

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

APRIL 24, 2012

1:00 p.m.

The Boston Convention and Exhibition Center
415 Summer Street
Boston, Massachusetts

Amanda Snell, CSR, RPR

Court Approved Court Reporter and Transcriber
Office Solutions Plus LLC
50 Summer Street
Weston, Massachusetts 02493
617.471.3510.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 APRIL 24, 2012

2 PROCEEDINGS:

3 CHAIRMAN CROSBY: All right. It is two
4 o'clock -- I'm sorry one o'clock. Thank you. Amanda, is
5 this working for you? Back in the back for the video, is
6 that working?

7 Then I would like to call our third public
8 meeting to order. The first item of business is approval
9 of the minutes from at least April 10th, but I am going to
10 suggest that we wait on the minutes until Commissioner
11 McHugh gets here since that's been his responsibility, but
12 we should know that Commissioner McHugh had a grandchild
13 born at one o'clock in the morning last night and is busy
14 (inaudible) with his grandchild, but he will be here
15 shortly, I believe.

16 So let's move on to Item Number 3, and we
17 have a whole bunch of items there starting out with the
18 search for an executive director of the Gaming Commission,
19 and within that we incorporated also the search for the --
20 or the idea of getting an acting ED which the legislation
21 authorizes us to do. Commissioner Stebbins has been
22 taking the lead on that. Commissioner, do you want to
23 give us an update?

24 COMMISSIONER STEBBINS: Sure. Just a quick
25 update. Obviously, at our last meeting we approved an RFR

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 for -- to solicit an executive search firm. The RFR is
2 out. Just some key dates in the RFR, bidder's responses
3 are due by May 11th. The team review that select the
4 finalists in the following week, and hopefully interviews
5 with the finalists the following week of May 21st through
6 the 25th, and the anticipated contract award by May 29th.
7 Obviously, any way we can speed that up, we will certainly
8 try to do. Certainly the interview process is not
9 necessary as we all have outlined in the RFR, so that is
10 moving ahead.

11 Quickly moving over to the conversation
12 about an acting executive director again, which as you've
13 pointed out the Gaming Act does allow us to appoint. I
14 shared with you just kind of a draft of background
15 experience and skills kind of statement for an acting
16 executive director. And certainly we'd open that up for
17 anybody, conversation or discussion about that.

18 Again, I think it is our anticipation that
19 this is not a permanent hire. This is an interim hire as
20 we proceed ahead with a thorough search for the first
21 full-time executive director of the new Gaming
22 Commission.

23 We had a call with Kevin O'Toole from the
24 Pennsylvania Gaming Commission back in the early part of
25 April. We raised the question with him about key skills

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 that he thought somebody who would be coming in on an
2 acting basis would have. And they were relatively -- I
3 would say they were relatively simple. Possessing some
4 good communication skills, possessing strong research
5 skills, as well as some strategic and project management
6 skills as well. So I've outlined background experience
7 and skills we may wish to consider.

8 I think we're still eyeing somebody who has
9 some municipal, state or federal government management
10 experience, essentially, to really help the Commission run
11 our day-to-day operations. And outlined below, you know,
12 our candidate would closely work with the Commission for a
13 limited period of time and outlined some of those
14 responsibilities, assisting with some basic office
15 operations, assisting with identifying critical positions
16 and recruiting and hiring potentially some of those key
17 spots, working closely with the Commission and the
18 contracted consultants that we're going to hear about
19 their progress later, as well as obviously assisting and
20 attending Commission meetings.

21 So, Mr. Chairman, I don't know if any of my
22 colleagues have any comments on this one pager.

23 COMMISSIONER ZUNIGA: I actually have one
24 comment, slash, question to think about. Actually, is
25 told to come up in the context of conversation of how the

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 Commission is going to govern ourselves. And as part of
2 the job description, would we need to clarify or think
3 about any reporting --

4 CHAIRMAN CROSBY: Excuse me one second,
5 Commissioner.

6 How is the grandchild, Commissioner?

7 COMMISSIONER MCHUGH: Great. I am sorry to
8 be late, but my only chance to see her.

9 CHAIRMAN CROSBY: Sorry. Some things are
10 more important than others.

11 COMMISSIONER ZUNIGA: If an acting
12 executive director -- we have given any thought relative
13 to the reporting of that person to the Commission as a
14 whole, that is obvious, but whether for different
15 functions that this interim would be conducting, would
16 that person then report to a different commissioner? I
17 guess, one of the things that we have to reconsider is how
18 this Commission would act, oversee, supervise, whatever it
19 would be even interim executive director.

20 I am just posing it as a question, open
21 question, whether it is part of discussion now or later it
22 is...

23 COMMISSIONER STEBBINS: And maybe it is
24 something we need to clarify and add to this document.
25 Again, you know, I think because, you know, our chairman

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 has kind of assigned us individual silos or portfolios
2 we're responsible for, we would do that to interact with
3 this Commission, the executive director, even acting, on
4 some of those issues, certainly some of our immediate
5 needs as I see them. Budget, HR might be directed to
6 you.

7 And, again, it is a person who really can
8 help us keep the operation of the gaming commission going
9 with respect to understanding state procurement, a lot of
10 the operational issues that I think we're challenged by
11 here in the early --

12 CHAIRMAN CROSBY: I hope this will become a
13 little bit less clumsy when we have an executive director,
14 acting or otherwise, because we're now doing a lot of the
15 work that will compensate the director and his or her key
16 staff people, so that will change a little bit and it will
17 make it a little bit easier. Hopefully the executive
18 director will just be kind of keeping the Commission
19 up-to-date on how these projects are going.

20 It will still be some of us being involved
21 in our vertical areas of focus, I think, but I think this
22 will make life a lot simpler for us when that person is
23 reporting to the Commission and doing most of the staff
24 work, and we don't have to be doing the staff work
25 ourselves. I also think this is going to be something

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 we're going to learn as we go. You know, when we talk
2 with New Jersey commissioners next week, they're the only
3 other full time commission. They'll have some ideas about
4 how full time commissioners interact with staff. But
5 still we're in a start-up mode, which is different, but I
6 think we're going to sort of learn as we go on this a
7 little bit.

8 Do you have anything that you wanted to
9 add?

10 COMMISSIONER CAMERON: Yes. I just wanted
11 to mention that I -- rather than the gaming experience,
12 which it may seem like that's what we need right away, but
13 in assessing our needs, I do believe someone with
14 experience in state government, understands the way
15 procurement happens here in the Commonwealth, because
16 things are different from state to state. So I think that
17 in-state experience would be very useful for us right now,
18 as opposed to someone with -- especially in an interim
19 position with that gaming experience.

20 COMMISSIONER STEBBINS: I think, you know,
21 we have certainly had a helping hand extended to us from a
22 lot of other agencies, and I would get the sense that
23 their timeline or interest in continuing to do that may be
24 *in their aid*, but being able to have those resources and
25 that experience would be a big help.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: But I would say I am not
2 sure if I exactly agree with Commissioner Cameron on this
3 because I would have added in gaming experience. If we
4 can get somebody with gaming experience who also has these
5 other skills, then I think that would be all to the good.
6 We might as well try. We do what you're going to be
7 talking about. We do have a candidate with gaming
8 experience. I don't -- I think it is a trade off.

9 In a perfect world, you would have all of
10 these things. We probably aren't going to get all of
11 these things, so we're going to have to trade off what
12 really matters the most, but I would at least have gaming
13 experience on the list, and I would emphasize -- and it
14 feels to me like if when we get our consultant on board
15 and an ED with a little bit of staff, they would begin to
16 take over the business of starting up the Commission and
17 the business of constructing involving long-term
18 organizational structure through the regulatory stuff, the
19 licensing procedure, and free us up to be thinking about
20 what criteria we want to use, and what process we want to
21 use for selecting the licensees, which is as I see it as
22 our biggest problem. That is one of the biggest tasks and
23 that's something that's not delegated. So having the ED
24 working with the consultant, getting this organization up
25 and running with us in it only in a policy approval mode

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 would be the ideal from what I think as I am now thinking
2 about it.

3 COMMISSIONER STEBBINS: Sure. And you make
4 a great point, and you know, I am happy to kind of move on
5 to the --

6 CHAIRMAN CROSBY: Let me add one other
7 thing that we didn't talk about earlier on, but I think is
8 important to agree on or not or I forget whether we've
9 talked about this. But it seems to me the acting ED
10 should not be prejudiced one way or the other as to
11 whether he or she can be a candidate either for permanent
12 ED or for some other position in the organization. It is
13 going to be hard enough to get an interim with a very
14 short term commitment. If we were to say and if you're
15 the interim you can't be anything else, or in some way
16 this is prejudicial, I think that would make it even
17 harder for us to get good candidates.

18 On the other hand, we'd have to make sure
19 we don't stack the deck in favor of this person and make
20 sure, for example, if we write an RFP for the ED that the
21 acting ED doesn't like the RFP and that kind of thing.
22 And maybe Commissioner did have some ideas on how we can
23 do that, but my suggestion would be that as long as we did
24 clear it with all the regulatory and ethical folks, that
25 we be explicit that the acting ED is not barred from being

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 an applicant for other positions.

2 COMMISSIONER MCHUGH: Certainly one
3 criteria, and one part of managing that is to ensure that
4 all candidates for the permanent ED are -- go through the
5 search process in the same fashion with the outside search
6 consultant that we've -- that we're searching for now.

7 CHAIRMAN CROSBY: Go through the search for
8 the -- oh --

9 COMMISSIONER MCHUGH: Nobody gets to
10 bypass. Nobody has the inside track, and it seems to me
11 that that's what we ought to ensure for every permanent
12 position that we're fulfilling, so if that person were to
13 find another -- be an applicant for another position, not
14 the full time ED position, that whatever the criteria for
15 that other position, that that person have to go through
16 that process as well.

17 CHAIRMAN CROSBY: That makes sense. I
18 don't think we need a formal action on that.

19 COMMISSIONER ZUNIGA: Just I got a little
20 bit -- also the notion of being in full start-up mode, I
21 see, especially the acting ED, some of the initial tasks
22 to really help us set up a back office, if you will. Just
23 Commissioner Cameron split up into agency, set up agency
24 experience, management, et cetera, but you know, very
25 important is factors in experience.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Okay. Great.

2 COMMISSIONER STEBBINS: We did receive a
3 proposal essentially from an individual, he is the former
4 chairman of the Nevada State Gaming control board, Dennis
5 Neilander. He is now in private law practice. He did
6 extend a proposal to us to assist the Commission on an
7 interim basis. I think everybody received a copy of his
8 information and his proposal.

9 I shared the proposal with Commissioner
10 Zuniga in terms of getting our hands around what the cost
11 of this individual's services would be, but I think it is
12 an interesting enough proposal that I'd at least like to
13 do some follow up, have a chance to talk to the
14 individual, perhaps, even if he was willing to come to
15 Boston. But at least initiate that --

16 CHAIRMAN CROSBY: Come to Boston for an
17 interview you're talking about; is that what you meant?

18 COMMISSIONER STEBBINS: Yes.

19 CHAIRMAN CROSBY: What do other people
20 think of this idea? I am not sure how much chance you
21 have had to review this proposal. Is it prima fascia? Is
22 this something that we ought to consider?

23 Just a little bit more background. This
24 came about because several of us reached out to
25 professionals in the gaming industry to see if they would

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 have suggestions for interims as well as for full times.
2 Kevin O'Toole was one that we talked to about it. I spoke
3 to the chair of the gaming -- the present chair of the
4 Gaming Commission, which is different from the control
5 board.

6 In Nevada they have a bifurcated system.
7 They have the Gaming Commission, which is sort of the
8 policy making body, and they have the Control Board, which
9 runs everything. And I talked to the chair of the
10 Commission, the present chair, and he recommended that I
11 talk to this person for ideas. And when I talked to this
12 person, he said he might be willing to do it, but this
13 person comes very highly recommended by the present chair
14 of the Commission, and I think he got a reference check
15 also.

16 So assume the guy for the sake of
17 discussion is good. We don't know for sure. We don't
18 know very much about him, except for his resume. Assume
19 the guy is good, is this plausible, is this prima fascia
20 something that we want to entertain or does this really
21 not fit, his kind of part-time structure that we're
22 thinking about?

23 COMMISSIONER CAMERON: Yeah, my reaction to
24 this is that -- I am looking at the things he would like
25 to help us with, and those are exactly the things we've

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 hired consultants to do for us. So I would think there
2 would be a lot of overlap there. And I am going to get
3 back to my original point about knowing state government
4 in Massachusetts and how critical that is to us at this
5 point. I see this -- I see this as someone who could have
6 helped us as a consultant, but not as an executive
7 director.

8 CHAIRMAN CROSBY: As interim.

9 COMMISSIONER CAMERON: As interim director.

10 COMMISSIONER ZUNIGA: Yeah, I think his
11 structure, his location, you know, his billing structure,
12 really lends itself a lot more for an advisory role, which
13 may still, you know, be a phase here or not. We did talk
14 about that.

15 I also see the need of the -- the back
16 office, I want to term, you know, the boots on the ground,
17 who needs to do any number of -- establishing procedures,
18 manuals, our policies, hirings, et cetera, where we should
19 draw on a lot of the expertise that I think is available
20 here in Massachusetts.

21 CHAIRMAN CROSBY: So the bottom line of
22 that was?

23 COMMISSIONER ZUNIGA: Agreeing with
24 Commissioner Cameron that I think this person -- there may
25 be a role here, but I don't see it as you refer to as

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 prima fascia as an acting ED candidate. Not for what I
2 have in mind of what we need on an interim.

3 COMMISSIONER MCHUGH: I agree. It seems to
4 me that we have now the gaming consultants, we have the
5 legal consultants. I want to talk about the latter in a
6 minute. We're searching for an interim executive
7 director, and I am not certain how -- we need to put the
8 pieces together here. Have the legal consultant and the
9 gaming consultant and the executive director interact with
10 each other in a constructive way, so that we can build out
11 the build-out. And I am not sure how this gentleman fits
12 into that. And it seems to me there is a fair amount of
13 redundancy. On the other hand, there is a great deal of
14 expertise and it might well be worthwhile trying to figure
15 out how we could take advantage of that expertise with a
16 visit, a review of things that we're doing, a second set
17 of eyes to look at how we're building things out, that
18 would be invaluable. But not as an on-the-ground,
19 operational component of our start-up process.

20 COMMISSIONER STEBBINS: Let me suggest
21 this. I haven't had a conversation with this gentleman.
22 I am more than happy to participate with another member of
23 this Commission in contacting him, and have a conference
24 call, and layout where we are and what our thoughts are on
25 the interim executive director, give him a broad overview

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 of the other things we have done to this point, including
2 the consultants that we are bringing on board, and just
3 kind of walk through with him, and see if it is something
4 he is interested in.

5 Obviously, he has got Nevada experience,
6 Nevada state government experience, not Massachusetts
7 government experience. But give him an idea of kind of
8 what we're looking for to see if he wants to make any
9 adjustments, or he may tell us at that point, I am not
10 interested. That is really not where my line of interest
11 lies.

