



Meeting Minutes

Date: May 30, 2013

Time: 9:30 a.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
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga (present via teleconference)

Absent: None.

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript page 2.

9:38 a.m. Chairman Crosby opened the 68th public meeting.

Approval of Minutes

See transcript pages 2-6.

9:38 a.m. Commissioner McHugh stated that the minutes for the May 16 meeting are ready for approval. He clarified that clicking on the times listed in the margin of the electronic minutes will take the reader directly to the corresponding discussion in the video recording.

Motion made by Chairman Crosby that the minutes of May 16, 2013 be accepted as tendered. Motion seconded by Commissioner Stebbins. The motion passed unanimously by roll call vote.

Presentations

See transcript pages 6-47.

- 9:42 a.m. The Commission has invited presentations from Helena Fruscio, Creative Economy Director- Executive Office of Economic Development, Mary Jordan, Director-Division of Agricultural Markets, and Catherine Deronde, MA Department of Agriculture, to talk about the size of these two sectors in the Massachusetts economy as well as how their organizations can be a resource to our applicants in helping them connect with small businesses across the Commonwealth.
- 9:43 a.m. Ms. Fruscio explained her background and role with the Commonwealth. She discussed examples of innovative activities by the creative economy in Massachusetts, and how similar activities can be integrated into gaming establishments.
- 10:06 a.m. Ms. Jordan, accompanied by Ms. Doronde, presented an overview of the agriculture industry in Massachusetts. They expressed interest in reaching out to applicants to discuss the opportunities available.

Administration

Report by Executive Director Day. See transcript pages 47-96.

- 10:27 a.m. Executive Director Day stated that he has finished interviews with candidates for the Director of Licensing position and will be making decisions soon. He is working on strengthening administrative functions and fine tuning the process for the Commission's review of the suitability reports. Commissioner Stebbins stated that the RFP for financial services has gone out, the RFP for building and site design is almost ready, and the RFP for economic development will come after. They are also working on a process to find a project coordinator. The CFAO position is in the executive recruitment stage, and the extensive pool of CIO candidates is being narrowed for interviews.
- 10:31 a.m. Executive Director Day reported on the Region C schedule. The proposed timeline has the publication of the RFA 1 set for the following week, and the award of the license is scheduled to occur about six months after awards in regions A and B. In order to give applicants more time to submit, the Commission decided to push the entire Region C process back by one month. The RFA-1 applications for Region C would be due on September 30, 2013, and the projected award date would be October 30, 2014.
- 10:55 a.m. Executive Director Day raised the question of whether the RFA-2 deadline for Category 1 applicants should be set for December 6, as compared with the original deadline of December 31. The timeline for the RFA-2 process for Category 1 applicants gives the Commission 100 days for review of the applications, as opposed to the 74 days for Category 2 application review. After considering

applicants' and communities' ability to have everything ready in time and the staff burden during the December period, the Commission decided to keep the RFA-2 deadline for Category 2 at December 31, 2013 and extend the review process to 100 days.

Ombudsman Report

Report by Ombudsman Ziemba. See transcript pages 96-119.

- 11:26 a.m. Ombudsman Ziemba presented and recommended for approval the Everett voter notification form. Commissioner Stebbins requested that the community amend the language to make clear that the Commission must still determine suitability of the applicant prior to starting the RFA-2 phase, as the language currently seems to imply that the RFA-2 phase will begin immediately after the community vote.

Motion made by Commissioner McHugh that the notification proposed by the City of Everett for the host community agreement, with the amendment just described, be approved by the Commission in the form it presented to the Commission today. Motion seconded by Commissioner Cameron. The motion passed unanimously by roll call vote.

- 11:28 a.m. The Commission discussed amending two documents, the grant agreement and the letter of authorization, to allow the Commission to directly pay regional planning agencies, rather than continuing with the current process that anticipates the applicant paying the Commission, the Commission paying a community, and the community then in turn paying the RPA for the services. Commissioner McHugh recommended adding language to make clear that the RPAs are not acting as agents for the Commission.

