

The Commonwealth of Massachusetts  
Massachusetts Gaming Commission

**Meeting Minutes**

**Date:** December 11, 2012

**Time:** 1:00 p.m.

**Place:** Division of Insurance  
1000 Washington Street  
1<sup>st</sup> Floor, Meeting Room 1-E  
Boston, Massachusetts

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

**Absent:** None

**Call to Order:**

Chairman Crosby opened the 40<sup>th</sup> public meeting.

**Approval of Minutes:**

See transcript pages 2-3.

Chairman Crosby stated the November 27 meeting minutes were ready for approval.

*Motion made by Commissioner Stebbins to approve the minutes of November 27, 2012. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.*

Chairman Crosby stated Commissioner Cameron has to leave at 2 o'clock so he would like to take the agenda out of order.

**IEB Report:**

See transcript pages 3-5.

Scope of Licensing – Commissioner Cameron stated this process is well on its way. The consultants have been making recommendations and IEB is making sure it understands and agrees with the recommendations. Additional checks are being conducted through the State

Police to ensure all the names are appropriate. Three scope of licensing letters have gone out, with the goal of getting the rest of the letters out by the end of the week.

Investigations Status Report – Commissioner Cameron stated there are two applications submitted to the IEB, a document review has begun, and investigative teams have been assigned.

**Key Policy Questions:**

See transcript pages 5-25.

Region C Status Review - Commissioner McHugh stated at the Commission's last meeting a number of factors were discussed which warranted a decision on how to deal with Region C to achieve the goals of honoring the tribal process while assuring everyone that Region C would not be left behind in the event that the resumed tribal negotiations were not successful. He stated he reviewed the discussion items and prepared a detailed memorandum which lays out three possible approaches to the current Region C situation. One approach would be to do nothing at the moment and continue to wait for the tribal discussions to resolve. A second course would be not to do anything at the moment but to set a deadline by which the Commission would take action if there was no tribal resolution. The third approach would be to proceed on two tracks simultaneously, allowing the tribal process to continue to play itself out and at the same time setting a date for accepting applications for the RFA-1 process for commercial applicants in Region C. He stated this would allow both processes to go forward until the RFA-1 process is complete.

Commissioner McHugh stated if the third approach was chosen fairness would require that a separate deadline be set for the RFA-1 process in Region C to give commercial applicants the same 90 day period allowed the commercial applicants in Regions A and B. He recommended the Commission consider proceeding on the two track process. He stated the Legislature did not intend to leave Region C behind economically and this would be a risk reduction approach which allows the Commission to proceed in a responsible manner.

Commissioner Zuniga stated he considers the third course to be the one that is most advantageous. Commissioner Cameron stated she also agrees with the third option of pursuing two parallel tracks. She stated she was originally concerned that the commercial developers would be at somewhat of a disadvantage, but thinking of it in terms of competition of a different kind makes a lot of sense and offers the Commission the ability to be flexible and prevent the region from falling behind. Commissioner Stebbins stated it is a good strategy to make sure Region C does not fall behind. He asked if this would prohibit the Tribe from becoming an applicant for a commercial license. Chairman Crosby stated the Tribe could apply for a commercial license and if they were not successful could still pursue the tribal casino if and when they do get land in trust.

Chairman Crosby clarified there is nothing in the legislation that precludes the Commission from issuing a license in Region C. He stated if the Commission adopts this approach there should be a comment period to allow public feedback. Commissioner McHugh recommended a one week comment period and taking a vote after the comments have been reviewed.

Chairman Crosby stated it is the predisposition of the Commission to enter into an RFA-1 application phase for Region C as quickly as possible while respecting the Tribe's ongoing process and with no commitment to go to RFA-2 at the end of RFA-1.

**Administration:**

See transcript pages 25-40.

Report from Director of Administration - Chairman Crosby reviewed the master schedule to provide an update on the status of the Commission workflow. He stated the background checks are being conducted a month earlier than planned. Chairman Crosby asked if the pari-mutuel regulations were being worked on and if the Commission would have to have a sponsor for the legislation. David Murray, Consultant, stated the Commission is responsible for a report and legislative language, beyond that the Gaming Act is silent. Chairman Crosby asked if it is anticipated there will be a request for legislative changes prior to the start of the racing season. Mr. Murray stated if the Commission voted in January to recommend legislative changes it is unlikely they could be enacted in time for the racing season.

