



The Commonwealth of Massachusetts

Massachusetts Gaming Commission

NOTICE OF MEETING and AGENDA

November 20, 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, November 20, 2012

1:00 p.m.

Division of Insurance

1000 Washington Street

1st Floor, Meeting Room 1-E

Boston, Massachusetts

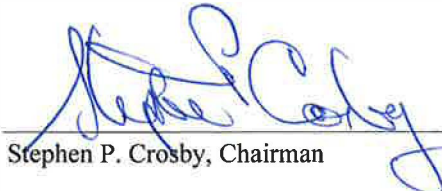
PUBLIC MEETING - #36

1. Call to order
2. Approval of minutes
 - a. November 6, 2012 Meeting
 - b. November 13, 2012 Meeting
3. Project Work Plan
 - a. Investigations Procurement—VOTE
 - b. Scope of Licensing and RFA-1 status report
 - c. Key policy questions status report
 - i. Consultant calls and hearing opportunities
 - ii. On-line submissions
 - iii. Process for completion
4. Administration
 - a. Report from Director of Administration
 - i. Project Management Chart
 - b. Personnel searches
5. Racing Division
 - a. Report from Director of Racing Division
6. Public Education and Information
 - a. Report from Ombudsman
 - i. Information requests from developers, communities or other
 - ii. Other matters
 - b. "Promoting Sustainability, Strengthening Communities and Achieving Design Excellence: A New Model for Massachusetts Casinos Forum"- December 12, 2012 8:00am - Noon
 - c. Discussion of Casino Training Institute MOU
7. Research Agenda
 - a. Status Report

8. Internet Gaming
 - a. Report on Treasurer's On-Line Task Force
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.

11/15/12
(date)


Stephen P. Crosby, Chairman

Date Posted to Website: November 15, 2012 at 1:00 p.m.

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

- Date:** November 6, 2012
- Time:** 1:00 p.m.
- Place:** Division of Insurance
1000 Washington Street
1st Floor, Meeting Room 1-E
Boston, Massachusetts
- Present:** Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga
- Absent:** None

Call to Order:

Chairman Crosby opened the 34th public meeting.

Approval of Minutes:

See transcript pages 2-3.

Chairman Crosby stated that the minutes of the October 30 meeting were ready for review.

*Motion made by Commissioner McHugh to approve the October 30, 2012 minutes as submitted.
Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.*

Massachusetts Environmental Protection Agency (MEPA) Presentation:

See transcript pages 3-29.

Ombudsman Ziembra introduced Maeve Vallyly-Bartlett, Director of MEPA, who was present to provide the Commission with information on the MEPA process. She stated that the MEPA process is an informal administrative process designed to examine environmental issues created by large projects. Projects that receive state financial support, require one or more state permits or approvals or exceed other MEPA thresholds are required to file an Environmental Notification Form (ENF) with MEPA. Some projects will only require this form and other projects will meet thresholds that require a Draft Environmental Impact Report, which includes an extensive description of the project, the project alternatives, permits required and potential mitigation. MEPA has no time requirement for the filing of this report; the proponent has complete control over when the report is filed. The Secretary will review

this report, make recommendations, and then the proponent will file a Final Environmental Impact Report. Once that report is reviewed and the Secretary gives approval, the proponent can obtain necessary permits. She stated that the MEPA process assesses and describes the environmental impact of projects in a public manner for public comment but neither issues nor denies the permits that are necessary for construction. Those permits must be obtained from permitting authorities with jurisdiction over the project or over the area for which the project is planned.

Ms. Valley-Bartlett stated that MEPA thresholds include traffic, air, solid waste, wetlands, waterways, and historic sites. It is her understanding that the major casino projects will be large enough to pass a MEPA threshold. She stated that MEPA's jurisdiction is limited to environmental concerns and issues.

Chairman Crosby stated that discussions surrounding the Taunton casino location include the National Environmental Policy Act (NEPA). He asked how NEPA and MEPA relate. Ms. Valley-Bartlett stated that the Taunton project required NEPA review because the developers were utilizing a federal process to have lands placed into trust. She stated that the MEPA and NEPA processes for Taunton are ongoing simultaneously. She also said that the proposed Planeridge project for a possible slots facility has been identified as one that will require a Draft Environmental Impact Report based on traffic projections.

Chairman Crosby asked if it would be reasonable to require MEPA approval before a project comes to the Commission for Phase-2 approval. Mr. Ziamba stated that he would have to give that some consideration before commenting. Ms. Valley-Bartlett stated that proponents cannot get necessary state permits until they have completed the MEPA process.

Project Work Plan:

See transcript pages 29-56.

Consultant Status Report – Consultants Guy Michael and Robert Carroll addressed the Commission. Mr. Michael stated that they have begun meeting with interested applicants to initiate the process of identifying those persons and entities whose qualification are necessary for the qualification of the applicant itself. He stated that the statute and regulations give the Commission the authority to waive qualification for people whom the applicant shows have no control over the project planned for Massachusetts. He stated that they identified people as to whom qualification could be waived and have set up a process requiring the interested parties to submit written justification for the waiver to the Commission no later than Friday, November 16. The consultants will then meet to evaluate these requests and make a recommendation to the Commission as to whether the waiver request should be granted or denied.

Mr. Carroll stated that they have met with the following groups: the Plainridge Racecourse, the Caesar Suffolk team, Mohegan Sun, Ameristar, Massachusetts Gaming and Entertainment, LLC and its affiliate Rush Street Gaming, MGM Springfield, and Penn National. Commissioner McHugh stated that these meetings were completely voluntary and an entity is free to file an application by January 15 without having this type of meeting. Commissioner Zuniga stated that the Friday, November 16, waiver deadline is only for those applicants who have met with the consultants and does not affect any

other applicant. Commissioner Stebbins asked if the consultants had a sense that the local development partners are aware of the licensing requirements. Mr. Carroll stated that all potential applicants came in with a thorough understanding of the requirements. Commissioner Cameron asked if discussions were held on the application process. Mr. Carroll stated that potential applicants were informed they could complete and submit their Phase 1 applications at any time before the deadline and they understood that they could do so.

