

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: November 20, 2012

Time: 1:00 p.m.

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

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron (Participating Remotely)
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: Commissioner James F. McHugh

Call to Order:

Chairman Crosby opened the 36th public meeting. He stated that Commissioner Cameron will be participating in this meeting remotely via conference call.

Approval of Minutes:

See transcript pages 3-4.

Chairman Crosby stated that the Commission has two sets of minutes for approval, November 6 and November 13. He stated that he has not had an opportunity to review the November 13 minutes and would like to postpone approval.

Motion made by Commissioner Stebbins to approve the minutes of November 6, 2012. Motion seconded by Commissioner Zuniga. The motion passed by a 4-0-0 roll call vote.

Project Work Plan:

See transcript pages 4-25.

Investigations Procurement – Commissioner Zuniga stated that the Commission has reviewed the investigations procurement bids and Director Glovsky has provided a memorandum recommending that the Commission award the contract to Spectrum and Michael & Carroll. Chairman Crosby stated that, although the Commission was not required to do a competitive

bidding process, he is satisfied with the work done by Director Glovsky and with the selection of this joint applicant.

Motion made by Commissioner Zuniga to accept the proposal submitted by Spectrum and Michael & Carroll and finalize the contracts and the detailed scope of services as described in their response to the investigation request for response. Motion seconded by Commissioner Stebbins. The motion passed by a 4-0-0 roll call vote.

Key Policy Questions Status Report – Commissioner Zuniga raised a question relative to handling questions that the Commission receives. He stated that additional questions are coming in and he would like to have a process in place to avoid duplication of questions. Chairman Crosby stated that all the Commissioners will have an opportunity to talk with the consultant on Monday to receive advice regarding questions that the Commission identified as needing the consultant's feedback. He stated that when all comments have come in, they can be compiled.

Chairman Crosby stated that the Commission received six questions from various sources that are proposed as additional policy questions. He reviewed these questions and the Commissioners discussed the questions. The questions addressed related to: the extent of disclosure by applicants of the resumes, recommendations, referrals, requests for donations, etc. that they receive from public officials; whether the Commission should solicit feedback from applicants relative to the impact of online gaming; whether the Commission should require prospective developers to invest in a public transportation infrastructure; the criteria that the Commission should require to ensure that a preventative approach is taken relative to work related injuries and casino safety; the development and implementation of regulations regarding dealer tips; and consideration of a policy prohibiting a public entity from becoming an applicant or financing an applicant.

Administration:

See transcript pages 25-32.

Report from Director of Administration – Director Glovsky provided an update from the consultants. She stated that the consultants wanted to highlight the fact that the Gaming Commission is fully prepared to accept Phase 1 applications from prospective gaming operators, particularly in light of today's vote by the Commission for the investigation piece of this process. Over the past two weeks the Consultants have had meetings and phone calls with prospective applicants talking about the scope of licensing. As a result, the consultants asked applicants to submit, by November 16, any potential waivers that they would be asking for, as well as a list of entities and individuals that they believe would be subject to the investigations. The consultants are in the process of putting together investigative teams, which will consist of contracted gaming investigation specialists, including investigators, attorneys, financial experts, investigators from the Massachusetts State Police, and representatives of the Commission's IEB, including Interim Director Cameron. Director Glovsky stated that the intent is to get the investigations done quickly and completely. She anticipates that the investigations could take as long as six to nine months.

Director Glovsky stated that the project management chart is ready to move to a monthly update process. She stated that she would like to do a multimedia presentation next week to discuss the update process.

Personnel Searches – Chairman Crosby stated that Commissioner Stebbins developed a draft job description for the Director of Workforce and Supplier Development position and for the Diversity Initiatives position. These will be reviewed and discussed at a future meeting.

Chairman Crosby stated that Commission has posted the Racing Division jobs and projects that the Commission will hire employees for these jobs on an at-will basis. He stated that the Commission is not exempt from the Massachusetts statute that presumes employees will be unionized; however, the Commission is still in discussions on how to proceed and formalize the employment relationships. He stated that the at-will proposition is an interim measure until the Commission can formalize this process.

Racing Division:

See transcript pages 33-36.

Report from Director of Racing Division – Commissioner Cameron stated that Director Durenberger is out at a previously scheduled appointment and that Commissioner Cameron will handle the report in Director Durenberger's absence. Commissioner Cameron stated that the Commission has posted the open racing positions on the Commission website, as well as on the State and industry sites. The Commission has begun review for seasonal employee contracts to determine the agency needs for next year. Director Durenberger is also working on document retention requirements. Commissioner Cameron stated that staff will meet on Monday to plan for disposal of laboratory equipment and materials in anticipation of a final Commission vote on Tuesday to close the laboratory facility.

