



The Commonwealth of Massachusetts

Massachusetts Gaming Commission

NOTICE OF MEETING and AGENDA

October 16, 2012 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Tuesday, October 16, 2012

1:00 p.m.

Division of Insurance

1000 Washington Street

1st Floor, Meeting Room 1-E

Boston, Massachusetts

PUBLIC MEETING - #31


1. Call to order
2. Approval of minutes
 - a. October 9, 2012 Meeting
3. Project Work Plan
 - a. Consultant status report
 - b. "Out of sequence" policy decisions and/or community/developer advisories
 - c. RFA-1 process and schedule
 - d. PMA timeline update
4. Administration
 - a. Personnel searches
5. Finance/Budget
 - a. Budget Update
 - b. Procurement Update
6. Racing Division
 - a. Operations Update
7. Public Education and Information
 - a. Community and/or Developer outreach/responses to requests for information
 - i. Chelsea questions
 - b. Acting Ombudsman Report
 - i. Introduction of Ombudsman candidate
 - ii. Host and surrounding community reimbursement
 - c. Massachusetts Performing Arts Center Coalition presentation
 - d. Report from Director of Communication

8. Research Agenda
 - a. Status report

9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting

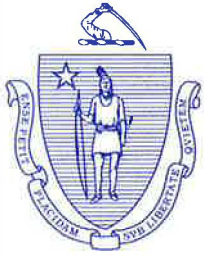
I certify that on this date, this Notice was posted as “Gaming Commission Meeting” at www.mass.gov/gaming/meetings, and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us, brian.gosselin@state.ma.us.

10/12/12
(date)



Stephen P. Crosby, Chairman

Date Posted to Website: October 12, 2012 at 1:00 p.m.



The Commonwealth of Massachusetts Massachusetts Gaming Commission

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Boston, Massachusetts 02109

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www.mass.gov/gaming

CHAIRMAN
STEPHEN P. CROSBY
COMMISSIONERS
GAYLE CAMERON
JAMES F. McHUGH
BRUCE W. STEBBINS
ENRIQUE ZUNIGA

Instructions for Applicants for a Gaming License-RFA Phase 1 Application

An Applicant for a Category 1 or Category 2 gaming license is required to submit as part of the RFA Phase 1 application the following:

1. A non-refundable initial application fee of \$400,000, payable to the Massachusetts Gaming Commission. An Applicant may pay the nonrefundable application fee either by certified check or by secure electronic transfer made payable to the Massachusetts Gaming Commission. If the fee is submitted in advance of filing the application, the Applicant must sign a certification stating that it will be applying for a gaming license and that it understands that the application fee is nonrefundable.
2. A complete and accurate Massachusetts Business Entity Disclosure Form for the Applicant, including an executed and notarized Release Authorization; Consent to Inspections, Searches And Seizures; Statement Of Truth; and Waiver Of Liability, initialing at the bottom of each page of the application form as indicated.
3. A complete and accurate Massachusetts Business Entity Disclosure Form for each holding and parent company of the Applicant, and for any proposed operating company of the gaming establishment or other entity designated by the Commission to be an entity qualifier of the Applicant, including an executed and notarized Release Authorization; Consent To Inspections, Searches And Seizures; Statement Of Truth; and Waiver Of Liability, initialing at the bottom of each page of the application form as indicated. Please place the Release Authorization as the last page of the application form.
4. For each natural person qualifier of the Applicant or of a holding or parent company of the Applicant, or of a proposed operating company of the gaming establishment, as identified by the Commission:
 - a. A complete and accurate Multi-Jurisdictional Personal History Disclosure Form, including an executed and notarized Statement Of Truth; and

- b. A complete and accurate Massachusetts Supplemental Form to the Multi-Jurisdictional Personal History Disclosure Form, including an executed and notarized Release Authorization, Statement of Truth, Waiver of Liability and Consent to Inspections.

Copies of the above forms are available for downloading from the Commission's website. Please click the download icon at the bottom of the page. Application documents will be sent to your internet browser in either PDF or Word format. Complete instructions on how to prepare the application and where to send it are included in the document. Please comply fully with said instructions. We request that questions regarding completion of the application form, or with any of the instructions, be submitted via email to MGCapplications@state.ma.us. All questions will be answered promptly and may be posted on our website.

The deadline for filing the RFA Phase 1 application is **January 15, 2013**. Please note that the initial application fee is due no later than when the application is submitted.

All applicants for a gaming license, and all of the qualifiers of the applicant, both natural person and entity qualifiers, shall be subject to a thorough background investigation by the Investigations and Enforcement Bureau of the Commission, or by its designated agents. The licensing fee shall be used to defray the costs of said investigations and any additional costs shall also be borne by the Applicant.

Applicants are obligated to establish their suitability for a gaming license and the suitability of all qualifiers by clear and convincing evidence.

The awarding of gaming licenses is a two phase process. In Phase 1, the Commission will evaluate the qualifications and suitability of a gaming license applicant and all of its natural person and entity qualifiers.

All applicants found suitable by the Commission, according to the standards set forth in the Massachusetts Gaming Act, M.G.L. c. 23K, will be eligible to proceed to Phase 2 of the process and submit RFA Phase 2 applications.

In Phase 2, the Commission will review an applicant's proposal, focusing on the merits of an applicant's proposed gaming establishment, compliance with all statutory and regulatory criteria, and other matters within the Commission's jurisdiction.

It is highly recommended that applicants review the details of the application process set forth in the Massachusetts Gaming Act, M.G.L. c. 23K, and its attendant regulations, 205 CMR 101.00 through 117.00. This information is available on the Commission's website. All requests for confidentiality will be processed in accordance with the provisions of 205 CMR §§ 103.09 through 103.13. All requests for waivers of any disclosure the forms require and all requests for deadline extensions will be processed in accordance with 205 CMR § 102.03 and/or § 116.03.

