

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN:

Stephen P. Crosby

COMMISSIONERS:

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

November 13, 2012, 1:00 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

CHAIRMAN CROSBY: I'd like to call to order the Public Meeting Number 35 of the Massachusetts Gaming Commission on November 13 at one o'clock p.m.

The first order of business I think we may skip, which is the minutes. We haven't had a chance to read those, so we'll hold on the minutes until next week.

Item Number 3 is Project Work Plan, and started out with the procurement to get an organization to help us do the background research. Commissioner Zuniga.

COMMISSIONER ZUNIGA: Yes, thank you, Mr. Chair. I intended but did not include a memo as part of the packet with the recommendation, but I believe Director Glovsky can provide an update on, as she is just arriving, on this matter, as she has been doing a lot of the administrative proceedings.

CHAIRMAN CROSBY: Sure, do you want to take a minute to get your jacket off?

DIRECTOR GLOVSKY: Yes. And is this

1 with regards to the procurement?

2 COMMISSIONER ZUNIGA: With regards to
3 the procurement, yes. I'm just updating the
4 Commission that I intended to do a memo with a
5 recommendation, which we don't have at this
6 point, but you could perhaps give us an update
7 on the status.

8 DIRECTOR GLOVSKY: Right. The
9 procurement team met several times last week
10 to review the submissions from the bidders.
11 We had what we call the Phase 2 technical
12 storing, which is looking at the response to
13 the actual business response, how well the
14 responder could respond to that.

15 Once the scores were completed and
16 approved by the procurement team, we then
17 opened the cost responses. In this particular
18 procurement, 90 percent of the score went to
19 the technical and 10 percent to the cost. We
20 then apportioned the cost.

21 There's a mathematical algorithm that
22 we did. We've come up with we would call it
23 an apparent successful bidder. I am reluctant
24 to say anything about who that is at this

1 particular time, but we are going to commence
2 negotiations, contract negotiations with them
3 this week. I would hope that we would have
4 those substantively on the way so that either
5 at the next meeting or the following meeting
6 we could do that.

7 But until we have a contract in hand
8 with both parties agreeing to it, I feel that
9 we're still within the procurement process.

10 COMMISSIONER ZUNIGA: And at that
11 time, I could, we could submit a
12 recommendation for a vote on the actual or the
13 particulars of the contract. Is that --

14 DIRECTOR GLOVSKY: Yes.

15 COMMISSIONER ZUNIGA: -- our
16 approach?

17 DIRECTOR GLOVSKY: Yes.

18 COMMISSIONER CAMERON: Is that more
19 appropriate than voting now with the caveat
20 that, obviously, we have a have a successful
21 contract negotiation?

22 DIRECTOR GLOVSKY: I think that it
23 is. I know that this is a process we haven't
24 been through as a commission in the past, but

1 that has been the way that I have done it,
2 just on the off chance that there is some
3 problem that occurs between the particular
4 vendor that we've chosen to work with, for
5 whatever reason, in terms of coming to an
6 agreement. I don't foresee any problems to
7 happen.

8 COMMISSIONER CAMERON: So we could
9 probably be prepared by next Tuesday to --

10 DIRECTOR GLOVSKY: I know that we
11 were meeting with them this week to start the
12 negotiation. It would seem that it's a
13 relatively simple negotiation, that we would
14 be able to announce it next Tuesday.

15 CHAIRMAN CROSBY: I think it's
16 important that we make Tuesday the deadline to
17 try to get it done. As you said, it doesn't
18 have to be absolutely done, but need to know
19 that a sufficient meeting of the minds is
20 available that we can make it public, because
21 even if there's not something technically
22 signed, time is short, and we need to have our
23 acting director of IEBB be able to start to
24 work with these people to set up the process

1 and so forth.

2 DIRECTOR GLOVSKY: I agree, and I
3 think beginning the process, talking about
4 what the investigation process is going to be
5 and how the vendor is going to handle it, what
6 the responsibilities are of the Commission or
7 the IEB is part of the negotiation process,
8 so that's why this meeting has been
9 scheduled.

10 How we are going to go about
11 implementing this contract is as much about
12 coming to terms, payment terms, or any sorts
13 of other things, as anything else.

14 CHAIRMAN CROSBY: So are you involved
15 in that meeting?

16 COMMISSIONER CAMERON: Yes.

17 CHAIRMAN CROSBY: You're scheduled to
18 be at that meeting.

19 COMMISSIONER CAMERON: Yes, I am.

20 CHAIRMAN CROSBY: Okay. The scope of
21 licensing and RFA-1 status report, is there
22 anything?

23 DIRECTOR GLOVSKY: I do have a report
24 from the consultants --

1 CHAIRMAN CROSBY: Okay.

2 DIRECTOR GLOVSKY: -- that I was
3 sent. The consultants have prepared for and
4 met with applicants, prospective applicant
5 representatives last week -- I know some of
6 that we've spoken -- regarding the
7 comprehensive identification of the persons
8 who are identified as qualifiers.

9 The consultants have been examining
10 the submissions that were given to them last
11 week, preparing responses to inquiries, which
12 have been ongoing from the people that they
13 met with, and are conducting research for the
14 preparation of their final recommendations.

15 They are also in receipt of the
16 framework for addressing policy questions,
17 which I know the Commission is working on.
18 There was a recent update of that. They -- I
19 view this, when I'm doing the scheduling, as
20 being the base part of developing Phase 2
21 regulations as answering these policy
22 questions.

23 They are providing guidance to the
24 Commission as necessary in the development of

1 most efficient processes.

2 They're also, with regards to the
3 Phase 1 scope of licensing investigations,
4 been determining which regulatory agencies,
5 both domestic and international, should be
6 contacted and cross-referenced to fully
7 investigate and evaluate the applicant
8 submissions, and evaluations and discussions
9 have taken place and are continuing regarding
10 the intersection of local government and the
11 Gaming Commission, applicant evaluation
12 process, and the various timing issues that
13 can impact compliance with all the mandatory
14 and statutory and regulatory standards.

15 They're working closely with the
16 ombudsman regarding this.

17 CHAIRMAN CROSBY: We're in touch on
18 where they are in the process of getting these
19 things? Are they going to come back to us?
20 They're going to make recommendations to us,
21 right, next on --

22 DIRECTOR GLOVSKY: Regarding the
23 scope of licensing?

24 CHAIRMAN CROSBY: Yes.

1 DIRECTOR GLOVSKY: Yes, I think
2 Friday is the deadline for people to submit
3 waivers, so they will look at that, and they
4 will submit the evaluations such that I would
5 guess that would be after Thanksgiving and not
6 before. They would need some time to evaluate
7 that.

8 CHAIRMAN CROSBY: Okay, great.

9 COMMISSIONER MCHUGH: And what is it
10 that they're doing with respect to addressing
11 a matrix, creating a matrix or other process
12 for resolving the policy questions?

13 DIRECTOR GLOVSKY: They're working
14 with you all. I've sent them copies of the
15 policy questions, and I think that they're
16 looking at the places where they can add value
17 to the discussions that the groups are
18 intending to have.

19 CHAIRMAN CROSBY: And I think they
20 volunteered to have a phone call with any one
21 of us who wanted them --

22 CHAIRMAN CAMERON: Yes.

23 CHAIRMAN CROSBY: -- for our topics,
24 and so they're looking into those topics now

1 and are waiting for us to say who's needed,
2 which is one thing we'll talk about in the
3 next item here.

4 Oh, my goodness, look who's here.
5 Things are looking up around here now. I was
6 welcoming Nadine Thomas, who left the
7 Governor's Office recently, and was one of the
8 lead negotiators of the Gaming Commission.
9 Nice to have you here with your new hat on.

10 MS. THOMAS: Thank you, Steve.

11 CHAIRMAN CROSBY: Okay. So that
12 jumps right into the key policy questions.
13 There are two notes here.

14 One is are there high priority
15 questions. I think we sort of put that to
16 rest. There are, but we're not going to deal
17 with even the most high priority questions
18 until the three-week period, the comment
19 period that we agreed on is past.

20 But as I've gone through mine,
21 John Ziemba, the ombudsman, and I went through
22 the 10 or 15 that are in my area, and it
23 seemed to us that it made sense to have some
24 kind of a public hearing process above and

1 beyond the already agreed to comment period.
2 I haven't quite fought through how that would
3 work, but I wanted to talk about that with you
4 all being here.

5 For example, here's some of the ones
6 that we noted. We are answering the question
7 about whether there should be required content
8 for the host community agreement. Should we
9 approve the wording of the host community
10 agreement before the referendum?

11 Should we say something about
12 selection criteria if there's more than one
13 proposal on a ballot? Should we prohibit
14 gambling by local officials within their own
15 jurisdictions? Should we license region by
16 region or simultaneously, etc.? Pretty big
17 stuff that a lot of people are going to have
18 an interest in.

19 On the other hand, they're going to
20 have a chance to submit written comments. So
21 I think we sort of felt like sort of the
22 abundance of caution strategy so that the
23 abundance of transparency -- John, do you want
24 to speak at all as to what you, you know, why

1 you thought that? Do you have anything in
2 particular to add to that conversation?

3 MR. ZIEMBA: I think my thought
4 regarding additional process relates to some
5 of my communications with the communities and
6 with the applicants where, and I know this is
7 a loose standard, but I know that as things
8 rise to a certain level where it would be
9 expected, especially if there's statutory
10 matters or statutory determinations, that
11 further input might be involved, especially if
12 we have to make a finding which may impact,
13 for example, a whole regional or a whole
14 license application, that might rise to an
15 additional level of input, where we would take
16 into account some of the facts and
17 circumstances that we would have to make for
18 determinations whether or not we met a certain
19 statutory standard and to move on.

20 CHAIRMAN CROSBY: You mean a
21 statutory standard about whether a hearing was
22 required?

23 MR. ZIEMBA: No, but my statutory
24 standard if, for example, we had to make a

1 decision regarding whether or not to move
2 forward with a license in a particular region
3 based on a number of other factors, that
4 perhaps we would need to get further input
5 from some of the communities regarding that
6 determination if it involved meeting a
7 statutory test in order to move forward. I
8 guess I'm being a little bit vague, but.

9 COMMISSIONER MCHUGH: As a general
10 proposition, I'm highly in favor of the more
11 transparency, but how are we going to decide
12 what issues we need, what issues a period of
13 public hearing would add value to in addition
14 to the written comments we receive? I mean,
15 we're going to solicit and have solicited
16 written comments on all of these policy areas.

17 It seems to me that we could get in
18 the written submissions some responses that
19 raise questions that we would like to hear
20 more about in an oral presentation, but it may
21 also be that there are some where we just
22 ought to schedule an oral hearing and invite
23 people to come in.

24 Have we thought about how we would

1 approach that, because just to open it up and
2 say anybody who wants to come in and talk
3 about any of these policy issues is likely to
4 be so unstructured that it's not going to add
5 value to anything?

6 MR. ZIEMBA: Understood. I don't
7 think that everything rises to that level.
8 I'm trying to say that without pointing to
9 specific issues, but let me just give you an
10 example.

11 Item Number 32, which relates to
12 setting a time limit or other rules addressing
13 the Tribal compact/land-in-trust issue. I'm
14 speaking sort of in vagaries regarding that
15 particular issue.

16 That is one that, because it impacts
17 an entire, impacts a potential number of
18 different applicants, that I think might rise
19 to a level where we would want further input.

20 You heard from the consultants that
21 some of the policy issues that we are going to
22 be deciding upon might actually appear in
23 regulations, and some of them might just be
24 policy guidelines.

1 If they're in regulations, then there
2 might be another whole other public process
3 that's involved where people will be our
4 problem.

5 So if you take all of those that
6 might appear in regulations and they are put
7 under the regulatory box, they're already
8 getting an additional process, so maybe we
9 wouldn't want to -- we wouldn't need to
10 specifically specify any of those for
11 additional input from us.

12 But if there's an issue that might
13 not necessarily be in the regulation, but we
14 make a legal determination or others that
15 could impact the whole region, such as the one
16 I discussed, perhaps that would require some
17 additional process by the Commission.

18 COMMISSIONER MCHUGH: I hear you, and
19 I agree with that. The only thing I think we
20 need to, and I'm sure we will be, we need to
21 keep in mind as we move forward is we have to
22 frame the issue in a way that is susceptible
23 to a reasoned presentation on a target issue
24 rather than some broad, open-ended thing that

1 really isn't going to help those who want to
2 present something to us, figure out what we're
3 interested in is going to help us figure out
4 what value we're trying to obtain from the
5 public hearing process, but if you frame the
6 issues correctly and do those kinds of things,
7 perhaps it's a good idea.

8 COMMISSIONER ZUNIGA: I share that
9 view and concern relative to the concern for
10 structuring. Perhaps we could, like we
11 attempted to do in these documents, call out
12 those particular questions, like the one you
13 just mentioned, that would merit more of a
14 process and differentiate that from the rest
15 of them that could allow us to move in this
16 particular setting, answering and issuing
17 policy statements or regulations, whatever the
18 case may be.

19 Because if we treat all of them in
20 the same capacity, we might get confusion for
21 the general population.

22 CHAIRMAN CROSBY: Well, there's also
23 a time issue. We've set aside three weeks,
24 and then I think we gave ourselves one week,

1 and then we gave ourselves a full week of
2 public hearings where we were going to be
3 trying to go through all these issues and
4 discuss them and resolve them, so there's not
5 a lot of extra time.

6 But maybe what we ought to do, I'm
7 sort of having the same -- I'm rethinking a
8 little bit from when you and I talked, sort of
9 coming down where Commissioner McHugh is.
10 What really would be the substantive value
11 add.

12 Something like the travel situation I
13 think is such a big one that I think I agree,
14 and there may be others that are that big, but
15 maybe what we ought to do is say that we're
16 willing to expand to have a hearing process on
17 some of these, a public hearing on some of
18 these, and each of us can recommend which ones
19 we think maybe rise to that level and invite
20 the public to say so also.

21 You know, if a public feels like, if
22 a commentator who's going to submit in writing
23 wants to propose why they feel it needs to be
24 a public hearing as well, then we'll entertain

1 that, because you're not going to have a lot
2 of time to do that before we get to our
3 decision week.

4 MR. ZIEMBA: Right, I guess that was
5 going to be my recommendation. As we get to
6 the decision week, it will be clear from the
7 narratives that each of the Commissioners
8 provides, what's framing the question, and it
9 will probably be a little bit more clear what
10 will eventually find its way into regulations
11 so you have these other processes.

12 And then what you're saying is that
13 the Commission may be in a situation between
14 now and the first or second week of December
15 where it may need to act on something that
16 would necessarily be involved in the policy
17 questions.

18 If that is the case, my
19 recommendation would be to take into account
20 the need for public input if anything comes up
21 between now and that period.

22 CHAIRMAN CROSBY: Right.

23 MR. ZIEMBA: By the time that we
24 start going over all these questions in the

1 second week of December, it will be pretty
2 clear what input we have from the outside
3 world and what will find its way into a
4 regulation or the policy where additional
5 process may or may not be necessary.

6 CHAIRMAN CROSBY: Right.

7 COMMISSIONER MCHUGH: You know, in
8 that regard, we could also think about, and it
9 might be more productive to think about moving
10 forward with that decision week, and we will
11 be able to resolve a lot of these policy
12 issues with the comments we receive plus our
13 deliberation during our week, and use that
14 week as an opportunity to surface questions,
15 that we really do need a public, more public
16 input on, and use that process also to refine
17 the questions that we're interested in.

18 That way we can go forward with the
19 regulations. We're not talking about a long
20 period. Look forward with the regulations
21 that support the policies we're able to decide
22 without a public hearing, recognize that at
23 the end that all, everybody will get a chance
24 to talk about that, and then have a period

1 where we have a few public hearings and have
2 them come right in behind that regulatory
3 process, right behind what we've done before.
4 That might be the best, a way to think about
5 it surfacing.

6 CHAIRMAN CROSBY: Is there any reason
7 not to -- I think that's right, and when we're
8 talking in the second week of December about
9 these, we may discover that we don't have
10 enough data and we want to have a public
11 hearing.

12 That's clearly sort of a failsafe
13 system, but I don't think there's any harm
14 with having a commissioner or the public
15 suggest it also, so why don't we do both.
16 Let's say that we're open to the need for
17 public hearings above and beyond the comment.

18 If a commissioner feels a topic, one
19 of his or her topic rises to that level, let's
20 put it on the table. If a participant feels
21 it rise to that level, they can put it on the
22 table in their written comments, and we'll
23 take it under advisement, but we will be
24 mindful that a lot of these will have a public

1 hearing at the stage of the regulations
2 process anyway.

3 That may or may not be a solution,
4 because some of this we've been able to get
5 decisions earlier, but we will be mindful of
6 that point. All right, thank you.

7 Any other issues that are surfacing,
8 anything anybody else wants to talk about in
9 terms of the key questions?

10 COMMISSIONER MCHUGH: I wanted to
11 talk about, I'm looking at the Number 1 that I
12 have. I've got Number 1, Question Number 5,
13 and it ties into Question Number 4 and also
14 ties into outreach to communities through the
15 ombudsman, and so I was thinking about the
16 desirability of packaging across pockets
17 questions that ought to really be run through
18 our ombudsman or coordinated with our
19 ombudsman, so that we go to the communities to
20 solicit information from them with a package
21 of things coming from a single source rather
22 than have individual commissioners reaching
23 out to the same people on a variety of times,
24 and it seems to me a little bit of

1 coordination there would be worthwhile, so --
2 I guess I put a period at the end of that.

3 CHAIRMAN CROSBY: So what was the
4 operational thrust of that?

5 COMMISSIONER MCHUGH: That at least
6 that we ought to go through this, this chart
7 that we now have, and see if there are
8 cross-pocket questions that ought to be
9 packaged together and --

10 CHAIRMAN CROSBY: Oh, I see.

11 COMMISSIONER MCHUGH: -- from which
12 we solicit information from cities and towns
13 and others through a single source, and I use
14 as an example Question 4 and 5.

15 They are different parts of the
16 licensing process, but they are going to
17 require some input from cities and towns.
18 They logically flow, and we ought to package
19 them through our ombudsman to get the
20 information, some of the information we need
21 to answer.

22 CHAIRMAN CROSBY: Well, I've gone
23 through mine, and John and I have agreed on
24 which ones he's sort of going to take the lead

1 on. Maybe other commissioners ought to do the
2 same thing, so that he can pull them all
3 together, and he knows the ones he's working
4 on.

