter into an appropriate incentive package, not to exceed \$300,000, with the goal of retaining the services of the Executive Director for as long as practical to ensure the stability of the organization for the next several years.

There being no further business, the meeting was adjourned.

 /s/
 Tim Madden, Chairman

 March 17, 2015
 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.