Mr. Michael stated that once the applications are filed, they will be sent to the Investigation and Enforcement Bureau (IEB), background investigations will begin, and, if necessary, individuals may be called in for interviews. An overall evaluation then will be made by a supervising investigator. The Deputy Director of IEB will then make a determination on qualifications. For those found not qualified, there will be an appeal process in which the Commission will, if necessary, have the final decision.

Chairman Crosby stated that the Commission is in the process of interviewing for a Deputy Director of IEB and recommended Commissioner Cameron be appointed interim Director of the IEB in the meantime so the investigatory process can begin. Commissioner Zuniga stated that he supported this idea as it is incumbent upon the Commission to have something in place for the possibility of receiving applications for early qualifiers. Commissioner Cameron stated that in her judgment, the Commission is very close to identifying finalists for the IEB position and that person will be able to conduct investigations through a third party contractor. Nevertheless, she said, she would be willing to assume the role of interim Deputy Director of the IEB until the permanent Deputy Director is hired. Commissioner McHugh expressed reservations about making this appointment, as the IEB will be making decisions that may be appealed to the full Commission, which would put Commissioner Cameron in the position of being disqualified from hearing those appeals and leave the Commission without her expertise in making necessary decisions as well as leaving Commission with only four members who can.

Motion made by Commissioner Zuniga to designate Commissioner Cameron to be the Interim Director of the Investigations and Enforcement Bureau until such time as the Commission hires a permanent Director, and authorize her to take such steps with the State Police, consultants and others as are necessary to move the investigations process forward and report to the Commission accordingly. Motion seconded by Commissioner Stebbins. The motion passed by a 4-1-0 vote with Commissioner McHugh voting no.

A brief recess was taken after which Chairman Crosby reconvened the 34th meeting.

Administration:

See transcript pages 56-68.

Report from Director of Communications and Outreach – Director Driscoll introduced the team from Jackrabbit Design. The Team consisted of Dave Belyea, Cara Ogar, and Lynn Spooner. Ms. Driscoll stated that she would like to do one final round of design reviews, with a goal of selecting a logo next week. Mr. Belyea reviewed four concepts for a logo. Discussion was held on the best icon to

incorporate above the Mass Gaming name on the logo. Mr. Belyea stated that he will incorporate the feedback received today and work on some concepts that can be presented at the next Commission meeting so a final decision can be made.

Director Driscoll stated that she will be determining what the community outreach strategy will be with respect to solicitation of feedback on the policy questions. She is working on a draft press release and will also be promoting upcoming speaking engagements.

Project Work Plan (Continued):

See transcript pages 69-108.

Mr. Michael stated that the RFA-2 process is dependent upon completion of the policy questions. Chairman Crosby stated that he would like to outline a timeframe for answering the policy questions. Mr. Ziamba recommended that the Commission formalize a process for municipalities and the development community to provide input on policy questions and do set a deadline for submission of that input. After discussion, the Commission decided to set a deadline of November 27 for submission of comments, with the goal of holding public Commission meetings during the week of December 10 to make policy decisions. Chairman Crosby recommended that each Commissioner prepare position papers for these meetings covering the policies for which he or she is responsible.

Commissioner McHugh asked for clarification on how the Commission would approach the decision-making for category one, two, and three policy questions and what the Commission would do if all levels were not completed during the December meetings. Commissioner Zuniga stated that he envisioned discussing the questions on a rolling basis. Commissioner McHugh recommended starting on the category one questions, moving onto category two, and if category three was not completed in December, work could nevertheless begin on regulations in areas where policy decisions had been made and the remaining policy questions could be addressed in January.

Commissioner Zuniga stated that some of the policy questions could be thought of as adding additional criteria to prerequisites the Gaming Act requires. He cited the example of appropriate debt-to-equity ratios. Mr. Carroll stated that in establishing the regulatory framework it is important to assure the fundamental soundness of a proposal while allowing applicants maximum creativity. A discussion was held among the Commissioners and the consultants regarding approaches to achieving a balance between issuing regulations containing specific criteria the Commission concluded were essential to a sound project while leaving room for creativity in the proposals the applicants submitted.

Mr. Carroll recommended coordinating with Janice Reilly to establish individual conference calls with each of the Commissioners to discuss their individual concerns in preparation for the upcoming December meetings.

Administration (Continued):

See transcript pages 108-130.

Personnel Searches – Chairman Crosby asked for clarification on the process of conducting background checks for finalists for a Commission position. Commissioner Cameron stated that for some positions there may be only one final candidate and a background check would be conducted prior to conducting the final interview before the full Commission. In other instances, there may be more than one final candidate and she clearly recalled the Commission deciding that background checks would be conducted on all candidates before any candidate appeared before the full Commission. Commissioners McHugh and Zuniga agreed that this was the policy the Commission had adopted in order to create a fair and transparent process.

Chairman Crosby asked the Commission to consider hiring a Director of Local Business and Workforce Development to ensure the local workforce and suppliers are encouraged to maximize their participation with gaming operators. Commissioner Cameron stated that she would like to see a job description in order to better understand what the responsibilities of this position would be. Commissioner McHugh stated that this is worth pursuing but he would like to consider this position in the context of an overall organizational chart. Commissioner Zuniga stated that hiring such a Director should be considered in the context of the strategic plan relative to other positions and financial implications of the salary the Director would receive.

Commissioner Stebbins stated that from a training perspective, the community colleges have a stake in workforce development and thought they ought to be encouraged to reach out to their regional allies, particularly community action groups. He stated that on the supplier and vendor side he had had a follow-up conversation with the Institute for Competitive Inner Cities (ICIC), which has initiated vendor-supplier programs with large institutions. He stated that, if there is an organization with which the Commission can partner and share financial resources, doing so may be preferable to hiring someone for the Commission staff. He stated that ICIC is definitely interested in giving the Commission a project proposal. He also recommended looking at Pennsylvania, which annually collects information on suppliers to gaming facilities in order, in part, to assess the extent of minority participation.

Employee Manual, Chapter Two – Commissioner Zuniga stated that he has provided a revised version of Chapter Two and recommended its adoption. Commissioner McHugh stated that this document is thorough and complete and recommended its approval. Chairman Crosby had questions on several policies, which were discussed and clarified.