5 COMMISSIONER MCHUGH: Sure, that's a
6 way to do it, or we could start from the other
7 direction and have John go through these and
8 take a look at them and see which ones fit
9 together and --

10 COMMISSIONER CAMERON: That makes
11 more sense.

12 COMMISSIONER MCHUGH: -- which ones
13 -- I think that's more efficient, and say
14 these questions all relate to one another, and
15 these are the people that we need to get
16 information from, we can supply our thoughts
17 to you, John, on that, but then pull together
18 a mechanism for reaching out once to the
19 people in various towns with three or four or
20 five questions, whatever it is, so that we
21 don't all come at them in different
22 directions.

23 CHAIRMAN CROSBY: Does that work for
24 you?

1 MR. ZIEMBA: Yes.

2 CHAIRMAN CROSBY: Okay. Anything
3 else on key policy questions, any other
4 problems or issues or? Okay. Any other
5 issues under Project Work Plan?

6 COMMISSIONER MCHUGH: No, not for me.

7 CHAIRMAN CROSBY: Then we're onto
8 administration, and we'll ask Director
9 Eileen Glovsky to come back if there's
10 anything on your list to talk about.

11 DIRECTOR GLOVSKY: Yeah, I did want
12 to say the project management chart is
13 something that we are going to start using
14 within the agency, and my intention is that we
15 would update on Mondays and do our best to
16 have an updated version here for Tuesday.

17 Because we had a Monday holiday,
18 we're sort of out of sync with that, but I do
19 feel that it will never be a perfect document,
20 but it is close enough now that we can use it
21 on a regular basis to move on.

22 And with that being said, we'll all
23 have to be mindful as we go through items here
24 at this meeting or within our day-to-day

1 operations that when we have date-significant
2 issues, that that information be communicated
3 to me at the earliest opportunity so we can
4 get that information onto the schedule and
5 keep moving forward.

6 CHAIRMAN CROSBY: It will give us a
7 focus on our update, our scheduling meetings
8 to just sort of run through at the beginning
9 of Monday morning and see what's on the
10 griddle, what's changed, what new things are
11 going on, what critical path items are right
12 in front of us and so forth, so I think that
13 will be great.

14 COMMISSIONER MCHUGH: And we'll have
15 the most, continue to have the most recent
16 version of this in the shared drive so that
17 everybody --

18 DIRECTOR GLOVSKY: Yes.

19 COMMISSIONER MCHUGH: -- can access
20 it all the time, good.

21 DIRECTOR GLOVSKY: And the next, the
22 strategic plan, I wanted to put that back onto
23 the agenda, because I think with all the work
24 that's been going on with the scope of

1 licensing, that the strategic plan sort of
2 took a backseat, and we never got to a place
3 with we formally approved it.

4 Like the scheduling document, it will
5 never be perfect. It's a plan, and as our
6 consultants move into sort of the second phase
7 of what they're working on with the
8 regulations and all, I'd like to be able to
9 free them up from any further work at the
10 earliest possibility on the strategic plan,
11 and I just wasn't sure what we needed to do to
12 approve it.

13 I know that there have been comments
14 made, and I believe a subsequent addition had
15 been sent back to the Commission, and wanted
16 to make sure that if there are any discussions
17 that had to be had in order to approve it,
18 that we look at that now.

19 Maybe the discussion won't happen
20 right now, but happen next week, and we could
21 do the finalization of the plan the week after
22 Thanksgiving, so.

23 CHAIRMAN CROSBY: I went over it
24 again on the weekend, and I think there are

1 any number of issues, but they're mostly --
2 they're not issues that the plan failed to
3 address our concerns.

4 There are issues that we need to
5 remember to go to the plan when the time
6 comes, because there's a whole host of
7 suggestions about issues we should address as
8 the time -- in fact, it's almost something
9 that we could put on like the whole bunch of
10 licensing considerations and so forth, that we
11 could almost put them on the Gantt chart, on
12 the project management chart, and I was
13 reminded of two or three things.

14 One of the big ones I think is
15 legislative fixes. I think that maybe I
16 should take the lead in thinking that through
17 how many, if any, of those things do we want
18 to go after, and there are any number of
19 things I think everybody would be reminded
20 about to look at here.

21 But having said that, I think they've
22 done the job. I think we have our strategic
23 plan. It's a great guideline to where we're
24 going. We need our E.D. to take charge of it

1 so we're not doing it, but I don't see any
2 reason not to formally accept it at this
3 point. I'm happy to wait if somebody wants
4 to, but from my review of it, there's no need
5 to do that.

6 COMMISSIONER MCHUGH: My only
7 hesitation about doing it right now is that I
8 think there are some, a couple of important
9 policy issues with respect to the organization
10 that we really ought to address sooner than
11 later, and I wanted to say hold the plan
12 hostage to consideration of those issues, but
13 we've talked about them.

14 Two in particular are where do we put
15 in the overall hierarchy the person who's
16 responsible for problem gaming, and the second
17 is a debate we continue to have as to what
18 we're going to do about the kinds of IT people
19 we need to have in the organization and where
20 do they fit in the organization, and that's I
21 think not a question of whether the person
22 responsible for turning the switches on the
23 computers reports to the Director of
24 Administration or the Director of Enforcement,

1 but where do we get the policy-maker or what
2 kind of a person do we want as the
3 policy-maker and IT czar, given the central
4 role that IT is going to play in our future.

5 Now, maybe that's a consideration
6 that's so plastic that we don't have to
7 resolve it now, but my concern is that unless
8 we do address it, it is going to be one of
9 these things that's always on the shelf that
10 we're going to build around it and find that
11 we have built something that really doesn't
12 work the way it should.

13 So I mean, that's a big document.
14 It's well thought out. It's well done. Those
15 are for me a couple of loose ends.

16 COMMISSIONER CAMERON: And I think
17 that the whole table of organization has to be
18 a living, breathing document. I'm not at all
19 convinced that the numbers they have
20 recommended, for example, of staffing in the
21 casinos are appropriate.

22 I don't think we have enough
23 information to make those decisions yet.
24 Scope, size of the facilities, all of those

1 things are yet to be determined, which for me
2 means that those numbers are not real. They
3 have suggested numbers, for example, gaming
4 agents, troopers, and it's too soon, and so I
5 don't look at that as a finished document when
6 it comes to those recommendations.

7 CHAIRMAN CROSBY: There's a
8 distinction. This is not meant to answer all
9 the questions. It's meant to give us a
10 timeframe and a layout of all the things we're
11 going to have to do, and to raise places where
12 there are big decisions.

13 You all have mentioned two, and there
14 are a number of others, but we've sort of got
15 to get this behind us. We need to accept this
16 work product, which is a part of the first
17 phase of their contract.

18 That doesn't mean it's over. That
19 means we just keep working on this, and if
20 it's time to put the CIO question on the
21 table, we should do that, but I don't think
22 that has anything to do with whether we accept
23 the plan or not.

24 COMMISSIONER CAMERON: Right, I just

1 didn't want someone to think because we
2 accepted it, we believe that all of that is
3 accurate, and that's what we'll be --

4 CHAIRMAN CROSBY: No, I agree with
5 you, and I think the consultants would agree
6 with that also.

7 DIRECTOR GLOVSKY: Does it make sense
8 to accept the plan but ask for the consultants
9 to provide one to us that has the table of
10 organization separate, and that the Commission
11 could say that they accept the strategic plan
12 with the exception, acknowledging that we're
13 not in a place to approve a table of
14 organization at this point?

15 CHAIRMAN CROSBY: But they haven't
16 proposed a specific table. They've got
17 varieties of -- you know, they've got
18 different charts for different things, and
19 they specifically raised the issue that
20 Commissioner McHugh just talked about there.
21 If we were to accept this, we're not accepting
22 a specific table of organization.

23 We're accepting a proposed table of
24 organization with a bunch of open issues that

1 they raise, and it's sort of a formality
2 raising them.

3 What I'm not suggesting is that we in
4 any way say that somehow, okay, this is
5 signed, sealed, and delivered. It's done.
6 It's over. Forget about it, and nothing else
7 to talk about, but it is a work product in our
8 first phase of the contract that we do need to
9 accept at some point, and I don't think
10 there's any point in -- I don't see anything
11 really else to iterate on. I see it's time
12 for us to begin to pick up the questions
13 they've raised and start to answer them.

14 COMMISSIONER MCHUGH: And it's a
15 continuum -- as far as I'm concerned, it's a
16 continuum. So when is something so amorphous
17 that it's not helpful, and when is something
18 resolved enough that even though it has
19 questions, it is helpful, and this falls in
20 that end of the continuum.

21 Nonetheless, there are these in my
22 mind big questions, and I'm concerned that
23 unless we undertake an effort to answer them
24 now in the context of a document or figure out

1 a process and a timeline for answering them,
2 we are going to go down the road just because
3 we're busy, and a lot of things are going on,
4 and build something around, build a structure
5 that doesn't address these questions.

6 COMMISSIONER ZUNIGA: Would it be
7 helpful for any number of key questions, we
8 try to frame answers around alternatives? I
9 mean, you've spoken about the alternatives we
10 may face.

11 Put some specificity as to it's just
12 not an open-ended question, but really we have
13 these however many, two or three, specific
14 alternatives? I'm just speculating as a way
15 to move forward with both intentions.

16 CHAIRMAN CROSBY: I mean, to me
17 that's a step in the direction of beginning to
18 address the issues, and as I've said, I think
19 there are things, like some of the ones you've
20 mentioned and others, that probably ought to
21 get put on the chart that says if by this
22 date, we've got to get the CIO topic on the
23 table, by this date, we've got to have the
24 numbers of troopers and who's going to be

1 doing what in the IEB on the table, etc.,
2 although a lot of that is already -- a lot of
3 those dates are already in here.

4 But as -- I'm just -- as a practical
5 matter, I'm ready to get this behind us and
6 just keep working with it, and with that
7 process, what you're talking about when we're
8 starting to tee up the CIO options, we'll put
9 those -- we talking about putting several
10 options on the table and try to work it
11 through, but I sort of see it as
12 noncontroversial.

13 We need to close this phrase of the
14 contract, and unless there were things where
15 we felt they had not yet done their job in
16 providing options or in addressing the issues
17 that we raised on the first draft, and they
18 certainly addressed mine in this draft, I
19 think it's ready for, ready to move on. Does
20 somebody want to move or not move?

21 COMMISSIONER ZUNIGA: Well, I see
22 both points. I agree with your
23 characterization from a contractual
24 standpoint, we need to accept the work

1 product, and if it becomes a living document,
2 we will recognize that.

3 CHAIRMAN CROSBY: Well, what's the
4 alternative? What's?

5 COMMISSIONER MCHUGH: We've had a
6 good discussion on this. I'm prepared to move
7 on.

8 CHAIRMAN CROSBY: Do you want to
9 move?

10 COMMISSIONER ZUNIGA: So move that we
11 accept the latest draft of the strategic plan
12 as presented to this Commission and --

13 CHAIRMAN CROSBY: And tee up the
14 issues, the unresolved issues for addressing
15 in the appropriate schedule?

16 COMMISSIONER ZUNIGA: Yes.

17 COMMISSIONER STEBBINS: Second.

18 CHAIRMAN CROSBY: Any further
19 discussion? All in favor?

20 COMMISSIONER MCHUGH: Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 CHAIRMAN CROSBY: Opposed? All

1 right. I don't know if there's anything else
2 we have to do technically with the consultants
3 on this, but okay, great.

4 But it is important, and I was
5 reminded of it as I went through this, there's
6 a ton of things, issues that are raised here,
7 and we don't want to forget about them, so I
8 think, you know, putting one of our new staff
9 persons or you or somebody can put some of,
10 you know, put these key points on the chart.

11 DIRECTOR GLOVSKY: I numbered them or
12 I think part of what we need to start doing is
13 drilling down. I think acceptance of the
14 strategic plan is probably on the chart, but
15 going to the table of organization, reviewing
16 this, I sort of put a note here, make sure
17 that we have a milestone by the end of the
18 first quarter of the next year that those
19 things have been dealt with, but you're right.

20 Getting down to a deeper level on the
21 chart is going to be critical, and what I hope
22 we will be able to start accomplishing on our
23 Monday meetings.

24 Personnel searches, we have two new

1 employees that are starting today, and --

2 CHAIRMAN CROSBY: Would you like to
3 say who they are?

4 DIRECTOR GLOVSKY: Yes.

5 Todd Grossman is our staff attorney, and
6 Ellen Cassidy is going to be executive
7 assistant to Commissioner Stebbins and
8 Commissioner Cameron, so we're thrilled to
9 have them on board.

10 CHAIRMAN CROSBY: Welcome, everybody.

11 DIRECTOR GLOVSKY: I am continuing
12 the search for the business
13 analyst/generalist, and well into that
14 process, and hope to have someone starting
15 perhaps by the first of the year for that
16 position. I'll turn over the employee manual
17 to Commissioner Zuniga.

18 COMMISSIONER ZUNIGA: I've included
19 in the packet Chapters, the latest chapters,
20 Chapters 1 and 3 of the employee manual. They
21 are not being submitted for a vote. They are
22 only being submitted for consideration. The
23 idea behind these is that we do these.

24 We include these, however many

1 chapters are ready for consideration in a
2 particular meeting like today, go through any
3 questions, issues that may merit further
4 research for further consideration for
5 hopefully a subsequent meeting approval.

6 So I am now submitting Chapters 1 and
7 3. In that spirit, I can take any questions
8 or we can have any discussion. We will do
9 anything here with the intention of coming
10 back next week or the next meeting to approve
11 these two chapters, and then we could do that
12 on a rolling basis for the remaining three to
13 four chapters.

14 CHAIRMAN CROSBY: Somebody else?
15 Does anybody want to start comments?

16 COMMISSIONER MCHUGH: I don't have
17 any at this point. I may have some that I'll
18 send to you during the week. I've had a
19 chance to look at this and comment on it
20 during the initial process.

21 CHAIRMAN CROSBY: Commissioner?

22 COMMISSIONER STEBBINS: No. I mean,
23 the bulk of it is in the first section, and it
24 looks like, first of all, I've got to

1 compliment Commissioner Zuniga, because I feel
2 the mission and the purpose is what's laid out
3 for future employees of the Commission, I
4 thought was encouraging. It kind of keeps to
5 our mission statement.

6 I had a question though it looks like
7 Page 11, where it talks about internal
8 candidates for positions as they arise is, as
9 you've done with others, you've kind of cut
10 and pasted and pulled from best practices of
11 other agencies, but the piece about, you know,
12 an employee who's an internal candidate may
13 not be able to compete for a position based on
14 if they've had a written warning or something
15 within the last six months, is that pulled
16 from other materials or is that something
17 other?

18 COMMISSIONER ZUNIGA: More
19 deliberate? Not particularly.

20 COMMISSIONER STEBBINS: I mean, it's
21 commendable. I want to keep it in. I was
22 just wondering if that's a similar practice in
23 other agencies.

24 COMMISSIONER ZUNIGA: Yes, it is a

1 similar practice in other agencies.

2 CHAIRMAN CROSBY: Do you have any,
3 Commissioner Cameron?

4 COMMISSIONER CAMERON: Again, I'm
5 always impressed with Commissioner Zuniga's
6 work. It's very well done, easy to read, and
7 I know from past experience in a lot of
8 handbooks are not all that easy to -- they're
9 not in a logical order necessarily, so
10 impressed reading through the materials.

11 CHAIRMAN CROSBY: I have a couple of
12 things. On Page 4 of Chapter 1, it says, the
13 provisions of the handbook have been developed
14 at the discretion of the Commissioners and,
15 except for its policy of employment-at-will,
16 may be amended or canceled at any time. Why
17 couldn't -- why is that singled out? We've
18 been talking about the fact that we could
19 change that.

20 COMMISSIONER ZUNIGA: This I believe
21 was added after the August 14 meeting. We
22 could strike that I suppose. The way I try to
23 address the earlier issue around
24 employment-at-will was I believe in the

1 introduction.

2 CHAIRMAN CROSBY: I think you did
3 refer to it other places, but it's just here
4 it says --

5 COMMISSIONER ZUNIGA: It may be left
6 over.

7 CHAIRMAN CROSBY: Here it says it
8 can't be changed, which I don't think we mean.

9 COMMISSIONER ZUNIGA: That's correct.
10 That's correct, yes.

11 CHAIRMAN CROSBY: And then on Page 11
12 it talks about letters of recommendation, and
13 I believe that letters of recommendation can
14 only be looked at and used. Commissioner
15 McHugh and I talked about this at the finalist
16 stage.

17 COMMISSIONER MCHUGH: Well, after
18 people have been found qualified.

19 CHAIRMAN CROSBY: After they've been
20 found qualified, oh, okay, not the finalist
21 stage, okay.

22 COMMISSIONER MCHUGH: Yes.

23 CHAIRMAN CROSBY: Well, apparently
24 there's relatively new legislation that specs

1 out when you can use the letters of
2 recommendation, and I wasn't familiar with it,
3 and even though apparently it came out of our
4 report, so maybe that's worth looking at.

5 Is there a legislative directive
6 about when letters of recommendation can be
7 used in the process?

8 COMMISSIONER ZUNIGA: My belief, but
9 I will do more research on this -- my belief
10 is that the key consideration here was that
11 the recommendations must be done in writing,
12 no such thing as --

13 COMMISSIONER MCHUGH: Right, but the
14 statute goes on to say that they can't be
15 considered until the applicant has been found
16 to be qualified for the position, and there
17 are a couple of other things in the statute.
18 I'll send you the citation. You can take a
19 look at that.

20 CHAIRMAN CROSBY: And that was to
21 remedy -- this grew out of the probation
22 scandal and so forth, and so it's there for
23 conscious purposes to perfect the system, so
24 it's probably worth -- since it was a

1 legislative remedy, it's probably worth
2 putting in there.

3 On Page 13, access to sensitive
4 information as limited to the head of the
5 Enforcement Division, does that mean the
6 hiring manager who's doing the hiring can?

7 COMMISSIONER ZUNIGA: No, this was
8 actually updated recently on Chapter 2, which
9 was on -- what page was that again,
10 Mr. Chairman?