12 COMMISSIONER ZUNIGA: May I also point out
13 perhaps within the next couple of weeks, as well as after
14 our forum of next week, and after additional conversations
15 we'll have relative to, you know, looking at our
16 consultants as they're developing the work plan that I
17 know they are, we could revisit the notion of, you know,
18 someone like him in a -- in whatever role, you know what I
19 mean? We could be better informed in only a matter of a
20 couple weeks after these two things start to come to
21 fruition.

22 CHAIRMAN CROSBY: You know, I think my view
23 has changed on this. I was pretty interested in this
24 person, but I think I agree with the drift here. I think
25 it might make sense -- I did have a preliminary

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 conversation with him. He knows what we're looking for.

2 COMMISSIONER STEBBINS: Okay.

3 CHAIRMAN CROSBY: But maybe it makes sense
4 to sort of have a presumption that it will not be this
5 person for the reasons you all have said. Not anything
6 about him, but because what we think are the higher
7 priority of skills. But just for the record, you know,
8 have you go ahead and have that conversation. You might
9 learn something interesting anyway. I don't think I did
10 emphasize the role the consultants would be playing, and
11 that is a material input to the conversation.

12 I think my take away from this, which just
13 leave informal I think, is the presumption is the idea of
14 using somebody from the outside, which does not have
15 Massachusetts experience is not a likely way to go, and
16 that we should double our efforts on local people. Does
17 that make sense?

18 COMMISSIONER ZUNIGA: I agree.

19 COMMISSIONER MCHUGH: Yes.

20 CHAIRMAN CROSBY: There are local people
21 who have been intimately involved in the evolution of this
22 legislation, some number of them who also know a lot about
23 state government, which I think is where we've sort of
24 begun to focus on the local. I think we should really
25 redouble our efforts on that. So I think we have got a

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 consensus on that. You will go ahead and have that call,
2 but as sort of a last shot.

3 COMMISSIONER STEBBINS: Absolutely.

4 CHAIRMAN CROSBY: Okay. Then on the ED, I
5 do -- on the acting ED, I think the reason the legislation
6 put that clause in there specifically, said in the absence
7 of permanent ED, we have the authority to appoint an
8 acting ED precisely for this situation. There is
9 invitation to us to truncate the process, which I think we
10 should do, but we shouldn't eliminate the process.

11 So the line we have to walk -- we need
12 somebody quickly, but we need to make sure that we're, you
13 know, crossing our Is and dotting our Ts. Or the other way
14 around, crossing our Ts and dotting our Is, in this
15 process. If you come to us with a prima fascia case of
16 someone you think can do it, great. If you think you can
17 find it, great. If not, then we can open it up into a
18 more formal search, but in the interest of time I think
19 better if we can do that, but on the other hand check
20 whoever you come up with pretty carefully.

21 COMMISSIONER STEBBINS: Absolutely, I think
22 we would kind of invest on this -- we've got to -- some of
23 the other consultants, right, or anybody else?

24 CHAIRMAN CROSBY: Or communications people.

25 COMMISSIONER STEBBINS: Right.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Right, right. Okay. And
2 we certainly would -- ultimately we would do a serious
3 background check too, but.

4 Okay. Commissioner McHugh, we skipped over
5 the minutes while you were out. It says on the agenda 10,
6 but we also have -- I think we have background information
7 on 10 and 17.

8 COMMISSIONER MCHUGH: We do. We posted the
9 April 17 minutes this morning. But let me first deal with
10 the April 10 minutes which were posted. This is the form
11 that we're going to use in the future. We're going to,
12 after each of these meetings, post a transcript of the
13 meetings. We did not -- we have done that for the first
14 meeting. We have a stenographer present at this meeting
15 and we did the last meeting. But the first one we had the
16 transcript prepared from the videotape.

17 So we're going to post the transcript.
18 We're going to post the meeting minutes that refer to
19 pages in the transcript so that people can have in effect
20 a summary of the meeting, and then go look at the
21 transcript pages if there are any matter they're
22 particularly interested in. And then the documents that
23 we used at the meeting. So all of that has been posted
24 with respect to the April 10 meeting, and I would move
25 that the minutes of the April 10 meeting be approved.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Second.

2 Where is the reference to where the topic
3 is in the transcript?

4 COMMISSIONER MCHUGH: You're looking at the
5 agenda. And in the minutes themselves --

6 CHAIRMAN CROSBY: Oh, so we don't have the
7 minutes at this point.

8 COMMISSIONER MCHUGH: The minutes are not
9 in this packet. The minutes were posted and distributed.
10 The first set was distributed last week internally and the
11 second set was distributed this morning. But the
12 references in the minutes, I believe, at the end of each
13 section.

14 CHAIRMAN CROSBY: We will most of the time
15 -- not last week, but most of the time, also have video
16 posted as well as the second.

17 COMMISSIONER MCHUGH: Right, right. The
18 video has to await the minutes being approved because
19 we're required to have available, for those who need it, a
20 written transcript, so we need to post them
21 simultaneously. So that's -- every time we have a video,
22 the video will be posted as well.

23 CHAIRMAN CROSBY: Right. Okay. Any other
24 discussion on the April 10 minutes? All in favor of
25 adopting the minutes as posted say aye.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 COMMISSIONER ZUNIGA: Aye.

2 CHAIRMAN CROSBY: Aye.

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER CAMERON: Aye.

6 CHAIRMAN CROSBY: All opposed? The motion
7 carries unanimously.

8 Now, what about April 17?

9 COMMISSIONER MCHUGH: The April 17 minutes
10 were posted this morning. I would move that they too be
11 approved. They are there. It is not on the agenda, but
12 they are there. The transcript is there and the -- I am
13 not sure the video is there yet, but -- we didn't have a
14 video. We didn't have a video, so that won't be there.
15 And the documents that we used at that meeting are there
16 as well. So I would move that those be approved as well.

17 COMMISSIONER CAMERON: Second.

18 CHAIRMAN CROSBY: All in favor? Any other
19 discussions? All in favor of adopting the April 17th
20 minutes indicate by saying aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER STEBBINS: Aye.

25 COMMISSIONER CAMERON: Aye.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: All opposed?

2 COMMISSIONER MCHUGH: The reason they're
3 not on the agenda, I should add, Mr. Chairman, is I didn't
4 really anticipate that they would be ready today.

5 This process that we're using now makes use
6 of the stenographer to prepare both a draft of the minutes
7 and the transcript, and that comes quickly, and we can
8 speed up the entire process. We're in the process now of
9 working out a few little details, but it is going to lead
10 to a much faster turnaround of both the transcript and the
11 minutes, and in fact, this set of minutes got turned
12 around faster than I anticipated it would.

13 CHAIRMAN CROSBY: Do you know, give or
14 take, what the cost of the transcript function is?

15 COMMISSIONER MCHUGH: The answer to that is
16 we have an approximation, but we're still working on that
17 to try and work out those issues.

18 CHAIRMAN CROSBY: For a long-term
19 agreement.

20 COMMISSIONER MCHUGH: For a long-term
21 agreement, yeah. We need to have, I think -- we need to
22 have not only a simultaneous live stream of these minutes,
23 but a quick and accurate verbatim preservation of what we
24 talk about here, as well as minutes which both serve as
25 the summary and serve as an index, so that we can get into

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the minutes quickly. All of that goes to a package of
2 accessibility that I think does us and the public and
3 those who are interested as well. So we're trying to work
4 out a process to streamline that, make it as automatic as
5 we can.

6 CHAIRMAN CROSBY: Does anybody disagree
7 with that? I mean, we'll now have minutes, transcript,
8 and I think, we are committed to and it looks like we're
9 going to do a full video. Does anybody disagree that
10 that -- we're gilding the lily here?

11 COMMISSIONER ZUNIGA: Well, just coming
12 from a budget and financial perspective, I know the
13 streaming has an impact relative to where it is streaming
14 from -- and where it is streaming from. So as soon as we
15 can get our handle on just what the long-term cost is, I
16 think would be a great --

17 CHAIRMAN CROSBY: I agree with that. You
18 can't have this question in the abstract. I think
19 sometimes it is very expensive and sometimes it seems not
20 to be very expensive. But from my standpoint, it -- the
21 symbolism of it, as well as the substance of it, that
22 people across the Commonwealth can see this in real time,
23 and participate as much as people who are here in person,
24 that the symbolism as well as the reality of that, is a
25 real and material thing.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 If we have relatively modest viewership at
2 the outset, hopefully it will grow as we market this
3 better, if we start to do things. But I'm open, you know,
4 I think you're right. We should wait until we really know
5 for sure what the cost is, but my predisposition is this
6 is really the right thing to do.

7 COMMISSIONER ZUNIGA: Right. Also the
8 thought about especially hearings where we really are
9 inviting the public's input for example, that is almost
10 like a no-brainer, but if it is more administrative or
11 procedural type of meeting, could we do away with them?

12 CHAIRMAN CROSBY: That is a fair point.
13 It's something we ought to talk about. Hopefully, if
14 anybody is out there watching to send us your ideas, how
15 significant is this. I agree with you. Hearings for sure
16 we'll do it, but our regular non-public participation
17 public meetings is a fair question.

18 COMMISSIONER ZUNIGA: May I just say one
19 more thing? We could -- also, we should just, for the
20 record, say that -- there is an alternative to the live
21 streaming, which could be just taping and posting within a
22 couple of hours of the meeting. That could also be
23 memorialized and then helping in participation. It is the
24 live streaming component that gets a little expensive.

25 CHAIRMAN CROSBY: That will be something

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 else we'll be able to look at when we have specific
2 proposals.

3 COMMISSIONER MCHUGH: I was just going to
4 say briefly that this is the time to be doing these
5 things, even though the interest may be low,
6 understandably, with some of the things that we're talking
7 about to get it right and get it smooth, so that when
8 there is interest, as there will be soon, we have got a
9 smooth and efficient operation on this side, just as we do
10 on the other side. So I think we should keep at it for a
11 little while, at least until we have something that we're
12 comfortable with, and that is as smooth and efficient that
13 we can put in play whenever we need it.

14 CHAIRMAN CROSBY: Okay. Great. Item 3B,
15 HR process. I am not sure that there is really anything
16 more. Commissioner Zuniga?

17 COMMISSIONER ZUNIGA: Yeah, a brief
18 update. I started really compiling from those sources out
19 there familiar with, and I'm becoming familiar with,
20 different documents and language that could help us draft
21 an HR hiring policy. I have -- you know, I continue to do
22 that, and will have some more for the next meeting.
23 Hopefully, we can, you know, have a working draft of those
24 processes as we undertake major hirings.

25 CHAIRMAN CROSBY: Great. Anything else on

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 that? 3C, the search for director of communications,
2 although we don't know for sure that is what the name is.
3 I could just give you an update. Our interviewing team of
4 Karen Schwartzman from our PR firm and Hank Shafran
5 recently retired from Bigham McCutchen has identified 14
6 candidates -- I think that is right, right? -- who they
7 felt were worthy of interviews. Each of these 14 people
8 is going through one to two hour interview with the two of
9 them, and they hope to winnow it down to probably three
10 finalists that I and somehow or others, some others who
11 will probably talk too.

12 At the moment, most of the names wish to be
13 kept confidential, which is okay in this process. But I
14 think we're looking to move by the end of next week,
15 maybe, right, have all of the finalists. The interviews
16 will all be done and they will be back. So we're close
17 within another week or so we should be -- if the strong --
18 if the right candidate is in this existing pool, we should
19 be ready to go within about a week and a half.

20 COMMISSIONER MCHUGH: Could I suggest,
21 Mr. Chairman, or at least discuss the end game here. It
22 seems to me that like other things, we need to move both
23 with thoroughness and with expedition. It seems to me
24 that with respect to the public information officer,
25 whatever he or she is going to be called, that an

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 appropriate mechanism for making that selection would be
2 to have you make the selection based on your interviews
3 with the finalists, aided and assisted by whoever it is
4 you choose, if you choose anybody.

5 You are the person who is the spokesperson
6 by and large. You're the person who is interacting with
7 the press and the public most frequently, and so that
8 would be a logical place to place the decision.

9 But in addition, this gets back to sort of
10 the we're both the staff and policy makers here. In
11 keeping with the allocation of responsibilities that we
12 made last week where everybody has a primary
13 responsibility, it seems to me this is an efficient way to
14 do this. And if we formally designated you as the
15 decision maker, aided by whoever you wanted to use as a
16 sounding board, but you have the final decision, that
17 would be an appropriate and efficient way to go.

18 So I would just like to put that on the
19 table for a discussion, and then an appropriate motion, if
20 the discussion suggests that it would be appropriate to do
21 it that way.

22 CHAIRMAN CROSBY: Thoughts about that?

23 COMMISSIONER ZUNIGA: I agree with that
24 thought process that you are, and have been, and will
25 remain the spokesperson for the Commission in many ways,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 and I think very appropriate to have you interview those
2 finalists, however many, and come back supposedly for
3 recommendations.

4 CHAIRMAN CROSBY: I would be fine with
5 that. I think with the help that because we're getting so
6 much work out of Karen and Hank, and so much in-depth
7 vetting with them I would be okay with that, with the
8 option, if it is possible and/or necessary, of having a
9 public meeting in which we interview some candidates, or
10 maybe the final candidates.

11 That puts -- this public meeting stuff is
12 really tough for people applying for jobs. We have to
13 figure out how that works. But if there is going to be a
14 motion, I would leave that as an option because I think
15 that is the preferred way to go under the circumstances.

16 COMMISSIONER MCHUGH: Well, I would move
17 that -- I would move that the Commission designate you,
18 Mr. Chairman, as the person who makes the decision as to
19 who interviews the finalists, and makes the decision as to
20 the candidate, reserving to you the judgment that a
21 public -- public meeting, if it is in your judgement
22 necessary, be one of the options you use to make the
23 decision.

24 CHAIRMAN CROSBY: Okay. Second?

25 COMMISSIONER ZUNIGA: Second.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Further discussion? All
2 in favor.

3 COMMISSIONER ZUNIGA: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER MCHUGH: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: I'll abstain on that
8 one. It passed.

9 Okay. Gaming consultant status. As we
10 talked about last week, we vetted, we approved two
11 finalists, Michael & Carroll and the Spectrum Group. We
12 asked the two of them working together with the
13 coordination of Kathy O'Toole, who is on one of the teams,
14 to talk about pooling their resources, and putting
15 together a proposal where the team of them, would do the
16 job, which would give us the opportunity to get the best
17 of both of their packages.

18 They have met now at some length. They've
19 talked a lot. They met at some length. I only got this
20 proposal this morning, and you only got it shortly after I
21 did. To my way of thinking, it lays out the scope pretty
22 well. It is a very, very comprehensive 16-week idea --
23 16-week plan that, you know, very nice buttoned up way
24 discusses the range of issues that they would undertake
25 during that period of time, with particular emphasis on

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the strategic plan, which was critical in our RFP, and
2 which is critical to us going forward.

3 We wouldn't be waiting on everything for 16
4 weeks. There would be a lot of stuff going on during the
5 16 weeks, but at the end of the 16 weeks, we would have a
6 pretty comprehensive, basically, game chart and work plan
7 for the next few years of our work, which would be great.
8 They have not assigned who does what, but they have
9 proposed this, and I would like to have your reactions to
10 it to the extent that you have had a chance to see it.
11 Anybody?

12 COMMISSIONER ZUNIGA: Yeah. I read it this
13 morning and I have, you know, a couple of questions. Is
14 this the project proposal or are they developing an
15 additional document to this?