Motion made by Commissioner Stebbins to adopt Chapter Two of the Massachusetts Gaming Commission Employee Handbook. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Racing Division:

See transcript pages 130-148.

Report from Director of Racing Division – Director Durenberger addressed the Commission. She introduced project consultant David Murray whom the Commission has hired to review various racing statutes in preparation for making recommendations to the Legislature. She stated that she has conducted stakeholder meetings at Suffolk Downs and Plainridge and reported that both are dedicated groups and a pleasure to work with. The first working group meeting has been scheduled for November 19 at Suffolk Downs, with a follow-up meeting on November 28 at Plainridge. She stated that they have been working on the legislative review process and soon will present to the Commission issues that will have to be addressed. Mr. Murray stated that they are looking at pari-mutuel and simulcast laws and how they can be harmonized with the Gaming Act. He outlined some of the challenging issues that are being addressed and stated that they will have recommendations for the Commission to consider in the coming weeks.

Director Durenberger stated that the Racing Division is in the process of finalizing its piece of the table of organization and will present its proposal to the Commission at the next meeting. She stated that she is in the process of developing an RFP for laboratory testing services and anticipates release of that RFP next week. She is in agreement with the consultant's report that the laboratory the Commission is now using does not meet Racing Commissioners' International accreditation standard 17025 and the Commission should seek a new laboratory that does meet this standard or is in the process of doing so.

Motion made by Commissioner Cameron that the Commission approve release of an RFP for laboratory testing services and that Commission conclude that use of an accredited lab is in the best interest of racing in the Commonwealth. Motion seconded by Commissioner Zuniga. The motion passed unanimously by a 5-0-0 vote.

Director Durenberger informed the Commission that the current lab is leasing space from U. Mass Medical Center in Jamaica Plain and the lease expires December 31. The last racing samples would be arriving at that laboratory on November 29 and testing will continue through the first week of December. This will give the Commission two weeks to vacate the laboratory and dispose of the equipment. She stated that she would like to gather additional information before recommending a final vote on closing the laboratory.

Public Education and Information:

See transcript pages 148-153.

Report from the Ombudsman – Mr. Ziemba addressed the Commission. He stated that he has either spoken to or met with all of the identified potential host communities, as well as some of the key state agencies. He has reached out to each of the regional planning agencies in affected areas and has met with or spoken to representatives from most of the potential applicants. In the coming weeks he will identify and work with some of the surrounding communities. He stated that he has been working with Commissioner Zuniga regarding municipal finance and has a meeting scheduled with the Department

of Revenue's Division of Local Services to explore funding of consultants and vendors that work with municipalities.

Research Agenda:

See transcript page 153.

Status Report – Chairman Crosby stated that work has begun on drafting an RFP and a draft has been sent to the informal advisory group for comments. He stated that the goal is to issue the RFP by next week.

Internet Gaming:

See transcript pages 153-162.

Chairman Crosby stated that there is still a lingering question relative to the Reid-Kyl legislation on internet gaming. The State Treasurer has requested the Commission join him in publicly declining to support the legislation as written. Commissioner McHugh stated that he has not reviewed the entire legislation but what he has read indicates the legislation does give an initial preference to gaming regulators who have been operational for some period of time and creates a federal agency that will decide who the initial regulators will be. The statute also gives a preference to large brick and mortar entities and says that they initially will be the only entities that qualify for an internet gaming licenses. The legislation prohibits all internet scratch tickets and internet keno, so Massachusetts would not be at a disadvantage competitively with other states.

Commissioner Cameron asked if Commissioner McHugh saw the legislation as adversely affecting the Commonwealth. Commissioner McHugh stated that he does not, principally because the two-year period will have expired by the time a Category 1 gaming facility is up and running. Commissioner Zuniga stated that the problem for the Commission is that the landscape of those bidding for licenses in Massachusetts includes operators who are licensed in Nevada, and operators who are not, and that question needs to be considered.

Chairman Crosby stated that he will contact the gaming consultants and get their opinion on Reid-Kyl. In addition he will contact attorneys for the Lottery Commission to obtain a better understanding of their concerns.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission November 6, 2012 Notice of Meeting & Agenda
2. October 30, 2012 Massachusetts Gaming Commission Meeting Minutes
3. Massachusetts Gaming Commission Framework for Addressing Policy Questions.
4. October 26, 2012 UAW Memorandum
5. Massachusetts Gaming Commission Employee Handbook, Section 2

6. November 5, 2012 Memorandum Regarding Recommendations Regarding the Current Equine Drug Testing Laboratory

/s/ James F. McHugh
James F. McHugh
Secretary

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: November 13, 2012

Time: 1:00 p.m.

Place: Division of Insurance
1000 Washington Street
1st Floor, Meeting Room 1-E
Boston, Massachusetts

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Call to Order:

Chairman Crosby opened the 35th public meeting.

Approval of Minutes:

See transcript page 2.

Chairman Crosby stated that the Commission has not had an opportunity to review the November 6 meeting minutes so they will be approved at the next meeting.

Project Work Plan:

See transcript pages 3-24.

Investigations Procurement – Director Glovsky stated that the procurement team met several times last week to review submissions from the bidders for the investigation work and have tentatively selected one bidder from among the respondents. Contract negotiations will commence this week with the goal of approving a contract at the next Commission meeting.

Scope of Licensing and RFA-1 Status Report – Director Glovsky stated that the gaming consultants have met with prospective applicants to discuss a comprehensive identification of the individuals who will be required to qualify. They have been examining submissions the applicants provided, preparing responses to inquiries, and conducting research in preparation for their final recommendations. The consultants also have received the chart containing the

Commission's framework for addressing policy questions and are providing guidance to the Commission as necessary in order to facilitate the process for determining what the policies will be. They are also determining which regulatory agencies from other jurisdictions should be contacted and cross-referenced to fully investigate and evaluate the applicant submissions.