11 CHAIRMAN CROSBY: Page 13, 1.6,
12 Background Checks, third paragraph, last
13 sentence.

14 COMMISSIONER ZUNIGA: Yeah, we may
15 need to strike that.

16 CHAIRMAN CROSBY: You know, this is
17 my normal resistance to bureaucracy, but on
18 Page 15 it says, overnight stays and
19 out-of-state travel require prior approval
20 from the chief financial officer.

21 I would think your department
22 director would be plenty. You know, you don't
23 need to go to the CFO. Page 15, just that
24 little hanging end of a sentence of Chapter 1.

1 COMMISSIONER ZUNIGA: Which page?

2 CHAIRMAN CROSBY: The last page of
3 Chapter 1.

4 COMMISSIONER ZUNIGA: Yes. It's
5 Page 14. You may have a different version.

6 CHAIRMAN CROSBY: Oh, sorry.

7 COMMISSIONER ZUNIGA: The department
8 director?

9 CHAIRMAN CROSBY: Department
10 director, yeah.

11 COMMISSIONER ZUNIGA: Yes.

12 CHAIRMAN CROSBY: And this is just a
13 matter of definition. I thought I saw in the
14 e-mail that came out during the snowstorm that
15 we are not essential employees. Am I
16 remembering that wrong?

17 COMMISSIONER ZUNIGA: We are not, but
18 in the future, Commission employees assigned
19 to casinos or to gaming establishments are key
20 employees as such.

21 CHAIRMAN CROSBY: Oh, you've got that
22 right. Okay, good, thank you.

23 COMMISSIONER ZUNIGA: You've got to
24 keep the casino going.

1 CHAIRMAN CROSBY: The same thing on
2 Page -- it's not paginated, but on 3.3.3,
3 temporary alternate work schedule and
4 telecommuting requirements require approval of
5 the E.D. I think that would be the department
6 director, too, definitely department director.

7 DIRECTOR GLOVSKY: Can I add that in
8 conjunction with the director of Human
9 Resources, because sometimes you can get
10 policies from department, implementation of
11 policies from department to department out of
12 whack.

13 CHAIRMAN CROSBY: Yeah. That was it
14 for me, so we're not voting on that?

15 COMMISSIONER ZUNIGA: We're not
16 voting on that, but I can incorporate these
17 changes or any others in between now and the
18 next time.

19 CHAIRMAN CROSBY: Okay, great. We
20 can go on quickly to the Racing Division,
21 Director Durenberger. Introduce yourself and
22 your team.

23 DIRECTOR DURENBERGER: I will. This
24 is Jennifer Durenberger, Director of Racing.

1 Good afternoon, Commission. This is
2 Danielle Holmes. She is currently signed on
3 as a legal assistant. I thought this would be
4 a good time to get her in front of you this
5 afternoon.

6 I think the first thing that we
7 wanted to talk about was the licensing for
8 live racing for the racetracks for 2015.

9 COMMISSIONER CAMERON: Director, I'll
10 give an overview, and then we'll have you fill
11 in the details. How does that work?

12 DIRECTOR DURENBERGER: I think that
13 sounds great.

14 COMMISSIONER CAMERON: Okay. So an
15 application process is required every year.
16 The requirements for the application to
17 conduct live racing set forth in the General
18 Laws of Chapter 128A, Section 2.

19 Applications for the 2013 racing
20 meets and the required fees were received from
21 Our Way Realty, Plainridge Racecourse, and
22 Sterling Suffolk, Suffolk Downs, prior to
23 October 1, the statutory deadline. Duly
24 noticed public hearings were held in Boston

1 and Plainville respectively on October 18,
2 2012.

3 No objections were heard to the
4 application process, and supplemental
5 information was requested at that time and
6 provided by both tracks.

7 This is a matter the Commission must
8 approve before the 15th, so we will vote on
9 this matter today. But before we do that, I'd
10 like Dr. Durenberger to give us a little more
11 detail about the required supplemental
12 material and what was submitted.

13 DIRECTOR DURENBERGER: Thank you,
14 Commissioner. The application process may or
15 may not have been reviewed in the recent past,
16 and so I thought that going forward, what we
17 might want to do is include sort of policy
18 recommendations in some of the recommendations
19 that the legislative review group, the one
20 that's doing the Section 104 review may be
21 making, and the reason for this is that
22 there's just a couple of things that we didn't
23 quite know how to look at. For example,
24 financial suitability is in the statute. It's

1 one of the things that the Commission must
2 require, and you really haven't been given any
3 parameters or guidelines for doing that.

4 So I thought that perhaps the best
5 way to do this going forward is as part of
6 this legislative review, looking at
7 Chapters 128A and 128C brings some policy
8 issues forward for future years' applications,
9 and maybe some recommendations for some
10 changes going forward.

11 We did have a clarification on one
12 application and an amendment on another
13 application. We had a very minor amendment on
14 the Suffolk Downs application, and that was --
15 let's see here -- Question 8, which was
16 intended hours for live racing.

17 We have in 128A, Section 2, Sub 5,
18 there's a statutory language that running
19 horse racing cannot be conducted later than
20 seven o'clock p.m., and the application had
21 eight o'clock p.m. in there.

22 Suffolk has just submitted a request
23 for amendment to change that until 7:00 p.m.
24 so that it's in conformity. So we have that

1 amendment, and then we had a clarification of
2 some language in the Plainridge application,
3 Question 26, which was how many races they
4 intended to run per day.

5 They just clarified that they
6 intended to run 9 to 12 races on average, and
7 I have no problem with either of those, either
8 with the clarification or the amendment.

9 COMMISSIONER CAMERON: Are those the
10 changes that were requested and the materials
11 that were submitted?

12 DIRECTOR DURENBERGER: The
13 supplemental materials that we requested, one
14 of them was in response to a question from
15 Commissioner McHugh regarding insurance
16 coverage, and so we did request both tracks to
17 provide copies of their insurance coverage for
18 either jockeys or drivers respectively, and so
19 we did distribute those materials to the
20 Commission.

21 We had some -- there was a question
22 about a financial matter, a note. There was
23 an extension of a note.

24 COMMISSIONER CAMERON: Excuse me,

1 Director, could you speak a little louder. I
2 think some of the folks in the back are
3 straining to hear you.

4 DIRECTOR DURENBERGER: Certainly, I
5 can do that. I'm from New York. I can talk
6 loud.

7 COMMISSIONER CAMERON: Thank you.

8 DIRECTOR DURENBERGER: So we had
9 supplemental information requested regarding
10 insurance coverage for jockeys and drivers
11 from the respective tracks. We did receive
12 those and distribute them to the
13 Commissioners.

14 We had a clarification on a note.
15 Let's see. That was on the Plainridge
16 application, and that was just a mortgage
17 extension. We did receive that. And so all
18 the supplemental materials that we requested
19 were submitted and reviewed.

20 CHAIRMAN CROSBY: Questions, issues?

21 COMMISSIONER CAMERON: I just wanted
22 to make the point that this application, and I
23 think Dr. Durenberger alluded to this, is
24 something that's been in place for a long

1 time, and it will be part of the review that's
2 going on for best practices in racing, so
3 there may be some changes for next year's
4 application.

5 We made minor changes this year, but
6 again, this will all be part of the review to
7 implement best practices for next year.

8 DIRECTOR DURENBERGER: And I think
9 that what we will do as part of the
10 legislative review is put some policy issues
11 before you all to discuss. We're not ready to
12 do that today, but just some things that came
13 up during the process, and so you can get your
14 minds wrapped around that and have some
15 deliberation on how to proceed just from a
16 policy standpoint.

17 COMMISSIONER ZUNIGA: As we are doing
18 this review of Chapter 128A and C, in order to
19 provide recommendations or any changes I
20 suppose, I'm intrigued by the fact that the
21 statute had a particular time after which
22 races could not take place.

23 Is that -- I'm just curious -- some
24 legacy or is that a safety issue? What do

1 other jurisdictions have in these cases?

2 DIRECTOR DURENBERGER: It's actually
3 multifactorial, and with the running horse,
4 part of it has to do even with the lights that
5 you have, because they would get into
6 community abatement if you have lights for
7 racing, but we -- you know, there's
8 flexibility there.

9 So in the event of say a
10 weather-related delay or some other like a
11 power failure where there was a delay, and
12 maybe that last race post time was going to be
13 after seven o'clock, they can still, you know,
14 give us a call, give the director of racing a
15 call, and in consultation with the Commission,
16 approve an extension for that day.

17 So there is some, but the answer to
18 your question is yes, it is historical. There
19 are multiple reasons behind it, not all of
20 which I'm familiar in the Commonwealth, but in
21 other jurisdictions.

22 COMMISSIONER ZUNIGA: Right, but it
23 occurs to me that as part of this process that
24 we have now is maybe the best time for us to

1 think about those.

2 DIRECTOR DURENBERGER: Yes, and
3 racing that occurred here at different times,
4 too. There used to be racing in the
5 wintertime, and the running horses would go in
6 the wintertime, and now they don't, and so in
7 terms of how that time was picked, we can
8 certainly get to the bottom of that.

9 COMMISSIONER ZUNIGA: Right.

10 CHAIRMAN CROSBY: Commissioner
11 Stebbins, anything?

12 COMMISSIONER STEBBINS: No. I had
13 one question, which you alluded to in the memo
14 with respect to, and it sounds like a very old
15 provision, but I was interested in the history
16 of that 85 percent employment rule for a
17 licensee, 85 percent of the employees have to
18 come from or have residency in Massachusetts.
19 I was just curious about the history of that,
20 and do our licensees face any challenges in
21 kind of meeting that obligation.

22 DIRECTOR DURENBERGER: So this
23 section, this is in General Laws Chapter 128A,
24 Section 10, and that section as I'm reading

1 it, is only in effect until July 2014.

2 COMMISSIONER STEBBINS: Okay.

3 DIRECTOR DURENBERGER: But

4 historically, no. We are trying to figure out
5 how in the past that's been enforced or looked
6 at or what proof has been requested of the
7 racetracks, but I don't have any -- I'm not in
8 receipt of any materials from that from the
9 previous year.

10 CHAIRMAN CROSBY: But that's a
11 legislative mandate, so.

12 DIRECTOR DURENBERGER: Yes, it is.

13 CHAIRMAN CROSBY: That's something
14 that you're going to be looking into.

15 DIRECTOR DURENBERGER: It will be a
16 policy issue.

17 CHAIRMAN CROSBY: I had one concern,
18 and this is marginally informed, but I think
19 it's worth putting it out there. You talked
20 about the financial ability, and the clear --
21 when I was looking at the background into the
22 submitted materials, what was clear was that a
23 couple of these facilities were, by anybody's
24 measure, bankrupt basically.

1 They're being kept alive by funders
2 apparently probably in anticipation of the
3 possibility of a gaming license. If the
4 gaming license doesn't materialize, what will
5 be the incentive for the funders to keep these
6 things going even in midstream, and I wonder
7 whether it's worth thinking about some kind,
8 as I say this is a marginally informed view,
9 but I can imagine that if a decision gets
10 made, one of these facilities that does not
11 have the operating revenue to pay its bills,
12 does not get selected, that the funders are
13 going to say, see you around, you know, we've
14 done our thing here, and does the Commonwealth
15 need some kind of something or other, some
16 kind of a guarantee of a bond or something
17 that assures that the process, the racing
18 folks, won't get left in the lurch without
19 some kind of a careful phase-down if that
20 eventuality would occur, because it seems to
21 me they don't have the financial ability to
22 operate, unless their funders continue to pump
23 in subsidies. So do you have any thoughts
24 about that?

1 DIRECTOR DURENBERGER: I think it's
2 something the Commission needs to look at very
3 carefully going forward.

4 CHAIRMAN CROSBY: Yes.

5 DIRECTOR DURENBERGER: And I think
6 that this falls right in with the policy
7 discussions that I anticipate we'll be having
8 over what we call the dark season when there's
9 not live racing.

10 CHAIRMAN CROSBY: Okay, because it
11 would need to be tied to the beginning. I
12 mean if -- again, I'm maybe speaking out of
13 turn here, but if we are going to grant a
14 license for a period which will run through
15 the possible period in which licensing
16 decisions will be made for gaming licenses,
17 maybe we should have some kind of a
18 conditional licensing that we can, or maybe we
19 can amend it without that, but should we,
20 because we might want to amend it to somehow
21 or other assure the operation of the
22 facilities or the phase-down of the facilities
23 or the payment of outstanding bills or
24 whatever.

1 So I don't know whether we can amend
2 a license later on, whether we should make the
3 license conditional on that, because this is a
4 unique year in the life of some of these
5 facilities because of the impending gaming
6 decisions.

7 COMMISSIONER ZUNIGA: I just want to
8 make a small point of clarification. The
9 tracks do provide a bond that you were
10 alluding to currently. We may think of it or
11 some of us may think of it as insufficient or
12 sufficient. That's another matter, but there
13 is, if you will, a backstop to the issue that
14 you raised.

15 CHAIRMAN CROSBY: So maybe it's
16 covered. Maybe what I'm saying is covered?

17 COMMISSIONER ZUNIGA: Well, it is
18 covered up to a point, because the bond is
19 only for a certain amount. You know, this
20 issue could be larger than that, and the issue
21 you raised is still relevant, but it's not
22 zero is my point.

23 CHAIRMAN CROSBY: Right.

24 COMMISSIONER CAMERON: And I think

1 the other, we did ask specific questions
2 during the hearings about the financial
3 situation, and we were assured that certainly
4 the financial, the investors have, they made
5 assurances to us, the track owners and
6 operators, that they do have the money to
7 carry on for next racing season, that their
8 investors are committed to next racing season,
9 and that is a commitment that's separate and
10 apart from a gaming license.

11 CHAIRMAN CROSBY: Well, maybe this is
12 covered, I don't know, but I think it's
13 important enough. As I say, this isn't just
14 any year in the life of the racing industry in
15 Massachusetts, a very, very big year, and we
16 need to think a little bit about protecting
17 against the downside maybe more rigorously
18 than we have before.

19 If it's all covered, fine, but I
20 think it's worth in your dark period taking a
21 look at that. Your sentence here says, there
22 have been situations where operators have
23 filed for bankruptcy during a live racing
24 meeting, creating hardship for racing

1 participants of all varieties, and we don't
2 want that to happen, and we don't want to have
3 failed to think about it, and if it's under
4 control, fine, but if it isn't, somebody needs
5 to look at it with a real hard nose and a
6 sharp pencil to make sure that we're covered
7 in that kind of an eventuality; okay?

8 DIRECTOR DURENBERGER: Okay.

9 CHAIRMAN CROSBY: Anything else?
10 Okay.

11 COMMISSIONER CAMERON: Okay. At this
12 time, I'd like to make a motion that we
13 approve the applications for the two
14 racetracks, and that's Plainridge Racecourse
15 and Suffolk Downs. At this time, I'd like to
16 make the motion that we do approve these
17 licenses for next year.

18 COMMISSIONER STEBBINS: Second.

19 CHAIRMAN CROSBY: And my only
20 discussion would be to make sure you haven't
21 -- by doing -- I don't know enough about that,
22 that we haven't locked ourselves into
23 something that we can't amend. Maybe some of
24 you can answer or subject to some kind of a

1 condition that gives us the ability to make
2 sure we're covered in the eventuality of
3 something going bad.

4 I mean, we're hoping it doesn't
5 happen. It probably won't happen, but it does
6 happen, and I just think we need to have
7 thought about it, and I wouldn't want to
8 approve the license without the ability ex
9 post facto to look into that and make sure
10 we're covered here.

11 COMMISSIONER CAMERON: We need to
12 approve by the 15th statutorily. I am
13 convinced that in addition to the bond, we do
14 have assurances, and there has been -- there
15 has not been a problem in the last several
16 years.

17 The investors have continued to
18 support the racing operations, and at this
19 point I don't think we should consider not
20 approving the license, where we do have those
21 assurances, and we have a past history of the
22 tracks meeting their obligations.

23 CHAIRMAN CROSBY: Well, I'm not
24 saying suggesting not to, to not approve it.

1 I'm just suggesting not to approve it in a way
2 that doesn't enable us to address this issue,
3 I mean, a promise of good faith. The people
4 who run these facilities are horsemen.

5 I know they're not going to cause any
6 trouble if they can avoid it, but I don't know
7 whether the people who provide the money are
8 horsemen, and I don't know how they feel.
9 They're business people.

10 Why are they going to put the bad
11 money after good or good money after bad if
12 they don't have to, and as I say, maybe
13 there's somebody in the room that knows
14 whether or not the bond is big enough. Maybe
15 this is -- maybe I'm just talking about
16 something which is irrelevant here.

17 COMMISSIONER ZUNIGA: Well, the bond
18 is \$100,000.

19 CHAIRMAN CROSBY: Well, I would say
20 that probably doesn't do the job, but I don't
21 know very much about it. Is there any reason
22 -- Commissioner McHugh, do you have an opinion
23 on this? Is there any reason -- is there a
24 way to approve the licenses reserving the

1 right to look into this issue and see whether
2 there's anything?

3 COMMISSIONER MCHUGH: I haven't
4 researched that issue, Mr. Chairman. I have
5 no opinion on that. I do know that the notes
6 in the Plainridge instance were extended to
7 2014, so they're not due until 2014, but that
8 doesn't prevent a declaration of bankruptcy.

9 CHAIRMAN CROSBY: Well, they're
10 demand notes.

11 COMMISSIONER MCHUGH: No, they're --
12 well, I'm not sure they are.

13 CHAIRMAN CROSBY: Okay. Well, I
14 don't think this is a trivial -- if everybody
15 disagrees with me, please say so, but it
16 doesn't need to be a trivial issue with me,
17 and I'm saying we would be, we would not be
18 being responsible to not think this through if
19 today is, what, this is our -- is this the
20 last meeting before the 15th?

21 COMMISSIONER CAMERON: Yes, it is,
22 Mr. Chairman.

23 COMMISSIONER ZUNIGA: I think context
24 here is important, which is the fact that this

1 operates -- it's well understood and known
2 that these operators are going to be competing
3 for a gaming license, which in my view is a
4 very strong financial incentive for the
5 partners to continue those operations.

6 CHAIRMAN CROSBY: They're not going
7 anywhere until the gaming -- I'm talking about
8 after the gaming decision is made.

9 COMMISSIONER ZUNIGA: Right.

10 COMMISSIONER CAMERON: But this is a
11 one-year license.

12 COMMISSIONER ZUNIGA: This is a
13 one-year license.

14 CHAIRMAN CROSBY: The decision might
15 get made in the middle of that year. When is
16 the racing season, from when to when next
17 year?