16 CHAIRMAN CROSBY: Well, if we say yes to
17 this --

18 COMMISSIONER ZUNIGA: Yup.

19 CHAIRMAN CROSBY: -- then they would
20 provide, as they said in the last page, a flow chart that
21 includes the division of labor among team members and
22 specific weekly deliverables. So yes -- if we approve
23 this, yes, there would be another staged column, yes.

24 COMMISSIONER ZUNIGA: And when -- do they
25 have any idea as to when that start time would be, the

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 start of the 16-week period? In other words, do they go
2 back, and you know, do a plan, if you will, and broad
3 timeline, when would we anticipate whether an early start
4 or a late start, you know. Do we have even a range of
5 what that start --

6 COMMISSIONER CAMERON: I can speak to
7 that. I had the opportunity to meet with all of the
8 consultants yesterday on a separate matter while they were
9 working on this. And they're ready to start immediately.
10 That was the conversation they had, that as soon as the
11 Commission approves this work plan, they're ready to start
12 immediately.

13 CHAIRMAN CROSBY: So the issue would be
14 whether they can start to work in advance of the execution
15 of contract because it would take us a while to execute a
16 contract, and in my prior experience that can be done, if
17 it is done right.

18 So that is what we would try to do is get
19 them going, meanwhile, the details of working out the
20 contract. We can get going, we just have to make sure
21 that works within the procurement rules, but that is what
22 they would like to do too.

23 Any other thoughts, any reactions to the
24 substance of this?

25 COMMISSIONER CAMERON: Mr. Chair, I thought

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 it was important that they coordinate with the law firm
2 and they have that mentioned in the plan. I also found it
3 to be very comprehensive. In speaking to others who have
4 had start-up operations, these were all of the things
5 mentioned that we would need to get started on
6 immediately, so.

7 COMMISSIONER STEBBINS: Just perusing it
8 this morning. I mean, obviously a lot of the things that
9 they've mentioned in laying out their scope of work is
10 consistent with what the RFP was looking for. However, I
11 note that in their short-term activities, they do suggest,
12 or list as potential action item, an RFQ process, which is
13 obviously something, I think, that is allowed for in
14 legislation, but is relatively new.

15 And they even say to assess the suitability
16 of operators, but the team and the Commission will
17 determine, so that is almost a -- almost sounds like a
18 subject for a separate discussion, even though some of
19 these other things they can begin to initiate on their
20 own. That sounds like something that would still involve
21 the five of us having a conversation with them about what
22 that RFQ process would entail. I don't think its
23 necessarily a bad step. I think it's --

24 CHAIRMAN CROSBY: In fact, this came up in
25 our interviews with when we were interviewing the

1 finalists before we decided -- and I think it came up also
2 at our public meeting.

3 I didn't know anything about this, but
4 their suggestion was -- sort of in the legislation, I
5 guess, but their suggestion was that you get a request for
6 qualifications out there to anybody who says they're going
7 to bid, and we do a preliminary, sort of, legal and
8 financial vetting of these folks. Are you somebody who we
9 can accept as a bidder? And once they're -- said yes or
10 no, then everybody is saved a lot of trouble. It saves
11 the towns trouble. It saves them trouble. It saves us
12 trouble. So we would do a preliminary vetting, and then
13 once they were approved for the RFQ process, if they were
14 approved for the RFQ process, then they can go ahead and
15 develop the proposal with the host community, have a
16 referendum to us and so forth.

17 It speeds up the process. It shows the
18 public and the participants that we're moving. When it
19 came up, I didn't really understand what they were talking
20 about because I hadn't thought about that, but it is
21 clearly the best practice. It makes a lot of sense, I
22 think, for everybody's sake and would get us rolling in a
23 way that a lot of people would be pleased to see that
24 we're moving. But having said that, yes, that is
25 something we would have to approve. They wouldn't go off

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 on their own hook and do that.

2 COMMISSIONER STEBBINS: I think on the last
3 page they're offering assistance to not only come up with
4 a hiring plan, but they're offering assistance to help
5 draft the job descriptions, not only for the executive
6 director, but some of the other immediate hires in
7 providing recruiting assistance and vetting
8 participation. I am interested in that. Obviously, it's
9 a potential performance into the work that we may select
10 from the recruiting firm to assist us.

11 CHAIRMAN CROSBY: Right. Good point.

12 COMMISSIONER CAMERON: I concur. I found
13 that of interest too and something we could utilize, their
14 experience in that manner.

15 COMMISSIONER ZUNIGA: I also have a couple
16 of other questions relative to how, you know, given this
17 16-week period, how this team, you know, for starters
18 would report, update this Commission, and how would they
19 interact with, solicit feedback or direction from one or
20 more commissioners, whether it is by area, much like we
21 have talked about, you know, whether it is a relation
22 matter or a financial matter maybe, or hiring matter, you
23 know, because you have taken the lead on some of the
24 hiring practices. If nothing else, I would be interested
25 in whether that has been communicated or talked about with

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the team.

2 CHAIRMAN CROSBY: I don't think it has been
3 and it is something I can ask them to address, how are
4 they going to do that. It is going to be a lot up to us.
5 We talked about earlier, I think we'll still keep our
6 vertical areas of focus, at least to some extent, but it
7 will be more that we'll have our weekly meetings and
8 they'll be coming in and giving us an update on how things
9 are going, and hopefully they'll be working with our
10 acting ED. They'll be interacting much more with the
11 acting ED than they will with us on a lot of stuff that
12 they're doing, except to tell us that they're on track.

13 COMMISSIONER MCHUGH: I think this is a
14 good -- an aggressive start and it looks comprehensive. I
15 too am interested in the reporting piece, because we need
16 to ensure -- and perhaps it belabors the obvious. We need
17 to make sure that we remain in control of this process and
18 that we don't get so much in a consultant reliant mode
19 that we're giving up the kind of judgmental exercise that
20 we ultimately have to make. And trying to figure out how
21 to take the best of what they can provide us without, in a
22 de facto sense, delegating decision-making responsibility
23 is going to be tricky, particularly as we try to move this
24 quickly.

25 Sixteen weeks sounds like a terrific

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 target. It ties in in a lot of ways with what I want to
2 talk about in a minute with respect to the legal
3 consultants; getting the organization up, getting it
4 running, and taking advantage of the expertise for which
5 we hired them. So I would endorse this approach, but I
6 would also like to hear more and discuss more and go over
7 with them more what the reporting and decision-making
8 chain will look like as we move forward.

9 CHAIRMAN CROSBY: I totally agree with
10 that, but I think of this as being heavy on the custodial
11 stuff, you know, the drafting of budget, you know, talking
12 about what kinds of regulations are necessary, MOUs with
13 interagency states, scope of licensing, you know, RFP
14 process. You know, what I think of this as freeing us up
15 to really focus to the maximum extent possible on the guts
16 of the issues of who is going to do this and why.

17 COMMISSIONER MCHUGH: And I don't disagree
18 with it as long as it stays there, and as long as we are
19 not going so far in a direction of delegating structure
20 that we are unthinkingly or unknowingly or accidentally
21 making substantive decisions, and that I think with some
22 vigilance it won't happen, but I do think we need to think
23 about that as we move forward and understand what they're
24 doing and why they're doing it, and the reporting piece,
25 so I think a good reporting piece will take care of it.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Good.

2 COMMISSIONER ZUNIGA: And on that note, how
3 -- it strikes me as the, you know, consultants keeping,
4 you know, go ahead digging stuff up very quickly, they're
5 very scaleable, if you will. There is a nexus to how
6 quickly we may be able to staff up to compliment that
7 process. I'm also curious as to how, in other words, what
8 demands that puts on these -- this Commission, in order to
9 make that process -- to the extent that a lot of it falls
10 on them, if you will, then we run that risk of delegating
11 also -- does that make sense?

12 CHAIRMAN CROSBY: I didn't quite get that.

13 COMMISSIONER ZUNIGA: Well, I am curious as
14 to how -- what assumptions may be behind this 16-week
15 plan, relative of resources needed from this commission.
16 Because if they have not assumed any resources are needed,
17 they could wholesale, you know, assume they will do most
18 of it.

19 COMMISSIONER CAMERON: If I can add to that
20 point, something that is always what I'm thinking about
21 are the operations pieces, and I like what they've said
22 here, that there are many options they will present to us,
23 so I feel like we're going to have total control of
24 understanding the options and then making the decisions on
25 what makes most sense for us and the other stakeholders

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 involved, so they point that out in Page 3 on ongoing
2 operations.

3 I look at that as present the options,
4 we'll explore the options and make the decisions that are
5 best for us. When we're talking about staffing, that
6 means outsourcing and/or hiring quickly, so I think those
7 are the options that we'll be deciding on.

8 CHAIRMAN CROSBY: I think all of these
9 things kind of relate, your point about reporting, your
10 point about not over-delegating, your point about what
11 they need from us, what resources. I think that all sort
12 of fits the category. I think clarifying all of that is
13 important, and I will do that. Anything else on this?

14 I think I was authorized at our last
15 meeting to go ahead and negotiate with the consultants to
16 bring either or both of them to a contractual obligation,
17 so I don't think we need to do that again. As long as you
18 feel like we're on the right track, then I will follow up
19 with them and ask for help as needed, and see how quickly
20 we can get this turned into the second phase of this
21 proposal, which is the timeline, and get the work going,
22 and I'll report back at latest next week. Okay.

23 Commissioner McHugh, we are on to 3E,
24 outside counsel.

25 COMMISSIONER MCHUGH: Yes. This fits into

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the discussion we just concluded, Mr. Chairman. Included
2 in the packet is a set of priorities from the outside
3 counsel of Anderson & Kreiger based on my meeting with
4 them the other day. At our last meeting we had a series
5 of priorities, and we left that meeting with an
6 understanding that I would circulate to you all that list
7 again, and you would indicate which of the areas you were
8 responsible for -- you were interested in primarily
9 responsible for.

10 The idea here is to be able to proceed on a
11 number of fronts at the same time, so that we can condense
12 the amount of time that it takes to get the basic legal
13 structure in place for us to operate the commission, so
14 this is a second iteration of that.

15 Now, all of you have indicated the areas
16 that you're interested in being primarily responsible
17 for. I think I have assigned one or two, but otherwise
18 those are the areas that you're interested in. The next
19 step is to think about an overall timeline, at least for
20 Phase 1. And then to have you -- those of you who are
21 responsible for specific areas find a time to meet with
22 Anderson & Kreiger, and I'll facilitate that so that you
23 can get started with whatever it is that you need to do.

24 The Phase 1 activities are essentially as
25 they were in the last iteration of this list: Review an

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 assessment of the act, develop policy and policies. When
2 are we going have regulations? When are we going to have
3 policies? When are we going to have in other forms,
4 governance, documents, and how are we going to deal with
5 public records and the like.

6 All of that is subject to what happens with
7 respect to the State Racing Commission, and that as a
8 priority that is yet to be determined based on the
9 direction that we go. And some of these Phase 1
10 priorities may have to give way if we assume
11 responsibility for State Racing Commission activities on
12 April 20th.

13 But the overall date for Phase 1 completion
14 in my discussions with the lawyers is between 30 and 45
15 days. These are the kinds of things that we need to do to
16 get us up and running, to think about what the structure,
17 the remaining things looks like, and so we would like to
18 really move on that. And within the Phase 1 activities,
19 each of those parts would have a separate target date that
20 we can work out with them in individual conversations.

21 So at the moment -- and now the overlay on
22 that is to assure that they work harmoniously with gaming
23 experts, so that we have a consolidated plan going
24 forward, and that these timelines are consistent with
25 those that the gaming consultants are aiming at as well,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 so we can move those things forward.

2 So I would -- I am not sure a formal motion
3 is required at this point. I would like to use this as
4 our action plan for the legal work that we're developing.
5 I would like to assume that we can have a target date for
6 the Phase 1 activities of about 30 to 45 days, and I would
7 like to assume that we can move forward and communicate
8 with the gaming consultants as part of their plan the way
9 they interact with the lawyers. And that's basically the
10 way I would like to proceed.

11 CHAIRMAN CROSBY: What's been your reaction
12 to these folks so far?

13 COMMISSIONER MCHUGH: I think they're very
14 thorough, very competent. They are thoroughly familiar
15 with all of the kind of nitty-gritty detail that we need
16 to know about, the public record law requirements, the
17 open meeting law requirements. They're practical as well
18 in devising strategies to deal with them, and I think
19 they're doing a good job.

20 COMMISSIONER STEBBINS: Just one suggestion
21 in looking at the assignments. I know I offered to work
22 on the segment entitled MOUs with other state agencies and
23 local agencies, but I think with respect to some of the
24 law enforcement pieces, Commissioner Cameron would also
25 join me on kind of that subgroup.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 COMMISSIONER MCHUGH: Where is that,
2 Commissioner?

3 COMMISSIONER STEBBINS: Down at the bottom
4 of Phase 2, kind of carries over to the next page, MOUs
5 with other state --

6 COMMISSIONER MCHUGH: State and local
7 agencies. Yeah, to the extent that involves law
8 enforcement agencies, I think that's right. I thought
9 that the commissioner -- some of these things do not have
10 easy boundaries, but I think that is right. I think that
11 is right. So let -- Commissioner Cameron, your commission
12 in there as well?

13 COMMISSIONER CAMERON: Yes, Commissioner.
14 I would be happy to work on those.

15 COMMISSIONER MCHUGH: All right. Great.

16 CHAIRMAN CROSBY: I had a bunch of notes on
17 things I just wanted to make sure were included, but I
18 don't think there's any need for me -- I can just run
19 through with you one-on-one. I don't think there is any
20 need to take this here. I think this is moving along
21 great. If we can get gaming consultants in the same mode,
22 moving about this quickly, and with the same kind of a
23 plan, we'll be in great shape.

24 COMMISSIONER ZUNIGA: At the risk of over
25 simplifying it, could the gaming consultants also produce

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 a matrix of similar fashion?

2 CHAIRMAN CROSBY: I have sent this to the
3 gaming consultants as a model that we would like to have
4 something similar. Great minds work alike. Anything else
5 on the law firms or anything? Gaming consultants?

6 Oh, just as a sort of for the record, we
7 got -- or I got letters from the Standardbred Owners of
8 Massachusetts and the Harness Horseman's Association of
9 New England volunteering or nominating people to serve on
10 one of our multitude of advisory committees. This is in
11 my list of things, but we've got all of these advisory
12 committees that we're supposed to either set up or work
13 with, and giving the law firm a heads up as quickly as
14 possible, so we can respond to these folks as what are all
15 of these committees and what's our role in setting them up
16 and what's our role in interacting with them.

17 CHAIRMAN CROSBY: Okay. We are on what?
18 Briefings for Commissioners. I don't know that there is
19 much really to talk to. I think we do have it scheduled
20 soon, tomorrow, the series of briefings of the
21 commissioners on ethics and freedom of information, and
22 public records, et cetera.

