

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: August 21, 2012

Time: 1:00 p.m.

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

Present: Commissioner James F. McHugh
Commissioner Gayle Cameron
Commissioner Bruce Stebbins

Absent: Commissioner Stephen P. Crosby, Chairman
Commissioner Enrique Zuniga

Call to Order:

Commissioner McHugh opened the 23rd public meeting.

Approval of Minutes:

See transcript page 2.

Commissioner McHugh stated that he had been on vacation the previous week and had not prepared the minutes of the August 8 and August 14 meetings. Accordingly, approval of those minutes will be deferred until the next meeting. The transcripts of both meetings are available on the Commission's website for those who may wish to review them in the interim.

Administration:

See transcript pages 2-11.

Executive Director Search Update – Commissioner Stebbins stated that JuriStaff is calling candidates and he has had a chance to speak with a few of them over the phone for initial interviews. The next step is to invite potential candidates to Boston for more thorough and specific discussions. He stated that the candidates he has talked to so far are not from Massachusetts, so they will have to be given positive information about living in Massachusetts. Commissioner McHugh confirmed the job posting for this position will remain open until September 7, 2012.

Additional Hires – Commissioner McHugh stated that the Commission is also working on hiring a General Counsel, Staff Attorney, and Deputy Director of the Investigation and Enforcement

Bureau. He stated that he is drafting a job description for the General Counsel position with the goal of posting the position by next week. The Staff Attorney search is well underway. JuriStaff is handling this search and he has received five resumes to review, with five more expected. He stated that the Commission is contemplating hiring a paralegal and additional staff to assist with the regulations and racing issues. Commissioner Cameron stated that she is completing a job description for the Deputy Director of IEB, with the goal of posting the position next week.

Discussion of MGC Internal Policies – Commissioner McHugh stated that Commissioner Zuniga is working on the revisions made to the employee manual and those revisions will be discussed at a future meeting.

Report from Director of Administration – Eileen Glovsky stated that a procurement is in process for brand identity and website development, with a submission deadline of August 22, 2012. The goal for making a final decision on the procurement is September 4, 2012. A draft RFI for the research agenda has been prepared to assist the Commission in making decisions regarding completion of the research required by the November, 2011, legislation. She stressed that the Commission must have in hand an original certificate bearing a wet signature before it will accept from a developer its \$400,000 application fee. She stated that the project management software the Commission purchased has been installed on her computer and this system should ultimately contain a long term, multiyear, multifaceted view of all activities in which the Commission is going to engage over the next three to five years.

Racing Division:

See transcript pages 11-14.

Update – Commissioner Cameron stated that the Director of Racing Search is underway. The job has been posted and a number of resumes have been received. The posting will be open until after Labor Day. She stated that the first meeting of the Horse Racing Committee created by G.L. c. 23K, § 60(b) was held on August 20, 2012. The Committee is responsible for making recommendations to the Commission on how the funds deposited into the Race Horse Development Fund created by c. 23K, §60(a) will be distributed between thoroughbred and standardbred racing facilities to support thoroughbred and standardbred horse racing in Massachusetts. She conducted several hearings last week and will present results to the Commission next week. She has received a request for a settlement in one matter and informed the attorney that the request must be provided in writing before a decision on whether to allow it can be made. She recommended an extension be granted to allow the appellant to file an appeal with the Commission or file whatever application for a settlement or other resolution the appellant desires.

Motion made by Commissioner Cameron to allow the appellant to file an appeal with the Commission or an application for resolution or both no later than September 14, 2012. Motion seconded by Commissioner Stebbins. The motion passed by a 3-0-0 vote.

Project Work Plan:

See transcript pages 14-33.