18 COMMISSIONER ZUNIGA: April to
19 September?

20 DIRECTOR DURENBERGER: Mid-April
21 until late November is the bookends.

22 CHAIRMAN CROSBY: So worst case, we
23 could not make a decision until the end of the
24 year.

1 COMMISSIONER STEBBINS: Yeah, but to
2 an extent, you could have some local decisions
3 being made before our licensing application
4 process.

5 CHAIRMAN CROSBY: Yeah, if a
6 referendum failed, for example.

7 COMMISSIONER STEBBINS: Director
8 Durenberger, I mean with respect to
9 obligations that the tracks have to make for
10 parimutuel and all the other things where the
11 races are being covered, being watched by
12 other tracks and other betting venues, is
13 there a commitment from that perspective to
14 have the full racing season?

15 DIRECTOR DURENBERGER: That's a
16 business decision with each of those vendors
17 that you were talking about. Is that what
18 you're asking?

19 COMMISSIONER STEBBINS: Well, I'm
20 asking --

21 DIRECTOR DURENBERGER: Racing --
22 typically, racing continues during that
23 period --

24 COMMISSIONER STEBBINS: Right.

1 DIRECTOR DURENBERGER: -- and so
2 then.

3 COMMISSIONER STEBBINS: But I mean, I
4 guess my question is if the contracts and
5 relationships between tracks, and tracks which
6 will broadcast the races from Massachusetts,
7 is there a contract that essentially binds
8 them from a business relationship through to
9 the end of the season?

10 DIRECTOR DURENBERGER: I actually
11 don't know the answer to that. I apologize.

12 COMMISSIONER MCHUGH: Mr. Chairman,
13 it seems to me that we've raised an issue that
14 we can't resolve today. We simply don't have
15 the information. So the alternative to either
16 approving it today or disapproving it today is
17 to postpone the approval and have another
18 meeting on Thursday and use those two days to
19 get the additional information that we need to
20 make a decision.

21 We can post that meeting by four
22 o'clock, and we can have the meeting at
23 four o'clock on Thursday.

24 CHAIRMAN CROSBY: Well, is there any

1 reason --

2 COMMISSIONER MCHUGH: The only other
3 thing that I can think of is to issue a
4 conditional license, and quite frankly, I
5 haven't done the research to know whether we
6 can have a conditional license.

7 DIRECTOR DURENBERGER: Nor have I,
8 and I apologize.

9 COMMISSIONER MCHUGH: There's no
10 reason to apologize.

11 CHAIRMAN CROSBY: Is there any reason
12 not to let people from the floor speak up if
13 they have something to say on this?

14 COMMISSIONER MCHUGH: You can run the
15 meeting in any way you want, Mr. Chairman.

16 CHAIRMAN CROSBY: Well, I'm going to
17 say it's all right, if anybody's got anything
18 constructive to add here, so.

19 MR. LEPAGE: Would this be covered
20 under the legislation as live entertainment
21 where you would have some abilities under the
22 legislation to remediate people who were
23 damaged by casinos who have live
24 entertainment?

1 Would the horse racing fall under
2 that provision which gives you some authority
3 in looking at people who are damaged, which
4 would allow you now to move this and deal with
5 that as a separate issue down the line? There
6 are provisions at the legislation on live
7 entertainment.

8 CHAIRMAN CROSBY: I don't think that
9 -- let's say a referendum failed in August or
10 July or June possibly. I don't think that
11 would give us the authority to make sure that
12 a facility doesn't shut down, because it's
13 losing a million dollars a month or whatever
14 the money is, whatever the losses are.

15 COMMISSIONER MCHUGH: Well, this is
16 also a specific licensing scheme that's
17 separate and apart from the overall gaming,
18 and I think the construction of it and the
19 operation of it is independent of, allied
20 with, but independent of the broader gaming
21 legislation, so it really is a standalone
22 piece, so.

23 COMMISSIONER ZUNIGA: I know the
24 motion has been made and seconded; is that

1 correct? I want to continue adding comments
2 that I believe the alternative, besides the
3 third alternative of another meeting, the
4 alternative of not approving the application
5 is way more disruptive than accepting it.

6 CHAIRMAN CROSBY: What happens if we
7 don't, we turn it down now and take it up on
8 Tuesday? Never mind, we can certainly do it
9 on Thursday, which is one solution, but what
10 about if we take it up on Tuesday?

11 COMMISSIONER ZUNIGA: Isn't the
12 deadline November 15? Is that a statutory
13 deadline?

14 COMMISSIONER CAMERON: Yes, it is.

15 CHAIRMAN CROSBY: But what happens if
16 you don't make it? You know, I know we looked
17 into other -- these dates are advisory, and if
18 you don't, there's no penalty, then you can --

19 COMMISSIONER MCHUGH: That's right.
20 Some dates are advisory and directory; they're
21 not essential. One can -- I don't know what
22 the answer to that is though, Mr. Chairman.

23 CHAIRMAN CROSBY: Well, is there any
24 remedy -- is there anything that happens if we

1 don't? Like are they granted if we don't have
2 a vote? It's not automatic granting if we
3 don't have the vote.

4 DIRECTOR DURENBERGER: The vote is
5 for approval or disapproval.

6 CHAIRMAN CROSBY: Well, we can do
7 that. We can vote to approve or disapprove.
8 Well, let's -- so to take the temperature
9 here. Does anybody else think that this is an
10 issue? You seem to think it's not. You'd
11 rather go ahead and not --

12 COMMISSIONER ZUNIGA: I'll be voting
13 for the yes, for the approval of the license.

14 CHAIRMAN CROSBY: Commissioner?

15 COMMISSIONER STEBBINS: I would vote
16 for approval of the license, unless there's
17 any interest in moving, scheduling a meeting
18 on the 15th so we meet the statutory deadline.

19 COMMISSIONER CAMERON: Of course, I
20 think that the tracks have demonstrated good
21 faith in everything we have requested to date,
22 and in past years they've done that, and I am
23 inclined to vote yes also.

24 CHAIRMAN CROSBY: Just for the

1 record, there's not any aspersions on the
2 people that run the tracks. You know, I've
3 been a businessman. I've been an
4 entrepreneur.

5 I've been not making my projections,
6 and I've had investors cut me loose without so
7 much as a blink of an eye, so this is not
8 about the people we've been dealing with.

9 So -- well, it sounds like -- how
10 about if we do it with the condition that we
11 can pursue this issue, and if it turns out we
12 don't have that right, we don't have that
13 right, but we at least give ourselves that
14 option if we do have the right.

15 So we would amend the motion to make
16 it conditional upon being able to address the
17 issue of the certainty of operation, assuring
18 the certainty of operation, and if for some
19 reason or other we don't have the right to do
20 that, then we'll just --

21 COMMISSIONER CAMERON: How do we --
22 what are we looking for to have that
23 assurance?

24 CHAIRMAN CROSBY: We're looking for

1 whatever it would take to -- how much money is
2 it going to require to continue the racing
3 year and to phase down operations in the event
4 of a termination of the facility in a way
5 that's consistent with the public interest so
6 that we don't have what Director Durenberger
7 refers to here, and if that's \$500,000, then
8 we would need to make sure there's \$500,000
9 available in the event of a freak circumstance
10 like that, and if it's \$100,000 and the bond
11 already does the trick, then this was all a
12 waste of time.

13 COMMISSIONER ZUNIGA: But if we have
14 that right, don't we have the authority to
15 exercise it at any time in the future;
16 whereas, if we don't, we don't?

17 CHAIRMAN CROSBY: I just don't know
18 enough about it. You know, I don't know what
19 flexibility there is if we approve the
20 license, so I don't see the downside to
21 approving it with that contingency. And if
22 for some reason we can't act on that
23 contingency, then we've just approved it. Is
24 that all right?

1 COMMISSIONER ZUNIGA: So we need to
2 amend the motion?

3 CHAIRMAN CROSBY: Yes, so we need to
4 amend the motion. Does anybody want to amend
5 the motion?

6 COMMISSIONER ZUNIGA: That's fine
7 with the motion that's made.

8 CHAIRMAN CROSBY: Well, if nobody
9 else is sold on this as a problem, then I'm
10 not going to beat a dead horse so to speak --
11 sorry about that. All right, so anything
12 else? Anybody else have comments?

13 So the motion is to approve the
14 licenses as proposed. All in favor?

15 COMMISSIONER ZUNIGA: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 CHAIRMAN CROSBY: Opposed, nay? The
20 motion passes. Okay, what's next?

21 DIRECTOR DURENBERGER: Next is just a
22 brief update on the Section 104 legislative
23 review, which is the mandate to the Commission
24 to review the parimutuel and simulcast laws at

1 the casino will change, and I brought
2 Ms. Danielle Holmes with me today.

3 MS. HOLMES: So Dave Murray and I
4 have prepared a summary of the issues that
5 David addressed last week at the meeting,
6 which I'm sure we'll get to at some point, and
7 today we started reviewing 128A and 128C.

8 DIRECTOR DURENBERGER: I think David
9 briefed the Commission last week just sort of
10 on some overview issues and bigger policy
11 issues that we're going to be bringing to your
12 attention.

13 We have a summary report that's being
14 finalized right now by David as we speak, and
15 so we will be putting that before you in the
16 near future and doing the same with 128A and
17 128C.

18 CHAIRMAN CROSBY: I don't know what
19 128A and C means. It doesn't mean anything to
20 me, but --

21 DIRECTOR DURENBERGER: It's the
22 parimutuel wagering statute and the simulcast
23 wagering statute.

24 CHAIRMAN CROSBY: Okay.

1 DIRECTOR DURENBERGER: Which included
2 in those are the process for applying for
3 licensing for live racing.

4 CHAIRMAN CROSBY: And there was that
5 one big issue that came up, even almost before
6 you got here, which was the claim about
7 whether or not even simulcast dog racing was
8 permitted under the law; right?

9 That's one of the -- I don't know
10 where that fits in your review, but that's one
11 of the things you're looking at; right?

12 DIRECTOR DURENBERGER: Yes. David is
13 preparing an opinion on that.

14 CHAIRMAN CROSBY: Right, okay, great.

15 COMMISSIONER ZUNIGA: As part of the
16 memo from Dave, I suppose the past discussion
17 would be important to include as to what we
18 take --

19 DIRECTOR DURENBERGER: Yes,
20 absolutely.

21 COMMISSIONER ZUNIGA: -- in terms of
22 one size or what may be a winding down of
23 operations, nothing else, for that review of
24 128A.

1 CHAIRMAN CROSBY: Okay, next.

2 DIRECTOR DURENBERGER: In your packet
3 is a proposed table of organization for the
4 racing side of the Gaming Commission with the
5 caveat of course, as you discussed earlier in,
6 let's see, what section was it, the
7 administrative section that there are some
8 shared staff issues that have not been
9 resolved yet, and that we'll be working on.
10 It's a living, breathing document as you said.

11 But before you is sort of the
12 operations table of organization. To the left
13 we find that there's a group of three
14 operations managers and then the field
15 licensing group and the field auditing group,
16 and that would basically be your year-round
17 field operations employees.

18 In the middle, this executive
19 assistant, which we know initially will be
20 shared staff with racing and gaming. The
21 senior financial analyst and then the auditor
22 administrator/administrative coordinator.
23 Those are sort of your year-round office
24 positions.

1 And to your right, the stewards,
2 judges, and veterinary group, that's sort of
3 your seasonal field operations.

4 We have -- if I could draw your
5 attention to two key positions here, the one
6 on the left is operations manager, which is
7 sort of your field operations manager. This
8 is a new hire.

9 It certainly can be an internal
10 candidate, but it's a new position that we
11 felt was necessary, and senior financial
12 analyst is also a new position that we felt
13 was necessary, particularly because the Racing
14 Commission had been operating without a CPA or
15 a CFO in recent times, so we really felt it
16 was important to have a substantial financial
17 hire sooner rather than later.

18 It's anticipated that when a CFO is
19 hired by the Gaming Commission, that this
20 person would answer to them as opposed to me.

21 I think the rest of the positions are
22 all fairly equivalent positions to what's
23 currently out there, and we do anticipate that
24 current staff will be applying, and in fact,

1 we'd like to get that process moving fairly
2 quickly here.

3 We anticipate interviews for those
4 field operation positions especially beginning
5 the week of November 26, the idea being that
6 way we can get them through the background
7 checks and continue operating, have them there
8 on January 1 and continuing in their positions
9 without any disruption either for us or for
10 them. I think the operations --

11 CHAIRMAN CROSBY: This is for people
12 who apply to stay on?

13 DIRECTOR DURENBERGER: Yes.

14 CHAIRMAN CROSBY: Okay, because it's
15 not automatic that they're going to stay on;
16 right?

17 DIRECTOR DURENBERGER: It's not.
18 It's not at all. Operations manager and
19 senior financial analyst, those positions may
20 stay open a little longer to increase the pool
21 of applicants, since those are new positions,
22 and then we're still working out some details
23 on how to do seasonal hires, and season means
24 a lot of different things.

1 I mean, for example, a veterinary
2 position probably beginning in March, because
3 there's so much to do in terms of SOPs and
4 operating procedures, that we are going
5 through some changes, regulatory changes, so
6 that position is basically March until
7 December, so that's a fairly long season.

8 Somebody that's just assigned to say
9 Suffolk would only be working from January
10 until late October, so we have to work out
11 some things there in terms of Human Resources,
12 what we mean by seasonal hire.

13 COMMISSIONER STEBBINS: Can you -- I
14 have a quick question. Can you share with me
15 the senior financial analyst in your plan to
16 have them report directly to the CFO once the
17 CFO is hired, but the administrative
18 coordinator would be reporting directly to the
19 director, could you just walk me through that?

20 DIRECTOR DURENBERGER: The
21 administrative coordinator is basically your
22 supply coordinator, your payroll clerk, and
23 it's not quite as involved in the financial
24 side of things as say the auditors are, and so

1 I have that person under the senior financial
2 analyst initially, basically as a training-in
3 period for both if we have new people.

4 If we have one new person, one may be
5 leaning on the other one in terms of
6 procedures and past practices, but I think
7 that the senior financial analyst will have
8 strictly enough financial duties that they
9 don't need to have an administrative
10 coordinator as a direct report.

11 CHAIRMAN CROSBY: I had the same
12 question sort of. So you're sort of thinking
13 there will be a centralized CFO operations,
14 and the CFO will have people responsible for
15 the different divisions?

16 DIRECTOR DURENBERGER: I think when
17 you look at other commissions that have both
18 gaming and racing underneath them, racing sort
19 of has its own set of books, but ultimately
20 should be answerable to the Commission at
21 large, so I think that's my vision.

22 CHAIRMAN CROSBY: Definitely the
23 Commission at large, but the CFO, I don't
24 know. We can talk about this as time unfolds

1 and --

2 DIRECTOR DURENBERGER: Sure, and this
3 is all proposed.

4 CHAIRMAN CROSBY: Yes.

5 COMMISSIONER ZUNIGA: This is the
6 same or similar to the topic that David was
7 updating us on last week I believe or a week
8 before that, which he says we overlay racing
9 to the gaming act to some degree.

10 There's a nexus to ourselves, to the
11 organizational structure that we have, how
12 much of racing continues to be operating on
13 its own if you will. Maybe I'm drawing a big
14 leap here, but.

15 COMMISSIONER CAMERON: You know, I
16 agree with you. It's an important piece that
17 the CFO has a good understanding of all the
18 finances throughout the entire Commission. I
19 know how much effort went into this table of
20 organization and how many best practices from
21 other jurisdictions were incorporated.

22 This is very different with the T.O.
23 that is in existence now, and I'm confident,
24 had many, many discussions about this, how it

1 will provide the answers we need, the
2 information flowing in the right places, and
3 the right overall services to operate racing
4 according to best practices.

5 So I just -- I want to commend the
6 director for -- it's hard to do this frankly.
7 It's hard to come out of the structure you're
8 in now. People will be disappointed, because
9 their exact job does not exist on this T.O.,
10 but I think it's important that we do start to
11 incorporate these best practices immediately.

12 DIRECTOR DURENBERGER: And I think
13 the other piece that -- thank you,
14 Commissioner. I think the other piece of that
15 is that when the Acts of 2008, when Greyhound
16 racing was eliminated from the state, I don't
17 know that the table of organization of the
18 Racing Commission has been reviewed since that
19 time when there was year-round racing in the
20 Commonwealth, and the reality of it is there's
21 not anymore.

22 It is a seasonal operation. There's
23 certainly -- there's simulcasting going on
24 year-round, but in terms of the oversight of

1 live racing, which requires significant
2 manpower, those needs have changed since the
3 last time the State Racing Commission's table
4 of organization was reviewed.

5 CHAIRMAN CROSBY: Right. I had a
6 couple of questions. Who manages the lab, the
7 lab?

8 DIRECTOR DURENBERGER: Currently?

9 CHAIRMAN CROSBY: No, in your org
10 chart.

11 DIRECTOR DURENBERGER: We put out the
12 RFP.

13 CHAIRMAN CROSBY: I know, but
14 somebody has to be responsible for that
15 relationship.

16 DIRECTOR DURENBERGER: Right, so the
17 contract manager I believe is supposed to be
18 me on that, but they're going to be working --
19 the veterinarians usually have a very close
20 relationship with the lab director, so if
21 there are issues regarding testing, that those
22 two I guess would be a dotted line.

23 CHAIRMAN CROSBY: Okay. Just I'm
24 thinking of all this trouble we've seen with

1 labs. Somebody has to be responsible for
2 managing that relationship to make sure, if
3 that's you or the veterinarian, so I would say
4 there ought to be on here somewhere the lab.

5 DIRECTOR DURENBERGER: Okay.

6 CHAIRMAN CROSBY: And the State
7 Police relationship, how does that fit in
8 here?

9 DIRECTOR DURENBERGER: So there is
10 actually in the statute in 128A, your favorite
11 chapter, Section 8 does require that the
12 Commission use a State Police detail.

13 CHAIRMAN CROSBY: Right.

14 DIRECTOR DURENBERGER: And so we're
15 not quite sure how that is being funded
16 currently. I know that the overtime police
17 detail, which is the State Police detail
18 that's in the test barn and actually drives
19 the samples to the lab, that's been invoiced
20 to the Commission. I'm not quite sure who is
21 funding the detail at the track, the day
22 detail.