23 We have had meetings with the Problem
24 Gaming people. Commissioner Stebbins and I met with
25 them. We met with the Mass. Cultural Counsel.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 Commissioner Zuniga and I met with them, mostly just kind
2 of introductory, get to know each other, not anything very
3 substantive. We do have brief reports we're sort of
4 waiting on instructions on how should we process these
5 reports. We're now accepting if people want to come talk
6 to us, give us advice, if they seem reasonable, we are
7 talking with them with at least two commissioners, no more
8 than two, but not less than two commissioners. But we're
9 collecting these little reports. We're not quite sure
10 what to do with them. That's another piece we're looking
11 to launch off of from. But I don't think we need to have
12 those reported orally at this meeting, do we?

13 COMMISSIONER MCHUGH: No. There is nothing
14 really to report. We have begun to collect them,
15 preferably electronically. That's the overall goal so
16 that we can have a single electronic repository where all
17 of this stuff is categorized, indexed as we talked about
18 the last time. We have not got to that point.

19 CHAIRMAN CROSBY: Okay. Great. We'll get
20 there.

21 Okay. Record keeping update. I guess that
22 is just about reviewed --

23 COMMISSIONER MCHUGH: Just had it.

24 CHAIRMAN CROSBY: Great, nice job. That
25 was good.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 Permanent meeting date. For the public's
2 sake we're pretty sure we're going to hone in on one
3 o'clock on Tuesdays. We are still working on a permanent
4 site where we can work out some of these logistical
5 issues. I guess -- is May 3rd, is that a Tuesday? No.
6 So it will be another meeting May 1st, okay. But for
7 everybody's sake we want to find one standard format where
8 this is -- always appear but will definitely give you a
9 down relative case to the expense of mode and so forth,
10 but we're working on that.

11 COMMISSIONER MCHUGH: Can I just interject
12 here. Are we going to have a meeting on the first -- that
13 is a week from today? The public meeting that we're going
14 to talk about is the third, that's two days later, so I
15 just ask if we want to have a meeting on the first, and
16 then another meeting two days later? They're not mutually
17 exclusive, but just throw that out.

18 COMMISSIONER CAMERON: If I could speak to
19 that? I think the third is really the educational forum
20 and will not be the appropriate location to be handling
21 Commission business.

22 COMMISSIONER MCHUGH: Oh no, I understand
23 that. I understand that. I just wonder if we're not
24 biting off more than we can chew by having two --

25 CHAIRMAN CROSBY: I think we ought to

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 presume, we can always cancel it. We ought to presume
2 we're going to have it. I think there will be some
3 decisions -- I hope that there will be some decisions that
4 will need talking about, personnel consultants -- excuse
5 me, the Racing Commission, so I think we should presume
6 it, and then we can make a decision 48 hours, 49 hours
7 before the time actually rolls around.

8 COMMISSIONER MCHUGH: All right.

9 CHAIRMAN CROSBY: Item Number 4, finance
10 and budget update. Commissioner Zuniga?

11 COMMISSIONER ZUNIGA: Thank you. I
12 included in the packet this very rough draft of what I see
13 as the budget for Fiscal Year 13, and I know that, you
14 know, our consultants and lawyers will need to help us
15 develop a lot more the details, here especially as we talk
16 about timeline, staffing, et cetera. But in anticipation
17 to June 30th, I started to draft this template to start
18 thinking about the major categories in terms of budget for
19 this agency.

20 I will start reporting as hopefully as
21 early as next week on current expenditures as we incur
22 them. Start getting the reports out of MARS (phonetic)
23 from the -- the comptroller's office is helping us
24 generate and they've been helping us do the payments, and
25 you know, part of that is I'll soon be -- report.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 But I welcome feedback or discussion about
2 the assumptions behind this, or I can use for your
3 information at this point. This would not require any
4 kind of motion at this time.

5 CHAIRMAN CROSBY: For the public's sake,
6 this agenda is for Fiscal Year 13 starting July 1st of
7 next year.

8 COMMISSIONER ZUNIGA: July first.

9 CHAIRMAN CROSBY: Right, of 2012.

10 COMMISSIONER ZUNIGA: 2012.

11 CHAIRMAN CROSBY: It is totally a draft,
12 but it comes to about \$7 million for totality of our
13 operations. Now that could change by orders of magnitude,
14 but that's what we're talking about, a very rough draft.
15 I think the Spectrum and Michael & Carroll we have a
16 \$500,000 cap on that contract. I think the two together
17 can be above that.

18 COMMISSIONER ZUNIGA: I assumed a worst-
19 case scenario -- which each proposal, just adding them up
20 because we have both of them.

21 CHAIRMAN CROSBY: I am not sure we can do
22 that, but, maybe, but in any case see how that can be
23 extended.

24 So what is the assumption just roughly
25 behind the new salaries? What have you assumed for

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 personnel?

2 COMMISSIONER ZUNIGA: I assumed --
3 currently, we have eight FTEs, yes. And I assumed --

4 CHAIRMAN CROSBY: Five commissioners and
5 three staff.

6 COMMISSIONER ZUNIGA: Five commissioners,
7 three staff. We would have two more certainly by the
8 beginning of the next fiscal year, you know, whether that
9 is some staff and some communications director, et
10 cetera. And so that is 10 permanent, sort of like a *day*
11 one. An additional 10 and a half just the way that, you
12 know, came up, relative to people that start to come in
13 sometime during the year, perhaps a permanent ED for 60
14 percent of the time because it takes us between now, and
15 you know, four months into the new fiscal year to hire
16 them. And there is a couple of other key positions. The
17 management level general counsel, CFO, IT director that,
18 you know, all added them up, added up to 10-and-a-half
19 additional FTEs, so just to give a range. We could do
20 sometime in the middle of next fiscal year. Say January
21 of 2013, with 20, 21 people working full time.

22 CHAIRMAN CROSBY: Okay. And we had gotten
23 office space for one-year lease for up to 30 people, 20
24 full time, plus a few consultants so forth so that sort of
25 matches.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 COMMISSIONER ZUNIGA: Right, right.

2 CHAIRMAN CROSBY: And this is something our
3 consultant will probably know more about than we do. It
4 will be interesting to talk about this with them, but
5 order of magnitude, this has got to be somewhere close to
6 right.

7 COMMISSIONER ZUNIGA: Right.

8 CHAIRMAN CROSBY: Great. Any other
9 questions about budget or financial stuff?

10 Okay. Moving on to public information
11 educational outreach activities.

12 Oh, sorry. Yes. Number 5 procurement.

13 COMMISSIONER ZUNIGA: Just briefly,
14 Commissioner Stebbins already mentioned the highlights
15 about procurement of the executive search firm. We need
16 to start at least thinking about evaluation committee or
17 group whether there is one or two or more commissioners
18 and some staff. The way the RFR writes or reads rather,
19 staff will help us do the compliance review, just to make
20 sure that every respondent has the forms that were
21 required.

22 I can facilitate an evaluation or criteria
23 score sheet that can then be distributed to the evaluation
24 committee. So we still have time because responses are
25 due by May 11th, but we should have that committee in

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 place, group or team, whatever that may be, designated
2 prior to that.

3 CHAIRMAN CROSBY: Yeah, definitely. So we
4 ought to think about who should be -- can you do the
5 evaluation form?

6 COMMISSIONER ZUNIGA: Absolutely.

7 CHAIRMAN CROSBY: That will be great.

8 COMMISSIONER ZUNIGA: Yeah, I'll distribute
9 that.

10 CHAIRMAN CROSBY: And as to the evaluation
11 team, maybe two commissioners and one of our staff or
12 there could be staff from the governor's office, or from
13 the Economic Development Secretary of Economic Development
14 who helped us earlier. Does anybody have any other ideas?

15 What's the right kind of evaluation -- this
16 is now to look at a research firm. We have someone who
17 used to work at a search firm who works for us, Janice
18 Reilly. We could put her on. Any other ideas?

19 COMMISSIONER ZUNIGA: I just have the
20 suggestion of having a team of three people is ideal. It
21 creates a healthy group, but it is not unyielding large
22 group. So you know, I would recommend Janice to be part
23 of that, and very helpful. Certainly recommend at least
24 one commissioner be there as well.

25 CHAIRMAN CROSBY: Well, we have sort of

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 given you this role. How about you, and you pick another
2 commissioner, you and another commissioner and Janice, and
3 set up evaluation form and process?

4 COMMISSIONER MCHUGH: Let me -- can I just
5 offer a modification of that? Certainly Commissioner
6 Zuniga, but wouldn't it be helpful if we could find
7 somebody from outside the commission to help with that?
8 One commissioner, Janice, and somebody from outside the
9 Commission. That solves two -- that addresses two issues.
10 One, the composition and the point of view brought to the
11 selection process, and secondly, it avoids the possibility
12 of creating a subcommittee that has to do all this work
13 and evaluation and other when it's a public meeting. And
14 particularly in its early stages I think it is important
15 to move quickly and to bring the finalists to the public
16 arena, so we can see them, but the screening process would
17 benefit from an outsider, I think, as well as inside the
18 Commission.

19 So if we could find somebody who would be
20 willing, perhaps on a pro bono basis, to grab somebody
21 with some HR expertise that would be willing to help us.
22 That would be an asset I think.

23 COMMISSIONER ZUNIGA: I could reach out to
24 the governor's office, you know, conduct E-mail
25 procurement for us, or some of the other appointing

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 authorities, frankly, we're part of that.

2 CHAIRMAN CROSBY: Might be somebody in HRD
3 that has a particular view in this area.

4 COMMISSIONER ZUNIGA: Right.

5 CHAIRMAN CROSBY: Okay.

6 COMMISSIONER ZUNIGA: Or even, you know,
7 there is a lot of great academia here who, you know, offer
8 lend some help as well.

9 CHAIRMAN CROSBY: Do we need a motion to
10 empower the Commissioner to put together a task force and
11 evaluation committee to come up with a recommendation?

12 COMMISSIONER MCHUGH: I think that would be
13 appropriate, and I would so move.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Any more discussion? All
17 in favor say aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER CAMERON: Aye.

20 CHAIRMAN CROSBY: Aye.

21 COMMISSIONER MCHUGH: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 CHAIRMAN CROSBY: All right. Now, we're to
24 public information and we are to our May 3rd conference --

25 COMMISSIONER ZUNIGA: One last brief

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 update.

2 CHAIRMAN CROSBY: Yeah.

3 COMMISSIONER ZUNIGA: I went to training on
4 the procurement card. We now have -- we will have what is
5 effectively a state purchasing credit card of sorts that
6 the comptroller's office has, so we'll have the ability to
7 use that card. It is very convenient. It complies with
8 all of the controls around purchasing, including tax
9 exemption from sales tax, and you know, a lot of other
10 financial controls embedded in that.

11 CHAIRMAN CROSBY: Is this something each of
12 us will have one of?

13 COMMISSIONER ZUNIGA: That is a question we
14 have not -- you know, we can if we want it. It is not
15 necessary. There is -- the comptroller's recommend
16 redundancy. Certainly Janice as chief of staff could have
17 a card. Certainly a CFO should have a card, whenever we
18 have that person. And we should at some point also
19 designate an auditor type to look at the statements and do
20 the reconciliation with the expenditures once we get to
21 regular spending or, you know, steady state. But we don't
22 have those people yet, so we'll cross that bridge.

23 In the meantime, or in addition, we could
24 designate any other people. Really mostly from a
25 redundancy. Somebody is away, you need an expenditure. I

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 don't think it is necessary everybody carries a card, but
2 from a controlling perspective.

3 COMMISSIONER MCHUGH: Well, who has a card
4 now?

5 COMMISSIONER ZUNIGA: I will have one.

6 COMMISSIONER MCHUGH: Okay. And Janice?

7 COMMISSIONER ZUNIGA: Janice, remind me,
8 did you fill out an application? No, not at this point.
9 But we should think of redundancy, someone else at this
10 point.

11 COMMISSIONER MCHUGH: I was just going to
12 suggest that Commissioner Zuniga and Janice Reilly have
13 the credit cards.

14 CHAIRMAN CROSBY: Sometimes there is a
15 benefit if a lot of travel or, you know, but I think this
16 stage of the game we definitely don't want to be doing
17 that, but okay, great. Okay.

18 Now, can I do it now? All right. Now,
19 the -- our May 3rd conference, Commissioner Cameron has
20 been on showing this project.

21 COMMISSIONER CAMERON: Thank you,
22 Mr. Chair. I have included a draft agenda, and our
23 educational forum, conference is next Thursday, the third
24 of May. We're having it here at the convention center.
25 Public and RSVP on the web site is also a link on our web

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 site.

2 CHAIRMAN CROSBY: So we do want the public
3 to attend, but we would like to know that you're coming so
4 we have some idea how many people.

5 COMMISSIONER CAMERON: That is always
6 helpful for planning to know how many people will be
7 attending. There is also a link when you come on to our
8 web site about questions in advance, so if there are
9 questions that anyone may have in advance, they can be
10 submitted, and we can address those at the forum that
11 day.

12 Just a brief overview of what we have
13 planned. This all started as bringing in subject matters
14 to us rather than us, the Commissioners, travel to many
15 jurisdictions. We have assembled a team of subject matter
16 experts mostly from New Jersey and Pennsylvania. We
17 relied heavily, as the Chair pointed out earlier, on New
18 Jersey because they are a full-time commission, and that
19 is a model we would like to take a close look at since we
20 also are a full-time commission.

21 We are starting it out with the president
22 of the American Gaming Association. He is coming in to
23 speak to us to give some opening remarks, and then we
24 launch into panel discussions with our subject matter
25 experts. If you follow along, we have two panels before

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 lunch and we're dealing with the start-up issues. There
2 are so many issues that are important with regard to
3 casino gaming, but these are the actual start-up issues
4 that we're dealing with as we speak.

5 Determining priorities in launching a new
6 commission. We have subject matter experts from New
7 Jersey and Pennsylvania, also someone now working in New
8 York. The second panel gets into the lessons learned,
9 what we really can find out from former commissioners and
10 present folks, you know, things that have worked in other
11 jurisdictions, things that we may want to try to avoid
12 that may have been problematic.

13 And then we will have a lunch here. The
14 interior dining here at the convention center will be open
15 for anyone who chooses to stay, and then two other panels
16 after lunch.

17 After lunch we get into the nuts and bolts
18 of issues that we have to deal with right away, background
19 checks, the bidding process, financial oversites, smart
20 regulations. So we have experts to tell us about those
21 issues.

22 And then we end the day with our operations
23 piece, the coordinated law enforcement efforts that will
24 be needed here in order to regulate and have full
25 compliance. And we have brought in a team of experts,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 many of whom I worked with in the past, frankly, to come
2 in and really talk to us about New Jersey and Pennsylvania
3 compliance and regulation, the teams that work together.

4 And so I think we have a good panel, a good
5 day planned on Thursday, and I think it will be
6 informative to not only all of us, but to the public as
7 well.

8 CHAIRMAN CROSBY: I think this is great.
9 It has really come together nicely. I hope any of the
10 media who is here or watching or hears about this --

11 Thank you very much for your help, sir,
12 welcome. Mr. Rooney, head of the convention center.
13 Thank you for being courteous to us. I hope you're going
14 to introduce Mr. Rooney to Jamie. I want to say hello.
15 Thank you, Jim.