Director Glovsky stated she is spending much of her time working with Director Durenberger on the transition of the Racing Division, which they hope to have completed by the end of the year. She stated she and Artem Shtatnov attended a demonstration on a document management system which was interesting and provided valuable information to use in moving forward with finding a vendor to meet the Commission needs. Commissioner McHugh asked what the process would be to move this forward. Director Glovsky stated the first step is to determine what the Commission's requirements are and then find someone who can help find a vendor. Commissioner McHugh stated there is a compelling need to get this type of system in place and would like to put it on a critical path and included on the master schedule.

Personnel Searches – Chairman Crosby stated personnel searches are moving along as planned.

Employee Manual – Commissioner Zuniga stated he submitted last week Chapters 4 and 5 of the Employee Manual for review and he would like to vote on acceptance. Commissioner Cameron clarified that the information included in these chapters are best practices from other agencies.

*Motion made by Commissioner Zuniga that Chapters 4 and 5 of the Employee Manual be approved as presented. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.*

Incidental Purchases – Commissioner Zuniga stated the Commission previously voted relative to a threshold for allowing incidental purchases under which any one Commissioner, the Director of Administration, or Chief Financial Officer could exercise their own discretion and utilize best practices. This was modeled after a procurement regulations threshold which was \$5000 at the time. He stated the Executive Office of Administration and Finance has advised that this threshold is increasing to \$10,000 and he recommended the Commission vote to change the threshold to the new rate.

*Motion made by Commissioner Zuniga to increase the threshold for incidental purchases to \$10,000 in accordance with the anticipated changes of 801 CMR, which are the procurement regulations issued by Administration and Finance and adopted by this Commission. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.*

**Key Policy Questions (Continued):**

See transcript pages 40-41.

December 11-15 Public Meetings – Chairman Crosby stated the Commission will be meeting tomorrow for the second meeting to discuss key policy questions.

**Racing Division:**

See transcript pages 41-45.

Report from Director of Racing Division – Director Durenberger stated live racing in the Commonwealth concluded on November 29. She participated via telephone in the second working group meeting regarding regulatory reform. She will be putting a report together regarding the discussion and where to go from here. She stated former Racing Commission staff are being interviewed with the goal of having them on board in January.

Chairman Crosby stated a discussion of local aid payments is listed on the agenda, however, this will not be discussed today.

*Commissioner Cameron left the meeting.*

**Public Education and Information:**

See transcript pages 45-48.

Report from the Ombudsman – Mr. Ziemba stated he has been focusing on getting additional input on a number of the policy questions. He stated he has had a lot of discussion with the legislature about the intent of the local aid provision for racing. Discussions have been held with potential host and surrounding communities. He announced there is a community meeting in Everett this evening which he will attend to explain the process the Commission will undertake over the next few months. He stated Springfield has a community meeting tonight where applicants will make presentations and the public will have an opportunity to comment.

AIA Forum – Commissioner Stebbins stated this meeting is scheduled for tomorrow at 8:00 a.m. at the Boston Society of Architects, 290 Congress Street. He stated the Commission will be given a white paper with findings, suggestions, and recommendations which may be timely for the policy question RFA-2 discussion.

*Motion made to adjourn, motion seconded and carried unanimously.*

**List of Documents and Other Items Used at the Meeting**

1. Massachusetts Gaming Commission December 11, 2012 Notice of Meeting Agenda
2. Massachusetts Gaming Commission November 27, 2012 meeting minutes
3. Massachusetts Gaming Commission Section 4 of Employee Handbook
4. Massachusetts Gaming Commission Section 5 of Employee Handbook
5. December 5, 2012 Memorandum Regarding Recommendation to Increase the Threshold for Approval of Certain Incidental Expenses
6. December 7, 2012 Memorandum Regarding Region C Options

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