

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: May 1, 2012

Time: 1:00 p.m.

Place: Boston Convention & Exhibition Center
Meeting Room 101
415 Summer Street
Boston, Massachusetts

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

Absent: Commissioner James F. McHugh

Call to Order:

See transcript pages 2-3.

Chairman Crosby opened the meeting and stated that a decision was made not to live stream the meeting today due to the \$3500 cost. However, the meeting is being videotaped and the tape will be posted on the website along with the transcript.

Approval of Minutes:

See transcript page 3.

Chairman Crosby announced that the approval of the April 24 minutes will be delayed as Commissioner McHugh, the Commission's Secretary, is away on a trip.

Administration:

See transcript pages 3-37.

Search for Executive Director – Commissioner Stebbins stated that an RFR has been issued for a consultant to assist with the recruitment and hiring of a permanent Executive Director. The RFR will close at the end of May. He stated that his plan is to reach out to Michael and Carroll and Spectrum to line up work that can be done in advance to speed the process along. He stated that the challenge in finding an interim Executive Director is finding someone with a good base of skills to assist the Commission with the basic operation of the day-to-day business, and finding

someone with Massachusetts state government experience who could assist on an interim basis without having to guarantee that person employment. The Commission has received resumes from individuals with gaming business experience as well as other individuals with a variety of backgrounds but no one was a perfect fit for the position. The Commission had considered an individual from Nevada, but his experience overlaps with the work currently being done by consultants.

Commissioner Stebbins stated that one individual he has considered is Stan McGee from the Executive Office of Housing and Economic Development. His resume has been included in the Commission's packet and the idea would be to borrow him from the administration for a short time to fill the Acting Executive Director position. Chairman Crosby raised the issue of past sexual harassment charges that were brought against Mr. McGee in Florida. He stated that the charges were investigated by the State Attorney in Florida and then dropped. The Governor's office also conducted a review before allowing Mr. McGee to return to his position. Chairman Crosby stated that Mr. McGee would like to be considered as a candidate for the permanent position, but, to avoid any false expectations, he has been told the Commission would be seeking someone with strong gaming experience. Secretary Bialecki, his present boss, speaks very highly of him, is prepared to give him a leave of absence and to let him return after serving the interim position. Commissioner Cameron stated that she was involved in a meeting with Mr. McGee relative to the compact and she found him to be very knowledgeable. She has also found that the charges were unsubstantiated and stated that they would not affect her decision to move forward with Mr. McGee. She also does not consider it a conflict that he works in the Executive branch. Chairman Crosby stated that Mr. McGee's salary would not increase.

Motion made by Commissioner Stebbins that the Commission name Stanley McGee, current Assistant Secretary for Policy and Planning at the Executive Office of Housing and Community Development, as the Acting Executive Director of the Massachusetts Gaming Commission, subject to working out precise financial arrangements with the Office, and to start as quickly as possible. Motion seconded by Commissioner Zuniga. The motion passed by a 4-0-0 vote.

Public Information Officer – Chairman Crosby stated that Karen Schwartzman and Hank Shafran have been conducting this search. The position was posted and the Commission received many applications. The candidates were narrowed down to 14, who were interviewed and further narrowed down to two finalists. Chairman Crosby stated that he interviewed both finalists, checked references, and has determined Elaine Driscoll, who is now the Director of Communications for the Boston Police Department, would be the best candidate. Chairman Crosby stated that she is interested in the position, however, a background check has to be conducted and salary must be discussed. Her current salary is \$107,000.

Motion made by Commissioner Zuniga to extend an offer to Elaine Driscoll for the position of Director of Communications, subject to negotiating a salary that is acceptable to both the Commission and herself. Motion seconded by Commissioner Cameron. The motion passed by a 4-0-0 vote.

Commissioner Zuniga stated that, as a housekeeping item, the Commission should sign and execute a contract for the services of Karen Schwartzman and Polaris Public Relations retroactively to cover the time since Ms. Schwartzman started working through the time the Director of Communications joins the Commission. He stated that the Commission should also think about the nature of Ms. Schwartzman's role going forward, particularly in the transition phase.

Other Hiring Needs – Chairman Crosby stated that the Commission will be posting four jobs, a high end administrative person, two executive assistants, and a receptionist. Commissioner Zuniga asked that when these jobs are posted the Commission consider someone with bookkeeping experience. Chairman Crosby stated that if Commissioner Zuniga finds it is necessary to hire a bookkeeper, then he should move forward with this process in conjunction with Janice Reilly.

Gaming Consultants – Chairman Crosby stated that the chart Kathleen O'Toole sent him, which is the product of the work going on between Michael & Carroll and the Spectrum Group, lays out the major topic areas and which firm will take the lead on them. Commissioner Cameron stated that the State Police are assisting in providing background checks, and have informed her that the background checks on outside counsel and the two gaming consultants should be completed by the end of the week.

Outside Counsel – Chairman Crosby stated that Commissioner McHugh has been handling this topic. There has been a scope of work drafted and counsel is doing some work, but he will hold comment until Commissioner McHugh returns.

Permanent Meeting Date and Location – Chairman Crosby stated that the Commission will be meeting every Tuesday at 1:00 for the foreseeable future. The location has not been determined. Consideration is being given to a place which is cost efficient, has technological capacity, and is flexible in terms of the size of the audience.