All application forms must be filed electronically, by the following method:

Document Shipments

1. Two copies of all documents must be submitted on CDs, DVDs or USB Drives. Multiple documents may be submitted on a single CD, DVD or USB Drive but the second copy of each document must be submitted on a separate medium. For example, if Documents 1 through 10 are submitted on CD 1, then copies of those ten documents should be submitted on CD 2. Please do not send any documents via email because this format does not lend itself well to our internal control processes. Furthermore, email is not very secure and, for this reason, it is a poor choice for confidential documents.
2. Both USB 2.0 and USB 3.0 drives are acceptable.
3. All CDs, DVDs and USBs should be labeled with the entity name and any other practical identifying information. Labeling should be applied to a CD, itself, rather than the dust jacket or plastic case. Labeling information can be hand written on a CD or USB using a permanent marker pen. Printed labels are appreciated but not required.
4. Each shipment of documents should be accompanied by a cover memo stating: who is sending the material, the number of CDs or USB drives and a brief description of the contents.
5. The mailing address for shipments of CDs and USBs is:

Jamie Ennis
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, Massachusetts 02109
617.979.8404

Security

Documents submitted to the Commission may be encrypted if a high level of security is required. In order to simplify password management, once a password has been selected, please use that same password for any subsequent documents that are encrypted.

File Standards.

1. If a large number of files are being shipped they should be organized into folders. Most often, folders will be used to help separate the qualifiers, companies and holding companies.
2. File names should not be longer than 35 characters and should not contain characters such as: \ ~! @#\$ %^&*()+{|<>"/=. If a date is used in a file name it can be written in the following format: Jan 25, 2012. Please do not use coded file names such as "003r334ff4/1/12."
3. File names should be descriptive and consist of two parts: (1) the document type and (2) the name of the applicant or the company name. For example, "Federal Tax 2001 Ruth Mendez" would be the file name of the federal tax return filed by an applicant named Ruth Mendez. For the most common types of documents please use the standard file names listed below. If a document does not correspond to one of these standard names then use a name that is descriptive of the document type.
 - a) MJPHD Adam Smith
 - b) SMJPHD Alex Twifford
 - c) Release Forms Jordan Quill
 - d) Birth certificate Adam Smith
 - e) Federal Tax 2001 Ruth Mendez
 - f) State Tax 2001 Ruth Mendez
 - g) Bank Statement Ruth Mendez
 - h) IRS Form 4506 Alex Twifford
 - i) SEC 10 2008 Jordan Quill
 - j) Driver's License Jordan Quill
 - k) Family Trust Adam Smith
 - l) Organizational Chart XYZ Corp
 - m) Operating Agreement XYX Corp
 - n) Articles of Organization XYZ Corp.

3.d



PMA Consultants

25 Braintree Hill Office Park, Suite 303
Braintree, MA 02184
Tel: 781.794.1404
Fax: 781.794.1405

MEMORANDUM

To: Mass Gaming Commission / Commissioner Zuniga & Eileen Glovsky

From: PMA Consultants

Re: 2012-10-10 MGC Schedule Update / 4week Look-Ahead Schedule Summary

Date: 10/15/2012

CC:

Progress Review: Actual Dates from October 1st to 12th, 2012.

- Hired Racing Director (10/09/12).
- Started the Public Procurement of the Investigation Services (10/10/12).
- MA Register published Regulations Phase 1 (10/12/12).

Upcoming Activities: 4week Look-Ahead Schedule / Activities planned from October 15th to November 9th, 2012.

Regulations & Application Process:

- Publish the RFA for Phase 1 Applications (10/15/12). **critical path**
- Gaming Consultants to issue Strategic Plan (10/15/12).
- Review Scope with MGC and start drafting Regulations Phase 2 (10/16/12).
- Start Reviewing Responses for the Research Agenda RFI (10/19/12).
- Start drafting the Scope of Licensing for Investigations for the Phase 1 Applications (10/19/12). **critical path**
- Start Developing RFA for the Research Agenda scope of work (11/01/12).
- Start working on the Statutory Process for the Racing & Charitable Gaming (11/02/12).

MGC Internal Hires

- Hire Ombudsman (10/15/12).
- Start interviewing process for two (2) Generalist (10/22/12).
- Start convening the Gaming Policy Advisory Committee (11/01/12).



- Continue the interview process of applicants for the Associate Counsel position.
- Continue the interview process of applicants for the BU Fellowship Lawyer position.
- Continue the interview process of applicants for the General Counsel position.
- Continue the interview process of applicants for the Executive Director position.

MGC MOUs:

- Draft Investigatory MOUs with Federal Agencies (e.g., US Attorney, FBI, DEA, DOJ ICE, Home Land Security) (from 10/15 to 10/30/12).
- Execute Investigatory MOUs with Federal Agencies (10/30/12).
- Start drafting Operational MOUs with other Agencies (AGO/DGE, POL, ABCC) (11/02/12).

DRAFT

G.L. c. 23K, § 70: The commission shall annually submit a complete and detailed report of the commission's activities, including a review of the implementation and enforcement of this chapter and the governance structure established in this chapter, within 90 days after the end of the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerks of the senate and the house of representatives, the chairs of the joint committee on economic development and emerging technologies and the chairs of the house and senate committees on ways and means.

[To be done on the letterhead of the Massachusetts Gaming Commission]

Dear Governor Patrick, General Coakley, Treasurer Grossman, Madame President, Mr. Speaker, Committee Chairs:

I am pleased to deliver to you the first of what will be many annual reports of the Massachusetts Gaming Commission. This report will cover our operations to the current time, not merely the first three months of our existence which fell in the prior fiscal year. Although the Commission has been in existence only since March 21 of this year, it has enthusiastically begun the process of implementing the expanded gaming legislation passed in November, 2011. Indeed, on August 8, 2012, four months after our first meeting, the Commission began accepting applications for the Category 1 and Category 2 gaming licenses the statute envisions. Soon, it will begin investigations of those applicants, that are designed to ensure the integrity of those who ultimately are awarded gaming licenses. Those investigations are a major and essential component of the license-issuing process.

