

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: May 8, 2012

Time: 1:00 p.m.

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

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

Absent: None

Call to Order:

Chairman Crosby opened the meeting.

Approval of Minutes:

See transcript pages 2-5.

Commissioner McHugh stated that he had two sets of minutes for approval, April 24 and May 1. He stated that the minutes of the April 24 meeting accurately reflect the motion he made regarding engagement of a search firm, but he stated that he did not word the motion correctly and would like to revise the motion at the appropriate point in today's meeting. Chairman Crosby made two minor corrections to the May 1 minutes.

Motion made by Commissioner McHugh to adopt the minutes of April 24, 2012 as promulgated. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Motion made by Commissioner McHugh to approve the minutes of May 1, 2012 as amended. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Chairman Crosby stated that the Commission will try to make available to the audience the documents the Commission is discussing during the meeting. If there are times this is not possible, the documents will be posted on the Commission's website.

Administration:

See transcript pages 5-15.

Search for Executive Director – Commissioner Stebbins stated that the RFR responses are due Friday, May 11, 2012. To date no responses have been received. Commissioner Zuniga stated that he is meeting tomorrow with individuals from the appointing authorities, along with Janice Reilly, to lay out the evaluation criteria outlined in the RFR. Commissioner Stebbins stated that Michael & Carroll is helping to prepare a job profile which will be ready to discuss at the Commission's next meeting. Commissioner McHugh stated that on April 24 he had made a motion that Commissioner Zuniga put together a task force to help him select the search firm finalist. He stated that the motion should have been a motion that Commissioner Zuniga be charged with making the recommendation as to a search firm, assisted by any group he chose to assemble to give him advice. He proposed a new motion.

Motion made by Commissioner McHugh that Commissioner Zuniga be charged with making the recommendation for a search firm, and he be charged with putting together such a group as he thinks is helpful to give him the advice he needs in order to make the recommendation. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Public Information Officer – Chairman Crosby stated that Elaine Driscoll will assume her duties with the Commission on Tuesday, May 29, 2012.

Other Hiring Needs – Chairman Crosby stated that the Commission has posted four positions and have received over 600 applications which will be reviewed.

Gaming Consultants - Chairman Crosby stated that the background checks for the Gaming Consultants, as well as outside counsel, have been completed. Commissioner Cameron stated that these background checks have been satisfactorily completed with no issues that should preclude them from moving forward with the consultants. Chairman Crosby stated that Acting Executive Director McGee has been put in touch with Kathy O'Toole to finalize the statement of work for the Gaming Consultants and to get a contract going as soon as possible.

Outside Counsel – Commissioner McHugh stated that the Commission is near completion of the contract with outside counsel. The statement of work has been completed and he expects the contract to be completed this week. Outside counsel have provided a framework for their work, have completed a review and assessment of the statute and have provided a draft document which will be reviewed and distributed to the Commission this week. Outside counsel have also provided a draft policy on policies which he will review and distribute this week, as well as emergency regulations for the transition of the Racing Commission.

Permanent Meeting Date and Location – Chairman Crosby stated that next week’s meeting will take place at the Convention Center, and the following meeting will be held at the Division of Insurance. He stated that the Commission is still working on a cost-efficient way to do the live streaming of the Commission meetings. He announced today’s meeting is not being streamed live, but will be on video tomorrow on the Commission website.

Finance/Budget Update:

See transcript pages 15-17.

Commissioner Zuniga stated that he has provided the Commission with a chart showing the costs that have been incurred to date. His intention is to provide a monthly financial report to the Commission. The Comptroller’s office is helping the Commission process payments, but is not providing financial management.

Procurement Update:

See transcript pages 17-18.

Commissioner Zuniga stated that the Commission will be putting out to bid the video conferencing and the stenographer services, as he anticipates the aggregate costs could be more than \$50,000. An RFR will be prepared and posted and will articulate the different options that are available.

Public Information:

See transcript pages 18-41.

May 3, 2012 Forum Wrap-up – Chairman Crosby stated that the forum went well. There were 150 attendees and 107 people who watched the live streaming. Commissioner McHugh stated that the day was enormously helpful for his understanding of the complexities of the Commission’s undertaking. Chairman Crosby stated that he was impressed with the technology that is available and he is hopeful the Acting Executive Director can assist with this technology going forward. Commissioner Zuniga stated that he was struck by the number of resources that are available to the Commissioners going forward. Commissioner Stebbins stated that he was interested in the comments that were made relative to forming a new commission. Commissioner Cameron stated that the Commission law enforcement partners now have a greater understanding of what has to be done moving forward, and have the resources they can reach out to for training.

Economic Development Forum – Commissioner Stebbins stated that the next public education forum will be held on Thursday, June 14, 2012 at Quinsigamond Community College. One topic of discussion will be the utility to the Commission of the studies that have been done over the years, and also tools and methodologies that should be considered moving forward. He anticipates this will be a half day session. It may extend beyond a half day, however, if a third topic is added.

Other Forums - Chairman Crosby stated that he is working on a forum with two dimensions, community mitigation issues and problem gambling. He and Commissioner Stebbins met with representatives of the Metropolitan Area Planning Council who are very interested in participating. He will be speaking with Kathleen Scanlan, of the Massachusetts Council on Compulsive Gambling, to see if she will moderate this panel. There is no date set yet for the forum, but the goal is to hold it in the next month. Commissioner McHugh suggested that, after the next forums are completed, the Commissioners consider holding a series of public hearings in various parts of the state to gather information. Commissioner Zuniga also recommended considering the idea of having speakers come to the Commission meetings to discuss various topics.