Key Policy Questions Status Report – Chairman Crosby stated that the Commission must adopt several high priority policies but will not do so until the three-week comment period has passed. He stated that he has had discussions with the Ombudsman, John Ziemba, as to whether it makes sense to have some type of a public hearing process beyond the solicitation of public comments that has already occurred. Mr. Ziemba addressed the Commission and stated that a public hearing process may be needed for statutory determinations. The Commission decided to think more about the need for public hearings in addition to written comments before adoption of some of the policies, recognizing that public comment will be solicited and public hearings will be held before adoption of new regulations. The comment period and the hearings will afford all who are interested an opportunity to address the policies underlying the regulations as well as the regulations themselves.

Commissioner McHugh recommended that the Commission go through the policy chart and determine whether there are questions that ought to be packaged together through the Ombudsman for feedback from cities and towns. The Commission agreed that Mr. Ziemba would review all of the pending policy questions, identify those with a logical nexus and reach out to cities, towns, and other interested governmental entities for their comments on the various groups of questions.

Administration:

See transcript pages 24-45.

Report from Director of Administration – Director Glovsky stated that the Project Management Chart is something the Commission will start using on a regular basis and it is her intention to update it on Mondays.

She stated that the strategic plan was never formally approved and asked what the Commission would like to do in order to have this document approved. Chairman Crosby stated that the strategic plan is an excellent guideline and he is in favor of approving it now. Commissioner McHugh stated that there were several important policy issues with respect to the Commission's organization that he would like to consider before approving the plan. Commissioner Cameron stated that she does not agree with some of the information on the plan and adoption is not an indication the Commission believes all the information is accurate. Chairman Crosby stated that the Commission should close this phase of the contract with the consultants. Commissioner Zuniga stated that he agrees that from a contractual standpoint the strategic plan in its current form should be adopted and become a living document.

Motion made by Commissioner Zuniga to accept the latest draft of the Strategic Plan as presented to the Commission. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Personnel Searches – Director Glovsky stated that two new employees have started with the Commission today. Todd Grossman has been hired as staff attorney and Ellen Cassidy has been hired as executive assistant to Commissioners Stebbins and Cameron. She stated that she is continuing the search for the business analyst and generalist.

Employee Manual, Chapters One and Three – Commissioner Zuniga stated that he has provided the Commissioners with the latest drafts of Chapters One and Three of the employee manual for their review and approval at a subsequent meeting. Chairman Crosby asked that more research be done on the issue of when during the hiring process letters of recommendation can be considered.

Racing Division:

See transcript pages 45-92.

Report from Director of Racing Division – Director Durenberger addressed the Commission. She introduced legal assistant Danielle Holmes. Commissioner Cameron stated that an application process for licensing of racetracks is required every year. Applications for the 2013 racing meets and the required fees were received from Ourway Realty LLC (Plainridge Racecourse), and Sterling Suffolk Racecourse LLC (Suffolk Downs) prior to October 1, the statutory deadline. Public hearings on the applications were held in Boston and Plainville on October 18, 2012 and produced no objections to renewal of the licenses. During the course of the hearings, supplemental information was requested and both tracks provided that information. She stated that the Commission must act on the renewal applications before November 15. Director Durenberger reviewed in detail the supplemental information that was provided by both tracks.

Director Durenberger stated that changes in the license application form may be implemented next year but this year's form is exactly the same as the form that has been used in prior years. Chairman Crosby said that he was concerned about the financial stability of both racetrack if they did not receive a gaming license for which they both had signified their intention to apply. Commissioner Zuniga stated they each had posted a \$100,000 bond to guard against financial difficulties. An extensive discussion was held on the issue and the Commission ultimately decided to move ahead with a vote on approval of the licenses.

Motion made by Commissioner Cameron to approve the applications of Ourway Realty LLC and Sterling Suffolk Racecourse LLC. racing licenses for the 2013 racing season. Motion seconded by Commissioner Stebbins. The motion passed by a 4-1-0 vote (Crosby nay).

Director Durenberger stated that she has been working with consultant David Murray on a review of Mass. Gen. Laws c. 128A and 128C, the pari-mutuel wagering and simulcast wagering

statutes. She provided the Commission with a proposed table of organization for the racing division and provided a brief overview of her reasons for recommending that organizational framework. She also stated that there are some shared staff issues that have yet to be resolved. She stated that she anticipates existing employees will apply for some of the positions reflected on the organization chart. Chairman Crosby stated that it is not automatic that the current employees will be retaining employment.

Chairman Crosby asked who would be responsible for the lab operations. Director Durenberger stated that an RFP has been issued and she would be the contract manager. Chairman Crosby stressed the importance of having someone responsible for overseeing the laboratory function. He also recommended that the role of the State Police be included in the organization chart. Chairman Crosby asked that at a future meeting Director Durenberger provide the Commission with an explanation of the income and expense structure of the Racing Division.

Commissioner Cameron stated that she conducted a formal adjudicatory proceeding on October 18 in the matter of John Halloran, a licensed owner/trainer at Suffolk Downs. He was ejected by the State Police on September 24, 2012 due to a fight which resulted in his being arrested and charged with assault and battery with a dangerous weapon. The charges are being handled in a criminal court, but undisputed was the fact that there was a physical altercation and there was adequate evidence for the Commission to find that Mr. Halloran started the altercation. She stated that it is her tentative decision that the Commission uphold the ejection order. She said that Mr. Halloran is aware he has 30 days to file with the full Commission any written objections he may have to her tentative decision.

Commissioner Zuniga stated that a meeting was held with the State Auditor to discuss the transition audit of the Division of Professional Licensure's oversight of racing regulatory activity. The audit was conducted at the Commission's request. A draft audit was supplied for informational purposes and there were no findings of irregularity or departure from proper fiscal management so the report will be issued in the next few days. He stated that the Auditor commented that the Commission should consider seeking the advice of the Attorney General with respect to certain payments that were made to cities and towns during fiscal year 2012.

Public Education and Information:

See transcript pages 92-165.

Report from the Ombudsman – Mr. Ziembra stated that he had a series of meetings with city and town representatives over the past week on a number of different matters. One of the prevalent questions had to do with the criteria the Commission will use for defining surrounding communities. Another common issue had to do with the desire for additional guidance regarding how cities and towns could obtain all or a portion of the \$50,000 in each application fee that was statutorily designated for their use in negotiating a host or surrounding community agreement or for mitigating adverse consequences. He stated that he and Commissioner Zuniga met with the Department of Revenue and received helpful information regarding how to make payments to towns where appropriations could only be made by a town meeting. Mr. Ziembra said that he also

met with the Department of Transportation to discuss protocol and how the Commission and the Department can work together as the licensing process moves forward. He also has had some conversations with regional planning agencies and will be soliciting their input for the policy question process.

