

**Meeting Minutes
Executive Committee of the
South Carolina Education Lottery Board of Commissioners
August 13, 2014**

The Executive Committee of the South Carolina Education Lottery Board of Commissioners held a meeting on Wednesday, August 13, 2014, at 9:15 a.m., fourth floor, room (#407), 1333 Main Street, Columbia, South Carolina.

The following committee members participated:

Tim Madden, Chairman
Dr. Edward Keith, Vice Chairman
Nancy Cannon, Treasurer (via telephone)
Sam Litchfield, Secretary
Peter Bristow, At-Large

The Chairman called the meeting to order.

Performance Review of the Internal Auditor

The Chairman asked Bethany Parler to provide the Committee an overview of her activities and a self-evaluation of her performance during the past year. She reviewed her training, positions of leadership in professional associations, her work on the audits completed this year, and the results of the annual SCEL employee survey. She indicated that she receives support from SCEL management and that, while she is reviewing software designed to monitor internal controls, at this time she is comfortable with the resources available for her to perform her responsibilities.

Report to the Board

After a discussion regarding her performance, a review of past compensation, her current salary in relation to the range in the assigned pay-grade, it was the consensus of the Committee to recommend to the Board an increase Mrs. Parler's salary by three percent.

Performance Review of the Executive Director

The Chairman asked Paula Harper Bethea to provide an overview of her activities during the past year and to give the Committee a self-evaluation of her performance. She reviewed the current cost-cutting measures (lease payment savings and not filling vacant positions), transfers to education, personnel changes and restructuring, overall morale, a brief review of internal talent, and potential options for succession planning (even though there are no current plans for her departure or other senior managers). The Chairman solicited input from senior management regarding Mrs. Bethea's performance and those very positive comments were conveyed to the Committee. Mrs. Bethea also stated that the Board is providing sufficient resources for her and the staff to manage operations and enhance transfers to education.

Report to the Board

After discussion, the consensus of the Committee was Mrs. Bethea's performance as reflected in every subjective and objective measure warranted a salary adjustment and/or bonus to reward her for her past performance and to ensure she remained with SCEL for as long as she wished. Mrs. Bethea thanked the Committee for its support and encouragement but respectfully declined any compensation increase.

Given this consensus, the Chairman indicated that he would continue to explore options to monetarily reward Mrs. Bethea in a manner acceptable to her because there have been no salary adjustments since her hiring in 2009. At the appropriate time, he will report these options to the Committee.

Other Business

There being no further business, the Executive Committee adjourned the meeting

/s/
Tim Madden, Chairman

December 9, 2014
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.