16 There have been two criticisms that have
17 come in through our web site. One not exactly a
18 criticism, just a question, about why did we focus so
19 heavily on New Jersey and Pennsylvania as the source of
20 the references. Obviously, to some extent it has to do
21 because you're from there and you know people and you
22 could access people easily and vet them easily, but also
23 as you said relative to New Jersey, it is a full-time
24 commission, and we wanted to get expertise from full-time
25 commissioners because it is an unusual situation.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 And we also wanted the most recent start-up
2 experience, and Pennsylvania is the only other case in
3 point out there, and they did have some serious troubles.
4 So using New Jersey and Pennsylvania as the focal point
5 for our learning experience was important.

6 Nevada is really its almost own -- its own
7 phenomenon. It is so mature, and so big, and so
8 sophisticated, that we'll use their expertise, but it will
9 be in a little different stage of our development. So
10 that was one thing that came up through our web site.

11 A second, was raising the question about
12 Frank Fahrenkopf as the kick-off speaker. He is the head
13 of the American Gaming Association, which is the principal
14 association for this industry. I think it is entirely
15 appropriate to have him be a person who speaks about the
16 industry early in the game in our and the public's
17 learning process. He is also an advocate of the industry
18 and lobbyist for the industry, which makes perfectly good
19 sense. But why I think it's also encompassed to make ure
20 that we have -- incumbent upon us to make sure that we
21 have all perspectives as we are learning, and that you'll
22 hear a little bit about, later on, we are reaching out to
23 people who may have other perspectives on the industry.

24 So as I said the last time, this is the
25 first of many of such sessions. And we are going out of

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 our way to make sure that perspectives of all types --
2 we're not going to refight the battle of should we be
3 doing this. That one, we're not going to spend a lot of
4 time with, but everything else, we're very open minded and
5 we're very, hopefully, inclusive on getting all
6 perspectives to the table.

7 Any more comments on this? Anything else
8 we need to think about on the third? I think it looks
9 great. Hopefully we'll have a good audience, thank you
10 very much for doing this. Okay.

11 The next one referring to economic
12 development forum. We talked about this a little bit. At
13 the last meeting we tried to frame up the question of
14 issues. There has been a lot of studies out there. Do we
15 know what we need to know? What do we need to know? If
16 we don't know what we need to know, what do we need to
17 know and how can we find it out, and as well as some other
18 issues potentially. And Commissioner Stebbins has been
19 pursuing this. Do you want to give us an update?

20 COMMISSIONER STEBBINS: Sure, absolutely.
21 I can tell you we've narrowed in on two dates. I think I
22 may have checked everybody's calendar for June 21st, but I
23 think we may even try to do more aggressive than that.

24 The Chairman and I talked about trying to
25 move this up and checking out various schedules of people

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 we wanted to invite. The month of June seems pretty open,
2 so we're now looking at either June 7th or June 14th. I
3 have confirmed that our friends out at Quinsigamond
4 Community College in Worcester would like to host us for
5 this. The community colleges have been partnering
6 together to follow the developments of the gaming industry
7 in terms of being able to provide training for potential
8 gaming employees, so they have -- are acutely interested
9 in this.

10 We're looking at dividing up the panels
11 into two sessions. One of the first being updates to
12 recent Mass. gaming studies, ongoing economic research. A
13 number of the surveys, and research, and studies that were
14 done that were an impetus for the passage of the bill are
15 anywhere from two to three years outdated. Obviously, the
16 economy has kind of pitched and there's some roller
17 coaster up and downs. I think we're inviting those people
18 back that did do a study. I haven't connected with
19 everybody yet, but we do have a couple of confirmations
20 from folks that were behind some of the principal studies
21 that were done, give us an update on that.

22 The second discussion being some folks that
23 we may not have talked to or may not have been involved in
24 that first process, but assessing and reviewing the
25 information that we need to make smart decisions as

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 application licenses begin to come in. We've reached out
2 to Doctor Martin Romitti at the UMass Donahue Institute
3 who did a lot of research work on gaming in Missouri.

4 Commissioner Zuniga and I are actually
5 meeting with the folks from the Donahue Institute on
6 Thursday. Steven Norton from New Hampshire Center for
7 Public Policy. New Hampshire just went through,
8 obviously, a very vigorous debate and study of gaming
9 opportunities and potential. And New Hampshire has
10 offered to come down and share some thoughts, again, about
11 what tools, what information, what resources should we be
12 aware of that assess the economic impact from the license
13 applications that we expect to receive, and Mr. Chairman,
14 as you pointed out, making sure we have all of the tools
15 that we need.

16 So, not as complete a day as our event on
17 the third, but again, I think it will be a good
18 conversation, a good public forum discussion on what's
19 been done, any changes since the bill has been passed, or
20 any changes since -- with renewed available economic data,
21 as well as looking at what should be some of the tools
22 that we need to have on hand to make a thoughtful decision
23 process.

24 CHAIRMAN CROSBY: Thoughts or reactions?
25 We had talked about maybe doing the issues of mitigation

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 and problem gambling at the same time if we had time.
2 What's your thought on that at this point?

3 COMMISSIONER STEBBINS: I think we -- I
4 think that my viewpoint is there could be a strong
5 session. I think there are so many pieces of so many
6 components of people interested in the mitigation
7 efforts. You know, we had some new information come in
8 from another UMass entity about mitigation issues. I
9 would actually suggest setting that aside, doing a
10 separate forum on that. You know, we did have a meeting
11 with the Compulsive Gambling Alliance. We know there are
12 other groups and individuals out there who we're just
13 getting around to talking to, but I would think that that
14 would precipitate being a public education forum in its
15 own right.

16 CHAIRMAN CROSBY: The two of them, those
17 two topics together, they're sort of related.

18 COMMISSIONER STEBBINS: Yes.

19 CHAIRMAN CROSBY: Well, maybe we ought to
20 think about -- I would hate to wait until -- if we do it
21 after -- if we use your date, well, the seventh or the
22 14th or the 21st, anywhere in there, I would hate to wait
23 for another month, you know, to get to the next one, then
24 we get into July and August, which is a tough time. I
25 think we ought to think about -- it seems to me -- I am

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 not sure I'm right about this, but it seems to me off the
2 top of my head, it seems to me the issues of community
3 mitigation -- broad-based community mitigation, saving the
4 local venues, the entertainment venues, never mind traffic
5 and all of that, and the issues of compulsive gambling are
6 very much on a lot of people's minds.

7 They are topics that we want to know more
8 than we already know about, and we want heads up as we're
9 putting together the RFPs and license applications and so
10 forth, so it seems to me it would be important that we pay
11 attention to those issues as soon as we possibly can.
12 That would lead me to suggest we're going to find somebody
13 to pull that one together, do it as soon as we can,
14 whenever we can, as soon as we can. What do you all
15 think? Do you agree with that? Can we do it later? Do
16 you have a reaction to that, anybody?

17 COMMISSIONER MCHUGH: I think those topics,
18 and there may be others that are allied -- are critically
19 important, and that we really do need to spend a day
20 dealing with them, and that we ought to do it soon. I
21 wonder how much we did -- how much we can take on how
22 quickly in that venue and do it just -- we may be able to
23 do another one by the end of the year, by the end of
24 June. It might also be worthwhile to do that right at the
25 beginning of the fall.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 But I do think -- I do agree that they're
2 very important, and they're very -- they're very nuanced,
3 and there are other -- there are other areas that fit in
4 with them as well, so I think we really need to think
5 through what's associated and make sure we've covered the
6 entire lot.

7 CHAIRMAN CROSBY: To me, to wait until the
8 fall would be a pity. It just feels the public needs to
9 know we're thinking about these issues. I think we need
10 to know about these issues. I want to get energy going,
11 get organized. Think about how to crystallize the best
12 possible strategies. We can find somebody -- maybe we
13 don't have the capacity yet, have one of us pick this up
14 and organize it like Commissioner Cameron has done and
15 Commissioner Stebbins is doing.

16 But we can find somebody, I am sure, who
17 would be willing to take this on, subject to our
18 oversight. It is really just a matter of finding -- it is
19 articulating the mission of the meeting, of the day, A,
20 and B getting the right people there who can help us
21 accomplish that mission. That takes some work, but beyond
22 that, it is just logistics. We can definitely pull
23 logistics off, so.

24 COMMISSIONER MCHUGH: Well, if we did this,
25 the forum I'm going to have on May 3rd is a forum that

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 basically has an agenda that we designed, and panels that
2 we have selected. The -- it is going to be a fascinating
3 day and one that Commissioner Stebbins is putting together
4 following the same format. If we had an approach to these
5 other two topics that was more of us and the public
6 listening to groups present to us ideas and concerns and
7 issues and reached out to people who could put together a
8 potpourri of a range of ideas that they thought were
9 important for us to know, with our help and activity and
10 planning the agenda, that's a different kind of a format.
11 I think that would be an easier, and yet a very important
12 way, to get the kinds of information that we need in order
13 to consider these issues.

14 One of the things about the May 3rd issue
15 is that we know who the people are from whom we want to
16 hear. We generally know the things we need to learn
17 about. Some of that is true with respect to the economic
18 development point. I am not sure we're surefooted in
19 these other areas, and therefor might find some experts
20 who are and have them present to us what they'd like us to
21 know.

22 COMMISSIONER ZUNIGA: I suspect and hope
23 that part of the questions that start to come in as part
24 of the May 3rd forum, or even beyond, could also inform
25 just to your point relative to what the public may be

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 interested in either listening in terms of content, or
2 formally, so hoping that, you know, we'll get some of that
3 in questions solicited.

4 CHAIRMAN CROSBY: Well, if you're okay with
5 it, I'll take a step or two to see whether we can get our
6 arms around this and get something going, and you know,
7 see if we can find a few people, find a person or two who
8 could be point people, coordinate it, and get some ideas
9 and talk as quickly as we can in the next week or so about
10 whether we think we can pull something together and when,
11 and see what everybody thinks. Is that all right? Okay.

12 Where are we? Raising Commission Item
13 Number 7. We are back to Commissioner Cameron.

14 COMMISSIONER CAMERON: Thank you,
15 Mr. Chair. We are continuing to take steps towards a
16 smooth transition for the Gaming Commission to incorporate
17 racing oversight. As was mentioned in an earlier meeting,
18 we do have an RFR for raising expert to assess the
19 operations and that has gone out to four qualified
20 vendors, and we expect responses by the end of this week.
21 We didn't give an exact date, but we do expect responses
22 this week.

23 We continue to have conversations with
24 responsible parties from state -- the licensure, state
25 licensure folks. We're making transition plans as

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 Commissioner McHugh pointed out. The unknown is exactly
2 when this transition will take place, but we should know
3 shortly when that will occur.

4 We have an ISA for payments. We're working
5 on that. We have a draft at this point. We're working on
6 those payments that we're obligated to make from the
7 racing stabilization fund. That's being reviewed. We
8 anticipate finalizing that in the near future. I had an
9 enthusiastic meeting with the kennel owners this week to
10 talk about some of the unresolved financial issues, and I
11 need to conduct some further research before I have a
12 recommendation on how to proceed with that matter.

13 So there continue to be new issues that
14 come to our attention that we're handling in a manner
15 that -- the quickest manner we possibly can. So at this
16 point, we don't have any definite resolutions, but we
17 continue to work toward those resolutions, and that's all
18 I have, Mr. Chair.

19 CHAIRMAN CROSBY: This is by way of going
20 down two tracks simultaneously. One is to be prepared to
21 take the Racing Commission over as we have been mandated
22 thus far to do, and still are on the record that we will
23 do. And to see whether or not the legislator and the
24 governor are willing to or interested in moving the
25 takeover date.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 And as we talked about last time, we're
2 doing these two things simultaneously. There does
3 continue to be interest on the part of the legislature and
4 the governor in not having the Commission's work slowed
5 down -- its primary work slowed down by something which is
6 probably nonessential in the near term.

7 There was concern about opening up the
8 commission and gaming legislation for other amendments.
9 Nobody wants to start that ball rolling, so it is a
10 delicate process, but everybody understands issues, and I
11 think for the most part -- I think for the most part, the
12 powers to be appreciate that they would like to see our
13 main work, that is the licensing of the expanded
14 facilities, and move forward as expeditiously as possible,
15 but it is easier to say than it is to do.

16 And mostly Commissioner McHugh and I have
17 been talking with legislative and gubernatorial leadership
18 to try to make that happen and if that is what they want,
19 and it appears that that would be their preference, but it
20 is not an easy case. It is not a black and white case,
21 and we'll continue working on that.

22 I have said that we are beginning to get
23 into it. We are expending resources, which we don't have
24 much of, particularly time, already now, to make that
25 transition, and if it is going to get postponed, it would

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 be nice to know that so we could stop doing all the work.
2 Never mind there is all the poor folks at the Commission,
3 the Racing Commission, trying to figure out what's going
4 to happen with their lives. So we're doing the best we
5 can, but going down both tracks for as long as we have
6 to. Anything else on that, Commissioner?

7 COMMISSIONER MCHUGH: The only thing I
8 could add to that, is I think we need to do something as
9 soon as possible about the Commission employees who really
10 are in a state of limbo, and with each passing day we get
11 closer and closer to something, but we don't know exactly
12 what it is and they don't either.

13 And from our standpoint, it is difficult
14 for planning purposes, for their standpoint that the
15 planning has acute problems, I think. And so I would like
16 to by next week have something that we're prepared to say
17 about that. And I don't know what the something will be,
18 but at least something that will help them think through
19 what the next step is likely to be for them. It is
20 necessarily vague, and I wish I could be more concrete,
21 but we need to be able to say something soon, I think.

22 CHAIRMAN CROSBY: Well, the employees --
23 there are full time employees and there are part-time
24 consultant employees who work for the Racing Commission,
25 and hopefully, they're aware of the fact that we've been

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 wrestling with this, trying to figure out what do we do on
2 their behalf. Doug, you're familiar with this.

3 UNIDENTIFIED SPEAKER: Yes, I am.

4 CHAIRMAN CROSBY: But I think if the
5 takeover is postponed, then things will continue for those
6 employees as it has. There won't be any changes.

7 Everything will continue as is. So whatever state that
8 is, good, bad or indifferent for them, it will continue.

9 If we take it over, I think it has been our sense that one
10 of our concerns here is that we don't know very much about
11 it. We don't know the substance. We don't know the
12 people. We don't have a sense whether we have too many,
13 too few. We clearly are short on the leadership. There
14 is no executive director.

15 If we were going to get into this, really
16 take responsibility, we would want to know about what
17 we're dealing with. We would have to have an opportunity
18 to get to know the personnel, and make decisions, whether
19 these are the right people for carrying forward. But that
20 is really not an exercise that we want to go through at
21 this point. So I would think if we do take it over, the
22 least that we would want, would be some kind of
23 provisional agreement to have the existing people continue
24 to do their work, for the most part, through this racing
25 season.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 There is just almost no possibility that
2 we're going to make any kind of a change through this
3 racing season if we do end up taking over. So it may be
4 that we can make some kind of commitment that doesn't tie
5 our hands forever, but does give people at least some
6 comfort that for at least X period of time, their lives
7 would continue as they have. Is that --

8 COMMISSIONER MCHUGH: I think that is
9 exactly the kind of thing we need to do.

10 CHAIRMAN CROSBY: Right, right.

11 COMMISSIONER MCHUGH: If we think about
12 that, perhaps, for a week and then do it, I think we both
13 do something that's logical and give some people some
14 assurance on the planning front.