Mr. Ziemba stated that Springfield has changed to January 3 the deadline for casino license applicants to submit their Phase 2 materials to the city. The original date was December 14. He also stated that Springfield's RFP timeline has the local vote occurring in June. He had a conversation with City representatives about the possibility that Commission's Phase 1 process might not be completed by that time and those representatives stated that the City would not move forward with a vote until it was.

AIA Forum – Commissioner Stebbins stated that the AIA forum is scheduled for December 12 from 8:00 a.m. to 12:00 p.m. and will be held at the BSA offices, 290 Congress Street. The forum has been organized by the Massachusetts Chapter of the American Institute of Architects, the Boston Society of Architects, and the American Council of Engineering Corporations. The proposed title of the forum is Promoting Sustainability, Strengthening Communities, and Achieving Design Excellence, a New Model for Massachusetts Casinos. Commissioner Zuniga asked if the MEPA process could be included on the agenda for this forum. Commissioner Stebbins indicated he would check with the AIA on this.

Discussion of Massachusetts Community Colleges Casino Careers Training Institute Proposal – Commissioner Stebbins stated that several members of the Community Colleges Casino Training Institute were present today to discuss their proposal.

Holyoke Community College President William Messner addressed the Commission. Present with him were Jeffrey Hayden, Robert LePage, and Michael Souza. He introduced other members of his team who were in the audience. He stated that they would like to discuss today the signing of a memorandum of understanding (MOU) between the Institute and the Commission that would put into place a formal process of planning for training that would lead to licensure and general workforce implementation. This MOU would also recognize the Institute as the exclusive provider of training for licensed gaming positions within the Massachusetts casino industry.

President Messner stated that he believes the development of a trained workforce to supply Massachusetts residents for the new casinos is a critical initiative for the Commonwealth and the community colleges will be involved in the development whether or not the Commission recognizes them as the exclusive training provider. He stated that the Institute believes that exclusivity would allow the Commission, developers, and potential job applicants to focus on a single set of training providers. Commissioner Cameron asked about the genesis of the idea that the Institute would be involved in the actual licensure of gaming employees. Mr. LePage stated that the idea was modeled on programs in Delaware and Pennsylvania. President Messner stated that they are asking the Commission to sign an MOU today, with or without exclusivity, that states the Commission will join them in working out the details of the program over the next several months.

Commissioner McHugh asked for clarification on what the license would represent. Mr. Hayden stated that certification would represent employability, background checks, drug testing and basic educational ability. This certification would allow an individual to work in a casino. Licensure would be for a specific job such as a blackjack dealer. Commissioner Cameron asked how they would address the common practice of gaming companies providing training. President Messner stated that they have developed an MOU with developers to address that issue but do not want to pursue that MOU until the relationship between the Institute and the Commission is resolved.

Mr. Joe Tutalo and Mr. Mike Tassoni, owners of the New England Casino Dealer Academy at the Emerald Square Mall in North Attleboro, addressed the Commission. They stated that they use the same curriculum as any casino, have extensive experience and a fully trained staff, and have provided trained staff to Foxwoods, MGM, and Mohegan Sun. They expressed frustration with the plan the Community College Institute has proposed because they fear that the exclusivity component of that plan will push them out of the training process. President Messner responded that the Institute's proposal is for a consortium, not just the 15 community colleges, and the consortium has many partners. He stated that nothing prevented private providers from being part of the consortium. Commissioner McHugh stated that he remains uncertain about what certification and licensure represent and asked for additional information from the Institute about their interpretation of the licensing provisions of the statute.

Commissioner Stebbins stated that it is the responsibility of the Commission to ensure the new Massachusetts casino jobs will be for Massachusetts residents and not an influx of out of state workers. He stated that a relationship with the Institute would be valuable for the Commission and suggested finding someone with workforce development planning and management experience to work with the Institute on implementation of that relationship. Chairman Crosby stated that the exclusivity portion for the time being is off the table. He stated that he would like to give the Institute's proposal more consideration given the concerns raised today and not execute the MOU at this time.

A brief recess was taken.

Chairman Crosby reopened the 35th meeting.

Chairman Crosby stated that during the break he had a discussion with a member of the Department of Professional Licensure who showed him a copy of the racing license application which states the license would be subject to any rules and regulations the Commission issues, even during the term of the license. Commissioner Zuniga clarified that the bond posted by each of the tracks is actually in the amount of \$125,000.

Report from Director of Communication and Outreach – Director Driscoll addressed the Commission. She stated that she has started the process of promoting the upcoming casino design forum and has been working on various ways to publicize the Commission's interest in receiving comments on the proposed policy decisions before the deadline of November 27. She

stated that Jackrabbit, the design firm, modified the proposed Commission logo after receiving last week's comments and she presented the modifications to the Commission for review. After discussion, that Commissioners were unanimous in their selection of one of the proposed logos. Director Driscoll stated that she will be starting a discussion with a possible web host this week and will have to purchase a domain name. She suggested using massgaming.gov or massgaming.org and the Commission was in agreement. Chairman Crosby asked whether someone who logged on to the Commission's present website would be taken to the new website. Director Glovsky stated that redirection would not happen automatically but that a link to the new website would be prominently displayed on the current website.

Research Agenda:

See transcript pages 165-166.

Status Report – Chairman Crosby stated that the RFP for research assistance will be issued within the next few days. Commissioner Zuniga stated that a draft has been created and several issues require review in order to finalize an RFP.

Internet Gaming:

See transcript page 166.