Finance/Budget Update:

See transcript page 37.

Commissioner Zuniga stated that he has no new information, other than the need to execute a contract with Polaris, which he mentioned earlier in this meeting.

Procurement Update:

See transcript pages 37-38.

Commissioner Zuniga stated that the Commission posted the executive search firm RFR and sent E-mails to a number of firms. The response deadline is May 11, and the entire process will be completed by the end of the month. He stated that he has reached out to the Treasurer's Office and the Governor's office for assistance relative to the evaluation of the eventual responses.

Public Information:

See transcript pages 38-57.

May 3, 2012 Conference – Commissioner Cameron stated that she is close to the final draft for the agenda for this conference. The location is the Boston Convention & Exhibition Center, and will begin at 9:00 a.m. Doors will open at 8:30 a.m. for sign-in, and attendees are being asked to register on-line. There is an opportunity for questions to be submitted in advance, on-line, and the Commission will try to get as many of those questions answered as possible. A number of questions have already been submitted and well over 100 people have registered to attend. She reviewed the planned agenda items with the Commissioners. Chairman Crosby expressed concern about these sessions running over in time, with the expected number of questions that will be raised. Commissioner Cameron stated that this has been taken into consideration and the moderators are prepared to keep each session on time as scheduled.

Economic Development Forum – Commissioner Stebbins stated that this forum will be held on Thursday, June 13, at 9:00 a.m. at Quinsigamond Community College in Worcester. Several people who were very involved in the lead up to the passage of the bill have agreed to speak. Chairman Crosby asked if there are constructive critics who could tell the Commission about the research they and others have conducted. Commissioner Stebbins stated that he is working on having speakers who will provide an opposing view so the Commission can assess the tools needed when considering gaming license applications. Commissioner Zuniga stated that the best benefit comes from merging theory with the history of the case studies that are available.

Other Forums - Chairman Crosby stated that he is working on a compulsive gambling forum which he would like to schedule before the end of the month. He has not worked out a date or location at this time.

Racing Commission:

See transcript pages 57-62.

Status – Commissioner Cameron stated that a meeting was held last Friday in the Comptroller's office. She is working out the proper language for the ISA in order to facilitate the payments the Commission is obligated to make from the Racing Stabilization Account. She also met with representatives from the law firm Anderson and Krieger to discuss the legal aspects of the transfer of responsibilities from the Racing Commission. She also held a meeting with Casey Atkins, who is the Acting Director of Professional Licensure, to discuss existing employment contracts. May 20 is the takeover deadline and the employees are anxious to know about their status. The discussions centered on consideration of extending those contracts through this racing season. Chairman Crosby stated that he and Commissioner McHugh have made it known that it would not be advisable not to take over the Racing Commission at this time because of the impact a takeover could have on the Commission's ability to take manage its other business expeditiously. This decision is now in the hands of the Legislature and the Governor. Commissioner Cameron stated that she is awaiting final responses for a consultant and she is hoping to have a recommendation for next week's meeting.

Interagency Relations:

See transcript pages 62-65.

Internet Gaming – Commissioner Zuniga stated that he will be attending a task force meeting which is tentatively scheduled for May 20. Chairman Crosby stated that he is considering attending that meeting with Commissioner Zuniga. He does not want this to become a turf battle between the Gaming Commission and the Lottery Commission.

Tribal Gaming – Chairman Crosby stated that there is not much to report on this discussion. He stated that it is critical the Commission be kept updated on these discussions, and the Governor's negotiating team understands that.

Strategic Considerations:

See transcript pages 65-71.

Discussion of RFQ Processes and Other Ways to Expedite Licensing – Chairman Crosby stated that the Commission might consider bifurcating the RFP process. The first step would be for anyone who intends to submit a proposal to be vetted by the Commission for financial strength and integrity. Commissioner Zuniga stated that the Commission needs to consider whether the two step process would have to be done for each of the licenses, slots parlors and casinos. Commissioner Cameron stated that the bidding process and the options around a bidding process will be discussed with the subject matter experts at the May 3 Forum.

Other Business:

See transcript pages 71-82.

Commissioner Stebbins stated that he and Commissioner Zuniga were traveling through western Massachusetts last week, met with individuals at the Donohue Institute and discussed Professor Romitti's work in Missouri. He indicated Missouri took approximately four years from passage of their referendum to operational casino river boats. Commissioner Stebbins stated that all the community colleges have signed a memorandum of agreement to form the Mass Community College System Casino Careers Training Institute. Depending on where the licenses may be awarded, certain community colleges would take the lead on providing job training. Chairman Crosby stated that in the future the Commission should consider having the community college representatives come in for an in depth discussion. Commissioner Stebbins stated that this process is one of his priorities, as he wants people from Massachusetts to be educated and benefit from the casino jobs, rather than importing employees from out of state.

Next Meeting: The next meeting is scheduled for May 8, 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 1, 2012 Agenda
2. Massachusetts Gaming Commission Public Educational Forum Announcement
3. Educational Forum on Casino Gaming Agenda

/s/ James F. McHugh

James F. McHugh

Secretary