Public Education and Information:

See transcript pages 36-57.

Report from the Ombudsman – Mr. Ziembra stated that over the last week he has been focusing on continuing outreach activities to communities, applicants, regional planning agencies, and other interested parties. He stated that he sent notices to all potential host communities and geographically adjacent communities to direct them to the Commission website as the primary source for information. Mr. Ziembra is asking communities to be particularly focused on the policy questions that the Commission will be addressing in December. He stated that he is continuing to focus on updating the advisory to host and surrounding communities. He stated that he has contacted applicants, regional planning agencies, cities and towns, and the Mass Municipal Association as further outreach regarding what will be going on in the next month and over the next year or so.

Mr. Ziemba stated that as the Commission approaches the application deadline, host and surrounding communities are submitting a number of questions, and he recommended exploring a more formal role for the regional planning agencies in addressing some of these questions. The Commission agreed that a more formal role would be a good idea, and Mr. Ziemba stated that he will arrange for the regional planning agencies to come to a future meeting to discuss this arrangement.

Chairman Crosby stated that he had discussed with the Ombudsman how to better define what a surrounding community is. Mr. Ziemba stated that he would recommend holding a public hearing or additional Commission meeting to address this topic after December 14, so that the Commission has an opportunity to debate the policy questions. Chairman Crosby recommended that the Commission send a letter to the representatives and senators at the State House stating that the Commission is looking at this issue and inviting comment. Commissioner Zuniga suggested including in this letter an update on the licensing process.

AIA Forum – Commissioner Stebbins stated that the AIA will be holding a forum on December 12 from 8:00 a.m. to 12:00 p.m. at the BSA offices, 290 Congress Street. He stated that he passed along Commissioner Zuniga’s request to have one of the speakers address the MEPA process. The Massachusetts Municipal Association has listed this event on its website for its interested community members. Chairman Crosby suggested that the Commission notify all schools with design programs as well.

Discussion of Casino Training Institute MOU – Commissioner Stebbins stated that the Commission agreed at the last meeting that the exclusivity issue for the Casino Training Institute was off the table. He received feedback from the community colleges and redrafted the MOU. He provided copies to the Commission for review and possible approval at the next Commission meeting. Commissioner Zuniga asked if Commissioner Stebbins included a mechanism in the MOU for expanding the consortium. Commissioner Stebbins stated that he did not build that in but does not think it will be necessary. Commissioner Cameron stated that she still has concerns about the licensing piece and how it fits into the process. Commissioner Stebbins stated that he will try to get information from the community colleges and follow-up with Commissioner Cameron prior to the next Commission meeting.

Research Agenda:

See transcript page 57.

Status Report – Chairman Crosby stated that the Commission will issue the RFP for the research agenda by the end of the week.

Internet Gaming:

See transcript pages 57-63.

Commissioner Zuniga stated that he and Chairman Crosby attended a meeting of the Treasurer's Online Products Task Force. Consultants to the Task Force reported on a survey of lottery players relative to the medium in which they play and answers to hypothetical questions relative to online options. A second consultant to the Task Force reported on its analysis of other jurisdictions with online products that complement the gaming and lottery options. Commissioner Zuniga stated that the findings are vague on what impact these products would have on the lottery or gaming operations if introduced in Massachusetts. He stated that the Task Force will have a final report possibly as early as December 10 and will make the report available to the rest of the Commission.

Chairman Crosby stated that he and Commissioner Zuniga told the Task Force members that, although the Commission has no knowledge of how online gaming in Massachusetts will impact casino licenses or operators, it reserves the right to comment further as the Commission learns more. Chairman Crosby and Commissioner Zuniga believe that online gaming is coming and recommended that the Treasurer ask for the right from the Legislature to consider doing research and conducting pilot programs to ramp up the learning curve for Massachusetts as online gaming unfolds.

Chairman Crosby announced that November 22 will be the first anniversary of the passing of the gaming legislation and that the Commission has learned over the year that the Massachusetts Legislature did an extremely good job in writing and passing this legislation.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission November 20, 2012 Notice of Meeting & Agenda
2. November 6, 2012 Massachusetts Gaming Commission Meeting Minutes
3. Massachusetts Gaming Commission November 19, 2012 Memorandum
Regarding Recommendation to Select Consultant to Assist in the Suitability Investigations
4. Additional Policy Questions
5. Massachusetts Gaming Commission 2012/11/16 Summary Schedule Update

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