During the 7 months of its existence, as the Commission focused on organizing and regulatory efforts, took over the duties and responsibilities the former State Racing Commission and completed its assessment and report on charitable gaming, it also engaged in a vigorous outreach program to acquaint cities, towns and other affected segments of the public about the expanded gaming statute, the Commission's mission, the Commission's plans and the impact expanded gaming will have throughout the Commonwealth. At the same time, the Commission traveled statewide to hold a series of educational forums to acquaint itself and the public with critically important information on subjects such as the interplay between the anticipated gaming institutions and job creation, tourism, workforce and supplier development and diversity, problem gambling, law enforcement and other critical issues. The Commission anticipates further forums on other important topics as its efforts proceed.

Since March, the Commission has aggressively embarked on a list of initiatives to further the goals outlined in the governing legislation. Balancing attention to process with the need for expedience, the Commission has taken the following major steps toward achieving those goals.

MGC Operation Initiatives

- Established as our primary objective to conduct a participatory, transparent and fair implementation of the expanded gaming legislation
- Identified, leased and outfitted space for first 30 employees
- Created and adopted a mission statement, procurement rules and IT use policy
- Obtained from other departments and agencies, analyzed and began process of adopting policies necessary for a completed personnel manual
- Elected a Secretary and Treasurer
- Completed a search for and engaged a highly experienced team of gaming consultants (Spectrum Gaming and Michael & Carroll headed by former Boston Police Commissioner Kathleen O'Toole)
- Completed a search for and engaged highly experienced legal consultants Anderson & Kreiger, LLP of Cambridge, MA
- Completed a search for and engaged a highly qualified project-management team (PMA) to assist the Commission in managing the multiple activities and responsibilities set out in the statute, integrating and sequencing those activities and projecting critical-path timelines for their completion in a sophisticated interactive project management chart
- Completed a search for and hired a highly experienced racing consultant, Ann Allman, who prepared a report on the current status of the Massachusetts racing industry and regulations with recommendations for desirable changes, all of which resulted in an announcement on July 17, 2012, of a sweeping update and reform of racing operations
- Hired an experienced and highly qualified Director of Administrative Services and Director of Communications
- Initiated a formal search process for a permanent executive director whom the Commission anticipates hiring in November
- Completed a formal search for a Director of Racing Operations, Dr. Jennifer Durenberger who will start in October with responsibility for oversight of all racing operations at the Commonwealth's racetracks
- Completed a formal search for an Ombudsman who will be hired in October and whose energies will be focused on assisting developers of expanded gaming facilities, and the cities and towns those facilities affect, ensuring that they have effective and efficient lines of communication with the Commission and ensuring that they receive the assistance they need from the Commission and from other state agencies as development proceeds

- Issued regulations and entered agreements that allowed the Commission to take over responsibility for all responsibilities of the State Racing Commission by the deadline of May 20, 2012, including responsibilities for oversight of racing and simulcasting operations at Suffolk Downs racetrack in Boston, Plainridge racetrack in Plainville, and simulcasting operations at Raynham Park in Raynham
- Assumed responsibility for oversight of certain aspects of charitable gaming in the Commonwealth on July 31, 2012
- Prepared and submitted to the Legislature an analysis of the Commonwealth's charitable gaming laws and preliminary recommendations for changes with a further report and recommendations to follow by year's end
- Commenced formal searches for the Commission's General Counsel and for the Director of the Commission's Investigation and Enforcement Bureau, both of which are critical positions, with the anticipation that finalists will be ready for selection with the Executive Director's participation soon after the Executive Director is hired
- Interviewed numerous applicants for legal personnel and administrative employees to assist with day-to-day operations, strengthen technological capabilities and create the administrative structure necessary to support Commission operations over the next six to eight months, hiring 6 such personnel
- Developed and implemented a process with the Massachusetts State Police for provision of temporary assistance with investigations and background checks
- Created mechanism to insure continuation of payments from the Racing Stabilization Fund
- Developed plan for comprehensive, longitudinal study of socio-economic impacts of gaming
- Conducted initial planning session on best practices to implement intent of Gaming Legislation to promote diversity and inclusion
- Arranged regular site for weekly public meetings with live on-line streaming capacity

MGC Licensing Efforts

- Designed and adopted a 2 phase Request for Application (RFA) process which will save 3-6 months in the overall application process
- Completed the process of preparing and issuing extensive regulations (_pages) governing the Phase 1 applications that focus on the qualifications of all developers who seek an expanded gaming license
- Also proposed and adopted regulations governing (a) the hearings the Commission will hold, (b) the records the Commission will keep, (c) the political and other contributions the Commission will monitor and (c) the initial reimbursement of expenses incurred by cities and towns that the Commission will oversee
- Released RFA-1 (background check) forms to potential gaming license applicants
- Began coordinated planning with other affected state agencies on the expanded code of ethics the statute requires

- Began discussions with other departments and agencies regarding processes for consolidating and streamlining at the state and local level the permitting processes necessary for construction of gaming facilities
- Consulted with the Secretary of Administration and Finance and other Secretaries whose departments have jurisdiction over permitting and licensing of gaming facility construction to ensure that the permitting and licensing processes are as streamlined as the statutes permit
- Issued a protocol designed to help developers, cities and towns obtain the Ombudsman's assistance in communications with state permit-granting authorities
- Received, reviewed and revised a Strategic Plan (461 pages) by gaming and legal consultants for completing organization of the Commission; creating and maintaining the Commission's budget; creating all needed regulations and planning for their issuance; identifying and obtaining needed memoranda of understanding with other agencies; planning and executing the process for issuing and processing Requests for Qualifications and Licenses and the responses; and identifying and creating the comprehensive regulatory structure that will begin to take effect after licenses are granted

MGC Communication and Outreach Efforts

- Hosted 31 open public meetings since April 10, the vast majority of which have been live-streamed on the Internet and can be seen on the Commission's website, along with a transcript of the meeting, meeting minutes, and the documents used at each meeting
- Hosted six educational forums on issues such as community mitigation, protecting regional tourism, economic development, and problem gambling
- Planned, produced and live-streamed a day long public conference on gaming regulation that was attended by 150 people and watched by another 100 on the Internet on May 3 and 4
- Focused on enhanced community outreach by hiring a Director of Communications and Outreach, establishing a mechanism for making weekly meetings available to the public, and beginning to develop a robust social media effort to facilitate community outreach
- Prepared and delivered briefings at, among other gatherings, Southeastern Regional Planning and Economic Development District ; Old Colony Planning Organization; North Shore Development Alliance; municipal leaders from Southeastern Mass and numerous state-wide Chamber of Commerce meetings
- Established a Speakers Bureau to facilitate requests for community and business organizations interested in learning more about the licensing process and the roles and responsibilities of the Commission
- Received and responded to numerous email inquiries from members of the public about various aspects of the gaming legislation