23 CHAIRMAN CROSBY: But I'm not
24 thinking of the funding. I'm thinking about

1 where on the organization chart.

2 DIRECTOR DURENBERGER: And I guess I
3 was -- so I guess I was looking at this as
4 employees, and you're looking at this as
5 everyone that we have a relationship with, so
6 I'm happy to amend it to include those things.

7 CHAIRMAN CROSBY: That's fine, but
8 that's -- the State Police, for example, were
9 on the chart that the consultants put
10 together, and there was a sergeant with some
11 troopers, and that sergeant reported to the
12 Racing Division I guess and also to the
13 Colonel.

14 I don't know exactly, but it does
15 seem like it would be useful to get all the
16 different functions on the chart.

17 DIRECTOR DURENBERGER: I'd be happy
18 to get that.

19 CHAIRMAN CROSBY: Okay.

20 COMMISSIONER CAMERON: And the
21 Sergeant from the State Police has been
22 invited to today participate in the working
23 group, so that if there are changes that will
24 involve the State Police with regard to best

1 practices, they will be one of the
2 stakeholders and have participation.

3 CHAIRMAN CROSBY: How does that
4 relationship work? Does he -- does that
5 Sergeant report to the Director now or will
6 that person report to the Director or will
7 that person report to the Colonel or both or?

8 COMMISSIONER CAMERON: Well, whenever
9 you're assigned somewhere outside of the State
10 Police, you wear two hats. That Sergeant will
11 have, will take direction from the Director of
12 Racing and always, you know, the Colonel is
13 the overall head of the State Police.

14 That would be Major Hughes also who
15 has direct, will have direct responsibility
16 for troopers working in Gaming as well as
17 troopers working in Racing, and we've already
18 had preliminary discussions about that synergy
19 and how we'd like to see that work, so, and
20 they're familiar -- these are voluntary
21 assignments so that you agree to these terms
22 when coming into these assignments.

23 CHAIRMAN CROSBY: Okay. The other
24 thing is not -- let's see. Where are you on

1 your list? Yeah, I for one don't really
2 understand how the Racing Division gets
3 funded, and I know sort of, but, and there's
4 been the issue of the lack of an appropriation
5 and so forth, and I would really appreciate a
6 presentation maybe next time or whenever
7 you're ready or whoever's ready, to just
8 explain to us the income and expense
9 structure.

10 DIRECTOR DURENBERGER: You bet.

11 CHAIRMAN CROSBY: Are we under
12 control? Do we have enough? Do we not have
13 enough? Do we need that -- was there that
14 problem? Did that problem get fixed, etc.?

15 DIRECTOR DURENBERGER: Got it.

16 CHAIRMAN CROSBY: Okay, great, thank
17 you, next.

18 COMMISSIONER CAMERON: Okay. The
19 next piece of the Racing Division update is
20 mine, and that is a tentative decision, and
21 this is in the matter of John Halloran, and I
22 conducted a formal adjudicatory proceeding on
23 October 18 in this matter.

24 Mr. Halloran is a licensed

1 owner/trainer at Suffolk Down Racetrack, and
2 he was ejected by the State Police on
3 September 24 of 2012. Mr. Halloran was
4 present and represented by counsel at the
5 hearing.

6 State Police Sergeant Scanlan as well
7 as Trooper Miller testified in this matter,
8 and a Lynn Sherron, a witness, also testified
9 in this matter. Findings of fact -- on
10 September 24, the appellant was present in the
11 barn at Suffolk Downs Racetrack.

12 The appellant engaged in an argument
13 with a Mr. Vincent Amico, another licensed
14 owner/trainer and bound to a wheelchair. The
15 arguments led to a fight, which resulted in
16 the appellant being arrested and charged with
17 assault and battery with a dangerous weapon,
18 so there was a police intervention at that
19 point.

20 There was discussion in the matter
21 about whether or not the appellant,
22 Mr. Halloran, used a weapon. It's alleged
23 that scissors were used, and there were
24 puncture wounds with Mr. Amico, the other

1 individual involved in this altercation.

2 The appellant testified, as did his
3 girlfriend, Ms. Sherron. There was some less
4 than credible testimony in this matter,
5 talking about who did what and what the
6 reasons for this were. I think the testimony
7 was self-serving.

8 We did not have the ability to listen
9 to the other individual involved in this
10 altercation, but it's not necessary that we as
11 a commission draw conclusions about this. It
12 is a police matter.

13 That will be handled in a criminal
14 court, but what was undisputed was the fact
15 that there was a physical altercation with a
16 Mr. Amico, who is in a wheelchair. There was
17 adequate evidence for the Commission to find
18 the appellant did, in fact, start that
19 altercation.

20 He accused the individual of
21 stealing, and it's my decision that we uphold
22 the finding, which is that the individual is
23 -- he was ejected, and we uphold that ejection
24 order at this time.

1 The criminal matter is still ongoing,
2 has not been heard at this time. Certainly --
3 so again, my tentative decision will be that
4 we uphold that ejection, and the appellant
5 realizes he has the right to reconsideration,
6 30 days to file any written objections to the
7 full Commission.

8 It's just a summary of the hearing
9 that was held on the 18th. That concludes my
10 report, and I believe that concludes the
11 Racing Division report.

12 CHAIRMAN CROSBY: There is the
13 auditor?

14 COMMISSIONER ZUNIGA: That's correct.

15 COMMISSIONER CAMERON: Commissioner
16 Zuniga was going to speak to us about the
17 auditor's report.

18 COMMISSIONER ZUNIGA: Yes, thank you.
19 We met with State Auditor for the transition
20 audit that was done at our request. They have
21 supplied this draft audit. This requires no
22 action by the Commission. It's just included
23 for our information.

24 It is a no-findings report, so the

1 State Auditor will not necessarily wait for
2 any actions by this Commission or comments
3 from anybody to issue this report in the next
4 few days.

5 Of note is something highlighted here
6 at the end of the report, which has to do with
7 the funding for certain payments to cities and
8 towns that were repealed by the Gaming Act,
9 and then later reinstated by the legislature
10 as part of an outside section to the budget.

11 The gist of the comment here by the
12 State Auditor is that a recommendation that
13 this Commission seek the advice of the
14 Attorney General to interpret effectively what
15 these two legislative actions did on the
16 matter.

17 CHAIRMAN CROSBY: Is somebody going
18 to follow through on that?

19 COMMISSIONER ZUNIGA: Right.

20 CHAIRMAN CROSBY: Okay.

21 COMMISSIONER MCHUGH: What is the
22 question of the Attorney General?

23 COMMISSIONER ZUNIGA: What happens is
24 certain payments to cities and towns, to the

1 cities and towns that host the racing
2 operations are statutory in nature. Those
3 were repealed by the Gaming Act.

4 The legislature realized this and
5 reinstated those payments directed to the
6 State Treasurer, who is the one that makes
7 these payments and used to make all these
8 payments in the past to reinstate them, and so
9 they did, but this difference in time created
10 a gap if you will of three quarterly payments,
11 two of which were made, one of which was not
12 made.

13 It would appear, because of this gap
14 that I described, that nobody had the
15 authority, the legislative authority, to
16 conduct the two payments that were effectively
17 made. So the opinion that we will be seeking
18 is whether this Commission needs to seek
19 return of those moneys or not, and whether
20 there's any legislative action for this third
21 payment.

22 In my view, in my opinion, the
23 reinstatement of those payments signals
24 legislative intent. This is where the

1 Attorney General may well be able to offer an
2 opinion.

3 We'll also ask of the legislature
4 what their intention is for fiscal year '14,
5 because the payments that I just described
6 were reinstated only for fiscal year '13. Is
7 that correct, Eileen?

8 DIRECTOR GLOVSKY: Yes.

9 COMMISSIONER ZUNIGA: Fiscal year '13
10 they were reinstated; two of them were made.
11 Fiscal year '14, they're now just going
12 through that process at the legislature.

13 CHAIRMAN CROSBY: Okay.

14 COMMISSIONER CAMERON: Thank you.

15 CHAIRMAN CROSBY: Anything else in
16 the Racing Division? Thank you. Public
17 Education Outreach, our ombudsman.

18 MR. ZIEMBA: Thank you, Chairman,
19 members of the Commission.

20 CHAIRMAN CROSBY: Introduce yourself
21 to our audience of thousands.

22 MR. ZIEMBA: John Ziemba, the
23 ombudsman for the Gaming Commission. Last
24 week I reported to the Commission I was in the

1 process of making initial contacts with
2 communities, applicants, and state agencies
3 regarding my role as ombudsman and any
4 questions that are out there.

5 I had a series of meetings last week
6 and earlier today on a number of different
7 matters. I'll give you a flavor of some of
8 those matters.

9 We talked about obviously the policy
10 questions that we'll be discussing in the
11 early part of December, and we asked for
12 comments from all of those groups that I just
13 mentioned before.

14 I think that hopefully we'll get some
15 pretty substantial comments on a number of
16 different questions. One of the prevalent
17 questions was around the issue of surrounding
18 communities and how they're defined, and I
19 know we'll be discussing that obviously as the
20 time goes on.

21 We also discussed the need for
22 additional guidance regarding Gaming
23 Commission assistance relative to the
24 application fee portion, the \$50,000 out of

1 the \$400,000. I reported there's been some
2 issues regarding municipal finance law that we
3 have to clarify in that regard, and I think
4 we're in a position now.

5 Commissioner Zuniga and I met with
6 the Division of Local Services, Department of
7 Revenue, earlier today, and I think we
8 received some really good answers from the
9 Division on how we can go forward, especially
10 for some of the smaller communities that may
11 not have the ability to appropriate upfront,
12 and they may have to wait for a town meeting.

13 We promised the Division of Local
14 Services that we would be working on our draft
15 documents, and we would share them with the
16 Division in the near term before we advance
17 those to the communities, which hopefully is
18 only a matter of weeks.

19 Obviously, communities are now
20 ramping up their local processes for review.
21 They're in the process of taking a look at
22 local consultants. And even though the
23 \$50,000 application fee portion would only be
24 a small portion of what they eventually would

1 need to take a look at all the local impacts,
2 it would be great if we could get some bit of
3 information to them soon about the application
4 process and how we consider the surrounding
5 communities as part of that application
6 process.

7 I met with the Department of
8 Transportation about the protocol and how we
9 work with them going forward basis. We talked
10 about different ways to efficiently keep each
11 other in the loop, and we also talked about
12 potentially the need for amending the
13 protocol, probably not in the immediate term,
14 but somewhat in the future as more meetings
15 happen between state agencies and, you know,
16 predominantly the transportation agencies, but
17 it will be a number of different agencies.

18 I told them that I'd love to be kept
19 up to date regarding all of those meetings,
20 especially at the near term, it's important
21 for the Commission, but at some point it just
22 might be an unwieldy process for us to be
23 involved in every one of those meetings.

24 We had a follow-up on our

1 conversation last week with MEPA regarding the
2 whole process of how does MEPA fit within our
3 process, and I guess I'll ask to table that
4 question until the later date when we discuss
5 this from a policy perspective in those
6 December meetings, but of critical importance
7 is where will applicants be in the MEPA
8 process by the time we reach the end point of
9 our review, and how do those different
10 timetables work, and can they work, and are
11 there different things that we can consider to
12 make sure that people are well informed
13 through the MEPA process while not necessarily
14 tying things up.

15 We had some conversations with
16 representatives from the regional planning
17 agencies to ask how they can potentially help
18 us in all our reviews, and I think we
19 discussed the couple of both short- and
20 long-term ways that we can work together.

21 On the short term, we're actively
22 soliciting their involvement in some of the
23 policy questions that we'll be determining,
24 and then on a longer range basis, that there's

1 more of a role that they could play,
2 especially since they have a really good
3 knowledge of the surrounding communities
4 around each one of these applications, but
5 more to come with that as we flush things out.

6 We continue to research some of the
7 local issues that were discussed in some of my
8 initial contacts. One of those was the
9 auditors, the donut hole issue that was just
10 discussed by the Commission, and we followed
11 up with the applicants on some of their
12 initial meetings that they had with our
13 consultants, and we forwarded a number of
14 questions and application materials to the
15 consultants.

16 I just want to highlight a couple of
17 items regarding my conversations with the
18 communities. In Springfield, you may have
19 seen from the news that their application
20 process has been bumped by a couple of weeks,
21 so initially they had a December 14 date by
22 which they were going to respond to RFPs.
23 That has now been moved to January 3. And the
24 one other thing I wanted to clarify, the

1 City --

2 CHAIRMAN CROSBY: What was that,
3 John, they're going to respond to the RFPs?

4 MR. ZIEMBA: No, the application date
5 for applicants to submit materials to
6 Springfield has been moved from December 14 to
7 January.

8 CHAIRMAN CROSBY: Oh, I didn't
9 understand that.

10 COMMISSIONER STEBBINS: This is the
11 second round?

12 MR. ZIEMBA: This is Phase 2
13 application. And one other thing we clarified
14 with the City of Springfield, they had a
15 timeline for the draft RFP that had the local
16 process, the local vote process occurring in
17 June, and we talked about how that may or may
18 not work depending on where our Phase 1
19 license application process progresses, and
20 they confirmed that they are bound by their
21 initial understanding with the Commission that
22 they will move forward after our process, so I
23 thought that was very good, and I wanted to
24 make sure you are aware of that.

1 CHAIRMAN CROSBY: After our
2 suitability checks.

3 MR. ZIEMBA: So those were target
4 dates on the RFP, but they are amendable
5 depending on the circumstance. If everything
6 works out great, that's great, but they
7 confirmed that they're held by that
8 understanding.

9 CHAIRMAN CROSBY: Great. It didn't
10 sound like any of the things you mentioned
11 particularly come into this category, but just
12 reminding you to be mindful of anything that
13 you do substantively communicate to one
14 community needs to go up on the website
15 somewhere in the Q&A so everybody gets access
16 to this or to one developer so everybody gets
17 access to the same information.

18 MR. ZIEMBA: Yeah, I'm mindful of
19 that. Some things need to be added to the
20 website fairly soon, especially timelines and
21 some updating of questions and some of the
22 process regarding the application standards
23 that the Commissioner and I discussed, so
24 that's forthcoming.

1 CHAIRMAN CROSBY: Okay, great.

2 COMMISSIONER ZUNIGA: I have a quick
3 question if I may, that it's actually probably
4 jumping into the next item in the agenda,
5 which is the public educational forum with the
6 architects, and I'm wondering if there has
7 been any thought or it's already as part of
8 the agenda of that forum to include or have a
9 discussion relative to the MEPA process and
10 how the timing that we're contemplating both
11 from the Commission's standpoint and from the
12 local standpoint could be informed by this
13 group which usually has lot of, the architects
14 usually have a lot of experience with this
15 process themselves. So if it hasn't already,
16 I figure that might be worth putting in the
17 agenda for that forum.

18 CHAIRMAN CROSBY: Well, that's been
19 Commissioner Stebbins' project kind of; aren't
20 you coordinating with them?

21 COMMISSIONER STEBBINS: Yes.

22 CHAIRMAN CROSBY: So I would throw
23 that out to them and see whether or not they
24 think that fits. It doesn't quite strike me

1 in the kinds of things that they really had in
2 their agenda, but that doesn't mean their
3 agenda couldn't change, so can you check that
4 out with them and see if that fits?

5 COMMISSIONER STEBBINS: Sure.

6 CHAIRMAN CROSBY: Okay, thank you.

7 MR. ZIEMBA: Thank you very much.

8 COMMISSIONER STEBBINS: Thank you.

9 CHAIRMAN CROSBY: Speaking of which,
10 the AIA forum.

11 COMMISSIONER STEBBINS: Sure, a quick
12 update. This forum is coming up on
13 December 12. It's been organized for us by
14 three different groups -- The Mass. Chapter of
15 the American Institute of Architects, The
16 Boston Society of Architects, and The American
17 Council of Engineering Corporations -- so a
18 number of new acronyms for all of us to learn.

19 They're proposing this public forum
20 entitled Promoting Sustainability,
21 Strengthening Communities, and Achieving
22 Design Excellence, a New Model for
23 Massachusetts Casinos. It's going to be held
24 on December 12 here in Boston at I believe the

1 BSA offices over at 290 Congress Street.

2 CHAIRMAN CROSBY: And that's in the
3 morning; right?

4 COMMISSIONER STEBBINS: Right, from
5 8:00 to 12:00. Basically, they're covering a
6 handful of topics. They're going to give us
7 an overview citing examples of comparable
8 large-scale projects that are exemplary
9 sustainability, introduction to high
10 performance buildings, strengthening
11 communities, ways to design casinos that help
12 local towns and regions, minimizing traffic
13 impacts, linking casinos with local
14 workforces, and then design excellence, design
15 scale and massing of a project to be
16 appropriate for the community and the setting.

17 Why this topic? Well, the statute in
18 two areas gives us the ability to issue
19 regulations or promulgate regs relative to the
20 architectural design and concept excellence of
21 a casino under Section 5 and Section 18, which
22 is more of the evaluation criteria of a
23 license application.

24 It touches on this topic in three

1 areas -- realizing maximum capital investment,
2 building a gaming establishment of high
3 caliber, and Subsection 8 focuses on the
4 interest in seeing the proposed casino utilize
5 sustainable development principles and LEED
6 certification.

7 Their hope is to conduct this forum,
8 and at the end kind of pull all the comments
9 and feedback together into a white paper.
10 Hopefully, they can turn that around in time
11 as we consider the Phase 2 regs.

12 I know this is a policy question I
13 think under Commissioner McHugh's portfolio
14 relative to the design standards, and
15 hopefully this forum will help us answer a
16 number of those questions.

17 CHAIRMAN CROSBY: And that's being
18 properly announced to Chief of Staff Riley now
19 that you're back, a public meeting and so
20 forth and so on.

21 COMMISSIONER STEBBINS: We have this
22 going out on the calendar. I think Elaine
23 drafted an announcement for it.

24 MS. DRISCOLL: Yes.

1 CHAIRMAN CROSBY: Can we stream it
2 from there?

3 MS. RYBERG: Yes.

4 CHAIRMAN CROSBY: Great, that will be
5 terrific.

6 COMMISSIONER STEBBINS: One of the
7 quick changes we had to their agenda, I asked
8 that they include the State Department of
9 Energy Resources as well as the folks from the
10 Clean Energy State Resources that might be
11 available to the operators in terms of
12 reaching sustainable energy standards.