Consultant Status Report – Gaming Consultants Robert Carroll and Fred Gushin addressed the Commission. Mr. Carroll stated that a list of contemplated RFA Phase-2 regulations has been delivered to the Commission. They are working on a number of items which are part of the strategic plan, including the time line, table of organization, the budget, and the RFA Phase-2 process. They will be making recommendations about auditing, minimum controls, the rules of the game, gaming equipment, and memoranda of understanding with the various agencies. They will also be finalizing the RFA-1 Massachusetts supplement form. Mr. Gushin stated that the sections of the strategic plan are coming together, with a goal of having a first draft ready by September 10, 2012. He stated that the RFA-2 process will have to be transparent and implemented in a way that will withstand legal scrutiny. Commissioner McHugh asked if there will be discussion of what can be handled as a policy versus a regulation. Mr. Gushin stated that everything does not have to be a regulation and that balance between policies and regulations will be an important part of upcoming discussions. Commissioner McHugh asked if there will be a third regulation phase dealing with such things as operational requirements for activities on the gaming room for or whether those kinds of issues would be dealt with in the Phase 2 process. Mr. Gushin replied that it was not mandatory to include those kinds of operational requirements in Phase 2 but that it would be helpful to do so in order to give potential licensees notice of the kinds of requirements they will face when operating in Massachusetts. Mr. Gushin also stated that memoranda of understanding should be entered into with other jurisdictions, such as Ohio, which have recently completed investigations of some potential Massachusetts applicants in order to streamline the Massachusetts investigative process. Commissioner Stebbins asked if the licensing and investigation of vendors and employees will happen in the third phase. Mr. Gushin stated that it would. He also stated that, and other jurisdictions, Commissions held early meetings with individuals and entities responsible for workforce development to discuss, at least in a general way, the kinds of criteria the Commission would use for licensing decisions. Those kinds of meetings helped ensure that the licensing process operated efficiently and did not disappoint individuals who went through a training process even though aspects of their background disqualified them from obtaining a license at the end of the training.

Technical Assistance to Communities – Commissioner Stebbins stated that he has discussed with Director Driscoll updating the frequently asked questions portion of the Commission website. He stated that he has spoken with more than twelve good candidates for the ombudsman position and will select finalists to be interviewed by Chairman Crosby. Commissioner McHugh stated that Chairman Crosby, in his role as interim ombudsman, has met with two potential developers and arranged for them to work with the Department of Transportation.

Finance/Budget Update:

See transcript page 33.

Commissioner McHugh stated that there is no budget update today as Commissioner Zuniga is on vacation. The current budget information is posted on the Commission website.

Public Education and Information:

See transcript pages 33-39.

Report from Director of Communications and Outreach – Director Driscoll stated that the process for brand identity and website development is moving forward and is on track for a decision to be made September 4, 2012. She is developing content and a site map with a goal of having the website up and running in mid-October to coincide with the release of the Phase-1 regulations. She is promoting the comment period and public hearings on the Phase-1 regulations on Facebook and through press releases. She is coordinating the many speaking engagements that are upcoming and fielding media inquiries. She stated that for the Phase-2 regulations she would like to utilize WikiShare pages, which would allow the public to go into the document and make edits. She stated that she continues to work on questions the Commission has received from individuals and entities via the web to ensure there non-remain outstanding for extended periods and that she will work on updating the frequently asked questions portion of the Commission website. Commissioner Stebbins recommended categorizing the questions, as the list is becoming extensive and covers a broad range of topics.

Discussion of Diversity/Inclusion Forum – Commissioner McHugh stated that the date for this forum has been changed to September 19, 2012 and the location and agenda will be posted when it is available.

Research Agenda:

See transcript page 39.

Commissioner McHugh stated that the RFI is in progress and once the results are received the Commission will move forward with the research agenda.

Other Business:

See transcript pages 39-43.

Commissioner Stebbins stated that he was at Massasoit Community College in Brockton this morning for a meeting with community college leaders from the southeast region to discuss workforce development and casino career training. He stated that the Commission has authority under the statute to certify a training program or curriculum and should find a way to exercise

that this authority so that individuals who seek a career in expanded gaming will not be misled into signing up for training programs that ultimately are of little or no value.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission August 21, 2012 Notice of Meeting & Agenda

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