- Completed and posted on the current web site (mass.gov/gaming) an index to the 2011 gaming legislation to help members of the public find provisions of interest to them
- Developed a robust social media campaign to increase awareness of the Commission's progress which includes visibility on Twitter, Facebook, Instagram and YouTube
- Issued 45 press releases, over 500 tweets, 300 Facebook posts and dozens of videos uploaded to YouTube
- Currently developing a comprehensive brand identity through the establishment of a logo and an highly-effective and user-friendly website which will include a blog, community calendar, video and other key information to be completed by January 2013

The Commission remains committed to moving forward transparently with all of the speed that prudent oversight of this important new venture permits. We look forward to continued progress and remain eager to discuss with you at your convenience the efforts the Commission is making, the results it is achieving and any other aspect of our operations about which you would like additional information.

Sincerely,

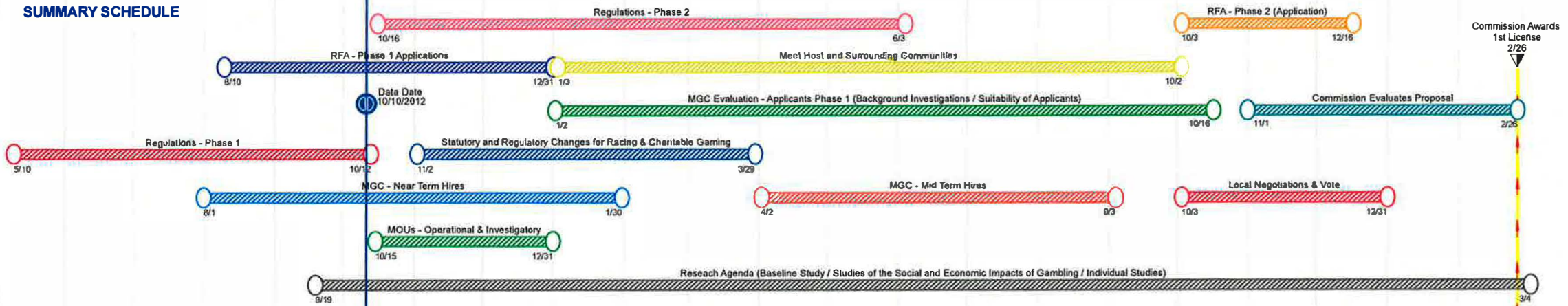
SPC

Cc: Clerks of House and Senate

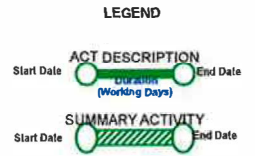
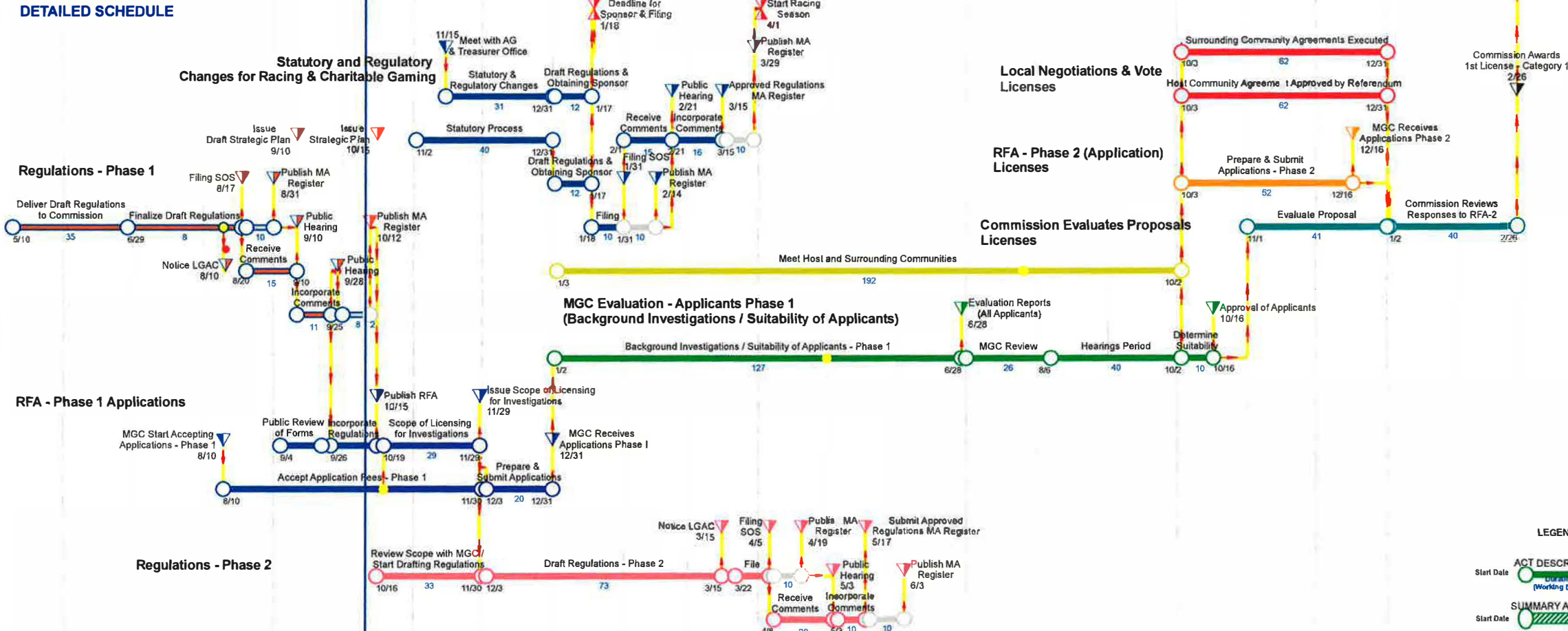
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Massachusetts Gaming Commission 2012-10-10 Summary Schedule

