

The Commonwealth of Massachusetts

Massachusetts Gaming Commission

Meeting Minutes

Date: April 10, 2012

Time: 2:00 p.m.

Place: University of Massachusetts – Boston
Campus Center, Ballroom A, 3rd floor
Boston, Massachusetts

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

Absent: None

1. Call to Order

Chairman Crosby opened the meeting by asking the Commissioners to introduce themselves and to state the names of the elected official or officials who had appointed them. The introductions are contained at page 2 of the attached transcript.

Chairman Crosby then explained that the Commission's meetings and activities are subject to the Commonwealth's open meeting law, with which the Commission intends to comply fully. He also explained that what the Commission really cares about is getting to the process of creating the process by which it will ultimately make the decisions about where expanded gaming facilities will go, who will operate them and under what rules they will operate. The Chairman's remarks are contained at pages 3 – 7 of the attached transcript.

2. Swearing in

Chairman Crosby stated that the Commissioners had been sworn in but that a ceremonial swearing in would take place at a later time. His remarks are contained at page 7 of the attached transcript.

3. Mission Statement & Roberts Rules of Order

Chairman Crosby next suggested adoption of a mission statement which reads as follows:

The mission of the Massachusetts Gaming Commission is to create a fair, open and transparent process for implementing the Expanded Gaming Law passed by the Legislature and signed by the Governor in November 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and the participants and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino resorts of only the highest quality.

Following a discussion by the Commissioners, Commissioner Stebbins moved that the mission statement be adopted. The motion was seconded and approved by a unanimous vote of the Commissioners. The discussion, motion and vote are contained at pages 7 – 15 of the attached transcript.

Commissioner McHugh then moved that the Commission adopt Robert's Rules of Order as a general guideline for the conduct of Commission business. The motion was seconded, there was a brief discussion and the motion was approved by a unanimous vote of the Commissioners. The motion, discussion and vote are contained at pages 15 – 17 of the attached transcript.

4. Election of Secretary and Treasurer

As the next item of business, the Commissioners unanimously elected Commissioner McHugh to serve as the Commission's secretary and Commissioner Zuniga to serve as the Commission's Treasurer. The nominations, discussion and vote of the Commissioners are contained at pages 17 – 20 of the attached transcript.

5. Procurement Rules

After explaining that the Commission was not obligated to do so, Commissioner Zuniga moved that the Commission adopt the procurement rules promulgated by the Executive Office of Administration and Finance and codified at 801 CMR 21 as its rules for procuring the goods and services the commission required for its operations. He presented to the Commissioners a memorandum dated April 6, 2012, describing the basis for his motion. The motion was seconded and, after discussion, was unanimously approved by vote of the Commissioners. The motion, discussion and vote are contained at pages 20 – 28 of the attached transcript.

6. Approval of Lease and Prior Expenditures

Commissioner McHugh moved that the Commission ratify the one-year lease the Commonwealth's Division of Capital Asset Management negotiated and the Chairman signed for the Commission's offices at 84 State Street. The motion was seconded, discussed and approved by a unanimous vote of the Commissioners. The motion, discussion and vote are contained at pages 28 – 30 of the attached transcript.

Commissioner Zuniga moved that the Commission approve the costs in the amount of \$66,696 for fixed assets, certain additional expenses for equipment leases and certain additional costs associated with the Commonwealth's electronic mail system, all as detailed on the documents presented to the Commissioners at the meeting. The motion was seconded and, after discussion, was approved unanimously by a vote of the commissioners. The motion, discussion and vote are contained at pages 28 – 35 of the attached transcript.

7. Gaming Consultant

The Commission then turned to meeting with the finalists for a contract to supply the Commission with advice on early start-up, regulatory and enforcement issues related to the implementation of the Commonwealth's extended gaming legislation, including advice on activities of regulatory and enforcement bodies for casino operations and on "lessons learned" from other jurisdictions, all as contained in "Request for Responses (RFR) For Consultants to Advise on Implementation of Expanded Gaming Law RFR # GOV-2012-001" dated February 29, 2012 . Before the Commission met with the finalists, Commissioner Cameron explained that she had recused herself from participation in selection of the finalists and was recusing herself from further proceeding with respect to selection of a gaming consultant because of her prior contacts with some of the bidders during the course of her career with the New Jersey State Police. Following that statement, Commissioner Cameron left the room. Commissioner Cameron's statement is contained at page 36 of the attached transcript.

Chairman Crosby then outlined the process that led to the selection of the two finalists, namely, the firms of Mitchell & Carroll, P.C. of Point Pleasant, New Jersey and Spectrum Gaming Group of Linwood New Jersey. The Chairman's outline is contained at Pages 35 – 40 of the attached transcript. Then followed the Commission's discussion with the representatives of Mitchell & Carroll, which is contained at pages 40-79 of the attached transcript. The Commission next met with representatives of Spectrum Gaming Group and that discussion is contained at pages 79 – 117 of the attached transcript. After those meetings concluded, Commissioner McHugh gave a report of the interviews he and Chairman Crosby had had with the two groups during the selection process. Commissioner McHugh's report is contained at pages 117 – 120 of the attached transcript. A discussion among the Commissioners contained at pages 120 – 127 ensued, following which Commissioner McHugh moved that, subject to background checks, the Commission qualify both firms to provide services to the Commission for the planning of the gaming side of the Commission's business, subject to negotiation by the Commission's Chair of a detailed statement of the work to be provided by each of the two. After a brief discussion, the motion was seconded and approved by a 4-0 vote of Commissioners Crosby, McHugh, Stebbins and Zuniga (Commissioner Cameron being recused). The motion, discussion and vote are contained at pages 125 – 129 of the attached transcript. Following the vote, Commissioner Cameron returned to the room and thereafter participated the Commission's proceedings.

