

**Special Meeting of Board of Directors
New Mexico Lottery Authority
September 19, 2018
MINUTES**

Call to Order: Board Chair Dan Salzwedel called the meeting to order at 10:33 a.m. and asked for a roll call. Present and constituting a quorum were: Sal Baragiola, John Kubiak, Dan Salzwedel, both Mark Koson and Aubrey McGowen attended via phone. Paul Guerin and Amy Bailey - absent.

Present from NMLA were; David Barden, Sylvia Jaramillo and Wilma Atencio. Also present were; Othiamba Umi, with Think New Mexico and Belinda Melton.

Approve Proposed Agenda: D. Salzwedel entertained a motion to approve the proposed agenda as presented. J. Kubiak made a motion to approve the proposed agenda as presented; second by S. Baragiola. Carried; 5-0.

Public Comment: None.

**REPORTS:
CEO**

UPS Contract: D. Barden reported that the current shipping contract between the Lottery and the United Parcel Service, Inc. (UPS) is scheduled to expire on September 14, 2018 and the Lottery has been in contract negotiations with UPS. UPS has agreed to extend the contract temporarily through October 13, 2018 to allow the Lottery to obtain approval from the Board of Directors for a new contract. The Lottery is requesting approval to comply with the Lottery Act Section 6-24-7 (Board of directors; duties) E **“It is the duty of the board to approve or disapprove all procurements over seventy-five thousand dollars (\$75,000).”** D. Barden also stated that under the New Mexico Procurement Code Section 13-1-198 F this procurement is exempt from its provisions: **“The provisions of the Procurement Code shall not apply to travel or shipping by common carrier or by private conveyance or to meals and lodging.”**

UPS initially presented a new contract with a 4% annual increase for a three-year contract period. S. Jaramillo and her staff negotiated a five-year contract with a fixed rate at 4% increase each year with no further increases during this period. The Lottery could not obtain a lower percentage increase due to volume and the geographical size of New Mexico along with the UPS-wide rate increases currently being proposed.

The new contract is estimated to cost approximately \$284,000 in fiscal year 2019. The previous contract was approximately \$275,000.

D. Barden also requested as part of the approval of this contract, that the FY 2019 Consolidated Original Annual Budget approved on June 6, 2018 be revised to include the approval of the UPS contract along with the approval of the Shipping and Postage amount included in the budget.

J. Kubiak made a motion to accept and approve the UPS Contract as presented and that an addition be made to the Addendum of the FY 2019 Consolidated Original Budget that the UPS contract amount be included in the budget and made a part of the approval of each fiscal year original budget and revised budget; second by M. Koson.

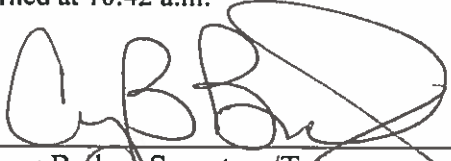
Carried; 5-0.

Other: None.

Adjournment: D. Salzwedel entertained a motion to adjourn. J. Kubiak moved to adjourn the meeting; second by A. McGowen. Carried; 5-0. The meeting adjourned at 10:42 a.m.



Dan Salzwedel, Chairman
Date: 10-30-18



Amy Bailey, Secretary/Treasurer
Date: 10/30/2018