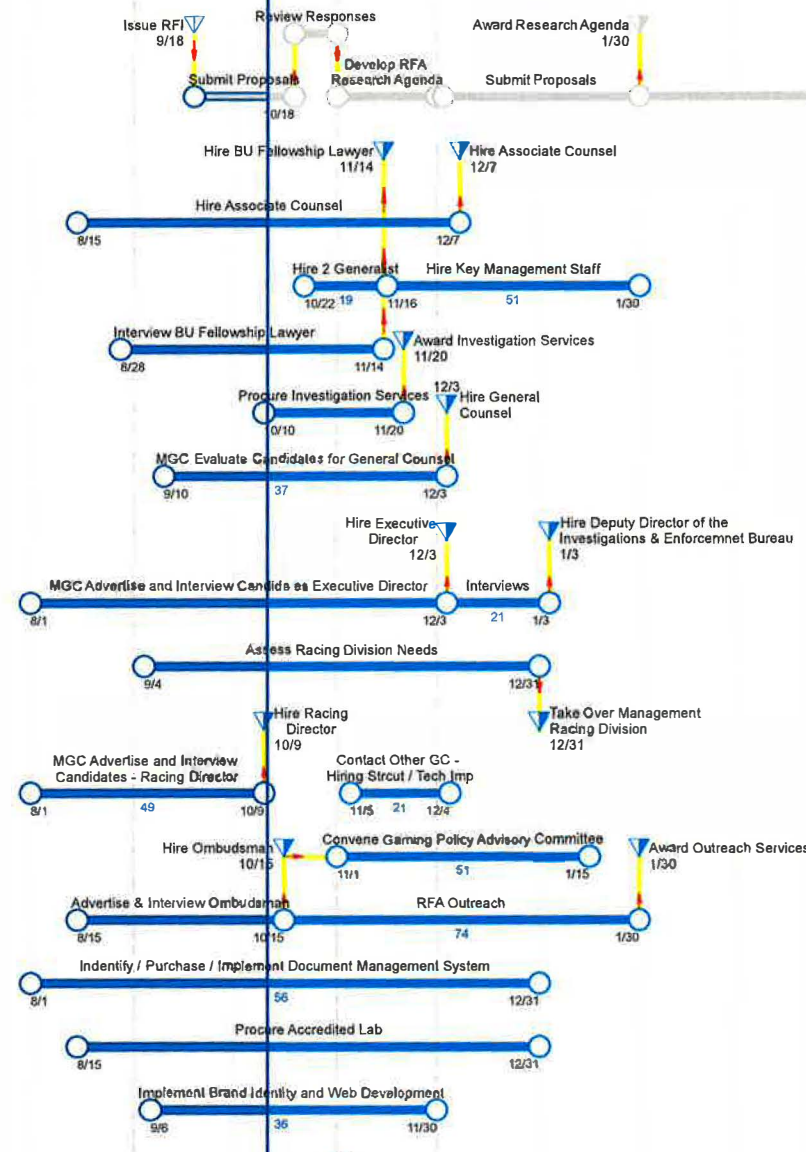
SUMMARY SCHEDULE



DETAILED SCHEDULE



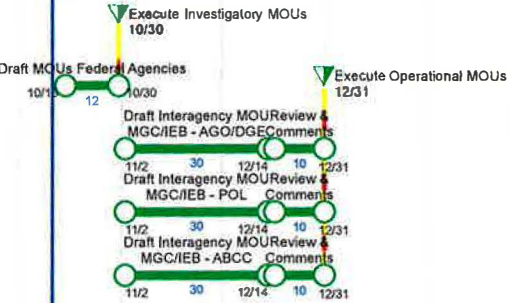
MGC - Near Term Hires



MGC - Mid Term Hires



MGC MOUs (Operational & Investigatory)



5.9

Massachusetts Gaming Commission
 Approved Budget FY 2013
 1st Quarter Budget to Actual Expenditure Report

Item	Description	FY2013 Amount A	Prorated Budget B=A/4	1st Quarter Expenditures C	Under / (Over) D=B-C	Percent Unspent E=D/B	Notes
1	Salaries and Fringe	\$ 2,735,896	\$ 683,974	\$ 266,272	\$ 417,702	61%	(1)
2	Consulting / Advisors / Service Providers	\$ 2,986,809	\$ 746,702	\$ 701,762	\$ 44,940	6%	
3	Rent / Office; chargebacks	\$ 685,460	\$ 171,365	\$ 176,123	\$ (4,758)	-3%	
4	Capitalized Costs	\$ 245,000	\$ 61,250	\$ -	\$ 61,250	100%	(2)
5	Events / Hearings / Travel	\$ 84,700	\$ 21,175	\$ 21,608	\$ (433)	-2%	
	Subtotal	\$ 6,737,865	\$ 1,684,466	\$ 1,165,765			
	Statewide Allocation Percentage	\$ 673,787					
	Subtotal Approved Budget	\$ 7,411,652	(3)				

Notes

- (1) Certain salaries (ED, GC, IEB, etc.) were assumed at 50 - 70 % for the year. Prorated budget does not account for fact that none of these positions were vacant first quarter, but will begin to be filled in subsequent quarters
- (2) The buildout of additional space, and associated fitout and equipment expenses was budgeted but not yet incurred
- (3) Approved budget figure did not include (a) research agenda, (b) incremental costs for investigations (c) racing operations or (d) technical assistance to Cities and Towns