Chairman Crosby stated that he was going to do some further research on the Reid-Kyl bill, which he has not done, so there is nothing to report on this topic today.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission November 13, 2012 Notice of Meeting & Agenda
2. MGC Framework for Addressing Policy Questions
3. MGC 2012-11-06 Summary Schedule Update
4. MGC Employee Handbook Section 3, Compensation
5. State Racing Commission Official Audit Report for the Period July 1, 2011, to May 20, 2012
6. 11/8/12 Memo to Mass Gaming Commission from Jennifer Durenberger
7. Proposed Table of Organization Racing Division
8. Building and Training the Workforce for the Casino Industry
9. Draft Memorandum of Understanding for Western Massachusetts By and Between Massachusetts Casino Careers Training Institute and Developer/Operator
10. Draft Memorandum of Understanding for Casino Careers Licensure Training By and Between Massachusetts Careers Training Institute and the Massachusetts Gaming Commission

11. A Statewide Initiative Addressing the Workforce Needs of the Gaming Industry in
Massachusetts

/s/ James F. McHugh
James F. McHugh
Secretary

Massachusetts Gaming Commission

MEMORANDUM

Date: November 19, 2012

To: Commissioners

From: Eileen Glovsky

Re: Recommendation to Select Consultant to Assist in the Suitability Investigations

Recommendation: That the Gaming Commission accept the proposal submitted by Spectrum/Michael & Carroll and pursue contract negotiations and detailed scoping of the services described in their response to the RFR # MGC – INVEST - 2012 dated October 29, 2012 .

Description of the Procurement Process

The Commission issued a Request for Responses for firms qualified in investigations on October 11, 2012. The response deadline was October 29, 2012.

The Commission received two responses prior to the deadline.

Phase I Review: Agency staff conducted a “Phase I” review of all responses. This review was undertaken to ensure compliance with administrative provisions of the RFR, and verify the inclusion of mandatory forms and attachments. One of the respondents was given an opportunity to cure a minor requirement of the RFR in addition to the opportunity to receive the hard copy response after the submission of the electronic response, because of inclement weather (the Commission’s office, all non-essential government employees and most private companies in Massachusetts had their office closed on Monday October 29 - which was the deadline for submitting responses). Respondents were not scored on the Phase 1 review, and both respondents proceeded to the Phase II review.

Phase II Review: This phase consisted of the review and evaluation of the technical proposal. The evaluation criteria were part of the RFR and were put forth in advance (prior to the receipt of the proposals) and it was as follows:

- 50% for investigative strategy – with equal weighing to four aspects of the strategy:

- Overall investigative strategy and approach
- Contract management
- Potential problems and conflicts
- Ability to meet the business criteria specified in the procurement response template.
- 15 % for the firm(s) prior experience and relationships including experience with similar contracts of size and scope and the quality and relevance of references
- 25 % to the experience of the investigatory staff, including familiarity with the tasks at hand for the Commission, demonstrated individual expertise conducting similar investigations in the gaming industry, and individual experience with contracts of similar scope and size, as well as familiarity with the licensing process.

The figures above add up to 90%. The remaining 10% of the score was reserved for the cost proposal (Phase III review – see below).

Phase III Review: Firms were asked to submit a cost proposal in a separately sealed envelope. After the review of the technical proposal was completed, the procurement management team moved on to the phase III review. The Cost proposals (Phase Three) were assigned a weigh of 10% of the overall score.

PMT – Evaluation of the Technical Proposal

The procurement management team (PMT) was comprised of Commissioner Gayle Cameron, Commissioner Steven Crosby and Major Frank Hughes of the State Police

The PMT assigned scores on the criteria stipulated above on the following scale:

- 5 = Far exceeds needs and expectations
- 4 = Exceeds needs and expectations
- 3 = Fully meets needs and expectations
- 2 = Partially meets needs and expectations
- 1 = Minimal provision of needs and expectations
- 0 = Completely non-responsive

Each member of the PMT scored all responses on the criteria of the technical proposal. The PMT met and discussed each of the scores to reach a consensus score on each criteria for each respondent. The scores were then weighed according to the previously determined relative weight.

After completion of Phase I and Phase II, but prior to the undertaking the review of Phase III, the PMT had the option to invite all or some of the bidders to make oral presentations, but decided that there was enough clarity in the proposals and opted not to conduct interviews.

After review of the Phase II scores, the cost proposals were opened. The costs were normalized to ensure adequate comparison (i.e., percent participation of senior vs. junior team members and their relatively different hourly billing rates). The costs proposals were scored accordingly, with the most cost advantageous proposal receiving the maximum of 10 points.

The total points received (sum of Phase II and Phase III points) determined a clearly most advantageous proposal to the team of Spectrum/Michael & Carroll.

Recommendations

After the Phase II and Phase III scoring, the firm that ranked the highest was the joint venture of Spectrum and Michael & Carroll. Throughout the written proposal process Spectrum/M&C demonstrated a good combination of strong firm and individual experience in the field of investigations with a particular emphasis on the gaming industry as well as a thorough investigative strategy, deep individual knowledge of the issues around these types of investigations and the ability to perform the work in a cost effective way.

ADDITIONAL POLICY QUESTIONS

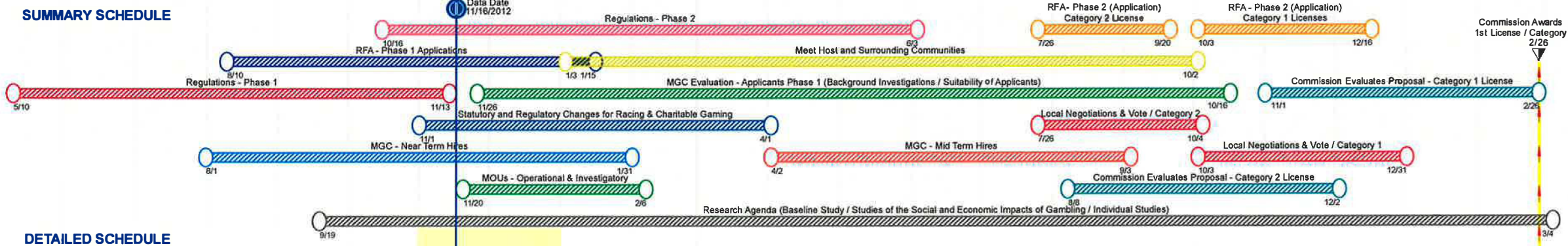
1. To address concerns regarding inappropriate pressures on casino companies, does it make any sense to require applicants and licensees to disclose to the Commission any and all resumes, recommendations, referrals, requests for donations, etc. they receive from any public official, with failure to do so resulting in a very stiff penalty?
2. Should the Commission solicit feedback from potential bidders about their views of the impact of on-line gaming by the Lottery, the desirability of on-line gaming in their facilities, and their views of the likelihood of on-line gaming that we may need to be ready to regulate?
3. Would you require or request that a perspective casino developer invest in the infrastructure when it comes to public transit? PVTA (Pioneer Valley Transit Authority) is the primary transit system that serves the area where all 4 developers are vying for the Western Mass casino license.
4. What regulations, criteria, and other requirements should the Commission consider to ensure that a preventative approach is taken to work-related injuries and that casino workplace safety is maximized?
5. When should the regulations regarding dealer tips, as specified in G.L.c.23K,s.25(g), be issued and what should those regulations contain?
6. Should we consider a rule or a policy that prohibits public entities from either becoming applicants or financing an applicant?