15 CHAIRMAN CROSBY: Is there any employee
16 from the Racing Commission out here? I know Doug.
17 Anyway, please tell folks -- it is a modest help, I
18 understand, but we are trying to figure this out. But
19 maybe you would be the best person, Commissioner, if you
20 would be willing to talk with whoever you need to talk to,
21 to see if we do take it over, what kind of assurances can
22 we give to people for at least a period of time certain.

23 Because the law as it stands now, they lose
24 their jobs, as I understand it. And they have the
25 opportunity to be rehired with us, and they get a sort of

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 preference, but they don't have any guarantees. And if
2 we're pretty much clear, that if this happens, we would
3 want them to stay in at least some provisional position.

4 COMMISSIONER CAMERON: When you're done,
5 I'll speak to this.

6 CHAIRMAN CROSBY: I'm sorry if you already
7 know this. Well, why don't you jump right in. Maybe
8 you've already talked about it.

9 COMMISSIONER CAMERON: In the meetings I've
10 had, those are the exact conversations we have had.
11 Everyone knows we're going to bring in a consultant, take
12 a look at the operation. That's going to take some time.
13 For this racing season, the discussions I have had with
14 those in charge now, are hey, if you keep it -- obviously,
15 your operations remain the same, and if it comes to us, we
16 will do what we have to do at the very top to take over
17 the oversight piece, but the day-to-day operations will
18 remain the same with those employees. So we have had
19 those conversations.

20 CHAIRMAN CROSBY: Well, we need to figure
21 out a way to bring them on board in a way that doesn't
22 eliminate our flexibility downstream, but does give them
23 some certainty for some period of time.

24 COMMISSIONER CAMERON: We have the ability
25 to do that. We've talked about how we put that together

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 also. We have the ability to phrase it in a way that
2 talks about this racing season.

3 CHAIRMAN CROSBY: Okay. Great.

4 COMMISSIONER ZUNIGA: There is also just a
5 minor point, which goes right along those points. There
6 are contract employees currently and those I venture that
7 is very straight forward to extend contracts for a very --
8 period of time.

9 Really, what we should explore and
10 continue -- ensure that the permanent employees, who as
11 you say technically lose their job and may be rehired with
12 some preference, whether anything interim can be devised
13 or not.

14 CHAIRMAN CROSBY: That's great. I
15 apologize. You are on top of this. You guys can figure
16 that out in a formal way, so that we can actually get our
17 arms around it. We will know what we're buying into and
18 these folks will know what they're getting. In specific,
19 that would be great.

20 COMMISSIONER CAMERON: We have a meeting on
21 Friday and we'll address that.

22 CHAIRMAN CROSBY: Okay. Great. Anything
23 else on the Racing Commission issues?

24 COMMISSIONER STEBBINS: Is there any
25 operational challenges we're coming up with, with respect

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 to commissioners themselves of the Mass. Racing
2 Commission, I guess, in their responsibility for doing any
3 of the hearings, et cetera?

4 COMMISSIONER CAMERON: Well, what we're
5 talking about is using the folks now from licensure to
6 continue doing hearings until we can hire the appropriate
7 staff to do so. So we're making those contingency plans
8 now.

9 COMMISSIONER ZUNIGA: Well, let me just
10 draw the distinction between people run at the licensure,
11 the department and the OSE, and the Racing Commission,
12 that ceases to exist. And that --

13 CHAIRMAN CROSBY: If we take over.

14 COMMISSIONER ZUNIGA: Right. Well, and
15 then there is a couple of commissioners who are already
16 leaving, so whether we take it over or not, there will be
17 some question there.

18 CHAIRMAN CROSBY: So if we don't take it
19 over, the governor would need to appoint at least one more
20 commissioner, so there was a viable commission, right?

21 COMMISSIONER ZUNIGA: Perhaps. But also
22 the way the current statute reads, we could delegate the
23 oversight, you know, the licensing, but it is a lot more
24 difficult to delegate the hearings or the decision making
25 that the Racing Commission had -- and I know there is the

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 track, if you will, but that is crux of what we're --

2 CHAIRMAN CROSBY: I thought your point was
3 even if we don't take it over, then the governor will have
4 to reconstitute the Racing Commission.

5 COMMISSIONER STEBBINS: Right. My question
6 is more the commissioners themselves, knowing that I think
7 there was one vacancy and one person leaving, how do they
8 continue to function or not function, either scenario.
9 Whether we get a delay or whether we are able to
10 incorporate an agreement with them, how do they continue
11 to function? I guess, just more just general question.

12 COMMISSIONER CAMERON: Well, the original
13 thought was with the Gaming Commission taking it over,
14 they would not continue to function. We would take those
15 oversight functions, which would mean the appropriate staff
16 to assist us in doing that.

17 CHAIRMAN CROSBY: Okay. What's the
18 timeline on the RFP for the consultant, the Racing
19 Consultant?

20 COMMISSIONER CAMERON: We expect them by
21 the end of this week, the responses, and we should be
22 prepared to make a decision on that by next week.

23 CHAIRMAN CROSBY: Great. Okay. Okay.
24 Charitable gaming. Oh, you know what? I wanted to go
25 back to one thing. In the -- I think this relates to the

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 law firm issue, Commissioner McHugh.

2 We have talked about this issue of what
3 support, if any, do we provide to the communities. The
4 papers are constantly filled with stories about
5 communities trying to wrestle with these issues,
6 particularly the smaller ones. If I remember correctly,
7 were you going to talk to the lawyers about what role we
8 might play, or how you -- you're going to think about were
9 we going to pick somebody else to help us pull together a
10 package for the communities and do the outreach and so
11 forth.

12 COMMISSIONER MCHUGH: I think that the plan
13 was, and remains, to build on the analysis of the statute
14 that the law firm is doing, that's already been done
15 independently by several of us, and pulled together with
16 their help, at least some kind of general guidance and
17 descriptions of the process, so that they can understand
18 more about that than I think they generally do, and then
19 try to reach out to the association, Mass. Municipal
20 Association, try and see if they can provide some
21 assistance as well.

22 CHAIRMAN CROSBY: You talked to MMA and the
23 Collins Center, right; is there anything more of that?

24 COMMISSIONER STEBBINS: I talked to the MMA
25 in an initial conversation, Mass. Municipal Association,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 in terms of us sharing information about our meetings and
2 our activities. I think there is some reference to
3 questions municipalities concerning us and interpreting
4 the gaming bill. You know, at this point they have shared
5 with their member communities information on the May 3rd
6 forum --

7 Also had a conversation with folks from
8 UMass Boston, Steve Colburn (phonetic) in terms of you
9 have different communities with different internal
10 capacities working on this issue. Some communities have
11 part-time boards of selectman, other have full time
12 planning staffs. I mean, how can we try to fill a void or
13 offer some level of assistance. Kind of an open-ended
14 question, and waiting, anxious to see what they may come
15 back and suggest, but I think our initial work of working
16 with MMA to get information out about our meetings and
17 topics that we're covering as well as being a resource for
18 particular questions as they may come up in interpretation
19 of something in the bill. I think one or two great ways
20 to start, until we kind of move along through the process,
21 certainly that might be an issue.

22 Another question to add to the list to talk
23 about with gaming commissions from the other states is how
24 have they supported local communities. Probably
25 Pennsylvania more since, obviously, mostly New Jersey's is

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 all concentrated in one location, but what's been their
2 experience in helping communities -- (inaudible).

3 CHAIRMAN CROSBY: Okay. All right. I
4 still feel a little bit like we're not quite proactive
5 enough on this, but I guess we're working our way towards
6 a variety --

7 COMMISSIONER MCHUGH: Well, I think we have
8 to be proactive, but we have to be proactive in a way that
9 we know where we're going, and that's the problem. It is
10 the problem of taking the inquiries and getting an answer
11 that both represents the consensus of the Commission.

12 It is difficult, I think, to give an
13 answer, except in the most vague and general terms, that
14 binds the Commission, and if it doesn't bind the
15 Commission, it is not a good answer if people are going to
16 rely on it, without having a discussion in this kind of a
17 forum to provide the substance for the answer that people
18 can rely on. So that's the first thing.

19 The second thing is we have to be careful
20 so that we're not deciding some matter that's going to
21 come back in part of a contested application package
22 between two different towns, and we've already blessed
23 something that we may want to think about in a more
24 critical fashion once we're faced with it concretely.
25 That doesn't mean we can't do this, and we shouldn't do

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 it, we shouldn't be proactive. We should be all those
2 things. It is trying to figure out how to be
3 constructively proactive without misleading -- giving out
4 misleading advice and without tying our hands in a way
5 that we don't anticipate, don't know, up front. If we can
6 figure that out, but it is not an easy thing to do, so.

7 CHAIRMAN CROSBY: All right. Item 8,
8 Charitable Gaming. I did write, as we discussed last
9 week, a letter to the speaker, the president, the Ways and
10 Means Chair, Economic Development Technology Chairs that
11 we -- we're not going to be able to do our report, we're
12 getting going on this, and this is a report about
13 recommendations and review of the status of charitable
14 gaming, how it is overseen now, should it be overseen
15 differently.

16 The legislatures kind of operating
17 presumption is that that would be brought under the Gaming
18 Commission and wanted us to make recommendations about
19 that. And we have told the legislative leadership that we
20 will have an answer to them -- have our report to them by
21 the end of July. And you were going to think about that a
22 little bit and see whether we can do it ourselves, do we
23 need help, or.

24 COMMISSIONER MCHUGH: And we're still in
25 the process of thinking about that. Commissioner Zuniga

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 and I are going to meet with some folks from the treasury
2 and the lottery, which is the depository moneys, in early
3 May. Then I think shortly thereafter we'll figure out who
4 else we need to meet with, figure out whether we can do
5 this or whether we'll need some help, and within a week or
6 so, couple of weeks have a plan, either a plan to get some
7 outside help and do it, or a plan to do it ourselves, and
8 what we need to do to do it.

9 CHAIRMAN CROSBY: This is obvious, but in a
10 couple weeks from now -- there is only two-and-a-half
11 months left then the report has to be done.

12 COMMISSIONER MCHUGH: Yeah, I understand
13 that. The dimensions of the report -- I think we have a
14 fair idea of what the parameters are, so I think we can do
15 this.

16 CHAIRMAN CROSBY: What are they as long as
17 we're talking about it?

18 COMMISSIONER MCHUGH: We have got \$75
19 million in total gaming revenues. We have got a group of
20 --

21 CHAIRMAN CROSBY: This is in gaming revenues
22 like this is a whole or this --

23 COMMISSIONER ZUNIGA: General gaming whole.

24 COMMISSIONER MCHUGH: That's the gross
25 charitable gaming revenues from this -- from these charity

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 and casino nights under 271, 7A. Chapter 271 of the
2 General Laws, Section 7A, is where all of this is
3 written. \$75 million gross gaming revenues. The
4 Commonwealth's take is 5 percent of that. \$18 million of
5 that winds up in the hands of the charities themselves.
6 The rest goes for prizes and operating expenses. There
7 are a number of operators, a small number of operators,
8 who perform operations for the charities that would like
9 to hold these events when they don't do it themselves, and
10 many of them do not do it themselves, but they hire these
11 operators to do it.

12 The licenses are given by the clerks of
13 cities and towns where the operation is going to be held.
14 The local police authorities are notified. The charitable
15 division, the charitable -- public charities division of
16 the Attorney General's Office has some oversight
17 responsibility and treasurer of the lottery gets the
18 money, then distributes it, and fashion kind of figure out
19 more would be talk. And then there is a group -- the
20 precise name of which escapes me, that represents the
21 interest of or is an (inaudible) of the interest of those
22 who conduct these kinds of charitable gaming events.

23 So the pool is relatively small. The
24 amount of money that the charities get from the pool, the
25 \$18 million is important, but it is not a huge amount, and

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the system may be running just fine right now. It may be
2 that there are -- each of them have some recommendations
3 for changes that we need to think about, and that's what
4 we need to explore.

5 But I think by talking -- we've already
6 talked to the attorney general's folks, public charities
7 folks, and they're going to send us some information that
8 they've accumulated. We'll talk to the lottery folks, and
9 we'll talk to the association that represents these
10 charitable groups, and we'll talk to the association -- an
11 association that represents the town clerks, and have at
12 that point, a pretty good idea of what the dimensions of
13 the problem and issue are, but it doesn't seem to me that
14 they're going to be unmanageably complex.

15 COMMISSIONER ZUNIGA: There is a question
16 that, you know, now with the creation of the Commission in
17 this context whether, you know -- in my mind the
18 enforcement piece or section of these permits that
19 currently reside with the local clerks and the local
20 chiefs of police, they issue those permits for those as
21 well they have a role, whether there is any reason to
22 change that, now that the existence of the Mass. Gaming
23 Commission in anticipation of casinos and slot parlors, if
24 you will.

25 I think that is something that we need to

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 think about as part of this. There is also presumption
2 that not everybody who is currently obtaining a permit --
3 sorry, not everybody who is currently conducting a raffle
4 or bingo or a game for charity purposes is doing it
5 according to all of the -- what's stipulated in the
6 current statute of obtaining permit from local clerk and
7 the chief of police. But you know, there is at least in
8 my mind that could exist a threshold for that because, you
9 know, a bake sale doesn't need to be sanctioned or a
10 raffle on plants could be not --

11 CHAIRMAN CROSBY: Is most of the church
12 bingo stuff, is that apparently under the official
13 umbrella, does everybody understand that?

14 COMMISSIONER ZUNIGA: Yes, yes.

15 CHAIRMAN CROSBY: So it is pretty de
16 minimus -- if there is something outside the official
17 managed system, it is pretty de minimus.

18 COMMISSIONER MCHUGH: That's not clear.
19 But it also presents, I mean, a different kind of
20 problem. The law says -- the existing law says you can do
21 certain things and you can't do other things. Within the
22 you-can-do-certain-things pool, the parameters are fairly
23 clear, and those are the ones I've described. We
24 understand that there are some outlayers that -- there are
25 some people out there who are simply breaking the law, and

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 that is not so much a policy issue as it is an enforcement
2 issue, and whether there is an appetite for enforcement is
3 a different question.

4 CHAIRMAN CROSBY: I am going to leave this
5 with the AG.

6 COMMISSIONER MCHUGH: That's exactly where
7 I think it could be most efficiently handled, that piece,
8 the pure enforcement. Because no matter what we suggest
9 about changing the law, we're still going to have -- we're
10 still going to be creating a potential pool of people who
11 are operating within the law, and there will be people who
12 are operating without the law, and I don't think that we
13 ought to take on the -- at least presumptively the task of
14 rooting out evil doers and making people informed of the
15 laws that exist. Others are better equipped to do that.

16 CHAIRMAN CROSBY: Do you have any
17 experience in this with organized crime in New Jersey?

18 COMMISSIONER CAMERON: Well, one of the
19 things we had dealings with was the illegal slot machines
20 that are somewhat rampant, at least in New Jersey, in
21 private clubs, gaming machines within private clubs. And
22 it actually got to be problematic with some public
23 officials who had to step aside or not be considered for
24 positions because they were members of those clubs. So
25 that's an area that I know there is a lot of illegal

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 gambling going on in lots of jurisdictions. We didn't
2 really keep track of illegal bingo or those kinds of
3 events, but the gambling we did.