Massachusetts Gaming Commission
 FY13 1st Quarter Expenditures Report

5.a

Department	FY	object_clas	object_class_name	object	object_name	Amount	Subtotal
Salaries and Fringe							
MGC	2013	DD	PENSION & INSURANCE RELATED EX	D09	Fringe Benefit Cost Recoupment	\$ 18,757	
MGC	2013	DD	PENSION & INSURANCE RELATED EX	D09	Fringe Benefit Cost Recoupment	\$ 20,772	
MGC	2013	AA	REGULAR EMPLOYEE COMPENSATION	A01	Salaries: Inclusive	\$ 68,781	
MGC	2013	AA	REGULAR EMPLOYEE COMPENSATION	A01	Salaries: Inclusive	\$ 76,173	
MGC	2013	AA	REGULAR EMPLOYEE COMPENSATION	A01	Salaries: Inclusive	\$ 81,567	
MGC	2013	BB	REGULAR EMPLOYEE RELATED EXPEN	B11	Employer Refund of Non-Tax Benefits	\$ 2	
MGC	2013	BB	REGULAR EMPLOYEE RELATED EXPEN	B10	Exigent Job Related Expenses	\$ 120	
MGC	2013	BB	REGULAR EMPLOYEE RELATED EXPEN	B11	Employer Refund of Non-Tax Benefits	\$ 2	
MGC	2013	BB	REGULAR EMPLOYEE RELATED EXPEN	B10	Exigent Job Related Expenses	\$ 98	
MGC	2013	BB	REGULAR EMPLOYEE RELATED EXPEN	B11	Employer Refund of Non-Tax Benefits	\$ 2	
1) Salaries and Fringe						\$ 266,272	
Consultants / Advisors / Service Providers							
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H09	Attorneys/Legal Services	\$ 155,267	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H19	Management Consultants	\$ 62,500	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H98	Reim Trav/Exp For Consultant Services	\$ 1,015	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	HH3	Media Design, Editorial and Communication	\$ 44,076	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H09	Attorneys/Legal Services	\$ 224,994	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H19	Management Consultants	\$ 62,500	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H21	Personnel Placement Consultants (Recruiters)	\$ 15,000	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	HH3	Media Design, Editorial and Communication	\$ 30,243	
MGC	2013	HH	CONSULTANT SVCS (TO DEPTS)	H19	Management Consultants	\$ 62,500	

Massachusetts Gaming Commission
FY13 1st Quarter Expenditures Report

MGC	2013 HH	CONSULTANT SVCS (TO DEPTS)	H21	Personnel Placement Consultants (Recruiters)	\$ 20,000
MGC	2013 HH	CONSULTANT SVCS (TO DEPTS)	H98	Reim Trav/Exp For Consultant Services	\$ 1,565
MGC	2013 HH	CONSULTANT SVCS (TO DEPTS)	HH3	Media Design, Editorial and Communication	\$ 22,101
2) Consultants / Advisors / Service Providers					\$ 701,762
Rent / Office / Chargebacks					
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E15	Bottled Water	\$ 39
MGC	2013 EE	ADMINISTRATIVE EXPENSES	EE2	Conference, Training and Registration Fees	\$ 150
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E30	Credit Card Purchases	\$ 959
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E30	Credit Card Purchases	\$ 2,243
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E30	Credit Card Purchases	\$ 9,557
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E16	Indirect Cost Recoupment	\$ 48,912
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E01	Office & Administrative Supplies	\$ 41
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E01	Office & Administrative Supplies	\$ 1,637
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E01	Office & Administrative Supplies	\$ 321
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E06	Postage	\$ 306
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E06	Postage	\$ 7
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E98	Reimbursement for Travel and Other Expenses for Board Member	\$ 122
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E12	Subscriptions, Memberships & Licensing Fees	\$ 1,093
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E12	Subscriptions, Memberships & Licensing Fees	\$ 1,741
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E12	Subscriptions, Memberships & Licensing Fees	\$ 1,185
MGC	2013 GG	ENERGY COSTS AND SPACE RENTAL	G01	Space Rental	\$ 21,342
MGC	2013 GG	ENERGY COSTS AND SPACE RENTAL	G03	Electricity	\$ 600
MGC	2013 GG	ENERGY COSTS AND SPACE RENTAL	G01	Space Rental	\$ 21,342
MGC	2013 GG	ENERGY COSTS AND SPACE RENTAL	G03	Electricity	\$ 608
MGC	2013 GG	ENERGY COSTS AND SPACE RENTAL	G03	Electricity	\$ 650
MGC	2013 LL	EQUIPMENT LEASE-MAINTAIN/REPAR	L25	Office Equipment Rental or Lease	\$ 133

Massachusetts Gaming Commission
FY13 1st Quarter Expenditures Report

MGC	2013 LL	EQUIPMENT LEASE-MAINTAIN/REPAR	L26	Printing/Photocopy & Micrographics Equip Rent/Lease	\$	264
MGC	2013 LL	EQUIPMENT LEASE-MAINTAIN/REPAR	L25	Office Equipment Rental or Lease	\$	32
MGC	2013 LL	EQUIPMENT LEASE-MAINTAIN/REPAR	L26	Printing/Photocopy & Micrographics Equip Rent/Lease	\$	264
MGC	2013 FF	FACILITY OPERATIONAL EXPENSES	F01	Food, Beverages & Preservation	\$	826
MGC	2013 NN	INFRASTRUCTURE:	N51	Property Management	\$	4,013
MGC	2013 UU	IT Non-Payroll Expenses	U02	Telecommunications Services - Voice	\$	295
MGC	2013 UU	IT Non-Payroll Expenses	U02	Telecommunications Services - Voice	\$	1,813
MGC	2013 UU	IT Non-Payroll Expenses	U02	Telecommunications Services - Voice	\$	444
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	1,226
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	905
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	462
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	462
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	8,105
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	5,962
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	1,281
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	1,281
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	3,791
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	2,611
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	967
MGC	2013 TT	LOANS AND SPECIAL PAYMENTS	T90	Operating Transfer	\$	967
MGC	2013 JJ	OPERATIONAL SERVICES	J33	Photographic & Micrographic Services	\$	40
MGC	2013 JJ	OPERATIONAL SERVICES	J25	Laboratory & Pharmaceutical Services	\$	336
MGC	2013 JJ	OPERATIONAL SERVICES	J33	Photographic & Micrographic Services	\$	20
MGC	2013 JJ	OPERATIONAL SERVICES	J46	Temporary Help Services	\$	3,542
MGC	2013 JJ	OPERATIONAL SERVICES	JJ1	Legal Support Services	\$	13,201
MGC	2013 JJ	OPERATIONAL SERVICES	J25	Laboratory & Pharmaceutical Services	\$	84
MGC	2013 JJ	OPERATIONAL SERVICES	JJ1	Legal Support Services	\$	9,946
				3) Rent / Office / Chargebacks		\$ 176,124
Events / Hearings / Travel						
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E98	Reimbursement for Travel and Other Expenses for Board Member	\$	6,668