13 A number of the communities that are
14 entertaining a casino application or
15 state-designated green communities, so I hope
16 it would help for the operators to understand
17 what that state green community designation
18 might mean to their design, but if they're
19 going to put those folks at the table as well.

20 CHAIRMAN CROSBY: Great. Anything
21 else on that? Okay, item Community College
22 Institutes.

23 COMMISSIONER STEBBINS: We have a
24 number of folks from the Casino Career

1 Training Institute -- President Messner,
2 Jeff Hayden, Bob LePage, I think Mike Souza
3 from STCC -- giving us an update to their
4 plan, talking about plan implementation as
5 well as two draft MOUs, but I'll hand it over
6 to the good President to proceed.

7 PRESIDENT MESSNER: Thank you very
8 much. It's a pleasure to be back with you.
9 We have with us today out in the audience a
10 variety of individuals who are members of the
11 statewide collaborative that we've put
12 together now over the last four to five
13 months, and I'd just like introduce a few of
14 those folks.

15 We've got Bill Hart, Executive
16 Director of the Community College Office,
17 Carole Cowan, who's President of Middlesex
18 Community College. Along with Carole, we've
19 got Judy Burke and Audrey Nahabedian from
20 their Workforce area.

21 From Bunker Hill, we've got
22 Les Warren from the Workforce area.
23 Springfield Technical College, Mike Souza back
24 there someplace. There he is.

1 From the Hotel Training Institute, we
2 have Murray Downey, and from the UAW
3 Barry Hark, and we may have a few other folks
4 out there as well that I'm missing. If there
5 are, my apologies.

6 We agreed back in the summer that we
7 would meet with you again in the fall and put
8 before you a report with a set of
9 recommendations relative to moving forward on
10 meeting the workforce needs of the casino
11 industry.

12 We've done that, and hopefully you've
13 had time to look at that report, Statewide
14 Initiative Addressing the Workforce Needs of
15 the Gaming Industry of Massachusetts.
16 Imbedded in that report are a series of
17 recommendations, and the primary
18 recommendation that we'd hope to discuss with
19 you today is the signing of a memorandum of
20 understanding between the Casino Careers
21 Training Institute and the Gaming Commission
22 in regard to putting in place a formal process
23 of planning specific to licensure training as
24 well as to the broader topic of workforce

1 implementation, and as a part of that
2 memorandum of understanding are recognizing
3 the Massachusetts Career Training Institute as
4 the exclusive provider of licensure training
5 for gaming-related positions within the casino
6 industry.

7 So we can -- I think it might be well
8 for me to stop talking at this point. You
9 folks hopefully have had the opportunity to
10 look at the set of recommendations and the
11 narrative that we put in front of you, and if
12 you do have questions today, we'll certainly
13 try and answer those for you.

14 CHAIRMAN CROSBY: I was just going to
15 say lay out the logic and rationale for the
16 exclusivity, what that means to you.

17 PRESIDENT MESSNER: Yeah, before I do
18 that if I may, I do want to emphasize that
19 there is a logic and a rationale relative to
20 exclusivity, which we'll be happy to discuss.

21 I would suggest to you that those of
22 us who've been involved in this process, both
23 the 15 community colleges as well as the
24 variety of workforce partners throughout the

1 state who've been involved over the last six
2 months in putting this proposal together.

3 Our involvement does not hinge on the
4 notion of exclusivity. We are pushing forward
5 with this initiative, because we believe
6 that's part of our mission.

7 As community colleges and as
8 workforce providers, we believe this is a
9 critical initiative for the Commonwealth.
10 It's part of our mission, and we will be
11 involved in it as best we can, whether the
12 Commission recognizes us as the exclusive
13 provider or not.

14 Having said that, the notion of
15 exclusivity grows out of the fact that, number
16 one, we have put into place a statewide
17 regional-based consortium comprised of a broad
18 array of workforce providers.

19 Community colleges are at the heart
20 of that, 15 public institutions that have a
21 long and I would suggest rich history of
22 providing workforce training of a quality, on
23 a quality basis for a wide variety of
24 industries.

1 Further, those community colleges
2 over that 60 years or so have developed a set
3 of connections with other workforce providers,
4 both public and nonprofit. We have
5 demonstrated that we're able to collaborate in
6 a way that can leverage resources and meet
7 community needs.

8 We came to you not just for the
9 concept, but we came to you already with those
10 regional collaboratives fairly well fashioned,
11 and over the last five months we've broadened
12 those collaboratives as well.

13 Exclusivity we believe will allow the
14 Commission to focus on one set of providers
15 and one set of providers only, will allow the
16 developers to focus on a single set of
17 providers, and I think most importantly will
18 allow potential job applicants to focus on a
19 single set of providers as opposed to an array
20 of providers, some of which may and some of
21 which may not be well positioned to meet the
22 needs of the casino industry.

23 Having said that, let me say again
24 while we believe it's in everyone's best

1 interest to agree to the notion of
2 exclusivity, we can fully understand why you
3 might not at this moment in time be ready to
4 agree to that, and if you're not, that's fine,
5 and we will push ahead, hopefully with the
6 Commission in terms of this planning process.

7 COMMISSIONER ZUNIGA: Can I build up
8 a little bit on that?

9 PRESIDENT MESSNER: Sure.

10 COMMISSIONER ZUNIGA: Which is the
11 time that we find ourselves, and I read
12 through this proposal, and it's very
13 thoughtful, and I thank you for that.

14 There will be a steady state of
15 licensees eventually, where clearly we don't
16 know who they are at this point, but at that
17 time in the future, they may have very
18 important input into the workforce
19 development, including ideas or approaches
20 that may not be contemplated here, so it's a
21 bit of a Catch 22. Until we get to that
22 point, we don't know their input or
23 alternatives.

24 Could you expound on that notion,

1 what do you foresee or when licensees become
2 licensees and how that input or other models
3 that they have of workforce development may be
4 incorporated as part of this?

5 MR. LEPAGE: I would note just so
6 that the elements of the workforce components
7 with the individual operators and the
8 licensees that sit outside the governance of
9 the Commission continues through the
10 consortiums on an ongoing basis now looking at
11 those non-licensed gaming occupations, and
12 that will be a continuum for all organizations
13 in the Commonwealth that provide education.
14 The licensed occupations, which kind of three
15 or four key elements to the licensed
16 occupations.

17 One, the requirements of setting up
18 policies and procedures to be able to inform
19 the people responding to the RFP process is
20 going to be timely. Even within a city RFP
21 process, like Springfield as an example, there
22 are already questions arising, what will a
23 licensed employee really be, and how does that
24 relate back to what I have to respond to in my

1 RFP where I have to clarify my process for
2 workforce development.

3 So the Commission being able to
4 define steps that will help all operators,
5 particularly in the startup phase to be able
6 to complete the RFP and have clarity.

7 Two, I think that there is a
8 timeframe or a difference between the scaleup
9 phase of projects as you've seen in other
10 states where during a timeline, maybe it's the
11 first five years or some time period, they do
12 have an exclusivity or they do have a very
13 controlled process that once the labor force
14 is stabilized, they may go to additional
15 providers and go to a multi-provider kind of
16 process.

17 But in the early phase, it's really
18 to give comfort to the Commission that they
19 can have a streamlined process. They can have
20 a clarity of the process, and I think as we
21 had mentioned, exclusivity in this part is
22 very important because of the need to
23 communicate how this is all going to be done
24 timely to the citizens who now are seeing

1 schools pop up, and I would envision we will
2 see more of them with the recent passage of
3 gaming in Rhode Island.

4 We will see border schools that will
5 now be advertising to Massachusetts citizens,
6 become licensed, your future is here, so
7 there's a lot of those elements, you know,
8 specific elements that point to other states'
9 decisions are relative to the security of
10 gaming, security of the facility, security of
11 data, security of process and policies for
12 handling of data and relationships between the
13 certification process and the licensure
14 process, including other partners like the
15 State Police who may be part of the background
16 checks.

17 So I think establishing a single
18 partner provides the Commission clarity that
19 will back up the timelines that will be
20 required for the RFP process as well.

21 MR. HAYDEN: Commissioner, two
22 elements I think that are important -- number
23 one is the community colleges provide the
24 workforce training no matter who the employer

1 is, that employer has to be part of that
2 process or it's not going to work, and that's
3 the case whether it be food service training
4 or whether it be for healthcare or for the
5 casino industry, and so we need to make sure
6 that the employers and the participants, those
7 seeking jobs, are part of the process all the
8 way through.

9 There will be a collaborative
10 approach that needs to be part of the
11 infrastructure of this, which is why we've
12 suggested that workforce implementation
13 planning part that we can talk about in a
14 little bit.

15 The other piece is that even with
16 exclusivity, to do the licensure training
17 requires an all-hands-on-deck approach, and so
18 the community-based organizations, the
19 organized labor organizations and training
20 ability that they had, the apprenticeship
21 programs that they had, the community
22 colleges, the career centers, the regional
23 employment boards, all of those different
24 pieces that are part of the current workforce

1 system need to be part of this.

2 Number one is because we're talking
3 about a massive amount of folks that need to
4 be recruited, screened, and then a significant
5 amount that need to be trained, counselled,
6 and placed into jobs, followup needs to be
7 done, and then ongoing incumbent worker
8 training.

9 And so community colleges can't do
10 all those pieces, which is why we need to have
11 the partnership with all the other various
12 workforce folks. So even with the community
13 colleges doing exclusive training in terms of
14 licensure, there are several components that
15 we're going to depend on those other parts.

16 And again, as the President said, and
17 even without that vehicle, we'll still be
18 engaged in this process.

19 CHAIRMAN CROSBY: How does this
20 process exactly work? So would it be that at
21 the end of the training education period, the
22 people who had been in the license jobs tracks
23 would get a license, so that would obviate any
24 need for the Commission to add its employees

1 or staff to not do any kind of background
2 checks. This would be the Commission's
3 licensing process?

4 PRESIDENT MESSNER: That's right.

5 MR. LEPAGE: Well, it would dovetail.
6 Certain components would be done by the
7 community colleges. Certain components I
8 would think, for example, background checks,
9 would be done in place of the system designed
10 by the State Police.

11 So that's where the planning stage I
12 think is so important now. Once you have the
13 players at the table, not to use that gaming,
14 but once you have the players at the table,
15 you really can start to build those specifics
16 on how this is going to go together.

17 It is fairly complex relative to
18 timelines and roles and information systems,
19 if you really want to ensure the integrity of
20 that. But there are definitely other people's
21 roles, like the State Police who are going to
22 be part of this.

23 In timing, people have done this
24 different ways in different states. Do you do

1 the background checks at the end, and then the
2 Commission certifies them? Do you do part of
3 them at the beginning of the process, so we
4 don't have citizens who go through the whole
5 training process and then find that they're
6 not employable in the industry?

7 Some of this is going to get into the
8 design stage, which we're advocating now in
9 the implementation planning stage. There are
10 moving parts to the puzzle.

11 MR. HAYDEN: And ideally, Chairman,
12 this planning would be done in concert with
13 the Commission, and so that the planning
14 identifies and designs the approach, and then
15 the implementation effort is designed as well.

16 At the end of the day, the Commission
17 needs to, as required by the legislation,
18 needs to be the granting authority for the
19 license.

20 COMMISSIONER CAMERON: Where did you
21 get the idea for this model? I'm not familiar
22 with this model.

23 PRESIDENT MESSNER: What part of the
24 model specifically?

1 COMMISSIONER CAMERON: Well, the
2 piece where you're involved in the licensing.

3 MR. LEPAGE: The licensing of
4 employees?

5 COMMISSIONER CAMERON: Yes.

6 MR. LEPAGE: It's done that was in
7 similar, in other states.

8 COMMISSIONER CAMERON: Do you have an
9 example?

10 MR. LEPAGE: Delaware, Pennsylvania,
11 moving that way it's similar.

12 COMMISSIONER CAMERON: There's no
13 exclusivity there.

14 MR. LEPAGE: There is exclusivity
15 relative to granting the particular
16 organization. It wasn't in -- for example, in
17 Pennsylvania, they didn't give it exclusive to
18 all community colleges in the state, because
19 not every community college in the state was
20 close enough or serving the casino. So it
21 wasn't done for the whole state. It was done
22 for individual institutions.

23 COMMISSIONER CAMERON: Pennsylvania?

24 MR. LEPAGE: Uh-huh, it was done for

1 individual institutions, and in that state
2 they also did reciprocal. As you're aware, we
3 talked in the past they also had reciprocal
4 agreements with other states. So it does go
5 back to a planning process that's kind of the
6 next stage of getting to the nitty-gritty of
7 how you want to do that.

8 PRESIDENT MESSNER: Yeah, we don't
9 presume to have the specifics of this process.
10 I mean, ultimately, you're going to have to
11 affirm that, not us.

12 What we are recommending today that
13 we or some other entity -- we're suggesting we
14 be the entity -- sit down with you and work
15 through this process over the next several
16 months to answer just some of the questions
17 that you're raising today.

18 We've done our best to outline for
19 you in this document how we think broadly the
20 process should work, but there are still many
21 details that need to be nailed down, and we're
22 willing and we think able to work with you in
23 that.

24 We're asking today for you to sign on

1 to a memorandum of agreement with or without
2 exclusivity that says you will join us to hash
3 out these details over the next several
4 months.

5 COMMISSIONER MCHUGH: One of the
6 things that I should no doubt know the answer
7 to, but as the more I think about it is the
8 key to my approach to this, and that is what
9 does the license represent?

10 Does somebody wind up as a licensed
11 Blackjack dealer or a licensed croupier or is
12 it a license simply that the person is of good
13 moral character and has the requisite
14 background to be an employee of a casino in
15 the gaming room area, and the certificate of
16 training or the validation of experience
17 elsewhere is what a casino operator uses to
18 make a hiring decision using the license as a
19 baseline.

20 MR. HAYDEN: Well, and not to muddy
21 the waters, but it will get there.

22 MR. MCHUGH: It will get muddy?

23 MR. HAYDEN: Yes. Certification and
24 licensure, we need to make sure that we're

1 talking about two distinct regs.

2 COMMISSIONER MCHUGH: I do that.

3 MR. HAYDEN: Certification being, and
4 just very quickly, but certification being an
5 employability, so background check, CORI/SORI,
6 drug testing, basic educational ability.

7 The ability to work in a casino is
8 granted through that certification, and that's
9 a process that you define and then you grant
10 given the fact that people follow or are
11 eligible for all the criteria.

12 The licensure is for that, as you
13 mentioned, that specific job, and so someone
14 might be trained in Blackjack. They also
15 might be trained in another game in order to
16 give them flexibility for job opportunities or
17 to give the employer the flexibility to have
18 someone take different positions.

19 But that, going to the employer, the
20 employer would be looking can you work at a
21 casino, are you certified, and B, do you have
22 the training necessary.

23 COMMISSIONER MCHUGH: Well, is that
24 certification/license present, is it

1 separation of the two; is that something you
2 read in the statute or is that something you
3 superimposed on the statute?

4 MR. LEPAGE: It is in the statute,
5 and it gives the Commission the authority to
6 set the process, the policies, and the
7 guidelines, and it also gives the Commission
8 the authority to determine who will be
9 approved to provide that training, and it even
10 goes so far as giving the Commission the
11 authority to define what are the requirements
12 of that training as far as the quality of
13 skill sets or curriculum.

14 COMMISSIONER MCHUGH: Yes, that's
15 right. It does the latter, too, but I hear
16 what you're saying about the former as well.
17 I hear you what you're saying.

18 MR. LEPAGE: So, for example, one
19 concern or one thing that has to be resolved,
20 there are other agencies either within the
21 state who might have the ability to grant
22 nonprofit organizations the ability to do
23 training. That organization could get
24 approved by another state agency to be able to

1 do training, but not to do the training
2 because you have jurisdiction or authority
3 relative to the gaming occupations by statute.

4 So one of the things that has to
5 happen in the planning process is alignment to
6 other infrastructure or other policies that
7 are in the state, because I think you want to
8 ensure that the integrity of the gaming is
9 happening and that you don't have another body
10 within the state that says, okay, you can go
11 open up a gaming school, because they don't
12 understand the regulations of the equipment.
13 They don't understand the regulations that
14 those people won't be employable given the
15 role of the Commission, so some of that in
16 itself has to be worked out.

17 COMMISSIONER CAMERON: And it's
18 common practice today that the actual gaming
19 companies provide this training. That happens
20 throughout the country. How are you
21 addressing that issue?

22 PRESIDENT MESSNER: We have sat down
23 with most, if not all, of the developers who
24 have come forward and exposed themselves, for

1 lack of a better term, and had initial
2 discussions relative to needs.

3 We have also developed a memorandum
4 of understanding between the institute on a
5 regional basis and the developers region by
6 region, which frankly we've held off on going
7 to them with until such time as we nailed down
8 with you folks some of these details that
9 we're talking about today, but we fully intend
10 to go to each of those developers who are in
11 the mix and lay out a set of understandings as
12 to how each of the regions will proceed with
13 the chosen developer to address the specific
14 workforce needs of that casino and what will
15 be the role of the casino developer, what will
16 be the role of the community college and the
17 other parts of the collaborative.

18 Quite frankly, the ones that we've
19 talked with, and some coming from the west
20 where much of this action is currently going
21 on, uniformly, the developers have embraced
22 this notion of working with a regional
23 collaborative rather than having to work with
24 23 different organizations who might be

1 willing to be involved in training.

2 That's not to say that they've taken
3 a position on exclusivity. They have not, and
4 they will not I'm sure, but they certainly
5 have embraced the notion of focusing the
6 discussion and the work of developing a
7 workforce with a collaborative approach.

8 COMMISSIONER ZUNIGA: The planning
9 piece that would be the next step, you know,
10 priorities, details, and what have you, can
11 you give us an idea of resources needed,
12 monetary and timing as well. You identify
13 resources for the training?

14 PRESIDENT MESSNER: Yes.

15 COMMISSIONER ZUNIGA: Which are
16 important, and I appreciate all these
17 available places that we will be all looking
18 at, but what about the planning?