4 CHAIRMAN CROSBY: That's a different
5 issue. Just church bingo type of thing was a big deal.
6 All right. Great.

7 Nine is Interagency Relations and the first
8 of that is the Internet Gaming Status. Commissioner
9 Zuniga?

10 COMMISSIONER ZUNIGA: Yes, sure. We met
11 with the treasurer's office Friday. There is an online
12 products task force that will meet sometime in May to
13 which I will be attending to participate in terms of
14 listening and seeing the developments that that task force
15 is looking at. Essentially, there has been a recent
16 decision by Department of Justice where that could open
17 the door for state sanctioned online products. There is a
18 lottery component and then there is also a, you know,
19 online gaming or poker, if you will.

20 Now, there is a real recognition that, you
21 know, if that came to Massachusetts, that would have to
22 require legislative action, clearly, but our own statute
23 speaks to the need for this commission, and the
24 treasurer's office to coordinate and monitor these
25 developments as Internet or online products come to

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 fruition. So the update is that we will be doing those --
2 combination of those moneys of those developments.

3 CHAIRMAN CROSBY: Yeah, I think the most
4 interesting part of the conversation is, that is going to
5 be something we're going to need to think about a lot, is
6 we have two gambling supervisory agencies in
7 Massachusetts. We have the Gaming Commission who is doing
8 nothing at the moment, and we have the lottery that is
9 doing four-and-a-half billion dollars, and is netting a
10 billion dollars for local aid. And the legislation said
11 we're going to have two of us. You could put them all
12 together, you could argue they ought to all be together,
13 but they aren't, they're two separate ones.

14 What we don't want to get into is a turf
15 fight between us about, we want to do that, and we want to
16 do the other thing. And -- but there is only one big
17 gaming pie and nobody knows how big the gaming pie is.
18 Nobody knows what the impact of casino gambling will be on
19 the lottery, on what the slots will be -- the lottery will
20 be on the slots and vice versa, or what Internet gaming
21 will do to any of this.

22 So the principle that we went in there
23 thinking it was a really important principle is that the
24 people on this task force and the leadership of the Gaming
25 Commission and the leadership of the lottery, look at this

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 as one big industry, you know, initiative within the
2 Commonwealth. Which has, as one of its principle
3 objectives to generate revenue for the Commonwealth. We
4 need to think about what our position was. We need to
5 think about what is the optimal way to take this amount of
6 gaming dollars, whatever that turns out to be, and have it
7 have an optimal impact for the Commonwealth, which means
8 the most least negative, and most revenue, and the most
9 jobs and so forth.

10 If we're looking at it that way, then we're
11 not going to be worried. We won't care if the lottery
12 cannibalizes the slots, if it turns out that the lottery
13 returns more money to the public than the slots do. Or
14 vice versa. The lottery shouldn't care if we cannibalize
15 the lottery -- if the slots and casinos cannibalize the
16 lottery, if our pay out as the percent of gaming dollar to
17 the public is higher, or whatever value systems you want
18 to bring to bear. And it will make it much easier for us
19 if we can all look at from that standpoint.

20 And Treasurer Grossman bought right into
21 that, you know, and jumped right to -- and I said it is
22 easy for us to say because you have got a billion dollar
23 business to trying to protect, sort of protect, and we
24 don't have any business, it's only coming. But I think he
25 really got that.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 I think -- and that will be Commissioner
2 Zuniga's responsibility is to sort of make sure that that
3 really is the way that we all look at this. And the way
4 the task force looks at it. This idea of measuring the
5 marginal utility of a gambled dollar to the public good is
6 something I have never heard talked about, but it is
7 really important. For every dollar that's gambled in the
8 lottery, for every dollar that's gambled in slots, for
9 every dollar that's gambled in a casino, for every dollar
10 that's gambled in a horse race, what percent goes to the
11 public, and should that be what drives the favorite, you
12 know, the predisposition. Or are there other values, the
13 marginal impact of each dollar.

14 And it was -- I think, I'm not sure they
15 had been thinking about this, but the treasurer jumped
16 right on it. He's really committed to taking that kind of
17 micro view, which I think is really important.

18 COMMISSIONER ZUNIGA: Yeah. There were
19 also very important points relative to the potential
20 presence of online products. There is a real recognition
21 that online products could come to Massachusetts if
22 legislature passes it very quickly, because there is, just
23 by its very nature, it is very easy if somebody develops a
24 game, that it is just now eventually going to, you know,
25 deliver via Internet.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 But also it may be a very different, by its
2 own nature, type of game. They talk about how -- because
3 there is so many options online, pay out ratios are
4 naturally very different from, you know, anything else,
5 lottery and slots. So there is a lot to think about and a
6 lot of interesting things that the task force is looking
7 at, but fundamentally it was a good first meeting, I
8 think.

9 CHAIRMAN CROSBY: The other thing we talked
10 about is it seemed logical to have Commissioner Zuniga to
11 be our representative on the task force. There is
12 theoretically a sort of a conflict because he comes from
13 the treasurer's office, he knows those people and was
14 appointed by the treasurer, and if there does become a
15 debate about something, you know, where the Gaming
16 Commission has a view which is different from the view of
17 the lottery, which could certainly happen, is Commissioner
18 Zuniga comfortable being in that hot spot, and are we
19 comfortable that he will, in fact, not be swayed by having
20 been appointed by the treasurer and so forth.

21 I don't think there is any issue there, but
22 just like we did with Commissioner Cameron, you know, she
23 made the judgement that she could be objective relative to
24 our gaming consultants, but she also made the judgement
25 that the appearance of a relationship made it worthwhile

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 she was recusing herself. I wanted to put this on the
2 table and think about it.

3 I think my reaction is that this is not an
4 issue, but it could turn out that there are conflicts of
5 interest. We may view things differently from the way the
6 lottery views things. I don't know. There is no such
7 issues yet, but it might happen, and we just need to be
8 sure that we're comfortable that our primary
9 representative there will represent our view. I am, but I
10 wanted to put it on the table.

11 COMMISSIONER MCHUGH: Well, if your looking
12 for an affirmation, I am too. Commissioner Zuniga is not
13 easily swayable on a number of issues. I have complete
14 confidence in his ability. Plus, the fact that it seems
15 to me if we look at -- if we look at what we're about in
16 the way you just described it, as the transfer of certain
17 amounts of money to the public, really being the interest
18 of both the treasurer's office, and us, it sees to me that
19 the likelihood of a conflict, deep conflict, is going to
20 be remote. That doesn't guarantee it won't arise, but
21 that kind of joint approach to what this is all about, is
22 likely to keep that kind of deep conflict from arising, I
23 think.

24 CHAIRMAN CROSBY: I totally agree in terms
25 of us, but also there are interest groups. The profit --

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 so to speak, the profit from the lottery goes to local
2 aid. Not very much of our so-called profit goes to local
3 aid. So if you're receiving you might very well have an
4 issue there, even the lottery director might not care
5 about. So it is just something that -- I mean, it is
6 clearly going to become political. It is going to become
7 contentious, it's just going to.

8 And I think if we can establish this
9 principal, and if we can act that way ourselves, we don't
10 want to get turfy about our own work, we have a good shot
11 at this. But I don't think it is anything we should
12 suggest isn't going to be an issue. I think it will be,
13 so it is in our interest to be really up front about it.

14 COMMISSIONER ZUNIGA: For whatever it is
15 worth, I don't believe there would be a conflict on my
16 standpoint, even on the public perception, but certainly
17 if discussions rise to that -- to the point where that
18 becomes a consideration, I will certainly bring that up.

19 CHAIRMAN CROSBY: Okay. I think it is a
20 tiny issue, but it's appropriate to talk about, okay.

21 All right. Anything else on charitable
22 gaming? I am sorry, Internet gaming.

23 And we're now to Tribal Gaming. I don't
24 think there is much really to talk about here, other than
25 to say that this is being handled almost exclusively by

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 the governor's office, who we all know is negotiating a
2 compact with one or more tribes. We have made it clear
3 that we need to be involved and briefed in an appropriate
4 way because we may well end up owning whatever the outcome
5 is, and that will take place appropriately, but we're
6 really not involved in this as yet.

7 You're going to have, I guess, you're going
8 to have a law enforcement meeting to talk about this, but,
9 mostly I think we're sort of in a watchful, waiting mode
10 to see what happens here. Anything else about tribal?

11 COMMISSIONER MCHUGH: No.

12 CHAIRMAN CROSBY: Okay. We're to Number 10
13 and this is something we talked a little bit about prior
14 to this meeting, and it just -- trying to think about some
15 of the bigger strategic issues that we all are anxious to
16 get into, structural issues. I thought maybe Commissioner
17 McHugh would start this off. I am not sure where all to
18 go with it.

19 COMMISSIONER MCHUGH: Well, I am not sure
20 either, so I'll start it off. We're deeply involved right
21 now in the sort of nitty-gritty business of standing up
22 the Commission. But as we talked about before, some of
23 the cities and towns, and others, are involved in the
24 broader, more cosmic issues, and it seems to me that we
25 ought to be thinking about those as well.

1 Part of that is going to -- part of that
2 thinking is going to be reflected in the structure we give
3 to the commission itself. I mean, what kinds of things
4 ultimately are we going to have to do, and what kind of a
5 structure do we need to support those things. That
6 probably will emerge over the next 16 weeks as we move
7 forward with the plan that the gaming consultants are
8 putting forth, those major areas are going to be
9 identified.

10 But then there are a number of issues that
11 are imbedded in the statute that we need to begin thinking
12 about in a broader sense, even if it is premature to begin
13 making conclusions about. There are two that come to
14 mind, and they are these. There has been a great and --
15 not a great deal, but there has been a significant amount
16 of interest about the role that the so-called surrounding
17 communities will play in putting together a package that
18 the developer host community team presents to the
19 Commission.

20 There have been some real concerns
21 expressed about the role that the surrounding communities
22 have, and the concern about their inability to have the
23 kind of town vote, and the kind of sway that the host
24 community is going to have sometimes, even though the
25 proposed development may be right on the border between

1 two of the towns and impact one as greatly as another.

2 There is a great deal, it seems to me, of
3 discretion that the Commission has about the kinds of
4 things it is going to be looking for, the kinds of
5 considerations it is going to take into account in
6 deciding what the relationship between the proponent of a
7 casino and surrounding communities ought to have. So
8 that's one area that strategically it seems to me we need
9 to think about in some way, and begin to formulate either
10 proposals or to listen to people and have some outreach,
11 so that we can get the information that we need in order
12 to think about that.

13 Another one that occurred to me is there is
14 going to be a great deal of permitting that goes along
15 with whatever needs to be done to put up one of these
16 casinos, Class 1 Casinos and the Class 2 licenses as
17 well. And how do we begin to think about the kind of
18 coordination that's necessary in order to make certain
19 that a path from approval of an application, to
20 development, actual proceeds as smoothly. That has often
21 been a place where projects of all kinds die because they
22 are buffeted by conflicting requirements temporal and
23 substantive of various permitting authorities that have
24 responsibility for part of some project. Is there a way
25 that we can think about coordinating that kind of thing,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 so that by the time we get to the point of actually taking
2 applications, and listening to presentations, and awarding
3 these licenses, a structure is in place to make a movement
4 from license to reality as smooth as possible.

5 So those are two kinds of strategic
6 considerations that I would like to hope to begin to get
7 to as we think about where we're going to be downstream,
8 and begin to spend some time thinking about and planning
9 for who we need to talk to, what kind of provisions we
10 need to put in place, so that we'll be ready when we get
11 there. We can't ignore the requirement to do what we're
12 doing right now carefully, put the Commission together
13 carefully, but at the same time I think we need to begin
14 to think about these broader issues as well.

15 CHAIRMAN CROSBY: These are things that
16 I've thought about too, and have mentioned a time or two,
17 you know, what, if any, role should we have in encouraging
18 competition and encouraging sites. I mean, to what extent
19 should we be proactive in saying, hey, what about the idea
20 of doing something over here, what about the idea of doing
21 something over there. Similarly, we've talked about, and
22 I in particular have talked about trying to figure out,
23 you know, creative ways to leverage the capital investment
24 that is going to be made to enhance or relate to other
25 industries, for sure tourism, working on that a little

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 bit, for sure infrastructure, physical infrastructure, but
2 is there other ways to leverage this -- other synergies.

3 So, it's somewhat the same kinds of issues
4 to sort of, fun stuff, interesting stuff to talk about,
5 but I am not quite sure should we have -- as we begin to
6 get out of the muck of the standing up the agency, and
7 begin to think about these or should we just have these on
8 the agenda to brain storm, or should we have a series of
9 conferences where we invite people to help us think
10 through these kinds of issues. I think that is the
11 solution of some sort, but let's do think about this a
12 little bit.

13 COMMISSIONER ZUNIGA: I think the latter would
14 be very helpful. I actually thought about, you know, in
15 the spirit of what we've talked about, which is this first
16 prequalification that we could have, you know, a
17 background check, a financial, you know, et cetera. If
18 either -- maybe too early at that juncture, but maybe soon
19 after we could start thinking about certain prerequisites,
20 certain thresholds that we would want to see, and I can
21 give examples, but that's not the point. Maybe that
22 could, you know, address issues of permitting, or issues
23 of energy efficiency, or issues of how proposals may
24 protect the lottery, which is also in our statute.

25 But before we get to an actual bid, slash,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 proposal, in other words there may be some hearing in the
2 middle there, and shouldn't be so lengthy, where some of
3 that comes in, where again given the structure, you know,
4 potential bidders can commit to certain, you know, minimum
5 thresholds upon criteria or prerequisites, if you will,
6 that can better be presented in the form of a proposal;
7 just thinking out loud.

8 COMMISSIONER MCHUGH: One way to approach
9 this along those lines, is that the statute sets out a
10 whole host of things that one is required -- that this
11 Commission is required to consider in the application --
12 it would have to be in the application -- things they're
13 required to consider in awarding the license and then a
14 number of other things that are required for the operating
15 permit. One way to begin to think about that discussion
16 might be to take a look at those -- some of which are
17 pretty clear, some of which are pretty *growth* --
18 including the kinds of benefits that cities and towns kind
19 of benefits to -- perhaps to the region. We're talking
20 about cities and towns, but perhaps those are broad enough
21 to encompass benefits to the region, and not to get beyond
22 the town borders -- but whatever. And put together a
23 sort of list of things that we'd like to hear more about.
24 Put that out on the web for people to comment and then,
25 having developed the things we'd like to hear more about,

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 reach out to the various regional city, town groups and
2 invite them to think -- to help us think about, in the
3 broadest sense, what we ought to be doing about those
4 various criteria, how far can we think out of box, what
5 kinds of ideas would be most helpful, what is the role for
6 considering regional benefit, as opposed to simply the
7 benefit to the town and the surrounding area. So to help
8 us think about what questions to ask and what
9 considerations to take into account in a strategic sense
10 before we get there. That way we would begin an
11 interactive process and arm ourselves with a number of
12 questions that we could then pursue, and have in mind by
13 the time it comes to hearings and issuing the RFPs
14 themselves.