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MGC	2013 BB	REGULAR EMPLOYEE RELATED EXPEN	B01	Other Out Of State Travel	\$	2,193
MGC	2013 BB	REGULAR EMPLOYEE RELATED EXPEN	B02	In-State Travel	\$	53
MGC	2013 BB	REGULAR EMPLOYEE RELATED EXPEN	B01	Other Out Of State Travel -	\$	884
MGC	2013 BB	REGULAR EMPLOYEE RELATED EXPEN	B02	In-State Travel	\$	503
MGC	2013 BB	REGULAR EMPLOYEE RELATED EXPEN	B02	In-State Travel	\$	1,983
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E22	Temp Use Space/Confer-Incidental Includes Reservation Fees	\$	1,755
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E22	Temp Use Space/Confer-Incidental Includes Reservation Fees	\$	5,395
MGC	2013 EE	ADMINISTRATIVE EXPENSES	E22	Temp Use Space/Confer-Incidental Includes Reservation Fees	\$	2,175
5) Events / Hearings / Travel						<u>\$ 21,609</u>
					\$ 1,165,767	\$ 1,165,767

Massachusetts Gaming Commission

MEMORANDUM

Date: October 16, 2012
To: Commissioners
From: Enrique Zuniga
Re: Contract Extension with Gaming Consultants

Recommendation: That the Gaming Commission ratify the tentative agreement with gaming consultants to extend a contract for the amount and term stipulated herein.

Background

In a previous meeting of the Commission, the Commission delegated to me the authority to negotiate extensions of contracts with both sets of gaming consultants for the continuing services of standing up the commission. The previous contracts were stipulated at a monthly amount of \$62,500 per firm for the duration of the four months of the preparation of the strategic plan. Those contracts have reached their stated terms (September 30, 2012), and the consultants have among other things delivered a strategic plan to the Commission as originally contracted.

The Commission discussed and planned to extend the contracts with both firms, as it was within its purview as stipulated within the original terms of the contract and the RFR.

Summary of Scope of Work

The anticipated scope of work for the contract extensions includes the following major tasks:

1. Support the Commission in engaging with potential applicants during the scope of licensing process, and support scope of licensing determinations
2. Assist the Commission in recruiting, hiring, orienting newly hired senior staff

3. Draft, review and advise the Commission on different Memoranda of Understanding among different MA agencies (AG, ABCC, MA State Police), as well as other jurisdictions (i.e., other gaming commissions).
4. Conduct research and provide advice for the intake and evaluation of the initial application materials.
5. Assist the Commission in researching, drafting and implementing phase 2 regulations, including articulating required policy decisions.
6. Prepare for the Phase 2 implementation
7. Assist in the assumption of the Racing Operations oversight
8. Respond to miscellaneous and ad-hoc requests from the Commission

Term and Compensation

The proposed effective term begins on October 1, 2012 and ends on June 30, 2013, or the remainder of the fiscal year 2013. This extension would have an effective duration of nine additional months.

It is important to note that in the preparation of the budget for Fiscal Year 2013 back in July of 2012, I assumed a six month extension beyond the then contracted amount. Since then, and given the discussions and considerations of necessary tasks for the upcoming months, I have concluded that it makes the most sense to extend the contract for the remainder of the fiscal year.

The proposed compensation fee is \$70,000 per month per firm plus a 5% fee for expenses (travel expenses), for a total of \$73,500. The all-in fee represents a 17.6% increase from the previous fee in consideration to the recognized need to assist in additional tasks (as described above) during the process of the phase 2 regulations.

Massachusetts Gaming Commission

MEMORANDUM

Date: October 15, 2012

To: Chairman Steve Crosby, Commissioner Jim McHugh, Commissioner Bruce Stebbins, and Commissioner Enrique Zuniga

CC: Director Jennifer Durenberger

From: Commissioner Gayle Cameron

Re: Racing Stabilization Fund Issues Concerning Greyhound/Kennel Owners

Recommendations: Tentative Decision to make payments for 2008 unclaimed winnings (outs) from greyhound racing to kennel owners.

Shortly after the Massachusetts Gaming Commission assumed responsibility for Racing in the Commonwealth, representatives from the kennel owners asked to meet with me, as the Commissioner delegated to oversee the Racing Division. This group, led by their spokesperson, Mr. John O'Donnell, articulated a dispute regarding various financial issues.

Since the issues raised were legal in nature, an informal meeting was held on July 9, 2012, with Ms. Nina Pickering-Cook of Anderson & Kreiger LLP, who served as advisor to the MGC. Representatives of the greyhound kennel owners and the Office of Consumer Affairs and Business Regulations (OCABR), the State Agency with operational responsibility for State Racing Commission (SRC) matters prior to the MGC were also in attendance. Each party presented oral statements summarizing their respective positions on various greyhound racing payment issues.

The kennel owners asserted that money from unclaimed winning tickets (outs) from greyhound racing during 2008 and 2009 was improperly transferred to the Racing Stabilization Fund (RSF) and instead, should have been paid to the greyhound kennel owners. According to the kennel owners and OCABR, it was standard practice for the SRC to pay the monies to the kennel owners each year around April 1, for the racing season two years prior.

The Racing Stabilization Fund was enacted by the c.86 of the Acts of 2010 and became effective on April 28, 2010. The law states:

“Notwithstanding chapters 128A and 128C of the General Laws or any other general or special law or rule or regulation to the contrary, amounts from unclaimed winnings and breaks generated by the ground meeting licensee located in Bristol County and the greyhound meeting licensee located in Suffolk county shall be dedicated to the Racing Stabilization Fund established in section 20.”