8. Outside Counsel

Commissioner McHugh gave the Commission a summary of the selection process for a contract to supply the Commission with advice on early start-up, regulatory and enforcement issues related to "standing-up" the Commission in preparation for its execution of responsibilities under the Commonwealth's extended gaming legislation, all as set forth in "Request for Responses

(RFR) For Outside Counsel to Advise on Implementation of Expanded Gaming Law RFR # GOV-2012-002” dated February 29, 2012. Following the summary, there was a brief discussion, after which Commissioner McHugh moved that the commission engage the Cambridge law firm of Anderson & Kreiger as outside counsel for the period contemplated by the RFR, subject to background investigations, and to execution of a contract containing terms and conditions satisfactory to the Commission, including a satisfactory description of the scope of the work the contract covers. The motion was seconded and, after a brief discussion, was approved by a unanimous vote of the Commissioners. The report, discussion, motion and vote are contained at pages 129 – 143 of the attached transcript.

9. Ethics

Commissioner McHugh stated that he had begun analysis of the work necessary to create an enhanced set of ethics rules the legislation requires the Commission to follow, along with the employees of the Office of the Attorney General, the State Police and the Alcoholic Beverages control Commission who work on matters the extended gaming legislation covers. Commissioner McHugh’s statement and the Commission’s brief discussion of the subject are contained at pages 143 – 150 of the attached transcript.

10. State Racing Commission

Commissioner Cameron reported on her discussions with the State Racing Commission and about the difficulties inherent in absorbing all of the Racing Commission’s responsibilities by the deadline of May 20, 2012. Following the report, a motion was made that the Gaming Commission adopt the method and criteria for distributing funds for the Racing Stabilization Fund previously developed by the Office of Consumer Affairs and Business Regulation, in consultation with the State Racing Commission pursuant to Chapter 167 of the Acts of 2009, and authorize and direct Commissioner Cameron to negotiate, finalize, execute and enter into on behalf of the Massachusetts Gaming Commission all necessary contractual arrangements, including but not limited to inter-agency agreements and amendments thereto, in connection with fulfilling the Massachusetts Gaming Commission's obligations related to the administration of the Racing Stabilization Fund. The motion was seconded, discussed and approved by unanimous vote of the Commissioners. The report, motion, discussion and vote are contained at pages 150 – 164 of the attached transcript.

11. Charitable Gaming

Chairman Crosby gave a brief report on charitable gaming. No action was necessary or taken. The report is contained at pages 164 – 166 of the attached transcript.

12. Executive Director and other Staffing

The Commission discussed the desirability of engaging an interim executive director and, by consensus, authorized Commissioner Stebbins to undertake a search and make recommendations to the Commission. The discussion and authorization are contained at pages 166 – 175 of the attached transcript. Following that discussion, Commissioner McHugh left the meeting. His departure is noted at page 175 of the attached transcript.

The Commission then authorized Karen Schwartzman, who currently provides public information services to the Commission, and Hank Shafran, who recently retired from service as the public information officer for the Boston law firm of Bingham McCutcheon, to conduct preliminary screenings of candidates for employment as the commission's full time public information officer. The brief discussion of that subject and authorization is contained at pages 175 – 177 of the attached transcript.

The Commissioners then voted unanimously to hire Janice Reilly as its chief of staff at an annual salary of \$97,000, an amount slightly below mid-point on the range of salaries for comparable positions provided to the commission by the Commonwealth's Human Resources Division. The vote and the discussion by which the vote was preceded are contained at pages 177 – 181 of the attached transcript.

13. Adjournment

The Chairman then briefly described in a general way trainings and briefings the Commission was anticipating. Following his description, Commissioner Zuniga made a motion to adjourn. The motion was seconded and approved by the unanimous vote of all commissioners. The discussion and vote are contained at pages 181 -183 of the attached transcript.

List of Documents and other Items Used at the Meeting

1. Agenda
2. Memorandum from Commissioner Zuniga dated April 6, 2012 (5 pages)
3. Lease summary dated April 6, 2011 (1 page)
4. DECAM Office Furnishing summary dated April 5, 2012 (1 page)
5. Photocopier contract (3 pages)
6. Summary of Mass mail chargebacks (1 page)
7. Mitchell & Carroll email and attachments (6 pages)
8. Mitchell & Carroll letter dated April 2, 2012 (2 pages)
9. Spectrum Gaming Group Presentation (22 pages)
10. Jason Egan email and attachment (2 pages)

April 20, 2014

/s/ James F. McHugh

James F. McHugh

Secretary