Motion made by Commissioner McHugh that the Commission approve the very carefully thought-out grant forms for RPA assistance to host and surrounding communities in the form presented to us with the modification to section seven and with the addition, if necessary, of a provision explicitly stating that the RPAs are not the Commission's agents, and authorize the Executive Director in consultation with the Ombudsman to make further changes to the extent necessary to meet particular circumstances provided that those changes do not alter substantially the content of the agreement forms. Motion seconded by Commissioner Cameron. The motion passed unanimously by roll call vote.

- 11:38 a.m. Ombudsman Ziemba introduced Robert Hubbard, recently appointed chair of the Gaming Policy Advisory Committee. The Commission discussed how it planned to interact with the Committee. Mr. Hubbard stated that the Committee can assist with the community mitigation process and funnel information from mitigation committees in each region back to the Commission. Chairman Crosby suggested that the regional committees can be part of the public input process as well. The Commission recommended that the Committee learn more about the research projected headed by Rachel Volberg.

11:51 a.m. The Commission took a brief recess.

Racing Division

Report by General Counsel Blue. See transcript pages 120-123.

12:00 p.m. The Commission received a request from Suffolk Downs to cancel three days of racing on June 11, 18, and 25 and to move those days to November 25, 26, and 27 in anticipation of legislation to shorten the season. This request is a routine practice.

Motion made by Commissioner Cameron to approve Suffolk Down's request to cancel three days of racing on June 11, 18, and 25 and to move those days to November 25, 26, and 27. Motion seconded by Commissioner Stebbins. The motion passed unanimously by roll call vote.

RFA-2 Application

Report by General Counsel Blue and Attorney Grossman. See transcript pages 124-.

12:04 p.m. The Commission reviewed the draft RFA-2 application created by the legal staff. The legal staff will incorporate changes that Commissioner McHugh proposed and any recommendations that the consultants propose. The legal team will also go through the entire application and mark any types of documents that can be redacted. The format of the application allows the public to immediately receive the main application form while the review and redactions occur in parallel.

12:20 p.m. Commissioner Zuniga, who was attending via teleconference, left the meeting for a previously scheduled appointment.

12:20 p.m. The Commission continued review of the draft RFA-2 application form. Chairman Crosby compiled a list of edits that he will share with the legal team for implementation. The Commission agreed that staff will incorporate all of the changes discussed and the Commission will review the updated application form at the next commission meeting on June 13.

12:40 p.m. The Commission discussed whether to accept the applications via direct upload to the Commission's servers rather than delivery of a CD. This would be a temporary solution prior to the full document management system being in place and would allow all Commissioners to have secure access to the application materials. The Commission agreed that it should consider the option if it can be securely implemented, but did not want to make any decisions until having more certainty on the system.

12:43 p.m. Chairman Crosby raised the issue of the licensing fee, and giving the licensee a bit more certainty than only a Commission vote prior to requiring the licensee to pay the \$85 million license fee. He recommended creating a template license form that

can be ready upon a vote and provided to the licensee as the official document memorializing the license award.

- 12:46 p.m. Commissioner McHugh requested that the Commission clarify the application instructions to state that during the initial 90-minute presentation, although the Commission does not anticipate asking question, it may ask clarifying questions if the need arose.
- 12:52 p.m. Chairman Crosby also recommended making several adjustments to the application relative to online gaming, cross-marketing in other jurisdictions, and further addressing the destination resort casino nature of the projects.
- 12:57 p.m. Meeting adjourned.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission May 30, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission May 16, 2013 Meeting Minutes
3. Massachusetts Creative Economy Presentation
4. Massachusetts Gaming Commission 5-22-2013 Region C Draft Schedule
5. Massachusetts Gaming Commission Highlights of Revised Draft Region C Schedule
6. Massachusetts Gaming Commission Highlights of Revised Draft Category 1 and Category 2 Schedules
7. Massachusetts Gaming Commission 5-22-2013 Summary Schedule Update
8. Massachusetts Gaming Commission Evaluation Plan Category 1 & 2 License Applications
9. Massachusetts Gaming Commission Evaluation Process
10. City of Everett Voter Notification
11. Massachusetts Gaming Commission RPA Grant Agreement Form
12. Massachusetts Gaming Commission RPA Letter of Authorization
13. Biography Data for Robert Hubbard
14. Massachusetts Gaming Commission Draft RFA-2 Application for Category 1 or Category 2 Gaming License

/s/ Catherine Blue
Catherine Blue
Assistant Secretary