4.a.i

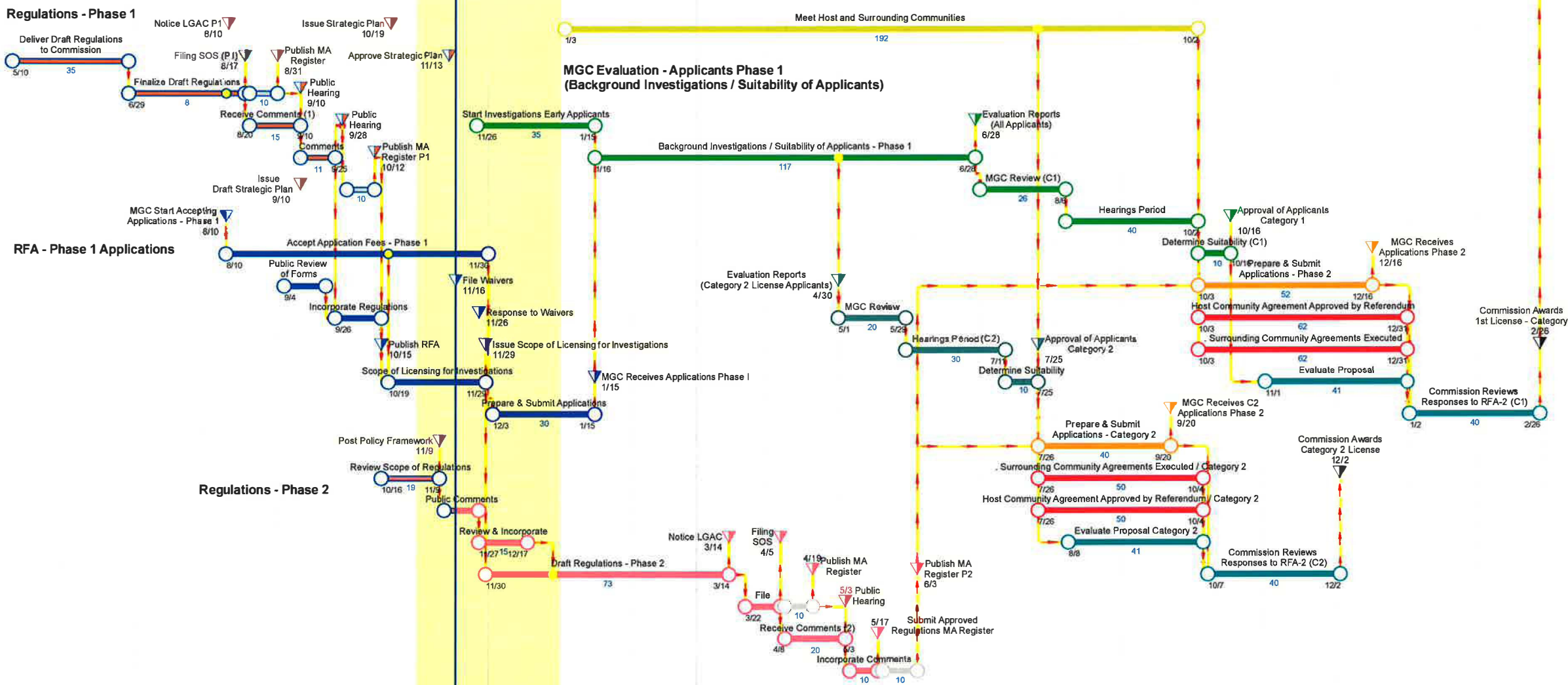
2012 May Jun Jul Aug Sep Oct Nov Dec 2013 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 Jan Feb Mar

