

RECORD
AUDIT AND LEGAL COMMITTEE
1.15.2013, 4 p.m., Little Rock Headquarters

The meeting was called to order in conference call by the Committee Chair, Commissioner Campbell, who noted the presence of members Commissioners Faris, Engstrom, and Lamberth, and of Commissioner Malone. Also present were Director Woosley, Auditor Brown and staff members Baldrige, Vick, Block, and others.

Chairman Campbell asked Director Woosley to review the options for outside legal counsel, currently under contract with the Mitchell Williams firm. The Director said he had spoken with Derrick Smith of Mitchell Williams last week and, with the nearing of the first year of the contract, Mr. Smith broached the subject the presence of Jean Block, the Lottery's new Chief Legal Counsel, and that there had been only light use of the firm in the past year. He said that Mr. Smith mentioned terminating the contract by mutual agreement and that they agreed to bring it to the Commission. He said that the current arrangement calls for a monthly retainer of \$1500 to the firm, which entitles the Lottery Commission to 7.5 hours of their time. More time utilized is billed at \$200 an hour. Other options would be to go directly to billable hours and forego the retainer, or to end the contractual relationship.

Discussion followed. Commissioner Lamberth commended Mitchell Williams for their good work this past year. It was mentioned that all the firms whose proposals were considered had been pre-qualified for expenditures under \$25,000. By motion of Commissioner Engstrom, seconded by Commissioner Lamberth, and approved without dissent, the Committee authorized the Director to ask Mitchell Williams to forego the retainer and continue the relationship for billable hours only, at a rate of \$200 per hour; or, to cancel the contract. It was asked that this action be reported to the full Commission.

Chairman Campbell then brought forth the matter of the agency paying for the licensure and costs related to maintaining licensure, for full-time employees with law or certified public accountancy licenses, or other certifications or licenses that relate to their work. Discussion followed.

Commissioner Engstrom stated that it is in the best interest of the agency when an employee holds a professional certification that is useful in conducting day-to-day business. He noted that licensing, continuing professional education, and certificate costs had been paid for Ernie Passailaigue, Mike Hyde, Phillip Miley, Jerry Fetzer, Matt Brown, Bridgette Frazier, David Barden, Bishop Woosley and Mike Smith.

RECORD, Page Two
AUDIT AND LEGAL COMMITTEE
1.15.2013

Commissioner Engstrom then moved that the Arkansas Lottery Commission, without requirement to consult with the Commissioners in the future, continue its policy of the past three years and make it a formal policy henceforth:

- to pay or reimburse the cost of professional licensure for any attorneys, certified public accountants, or similar professionals who are full-time employees of the Commission; and
- to pay the costs and fees associated with continuing professional education required to maintain that licensure.

The motion was seconded by Commissioner Lamberth and approved without dissent. It was asked that the policy be taken up by the full Commission.

There being no further business, the meeting was adjourned.