15 I know that kind of discussion is going on
16 now. We all do, and if we could channel it, and use it --
17 use it in the development of our thought, I think we would
18 all benefit. And, you know, and just a -- that is real
19 enormous, but maybe one of the first things we could do
20 out of this analysis of the statute, and it doesn't take a
21 lot, is to go into those sections and begin to simply
22 write down what the criteria are and look at the ones that
23 are the most ambiguous, and begin to formulate a way to
24 reach out to get some ideas about that and it is going to
25 tie in, I think -- that effort is going to tie in with the

1 economic development piece and particularly the updating
2 the statistical data about how much is available to do
3 this. And it is going to tie into the -- to the sort of
4 holistic view of the available disposable dollars that can
5 be turned toward gambling that we need to have in mind
6 when we answer the tough questions about how much is it
7 realistic to expect the casino applicants to devote to
8 these various exercises. Where should we -- how much is
9 it realistic to expect to devote, and where is it
10 realistic to expect it to devote? I mean, it seems to me
11 we need to think about all those things, this is a way we
12 can put that together.

13 COMMISSIONER ZUNIGA: I agree, and had a
14 thought relative to process that would also inform or help
15 as we think about these issues. I don't have the answer,
16 but if we were to bid out one license first, as opposed to
17 three licenses, or up to three licenses. In other words,
18 the timing and format for the process could also help this
19 Commission inform on the subsequent processes, if you
20 will.

21 Meaning, if we go down the road where as
22 many licenses are bid out at the same time, then that begs
23 a lot of the up-front thinking of the issues in
24 anticipation to that. Whereas were we able to issue,
25 perhaps, temporary recommendations or bid out the license

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 that is easiest, and then inform subsequent procurement
2 processes after that. Again, it's -- from a strategic
3 standpoint, it is something we could start thinking about
4 as we solicit those conversations, I believe, as we
5 solicit that input because that could also inform the
6 process.

7 CHAIRMAN CROSBY: I don't know if I want to
8 make the first person the guinea pig, first license the
9 guinea pig.

10 COMMISSIONER ZUNIGA: Do you see what I
11 mean? I am thinking of Pennsylvania, which as far as I
12 understand they benefited from these staggered or latter
13 process. Hoping to ask those questions next week, et
14 cetera.

15 CHAIRMAN CROSBY: Right, right.

16 COMMISSIONER ZUNIGA: But the nature of
17 their legislation authorizing statute allowed them that
18 quote-on-quote luxury allowed them to do that. What we
19 have now, I guess, is incumbent upon us to decide at some
20 point what could be the most beneficial or what would be
21 the way to go. And there in lies some things to think
22 about.

23 CHAIRMAN CROSBY: Anybody else?

24 COMMISSIONER STEBBINS: Just picking up on
25 two points. I think Commissioner McHugh hit on one that

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 perhaps we haven't thought through, and that is the whole
2 environmental permitting process. I mean, there are
3 overarching statutes in Massachusetts. In Massachusetts
4 the policy -- I mean, depending on the proposals that come
5 forward, some of these may or may not trigger a review
6 process, kind of where we connect ourselves in that
7 process.

8 You know, the second point is -- is pointed
9 out there is some pretty specific detailed information
10 that's required in an application, which has already been
11 laid out in the legislation, but that's going to have
12 different impacts, obviously, regionally. But there is
13 some questions, and as I was beginning to formulate the
14 economic impact was, you know, can we solicit best
15 practices from other states, other communities.

16 In brief conversation I had with the folks
17 from Spectrum, Massachusetts is very unique. This is not
18 a model that is implicated to many other places, so when
19 we look at job impact or business impact, trying to find
20 comparative models is going to be a big challenge for us.

21 But you know, taking some of that initial
22 information that we're looking for in an application,
23 beginning to get people's feedback as to what that
24 actually means to them, so it's not just strictly a
25 licensing or the application, but they're filling it out

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 with their own mind set. But soliciting some public
2 opinion, get variations on that and how would that be and
3 vary by each of our three regions, I think would be
4 extremely helpful.

5 CHAIRMAN CROSBY: I think we could -- I
6 think we could frame -- we could start some
7 conversations. We can put some stuff out on the web
8 within the next few weeks and then see what comes back.
9 Try to frame some questions along the lines of what we
10 talked about and maybe have a series of hearings,
11 something or other. We're going to do that, I think, any
12 way.

13 So I think -- I have been thinking that
14 maybe our public information officer, director of
15 communications, would be a big enough picture person to
16 help us, kind of, think about this and strategize about
17 this.

18 But let me just ask you one specific
19 thing. What do you think at this point about whether we
20 have a role to play in encouraging competition and
21 encouraging developers and communities to think about the
22 possibility of considering other locations. From a public
23 interest standpoint, we wouldn't want the industry to feel
24 like this is locked up. You know, there is only X
25 possibilities in the east or Y possibilities in the west.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 It is in the interest of the public that what get as broad
2 competition as possible, and as many options as possible
3 to pick among.

4 But there are also a lot of other
5 interesting -- I got a very interesting E-mail -- we got
6 an interesting E-mail the other day from somebody saying
7 why isn't anybody talking about Lawrence, and puts through
8 some really interesting thoughts about Lawrence. I have
9 no idea whether Lawrence is a good idea or not. But is
10 there a role for us to play in trying to encourage
11 developers in communities to think about getting involved?

12 COMMISSIONER ZUNIGA: May I ask by
13 competition you mean competition among those who might be
14 bidding for license?

15 CHAIRMAN CROSBY: Yeah. I mean, it's
16 clearly in the public interest to have more proposals than
17 fewer proposals. That's clearly in the public interest,
18 so that's one thing. Just for purposes of encouraging
19 competition, it's in our interest that that's the
20 appropriate thing to do.

21 But in addition to that -- and we are
22 trying to make it plain that this is a wide open process.
23 You know, there is nothing decided -- you know, the
24 process is all of this stuff we've been talking about. It
25 is going to be a fair, transparent, participatory

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 process. And that will tell the bidder community that,
2 you know, it is wide open. It is a level playing field.
3 Take your best shot. That's the important thing to do. I
4 think we're doing that.

5 But should we go even further than that and
6 talk about encouraging people to think of specific ideas
7 that we think about, or should we encourage other groups
8 to think of other ideas, and should we play a role in
9 gestating a conversation about where the best locations,
10 where the best economic impact, where the best cultural
11 social fit would be and so forth.

12 COMMISSIONER ZUNIGA: I think there is a
13 real hurdle with real estate development in Massachusetts
14 in the sense that by its very nature, real estate is very
15 bulky. We're not -- you know, clearly in Texas where it
16 is wide open. There is a lot of parcels to -- there is
17 little issues with, you know, green fields or
18 contamination, et cetera.

19 So because of our geography, there is any
20 number of positions that a developer has to weigh relative
21 to where a good site may be. And that's -- then there is
22 the whole market, you know, what good the market there and
23 what could be the best access. So I think -- plus the
24 legislation delineated clearly the three areas. So in a
25 way, there is quite a bit of a framework already.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 But I think your question is very relevant,
2 and there is no easy answer relative to whether -- maybe
3 by incentives, maybe by the scoring criteria, whether a
4 particular proposal makes use of, I don't know, existing
5 construction because that brings -- because somehow we
6 judge that that brings greater economic benefit to a
7 region as opposed to something, you know, new. You know,
8 the jury is still out on that one, but still that could be
9 part of how we could structure by way of incentives, you
10 know, developers -- you know, proponents to study
11 different areas or alternatives.

12 COMMISSIONER MCHUGH: I share the concern
13 about the real estate and the footprint, but I also -- the
14 legislature divided the states into three regions. That
15 means there is going to be at most three Class 1 licenses,
16 one in a region. There was a reason for doing the
17 region.

18 And it seems to me that one thing we could
19 stimulate, and should stimulate, is some thinking about
20 the regional impact regardless of where the casino is
21 sited, and what --- and encourage cities and towns that
22 perhaps don't want a casino, to help us think about what
23 regional benefit would flow from where the casino is and
24 existence of the casino, even though they don't want one,
25 so that we could have that in mind as another piece of the

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 environment in which we're considering application of the
2 licenses.

3 The fact that a casino is going to go in a
4 region, it's obviously going to have a benefit -- well, is
5 intended to have a benefit for the region. And it seems
6 to me that regional piece, regardless of where the casino
7 is sited, is not something that's being talked about a lot
8 today. And it seems to me we ought to stimulate that kind
9 of talk and thinking at a minimum.

10 CHAIRMAN CROSBY: Anything else?

11 COMMISSIONER STEBBINS: You know, my
12 initial thought is, you know, how much do we leave it the
13 liberty of the market to really determine where these
14 locations are to be. And I think you make fine point
15 about it, because of Massachusetts and how developed our
16 state is, I think that limits itself when it comes to
17 suitable locations, suitable infrastructure for those
18 locations. And that's one of the applicants -- make a big
19 investment in trying to correct whatever infrastructure
20 obstacles are.

21 I think what will be interesting is a
22 license is granted and others need additional review or
23 work, you know, how does that weigh on. One great
24 proposal comes in and it's right in the middle of
25 particular community and Region 2. What will that do to

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 impact the markets that the -- the other gaming interests
2 that they'll need to find, either pushing their location
3 out, or maybe deciding not to apply at all.

4 I still believe that even though we've heard
5 of some potential proposals, that others will surface, and
6 it will be interesting. Having a conversation about extra
7 credits or scoring I think is a worthwhile discussion.
8 Certainly will add it to the list of questions to talk to
9 our incoming guests -- from New Jersey as well as to our
10 consultants who have obviously had the experience of the
11 municipalities.

12 CHAIRMAN CROSBY: Well, we can keep talking
13 about this. I think it's interesting. I one thing, for a
14 variety of reasons, we talked about the idea of inviting
15 comment from really thoughtful, interesting people. You
16 know, getting an opportunity to hear from city planners,
17 and architects, and economic specialists, and leaders of
18 the tourism industry, leaders of the high tech.

19 I don't know, but encouraging other people
20 to help us think about it and by virtue -- the virtue of
21 helping us think about it, we'll also be helping the
22 industry think about it. Maybe create -- help the
23 industry create. I mean, they know their business. There
24 is lot of parameters that they're going to know a thousand
25 times better than we ever are, but I think also there is

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 room for new thought about everything. And there has got
2 to be a way that without biasing the process at all, we
3 can induce creative thinking about locations, structure,
4 architecture, et cetera. So I think we'll just keep
5 working on it.

6 COMMISSIONER STEBBINS: I would look to
7 our new communications person, trying to figure out a way
8 to do a lot of that through social, in group discussions,
9 et cetera, questions that help.

10 CHAIRMAN CROSBY: Yeah, good. Anything
11 else?

12 On the Item Number 10, I threw out -- I
13 think I wrote everybody an E-mail about the Commonwealth
14 Compact. This is an organization that is state wide
15 diversity initiative to approve the diversity and
16 inclusion within employment practices.

17 It is something I obviously care about and
18 involved in. Institutions are asked to join the assignor
19 of the Compact. I have removed myself from anything
20 involving the Compact, which was fund raising, anything
21 like that. But I can bring the idea up with the
22 Commission about whether we ought to join the Compact. Is
23 this something you thought about? It is something that
24 you're ready to think about now? Should we do it at a
25 later date? Do you not want to talk about it? Any

1 thoughts?

2 COMMISSIONER CAMERON: I am not clear about
3 what your state -- wide diversity compact? I am not clear
4 about the organization.

5 CHAIRMAN CROSBY: I may have sent this around
6 when you were away, so which that might be a good reason
7 to put this off. It is a non-profit organization, which
8 gets employers of all types, not-for profit, for profit,
9 et cetera, to commit to work towards diversity and
10 inclusion goals in their hiring force, in their boards of
11 directors, in their promotional practices, in their
12 supplier relationships, et cetera.

13 Everybody who signs agrees to, you know, to
14 aspire to these kind of goals, TO collect data about how
15 well they are doing, and to work together to try to
16 improve their data on diversity, including affirmative
17 action, diversity in the state (inaudible) board of
18 legislation.

19 But it's something we don't have to deal with.
20 It is something I think we ought to think about, be
21 involved with this important agency. It doesn't have to
22 happen now, but I just wanted to see what you all thought
23 about it.

24 Anyone else have a chance look at, think about
25 it?

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 COMMISSIONER ZUNIGA: Yeah. I think it
2 would be very positive for this commission to join the
3 Compact or join goals in Compact.

4 COMMISSIONER CAMERON: I love the goals
5 too, but I haven't seen all the documents.

6 CHAIRMAN CROSBY: Did you have any
7 reaction?

8 COMMISSIONER MCHUGH: I follow the
9 activities of Compact for quite a while. I know some
10 people involved in it. The mission is entirely worthwhile
11 and the success it has had is worthwhile. I would be in
12 favor of having us all take a good look and concrete look
13 at the goals and what signing up means, and then discuss
14 it at another meeting, which frankly I would be prepared
15 support us joining.

16 CHAIRMAN CROSBY: Let's take look at it and
17 think about it next time. Any other new business on the
18 table? Anything else?

19 COMMISSIONER ZUNIGA: Just a minor point
20 that we -- as part of the procurement, we should start
21 thinking about another -- I have templates for an RFP for
22 auditors. Our partial end of fiscal year will be June
23 30th and because this procurement can take, you know, a
24 better part of a month, we should start thinking about
25 procuring that.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Do state agencies like
2 us, like we are, get outside audits?

3 COMMISSIONER ZUNIGA: I know the trust
4 where I was did, especially around all the financial --

5 CHAIRMAN CROSBY: Trust is like an
6 authority, right?

7 COMMISSIONER ZUNIGA: It is a hybrid. It
8 is, you know, part of the treasurer's office, but it is --

9 CHAIRMAN CROSBY: I just don't know what's
10 required. If we were an authority, clearly we would. I
11 just am not sure what is required. We certainly are going
12 to want some kind of very transparent, very buttoned up
13 review of our financial situation. Whether that means,
14 hiring an outside audit firm or not, I don't know.

15 COMMISSIONER ZUNIGA: Well, maybe --
16 clearly we need more research. I assumed that we would.
17 I can do that --

18 CHAIRMAN CROSBY: Maybe talk to the
19 comptroller, you know, Marty Benison's folks to figure out
20 if, yes, it is fine, we should definitely proceed on it.
21 I just don't know whether need to do it or not, so let's
22 do pursue that.

23 Anybody else? Anything else?

24 All right. Do we have a motion to adjourn?

25 COMMISSIONER MCHUGH: So moved.

APRIL 24, 2012 MASSACHUSETTS GAMING COMMISSION MEETING

1 CHAIRMAN CROSBY: Second?
2 COMMISSIONER ZUNIGA: Second.
3 COMMISSIONER CAMERON: Second.
4 CHAIRMAN CROSBY: All in favor?
5 COMMISSIONER CAMERON: Aye.
6 CHAIRMAN CROSBY: Aye.
7 COMMISSIONER ZUNIGA: Aye.
8 COMMISSIONER MCHUGH: Aye.
9 COMMISSIONER STEBBINS: Aye.

10 (The proceedings were concluded at 3:43 p.m.)

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C-E-R-T-I-F-I-C-A-T-E

I, Amanda Snell, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Amanda Snell, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Amanda Snell, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by stenographic means, and
Transcripts produced from computer.

/s/ Amanda Snell Date April 25, 2012

Amanda M. Snell, Transcriptionist for
Office Solutions Plus LLC
My commission expires October 26, 2018

Date

Elizabeth Tice, Notary Public
Office Solutions Plus LLC
My commission expires: August 26, 2016