Responses to Requests for Information – Commissioner McHugh stated that the Commission is receiving some inquiries from various communities and individuals who have questions about the gaming statute. He has been handling these inquiries. The majority are straight forward and can be easily answered. Some, however, are not easily answered and the Commission does not have a mechanism for cataloguing and responding to the inquiries along with a procedure to answer them regularly. He would like the inquiries placed into a database. He would continue to answer the inquiries, and would like a space reserved on the Commission's agenda each week to address the questions he cannot answer alone. Commissioner Stebbins agreed to help formulate answers, so he and Commissioner McHugh will work collaboratively.

Racing Commission:

See transcript pages 41-50.

Status – Commissioner Cameron stated that she has been working on a comprehensive transition plan. The Commission would like to preserve the operational status for this racing season. There will be no changes to the track operations and she will provide a full report at next week's meeting. She is working on the Interagency Service Agreements (ISA) to address the continuity of the Racing Stabilization Fund, as well as addressing DPL and State Racing Commission staff and contract employees. The Commission's law firm has recommended promulgating an emergency regulation and the best way to do so is being worked out. An RFR has been issued for a consulting service to assist with understanding the best practices in the racing industry. One comprehensive proposal has been received from the Last Frontier Consulting Firm, which uses Spectrum Gaming as a subcontractor. Commissioner Cameron recommended hiring Last Frontier. Chairman Crosby suggested having someone educate the Commission on the racing commission and its operation. Commissioner McHugh recommended the Commission should also visit the facilities and meet the people involved. He also asked if the Commission should consider asking DALA to assume responsibility for Commission hearings. Commissioner Cameron stated that at this time she does not think the responsibilities are that great. She has analyzed the workflow and stated that the Commission would be able to handle these responsibilities, but will consider this going forward.

Motion made by Commission Cameron to hire Last Frontier and Spectrum Gaming to conduct an overview of the Massachusetts racing industry. Motion seconded by Commissioner Zuniga. The motion passed unanimously by a 5-0-0 vote.

Interagency Relations:

See transcript pages 50-53.

Internet Gaming – Commissioner Zuniga stated that the Treasurer’s office will hold a task force meeting on online products May 14, 2012. Chairman Crosby stated that he will be attending this first meeting with Commissioner Zuniga.

Tribal Gaming – Chairman Crosby stated that there is nothing new to report on this issue. Commissioner McHugh stated that the First Circuit is going to hear the Urban case on June 13 or 14. This is a case brought by a developer in Fall River claiming the tribal preference in the statute is unconstitutional.

Strategic Considerations:

See transcript pages 53-100.

RFQ Processes – Chairman Crosby introduced Guy Michael, of the law firm Michael and Carroll, to provide an overview of the request for qualifications or “RFQ” process. Mr. Michael stated that the legislation allows a two-step process in which the Commission would review the background suitability of those persons who have an interest in obtaining a license to operate a casino. If the process were bifurcated, the first step would be the RFQ, which would deal with the background issues of the applicant but would not encompass the plan, impact on the community, or specifics on the casino itself. The RFQ would be designed to evaluate the background of the applicants so the Commission could screen out those that did not meet Commission standards. Such a screening would eliminate having to consider project details at the Commission and community levels before learning whether the applicant was qualified to obtain a license. The RFQ would require a very detailed application. Mr. Michael recommended that the Commission set high standards for the applicants to ensure the highest degree of good character when evaluating the applications. Questions and concerns of the Commission were addressed. Chairman Crosby asked that consideration be given to speeding up the process of issuing the RFQ forms so potential applicants can begin working on them while the Commission is working on its strategic plan.

A five minute recess was taken.

Community College Follow-up – Commissioner Stebbins stated that he has had a conversation with Holyoke Community College President William Messner to begin to determine how the Commission can partner with the colleges to provide training for Massachusetts residents for potential casino jobs.

Advisory Committee Schedule – Commissioner McHugh stated that there are seven groups and the schedule will be distributed in the next couple of days.

Charitable Gaming Report – Commissioner McHugh stated that he and Commissioner Zuniga met with the staff of the Lottery Commission, who will be providing additional information to the Commission on the operation of the Lottery and thoughts the Lottery Commission has for changing the regulatory framework. He stated that they also met with representatives of the Attorney General who will be providing information on this subject. He has also been advised to talk to the representatives of the city and town clerks who actually issue the licenses, as well as charitable groups who run the games. He stated that the Commission should be able to meet the July 31 timeframe.

Research Agenda – Chairman Crosby asked if Commissioner McHugh had a sense of the research tasks the legislation contained. Commissioner McHugh stated that he thought they were easily identifiable and would provide a list.

Assistance for Municipalities – Commissioner McHugh stated that the Office of Political and Campaign Finance is considering issuing regulations for contributions by applicants for casino licenses and he would like the Commission to be involved in commentary on that regulation. He will contact the office to indicate the Commission's interest.

Next Meeting: The next meeting is scheduled for May 15, 2012, at 1:00 p.m.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission May 8, 2012 Agenda
2. Multi Jurisdictional Personal History Disclosure Form
3. State of New Jersey Division of Gaming Enforcement Business Entity Disclosure Form
4. Request for Responses (RFR) for Ad-hoc Audit/Consulting Review Services
5. Schedule of expenses

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