19 PRESIDENT MESSNER: The issue of
20 resources is an interesting one. We're moving
21 ahead with this, assuming the Commission says
22 you'll work with us. To the extent that you
23 can bring some resources to the table to help
24 us with the planning, it would certainly be

1 welcome, particularly given in the last week
2 we've been hearing about the potential for
3 nine seat cuts for our operations.

4 So resources are limited.

5 Irrespective though of what you can bring to
6 the table, we're going to move ahead on this.
7 It's part of our mission. We're committed to
8 it.

9 To the extent that you can bring
10 resources to help us with planning, and we're
11 not talking about hundreds of thousands of
12 dollars here for this, but I would think, and
13 here I'm picking numbers out of the air, but
14 something on the range of 30 to 50 thousand
15 dollars might be involved in this planning
16 process. To the extent that you can help with
17 that, got bless you.

18 COMMISSIONER ZUNIGA: What about a
19 timeline? How do you envision this planning
20 phase in terms of a timeframe?

21 MR. LEPAGE: I envision it in two
22 phases, the planning phase for the licensure
23 component of the workforce development, which
24 really fits under the purview of the work of

1 the Commission. It will be about a four-month
2 phase.

3 That would then help define the
4 policies and procedures, come up with a
5 clarity on who would be best to deliver it,
6 because I think that there is the dialogue on
7 how is it best delivered, by whom, in about
8 four months.

9 That is important I think that
10 timeline, because you want to be able to
11 include any information that's pertinent to
12 your RFP-2 process that may be released a
13 couple of months later than that so that the
14 casino operators understand what will be
15 required for them to successfully employ
16 people, and then the other element that's
17 going to need to be longer on the workforce
18 component, because some of the decisions in
19 part one will flow to workforce two, to the
20 broader workforce dialogue, so you might be
21 looking at five to six months.

22 They could be running on concurrent
23 tracks. We would suggest that the Commission
24 form two task forces that work

1 collaboratively, because they're as I said a
2 planning task force for licensure may require
3 representatives from the State Police,
4 community colleges, and some other
5 organizations.

6 A broader state planning group, I
7 could talk about workforce strategies in
8 partnership with the Commission I think is
9 equally important, because it represents a
10 larger percentage of the total jobs.

11 COMMISSIONER CAMERON: I have a
12 question about this licensing procedure. I am
13 not familiar with the model. I'm very
14 familiar with clearly laying out what the
15 disqualifiers would be, the kinds of issues in
16 the background that would eliminate an
17 individual so that they do not invest in
18 something that is not obtainable.

19 I am not familiar with using
20 investigative resources before that person has
21 a conditional offer of employment. I just
22 have never seen it, and frankly, I can't
23 imagine. Investigative resources are very
24 expensive, and to use that ahead of time for

1 individuals who may not be offered a job, I
2 just.

3 MR. LEPAGE: And that may be part of
4 how a process is defined. It might be the
5 stages of the depth of the investigative
6 resources.

7 MR. HAYDEN: So for example, when
8 we're working with certified nurses aides, and
9 we know at the end of their training that we
10 will have a position for them, we begin the
11 process by asking them to do a CORI/SORI
12 first, and we say to them that without the
13 ability to have a CORI/SORI, a clean
14 CORI/SORI, that you will not get employment by
15 the group of employers that we have.

16 So we do that first; then we initiate
17 the training, and then upon that, it would be
18 up to the employer whether or not to redo the
19 CORI/SORI for the period of the training time,
20 etc.

21 MR. LEPAGE: Certainly your model
22 used in other states is that a larger
23 background check is done as part of the
24 application for the licensure, stating that

1 you have conditional employment.

2 So again, that's part of the planning
3 process of whether you're going to require
4 before an individual is licensed that they
5 have a letter of employment. That would have
6 to be defined.

7 COMMISSIONER ZUNIGA: Mr. Chairman,
8 it would appear that other colleagues behind
9 this gentleman would want to express or weigh
10 in, but you cannot see them, because you have
11 your backs against them.

12 CHAIRMAN CROSBY: Are you colleagues
13 of?

14 MR. TUTALO: My name is Joe Tutalo.
15 I've been in the casino business for 20 years.
16 We oversee these people. We own the
17 New England Casino Dealer Academy at the
18 Emerald Square Mall. We have invested
19 \$300,000. We have 100 years experience in the
20 casino industry. I was a dealer, a shift
21 manager, an assistant pit manager. I ran the
22 pits, and I did the numbers.

23 When students come into the casino,
24 they start training immediately. The

1 licensing process has nothing to do with the
2 casino. It's handled by the State Police.

3 If they go to the casino and they're
4 working and their license is denied, it might
5 take six months, and they're off the floor,
6 totally off the floor. It has nothing to do
7 with it. My colleague here will tell you what
8 we've been going through trying to get our
9 license and dealing with all the colleges.

10 We had opened the facility, because I
11 brought all the best teachers, because we've
12 got the same curriculum as any casino in the
13 world. We staffed Foxwoods, MGM, Mohegan Sun.
14 I've got the best teachers that I don't know
15 how they're going to teach in the college the
16 games that we know, the security that we know,
17 the procedures of these games, how to handle
18 the chips.

19 We've invested \$300,000 between chips
20 and tables and cards, and every aspect of the
21 casino industry, customer service. We have a
22 facility at the Emerald Square Mall that is
23 absolutely fantastic, and we've been sitting
24 there for six months because our license is --

1 I don't know where it is.

2 Now, all of a sudden, they put a
3 collaborative together, and they've got a
4 curriculum that they paid thousands of dollars
5 for that we can give you for free. We have it
6 all made up, and my partner here will tell you
7 exactly what's going on and what we've been
8 going through with this situation with these
9 colleges.

10 COMMISSIONER MCHUGH: Well, they
11 haven't all of a sudden done this. This has
12 been a work in progress for a considerable
13 period of time, and I understand the energy
14 behind your comments, but this has been a work
15 in progress for a considerable period of time.
16 I mean, it's not finished yet. We haven't
17 made a decision yet, but this isn't something
18 that just dropped off a mountaintop.

19 COMMISSIONER CAMERON: You had a
20 comment, sir?

21 MR. TASSONI: Yes. My name is
22 Mike Tassoni. I'm the president of New
23 England Casino Dealer Academy, and I have a
24 bunch of comments, but first I'd like to ask

1 the question.

2 Is the collaborative asking that you
3 give them exclusive rights to train, and
4 private industry cannot enter into that domain
5 and train for casinos, because our intent when
6 we opened at Emerald Square Mall was one of
7 convenience, close to Massachusetts, close to
8 Rhode Island ?

9 We have contacts with Twin River
10 Casino, Foxwoods, Mohegan, who are asking us
11 to supply them with trained dealers, which we
12 can't, because we don't have our license yet.
13 If that's part of what they're trying to do, I
14 have some serious questions that need to be
15 raised.

16 Number one, the community colleges
17 have zero expertise in the casino business, or
18 do they have any instructors that are
19 qualified to teach, because back in July,
20 Dr. Messner invited myself and Joe to Holyoke
21 College and met with Mr. Hayden, and we
22 discussed all of this, and they were talking
23 about outsourcing the resources to us for us
24 to provide them with instructors, because they

1 had none.

2 Now, all of a sudden, it looks like
3 they're trying to backdoor this whole deal and
4 get an exclusive, and push us out of the
5 business before we start.

6 In addition to that, back in August,
7 Mr. Bharati, the dean over at Bristol
8 Community College, him and his crew came and
9 visited our academy, as well as Mr. Hayden did
10 on a different occasion, and most recently in
11 October, Paul Robillard brought an entire
12 class and ran a class there for four or five
13 hours.

14 They can attest to the fact that we
15 have an absolutely 100 percent professional
16 organization. How you can allow community
17 colleges with zero expertise in the gaming
18 industry, specifically in training dealers, is
19 absurd. Our instructors have a minimum of ten
20 years experience on the floor.

21 Dr. Messner was talking about some
22 people coming in from New Jersey and training
23 their staff for six or eight weeks to teach
24 these courses. That's not practical

1 experience. That's not experience on the
2 floor, which is critical. Those students will
3 fail miserably. I guarantee it. We have the
4 expertise in the business, not me personally.
5 I'm a businessman.

6 COMMISSIONER CAMERON: You know, I
7 think we hear your perspective, and I don't
8 think this is -- we may need to hear more
9 about this, but I think we clearly hear your
10 perspective at this point, so thank you for
11 that.

12 COMMISSIONER STEBBINS: What is the
13 answer to the question -- I'm not 100 percent
14 clear on what the certification -- so were you
15 -- first of all, you made it clear that
16 exclusivity is not a deal-breaker here, and
17 everybody should hear that, but you said --
18 would the request for exclusivity be that we
19 would be the only people who could certify
20 that or I guess it's licensed that somebody is
21 capable now of being hired by a casino.

22 So it's the training skills. It's
23 not -- I mean, the background check is our
24 business. So what you're talking about is

1 training people to be able to go to a
2 facility.

3 The casino knows that they have this
4 license I guess, not certification, and you
5 would be the only one authorized to give that.
6 Is that what we're talking about? It has to
7 do with --

8 PRESIDENT MESSNER: I believe so, if
9 I understand you correctly. The consortium
10 would be the one who would be recognized, and
11 let me underline. It's the consortium. It's
12 not just 15 community colleges, And the
13 consortium has many other partners.

14 I'm resisting the notion of
15 responding to the comments that were just
16 made, but let me say that there was nothing to
17 preclude for-private providers to be involved
18 in the consortium if they so desire to be. So
19 it's not just the 15 community colleges
20 certainly.

21 We believe that a consortial approach
22 is the most effective way of meeting the
23 workforce needs. That's our belief. It's not
24 the only way of meeting the workforce needs.

1 We don't presume to say that. We think it's
2 the preferable way. We are committed to this
3 approach, and we will pursue this approach
4 irrespective of that issue. Beyond that, I'm.

5 COMMISSIONER ZUNIGA: Would it be
6 helpful to highlight and make the distinction
7 that you make in the document here what the
8 different layers and the different
9 occupations ?

10 I think that the public usually
11 thinks of casino jobs as the dealers, but it
12 does involve, as you correctly point out, a
13 lot of other occupations and disciplines. Is
14 that something that might be helpful at this
15 point?

16 PRESIDENT MESSNER: Yeah, just one
17 final point. The licensed positions are a
18 distinct minority of the positions in the
19 casino industry that we're talking about here.
20 70 percent more or less of the jobs are
21 outside of the license field.

22 We are talking that those, that needs
23 to be a focus in terms of a planning relative
24 to them, but that's not the discussion of

1 exclusivity. It has nothing to do with those
2 70 percent of the jobs.

3 COMMISSIONER MCHUGH: That brings me
4 back to my question, because as we were
5 looking here, I looked through the statute,
6 quickly of course, to see this distinction
7 between certification and licensure, and I
8 come back to the basic question of what does
9 licensure represent; does it represent a
10 license as a specific, for a specific function
11 in the casino or does it represent something
12 broader and some kind of a certificate or a
13 certification which allows the person, shows
14 that the person has been trained to a certain
15 level, and I welcome your, when you've got a
16 minute, sending an e-mail showing how you
17 interpret the statute, because I just can't
18 find that, and for me it's an important
19 question, not the determinate question, but an
20 important question.

21 Mr. President, would you tease out a
22 little more of the consortium concept, because
23 when you say that private trainers could be
24 part of the consortium, that changes my view

1 of what the consortium is.

2 PRESIDENT MESSNER: We've never
3 defined our consortiums narrowly to say that
4 it can include such, but it cannot include
5 such and such.

6 We have agreed, and the gentleman
7 referred to it, that we have signed an
8 agreement with the Atlantic Cape Community
9 College, as we told you at our initial
10 meeting, who are recognized nationally in many
11 states and beyond the United States, as a
12 premier provider of casino training, to use
13 their curriculum and to use them as
14 consultants relative to this training.

15 We have talked with the gentleman in
16 the back who came to us and said that he has a
17 casino training program, and we said, well,
18 we've entered into this agreement with
19 Atlantic Cape, but certainly in terms of the
20 faculty, there may be the ability to use some
21 of your faculty.

22 Quite frankly, the practice as we
23 understand it in most states is that the
24 casinos have a preference in providing their

1 own trainers for this, so it's difficult to
2 sit here today and say exactly where is the
3 faculty going to come from, but we're quite
4 confident that we are going to find, primarily
5 from the casinos themselves, quality people to
6 provide this training and marry that with the
7 curriculum from Atlantic Cape Community
8 College.

9 COMMISSIONER MCHUGH: I think that
10 was clear in the previous presentation that
11 you may have come from the casinos.

12 MR. LEPAGE: I was going to say that
13 I think when it's -- whether it's the
14 community college or profit or other
15 nonprofits, ultimately it's now at the
16 planning stages of how is this done best and
17 most effectively.

18 That's really what we're proposing is
19 that we create a task force to do this
20 planning. You know, ultimately, we believe
21 one source for the Commission makes the most
22 sense. What that source is I think needs to
23 be the outcome of the planning process that
24 the Commission then reviews and determines at

1 that stage what's the best for the
2 Commonwealth.

3 CHAIRMAN CROSBY: I definitely get
4 what you're saying, which is you're looking
5 for a partner to work with now, because
6 there's a lot of details to get worked out
7 here. I get that. I also get that you're not
8 saying that exclusivity is a deal-breaker.

9 I like the idea at a presumptive
10 level of having some single source of
11 certification, if I'm not misusing the word in
12 this context, for a skill set, which the
13 casino operators have agreed if you get this
14 skill set, you are going to be a candidate for
15 our jobs.

16 There's a benefit in terms of quality
17 control. There's benefit in the public policy
18 objectives of diversity that we've talked
19 about, and we want to see it adhered to, so
20 I'm presumptively comfortable with the idea of
21 having someplace be the certifier.

22 I'm much less comfortable with
23 minimizing the people that can feed up into
24 that certification process. If you had a

1 feeder system and a private organization has a
2 feeder system, and Joe Smith had a feeder
3 system and you or somebody was the one who had
4 the defining test that said, okay, you've
5 passed so that private sectors and other folks
6 can feed into that certification process, you
7 know, I think that would feel fine to me.

8 I'm not sure how the public interest
9 is served by precluding other people to be
10 able to produce candidates to take the
11 certification test.

12 MR. LEPAGE: And that's really what
13 the consortium does. It creates the feeder
14 into that, and that's really the goal of a
15 consortium is to feed into those people who
16 will most likely be successful taking the
17 training and will be able to be licensed for
18 those key gaming occupations.

19 COMMISSIONER MCHUGH: Just on that
20 same subject, presumptively, and I think we
21 need to talk more about this, presumptively,
22 I'm not comfortable with a single
23 certification source necessarily. It seems to
24 me there can be licensure.

1 I mean, again, this gets back to what
2 we're talking about. I think it's essential
3 to have one source of licensure in terms of
4 determining whether someone, which is the
5 Commission, in determining that background,
6 but in terms of a certification as a competent
7 X, Y, Z, I'm not convinced presumptively of
8 what the need for one, and I think we have to
9 have more discussion about it.

10 COMMISSIONER CAMERON: I would agree,
11 and I know Atlantic Community College I'm very
12 familiar with their programs. They're
13 excellent, but they do not have exclusivity,
14 and there are other facilities in Atlantic
15 City who like to do all their own training.

16 There are casino operators/owners who
17 like to do all their own training, so I think
18 that there's just a wide variety here, and
19 it's hard for me to think about -- I give you
20 great credit for adopting that model. It's
21 very successful, the community college model,
22 but again, there is no exclusivity, and they
23 don't have anything to do with licensing.

24 PRESIDENT MESSNER: If I could

1 suggest then that we set that specific issue
2 aside and rather focus on how do we move
3 forward from here with the planning process
4 and.

5 CHAIRMAN CROSBY: I do want to give
6 this gentleman one last shot.

7 MR. TUTALO: In the casino industry,
8 we train hundreds of kids. I have the Mohegan
9 Sun. And while they're training, they
10 register for their license. The State Police
11 checks their license. They do not go on the
12 casino floor unless they pass an audition.
13 That's how it works in the casino world.

14 In other words, if I run Twin River,
15 there's going to be a barrage of students,
16 dealers from Mohegan Sun. Everybody's is
17 going to come to Twin River looking for a job.
18 I will deal -- I will sit on a game and play
19 Blackjack and watch them deal the game, make
20 sure they understand the procedures and know
21 about the game.

22 If I say that's fine, they'll have a
23 job, but they won't have a job until the
24 Commission checks their background. They have

1 to have a background check. They're going to
2 -- Twin Rivers and even Massachusetts, they're
3 going to be invaded by dealers, and basically
4 Massachusetts should have a certain proportion
5 for all the people in Massachusetts to work in
6 your casinos.

7 They should be prepared to work in
8 your casinos. They have to be taught by
9 qualified teachers, because you're going to be
10 invaded by -- the casino is going to bring a
11 lot of their own people in, their top people,
12 to run the casinos.

13 You have to have experienced people
14 on the floor, because you're going to have
15 cheaters and wise guys and everything. You
16 have to have people that know how to deal with
17 this, and that's what we have at our school.

18 CHAIRMAN CROSBY: Well, I think we
19 heard -- I think we get the point that you
20 guys are making, that there's a lot more here
21 to think about. There is a process in place,
22 as you know, about key policy questions that
23 we're dealing with.

24 This is one of them, or if it isn't

1 exactly teed up this way on our list, we've
2 also invited people to submit to us what other
3 key policy questions are out there. And if
4 you think the Commission is on the wrong track
5 or doesn't yet know the right options about
6 this, by all means, you know, you're invited
7 to let us know about that.

8 I think in the meantime, are you guys
9 -- you're still looking for us for some kind
10 of a feedback on moving forward on a working
11 agreement; right?

12 PRESIDENT MESSNER: That's right, and
13 we've put in front of you an MOU, and I think
14 based on the discussion I'm hearing today, you
15 strike one word from it, and look at the rest
16 of it, and see if the rest of it makes sense.

17 Again, we're certainly not wedded to
18 every notion in there, but we think it lays
19 out a process for planning that I think is
20 logical, and one we hope we can enter into
21 with you.

22 COMMISSIONER STEBBINS: Mr. Chairman,
23 I would suggest, and I want to provide some
24 comments to this. You know, I've been

1 impressed from where we started with our
2 conversations back over the summer and where
3 you've moved in terms of building the regional
4 alliance at our insistence, reaching out to
5 the community action groups, and in terms of
6 helping find underemployed and unemployed
7 people and building the wraparound services to
8 this.