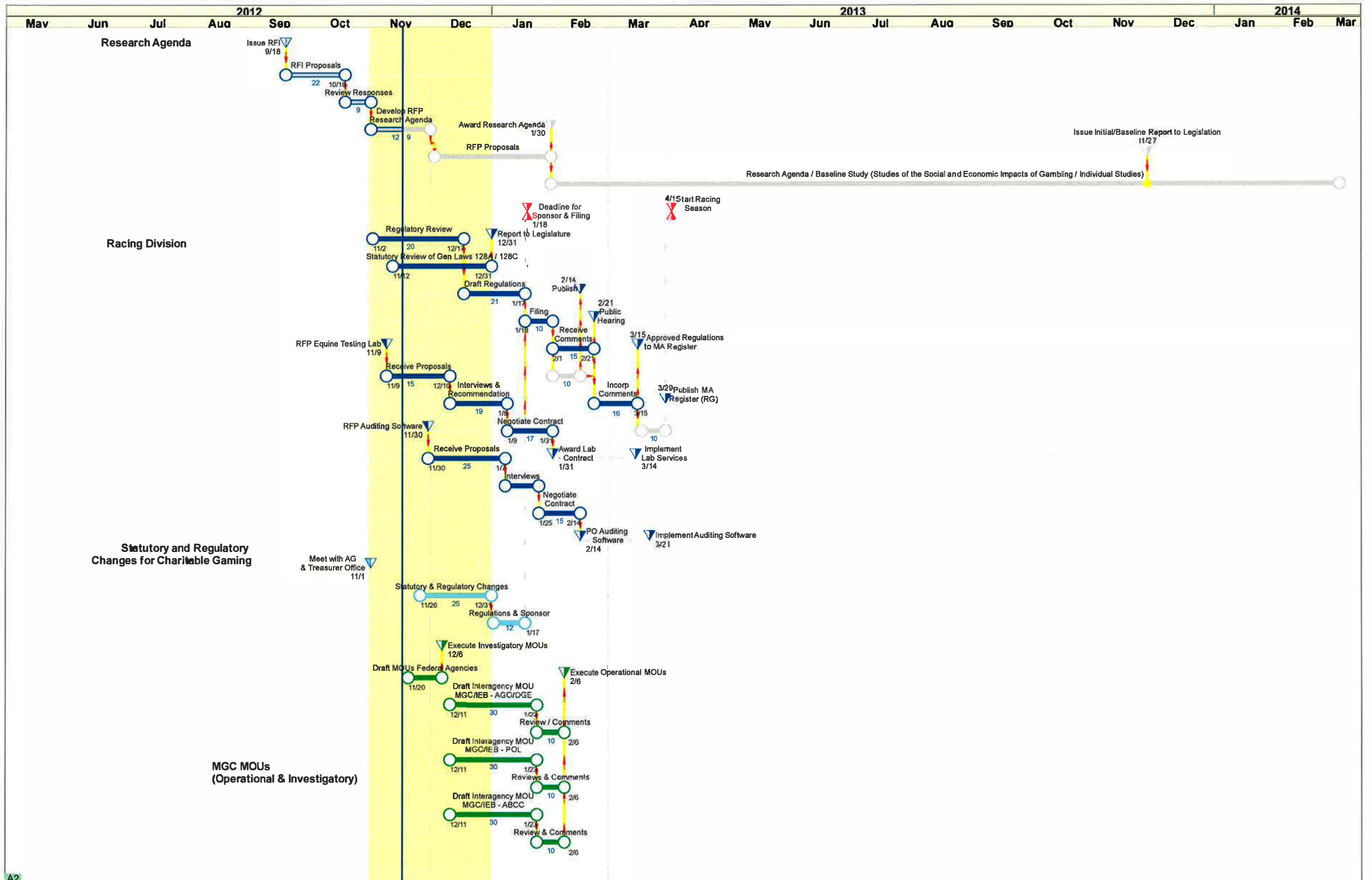
Massachusetts Gaming Commission / 2012-11-16 Summary Schedule Update

SUMMARY SCHEDULE

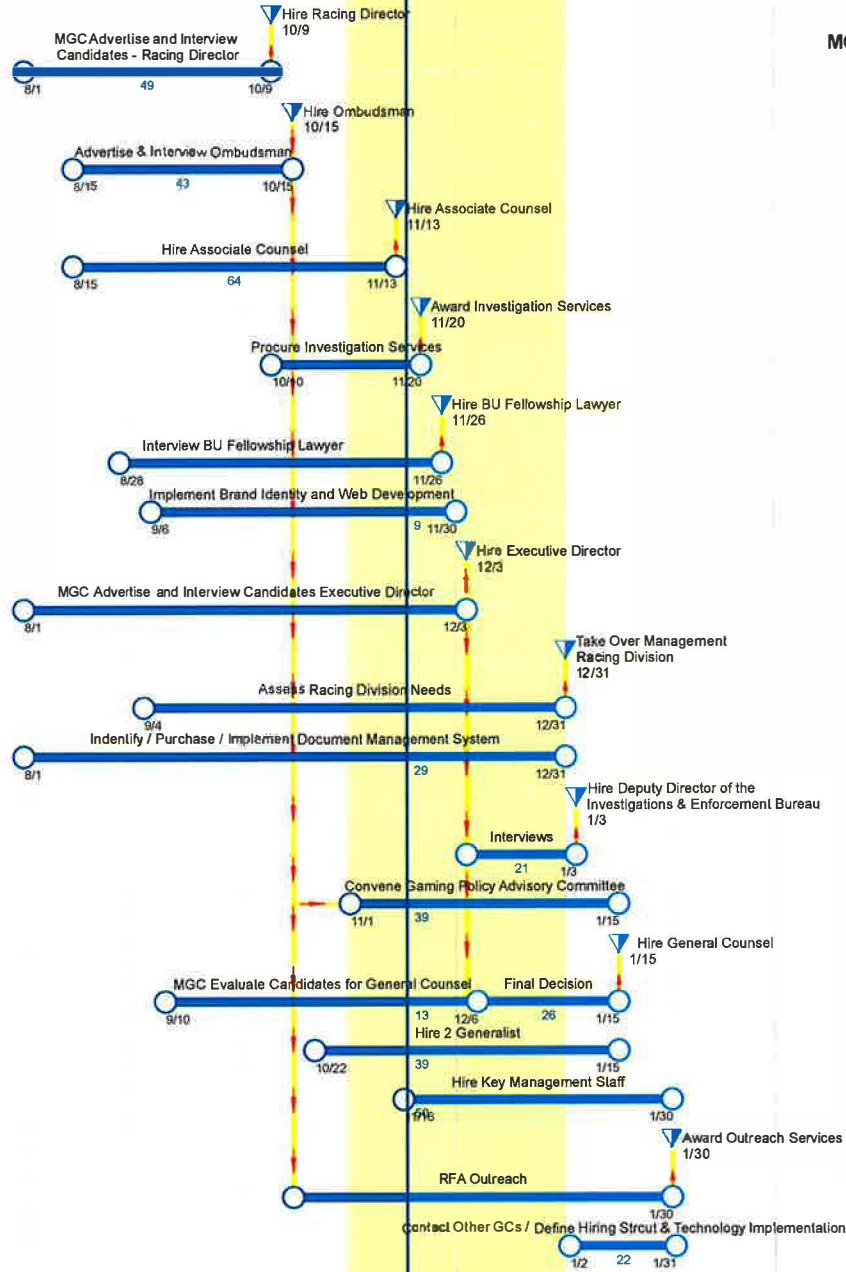


DETAILED SCHEDULE





MGC - Near Term Hires



▼ MGC Decision on Office Space 11/30

MGC - Mid Term Hires



▼ MGC Additional Office Space 4/12

LEGEND