Before enactment of c. 86, disposition of outs was governed by G.L. c. 128A, §5A (live wagers) and by G.L. c. 128 C, §5C (simulcast wagers). Those sections required the racetrack licensees to deposit any outs monies with the SRC within 90 days after December 31 in the year following the year in which the wager was made. On or about April 1 of the year in which the deposits were sent to the SRC, the SRC distributed them to kennel owners who are entitled to receive them.

Enactment of the legislation creating the RSF obviously changed the prior process. The kennel owners' position is that the 2008 and 2009 outs monies never should have been deposited into the RSF. The owners argue that the 2008 and 2009 races giving rise to the outs occurred before the legislation became effective. In their view, their entitlement to the funds vested when the races occurred and, therefore, the legislation was inapplicable to the funds those races produced.

OCABR's position, following SRC's interpretation, is that the legislation creating the RSF, and prescribing payments into and out of it, went into effect upon signing by the Governor on April 28, 2010. As a result, they argued that they were required to deposit into the RSF the 2008 outs monies received April 1, 2010, which they were still holding when the legislation became effective, and the 2009 out monies received April 1, 2011, which they received after the legislation became effective.

After reviewing this matter, I believe that the kennel owners' position with respect to the 2008 outs monies is correct. Before the legislation went into effect, the 2008 outs monies had been delivered to the SRC under the pre-existing legislation which required their distribution to kennel owners. Nothing in the legislation suggested that the Legislature intended it to have retroactive application. Insofar as the 2009 outs monies are concerned, however, the new legislation was in effect at the time the tracks were required to dispose of the funds and, as a consequence, that legislation governed their disposition. In sum, the SRC was not obligated to do anything with the 2009 outs monies other than deposit them into the RSF. On the other hand, the RSF did not go into effect until one month after the SRC received the 2008 outs monies. Thus the recommendation is that the kennel owners are entitled to those monies, which are roughly \$500,000.

Another issue raised by the kennel owners' representatives is the amount of simulcast monies paid into the Racing Stabilization Funds. They argued that Suffolk Downs Raceway and Plainridge Race Course did not pay the proper amount into the RSF and that their failure to do so affected the percentage the kennel owners were entitled to receive. Research revealed there is no requirement in the Gaming Act for horse race tracks that simulcast greyhound races to pay funds into the RSF. In the absence of

legislative direction, therefore, the owners' claim involves a relationship with the tracks and they need to pursue that claim with the tracks directly.

Mr. John O'Donnell was verbally informed of the MGC tentative decision with regard to the issues raised. He was advised that the group could present their claims to the entire Commission in a formal setting if they chose to pursue them further. Mr. O'Donnell called earlier this month to advise that the kennel owners would accept this settlement offered by the MGC. Once a final Commission vote is taken and each owner entitled to a portion of the funds has signed a formal agreement to the offer and a release, this matter will be considered closed.

Massachusetts Gaming Commission

MEMORANDUM

Date: ~~September 25~~ October 16, 2012
To: Commissioners
From: Enrique Zuniga
Re: Procedure for Reimbursing Host Communities

Recommendation: That the Gaming Commission adopt and communicate procedures in addition to those described in the draft regulations 205CMR114, for the reimbursement of costs associated with the community mitigation impact agreements.

205 CMR 114.03

The Commission has proposed regulations to reimburse Host and Surrounding Communities for costs associated with the negotiation of community mitigation impact agreements. The regulation in question is 205 CMR 114.03. Applicants, host communities and surrounding communities are encouraged to read the regulations above, and the procedures herein.

Procedures for Reimbursement

The host or surrounding community submits a “letter of authorization” to the Commission signed by authorized representatives of an applicant and a host or surrounding community.

A “Letter of Authorization” is a document itemizing expenditures agreed-to by the Applicant and Host Community for the purposes of conducting studies and other necessary costs for the negotiation of a Host or Surrounding Community Agreement. Each letter of authorization must include all prior agreed-to monies between the Applicant and the Community, whether agreed-to by letters of authorization or otherwise.

“Authorized Representative” is the person(s) or body that can commit funds on behalf of the applicant (e.g., principal, general manager) or the person or body that can commit funds on behalf of the host or surrounding community (e.g., Mayor, Town Manager, Chair of Board of Selectmen).

The Host or Surrounding Community may choose one of the following two alternatives to seek and obtain reimbursement from the Commission:

1. If the Host or Surrounding Community is seeking to obtain funds prior to expending such funds:
 - a. The letter should itemize and stipulate the amounts agreed to by the parties in advance of the monies being spent.
 - b. Upon review by the Commission of the letter of authorization the Commission may disburse 50% of the monies itemized in the letter of authorization, provided that the Commission has received the initial application fee from the applicant.
 - c. After the initial letter of authorization, the Host or Surrounding Community may submit one or more requests for reimbursement.
 - d. The request for reimbursement should contain attached proof of payment (or commitment) by the municipality to the entity (ies) agreed to by the parties.
 - i. Proof of payment includes a copy of an approved invoice with a copy of a warrant or check
 - ii. The Commission may consider financial commitments (i.e., duly executed contracts with specific payment terms), as further proof of payment.
 - e. The Commission may reimburse 50% of the costs that have been expended in such request(s) for reimbursement by the Community until the balance of the monies that the Commission has reserved for the Host or Surrounding Community have been expended in full.
 - ~~e.~~
2. If the Host or Surrounding Community is only seeking to be reimbursed for monies already spent (and agreed to with the applicant) in connection with the Costs for mitigation agreements:
 - a. The Host or Surrounding Community may submit a letter of authorization signed by the Authorized Representatives
 - b. In addition, the Host or Surrounding Community must submit an itemization of all costs for which it is seeking reimbursement with proof of payment.
 - i. Proof of payment includes a copy of an approved invoice with a copy of a warrant or check

The Commission will reserve the right to conduct or cause to conduct an audit of all monies disbursed by the Host or Surrounding Communities for these purposes.

In accordance with CMR 25CMR114, in the event that costs for the negotiation of mitigation agreements are anticipated to exceed the \$50,000 minimum threshold that the statute sets forth,

the host or surrounding community and/or applicant should notify the Commission as soon as possible, and may submit additional "letters of authorization" to the Commission and continue with the procedures described above.