9 Just sharing my own background being
10 on my old hat that I used to wear doing
11 business development, if we were to right here
12 sitting and entertaining a company looking to
13 come to Massachusetts, billions of dollars,
14 hundreds of millions of dollars in investment
15 in new jobs, there would be this type of
16 partnership.

17 If it was MOBD or another state
18 agency, it would be building a partnership
19 with those public entities, community
20 colleges, the workforce investment boards, the
21 regional employment boards, permanent
22 employment training, figuring how we could
23 amass their support and services to offer
24 training to Massachusetts residents to make

1 sure that they had the opportunity to compete
2 for these jobs.

3 So even though this is economic
4 development somewhat flipped on its ear where
5 we have a company that we know wants to come
6 as opposed to us trying to shill for their
7 services or their decision to locate here, I
8 see it somewhat within our responsibility, at
9 least our mission and our goals, is that we
10 want to create the opportunities for
11 Massachusetts residents to have jobs in these
12 casinos and partnering with the local
13 resources, the public resources that are out
14 there, in this case, the community colleges,
15 which if it was a company that needed
16 machinists, community colleges would be right
17 there at the forefront, not to the exclusion
18 of the for-profit entity, but that would be
19 the driver going forward as a public body or a
20 public entity.

21 Even though, again, this is somewhat
22 flipped on its ear, I think we as a commission
23 have a responsibility to make sure that these
24 job responsibilities that we're creating are

1 not going to be for a huge influx of people
2 from out of state, and we do have to create
3 that job and that job training scenario where
4 they're going to have an opportunity to get
5 jobs, and the other piece of the plan that I'd
6 like that the institute has put forward is
7 that you somewhat have developed a hook to
8 invite people to consider a career in casino
9 training.

10 So they come in through. We always
11 top about at the top of the funnel. They come
12 in through some quick assessment, be it their
13 skills, be it their background, be it their
14 personal history, may not be qualified to wind
15 up in a position on a casino floor, but you're
16 going to the next step, the due diligence of
17 looking for an opportunity for that person,
18 again who might be unemployed, underemployed,
19 to feed into another training program.

20 And, you know, unless I'm mistaken to
21 the for-profit entities in the room, that may
22 not be your goal and that may not be your
23 mission as well, but it is the mission of the
24 public colleges and the community colleges and

1 all the public sector workforce people around
2 them.

3 I would suggest we need to do two
4 things. I think this is a valuable
5 relationship for the Commission to have. I
6 think maybe we are at a point of trying to
7 find somebody that has done workforce
8 development planning and management to
9 consider such a position on our staff as a way
10 to work with the institute, again for this
11 planned implementation piece.

12 If we have questions about
13 exclusivity, we do. If we have questions
14 about the licensure and the certification, I
15 think we're kind of somewhat setting that
16 aside. I think we need to move forward on the
17 implementation of the plan, because we're
18 trying to address the broader issue.

19 And as we move along, there's little
20 stumbling blocks, little regulatory questions
21 are going to come up. So I think that's step
22 one, to offer our agreement to be in
23 partnership.

24 I think secondarily on a parallel

1 track, we also need to address the questions
2 of a for-profit entity, which as you just
3 explained, the purpose of setting up where you
4 did was more of being a training school with
5 credible experience for convenience for people
6 from Connecticut or Rhode Island or that part
7 of Massachusetts, and I've been looking at
8 what some other states have been doing
9 relative to chartering and regulating those
10 types of schools, give them some type of
11 guidance.

12 I know Indiana regulates the schools.
13 They lay out base curriculum requirements.
14 They lay out information about information you
15 need to make available to prospective
16 students. You lay out information about what
17 happens with the gaming equipment when the
18 school closes or security of that equipment.

19 So I'm suggesting we move down those
20 parallel tracks, agree to work on the plan
21 implementation with the career institute,
22 agree to find regulations for for-profit
23 entities to, again, if they want to establish
24 a school, that's great.

1 I don't think we're in a position to
2 tell anybody they shouldn't, but we need to
3 set out some standards for everybody to kind
4 of play by the rules with, and at the same
5 time, you know, reach out and either see if we
6 can find somebody to act as kind of our
7 project manager on this implementation plan,
8 either at another agency or somebody we begin
9 to post another position for.

10 That may end up being our
11 contribution of the plan, but kind of moving
12 this discussion forward, moving to the next
13 step, and also kind of addressing the need to
14 sign an MOU and kind of get the language
15 right.

16 CHAIRMAN CROSBY: Well, I --

17 COMMISSIONER STEBBINS: A longwinded
18 way of saying let's kind of keep the ball
19 moving.

20 CHAIRMAN CROSBY: That was great.

21 COMMISSIONER ZUNIGA: That was very
22 good actually. I'm going to go back and
23 reread that in the transcript by the way, but
24 I would agree with all of that.

1 CHAIRMAN CROSBY: It trumps all your
2 accumulated contributions to date.

3 COMMISSIONER ZUNIGA: And from the
4 past before.

5 COMMISSIONER STEBBINS: I'm trying to
6 make up for what he's already contributed.

7 COMMISSIONER ZUNIGA: I would agree
8 with that notion by the way.

9 CHAIRMAN CROSBY: I'm sorry to say
10 that I didn't realize. I only saw the first
11 MOU with the developer/operator. I didn't see
12 this MOU until, and I haven't read it, at
13 least in this version.

14 I'd be happy -- I think maybe we -- I
15 think maybe we shouldn't -- I think there's
16 enough other stuff on the table that we are
17 just now thinking about that we need to read
18 this a little more carefully with an eye to
19 the concerns that these folks have raised.

20 I think the exclusivity for the time
21 being, but only for the time being, is off the
22 table. We are anxious to give you a partner
23 to talk to, and we will do that ASAP, and I
24 agree with Commissioner Stebbins that we

1 really need a point person.

2 It's either going to be Commissioner
3 Stebbins or it's going to be a project
4 manager, and I think we would be much better
5 served if we had a person who had the work,
6 you know, who could do this, and I think we
7 should get about the business of trying to
8 find that person quickly.

9 So my suggestion, but I'm open to
10 conversations that we not execute, not agree
11 to execute this MOU yet. We give this a
12 little bit more time, hopefully not more than
13 a week or so and make sure we've read this
14 with this somewhat fuller perspective on
15 stuff, and then proceed with you ASAP
16 thereafter.

17 PRESIDENT MESSNER: Sure. Well, we
18 thank you for the time --

19 CHAIRMAN CROSBY: Not at all, thank
20 you for your time.

21 PRESIDENT MESSNER: -- and for the
22 dialogue. It's been an interesting one.

23 CHAIRMAN CROSBY: As others have
24 said, we're delighted that you guys have done

1 this.

2 COMMISSIONER MCHUGH: Before you
3 leave, what is your intent for us vis-a-vis
4 the training institute developer/operator MOU?
5 Is that just something that's in --

6 PRESIDENT MESSNER: It's simply for
7 your information and any suggestions, guidance
8 you might have for us, particularly if there's
9 something in there that you take exception to,
10 we'd like to know it now.

11 COMMISSIONER MCHUGH: But I don't
12 know if I take exception to it or not, and I
13 don't want to prolong this discussion, but the
14 last bullet on Page 3 I just don't understand.

15 PRESIDENT MESSNER: Okay, well, we'll
16 take a look and see if we can clarify it for
17 you. Thank you very much.

18 CHAIRMAN CROSBY: Thanks, folks. I'm
19 going to suggest a brief break, and we'll be
20 back shortly.

21 (Short break taken.)

22 CHAIRMAN CROSBY: We're going to
23 reconvene with a much, much sparser audience,
24 and little do they know what they're going to

1 miss. They're going to be very sad they
2 missed this.

3 Before I get started, I will say one
4 of the fellows from DPL Racing Commission came
5 down to me and showed me the license, which
6 says in effect, this license is subject to any
7 rules and regs, and that the Commission wants
8 to issue even during its terms.

9 So if it turned out for some reason
10 that we did find something that was material
11 to think about on that issue I was discussing,
12 it turns out we do have the ability to address
13 that.

14 COMMISSIONER ZUNIGA: Can I also
15 mention for the record the size of the bond is
16 \$125,000, not \$100,000.

17 CHAIRMAN CROSBY: Okay, great, thank
18 you. All right, so we are now looking for the
19 report from our Director of Communications and
20 Outreach.

21 DIRECTOR DRISCOLL: Are you ready?

22 CHAIRMAN CROSBY: Oh, are we ready.

23 DIRECTOR DRISCOLL: I'm really sorry
24 that not everybody wanted to stay for my logo

1 presentation.

2 COMMISSIONER MCHUGH: Maybe we can
3 get them all back.

4 DIRECTOR DRISCOLL: Okay, so let me
5 first just say some additional things besides
6 this that are going on right now is that I
7 started just promoting the casino design
8 forum.

9 I started that process this morning
10 as well as working on various ways to get the
11 word out on the policy questions to basically
12 maximize public feedback before that
13 November 27 deadline. So we've been working
14 really hard on that, and that process is
15 ongoing.

16 And then so yesterday, I had a
17 conference call with the folks at Jackrabbit.
18 What they did go ahead and do is based on the
19 logo from last week that everybody seemed to
20 be the most drawn to out of all of the ones
21 that they had shown us, they went ahead and
22 sort of applied it to, just so that you could
23 sort of see it at work basically, so I'll show
24 you that really quickly.

1 So this was the one that after all
2 was said and done last week seemed to be the
3 one out of all of them that we were most drawn
4 to. Let me just sort of put it in context
5 there in the background again, and then sort
6 of marked the thought process behind fair,
7 transparent, participatory.

8 COMMISSIONER ZUNIGA: Let me offer
9 one criticism.

10 DIRECTOR DRISCOLL: Sure.

11 COMMISSIONER ZUNIGA: I wonder if
12 fair would be better on the top more like a
13 banner.

14 DIRECTOR DRISCOLL: Okay. Just so
15 you know, you wouldn't see --

16 COMMISSIONER ZUNIGA: Oh, you
17 wouldn't see that?

18 DIRECTOR DRISCOLL: No, no, no, no,
19 except for maybe in a style guide that would
20 explain it, but that's just to show their
21 creative thought process. I think the only
22 one that really matters is the one that's
23 transparent. And then here you can see it
24 just as a possibility on business cards.

1 CHAIRMAN CROSBY: So those are the
2 backs of the cards?

3 DIRECTOR DRISCOLL: Correct.

4 CHAIRMAN CROSBY: Okay.

5 DIRECTOR DRISCOLL: So this one is
6 actually interesting in that it has room for
7 basically the one main sentence of our mission
8 statement, and this might be like the cover of
9 a brochure or, you know, again, it's just a
10 mockup so you can see it working.

11 And then based on some of our
12 conversations from last week, here are the
13 additional variations that they came up with.
14 There was some request to put those little
15 laurels in, minus the abstract image
16 obviously.

17 So all of the different adaptations
18 is everything that we discussed basically last
19 week what they took from that. So the
20 question is, are we at a point where we think
21 we can work with one of these and grow from it
22 or are we still in a place where we're asking
23 them for more creative?

24 COMMISSIONER CAMERON: I think that

1 the director might be perturbed if we don't
2 make a decision.

3 DIRECTOR DRISCOLL: No, I mean it's a
4 tough decision.

5 COMMISSIONER MCHUGH: Certainly.

6 DIRECTOR DRISCOLL: It's a difficult
7 decision, and we'll have to make that
8 difficult.

9 COMMISSIONER MCHUGH: We're crossing
10 the finish line. We're just out of breath.

11 DIRECTOR DRISCOLL: And I think what
12 happens, too, by the way is I think with the
13 creative team, too, if you continually ask
14 them for adaptations, it gets to a point where
15 it's so far away from the original concept
16 that it really starts to dilute it.

17 COMMISSIONER MCHUGH: Well, I could
18 live with the first one.

19 COMMISSIONER CAMERON: I could also.

20 CHAIRMAN CROSBY: So could I.

21 COMMISSIONER STEBBINS: Yes.

22 COMMISSIONER ZUNIGA: Yes.

23 COMMISSIONER CAMERON: I think we
24 really like it.

1 CHAIRMAN CROSBY: No, that wasn't
2 meant to be damning with fake praise. I was
3 going to say I go for one. You know, I mean I
4 like it. I think that idea of going with the
5 seal thing was a breakthrough thought when we
6 got to that. I think it's great, so let's go
7 for it.

8 DIRECTOR DRISCOLL: Great. All
9 right, which means --

10 COMMISSIONER MCHUGH: Ta-dah.

11 DIRECTOR DRISCOLL: Yeah, which is
12 great.

13 CHAIRMAN CROSBY: Most people missed
14 that?

15 DIRECTOR DRISCOLL: It's great,
16 because that means they can really get moving
17 and everything else, and the fact of the
18 matter is that we're in desperate need to be
19 able to put a template to things such as, you
20 know, policy questions that might need to go
21 out to surrounding communities and host
22 communities, and we can really start to put
23 together some nice packages of information
24 that we need to get out there to people. So

1 we're going to get that process moving
2 quickly.

3 We've already started asking some
4 people for content for the website. So for
5 example, I've asked for executive staff bios
6 and things like that. The one last thing that
7 I actually will bring up today is I'm also --
8 I have to begin discussions this week with
9 whoever the web host will be.

10 They're going to help me identify the
11 best person to do that, which means we're
12 going to have to purchase domain names and
13 things like that at this point, so which is an
14 inexpensive thing to do, but I was wondering
15 -- they were asking us if we had any thoughts.

16 You know, my instinct is
17 massgaming.gov. The question is, is that
18 would that create any confusion do you think
19 with mass.gov/gaming, or would we be
20 interested in like maybe a massgaming.org? Is
21 there any thought process to that?

22 CHAIRMAN CROSBY: Are there other
23 agencies that have their own URLs that aren't
24 derivative of mass.gov?

1 DIRECTOR DRISCOLL: There are a few.

2 CHAIRMAN CROSBY: There used to be,
3 like DOR had their own, but I mean, DMV,
4 Registry, but --

5 DIRECTOR DRISCOLL: And lottery has
6 their own.

7 CHAIRMAN CROSBY: They do?

8 COMMISSIONER STEBBINS: Lottery has
9 their own.

10 COMMISSIONER MCHUGH: Can we get a
11 gov designation?

12 DIRECTOR DRISCOLL: That's a good
13 question. I'm not sure on that, but we're
14 going to work all that out.

15 I think we should be able to. I
16 can't imagine that we wouldn't be, but I was a
17 little leery with it being too close, because
18 we're going to maintain our -- we're going to
19 maintain some level of presence on mass.gov by
20 the way, but it will be more of sort of a
21 stagnant; whereas, this one will give us the
22 opportunity. This one will be changing every
23 day.

24 CHAIRMAN CROSBY: But can't they be

1 the same? If you go to massgaming --
2 mass.gov/gaming, can it take you to our site?

3 DIRECTOR DRISCOLL: I don't think so.
4 I don't think -- it doesn't appear to be like
5 the other ones do that. I only saw one site
6 that allowed for that, one other agency.

7 COMMISSIONER ZUNIGA: Eileen, do you
8 have?

9 DIRECTOR GLOVSKY: On the mass.gov
10 ones, they have a standard format in the
11 interest of trying to present a single face of
12 the government. So the template that's used
13 for our homepage there and subsequent pages
14 are standard when you sign onto mass.gov.

15 We can have a link there that would
16 take us to the massgaming.gov, if that's what
17 we end up with, and then the other option
18 would be to buy up the variations of that --
19 .net, .org., .com.

20 DIRECTOR DRISCOLL: We should
21 probably do that anyway.

22 DIRECTOR GLOVSKY: Those would all
23 point to what the name was.

24 DIRECTOR DRISCOLL: We should

1 definitely purchase the variations.

2 CHAIRMAN CROSBY: Well, if we can get
3 massgaming.gov, I think that's --

4 DIRECTOR DRISCOLL: Okay.

5 CHAIRMAN CROSBY: I don't think it's
6 a problem that -- it's not going to be
7 confusing I don't think. If we're clear about
8 not using the mass.gov URL and having our
9 separate URL, I guess they do permit that,
10 then I think massgaming.gov is good.

11 DIRECTOR DRISCOLL: Okay, great, so
12 that will happen this week.

13 CHAIRMAN CROSBY: Great.

14 COMMISSIONER CAMERON: Excellent.

15 COMMISSIONER MCHUGH: Great.

16 COMMISSIONER CAMERON: Thank you.

17 CHAIRMAN CROSBY: Okay. I think
18 we're getting close here. On the research
19 agenda, we are targeting this week, in the
20 next couple of days, to get the RFP out.

21 COMMISSIONER ZUNIGA: Yeah, we have a
22 draft in our possession --

23 CHAIRMAN CROSBY: Okay.

24 COMMISSIONER ZUNIGA: -- with a

1 couple of questions that I need to review with
2 Director Glovsky and yourself --

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER ZUNIGA: -- to finalize
5 probably tomorrow, but we have something from
6 our --

7 CHAIRMAN CROSBY: Okay, good. All
8 I'm going to be -- I'm going to go back to the
9 office now, so are you going to go back?

10 COMMISSIONER ZUNIGA: Probably not,
11 but I can forward you what was forwarded.

12 CHAIRMAN CROSBY: Just get it to me,
13 it's got to be tomorrow. It's really going to
14 be tight tomorrow.

15 On Internet gaming, I was going to do
16 some further research on the Reid-Kyl bill,
17 which I have not done, and so I don't think
18 there's much else to talk about on either of
19 these topics.

20 Is there anything, anybody else have
21 anything on either of those topics? Any other
22 business? Then I think we're going to call it
23 a day. Meeting adjourned.

24 (Meeting adjourned at 3:37 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ATTACHMENTS :

1. MGC Framework for Addressing Policy Questions
2. MGC 2012-11-06 Summary Schedule Update
3. MGC Employee Handbook
4. Section 3. Compensation
5. State Racing Commission Official Audit Report for the Period July 1, 2011, to May 20, 2012
6. 11/8/12 Memo to Mass. Gaming Commission from Jennifer Durenberger
7. Proposed Table of Organization Racing Division
8. Building and Training the Workforce for the Casino Industry
9. Draft Memorandum of Understanding for Western Massachusetts By and Between Massachusetts Casino Careers Training Institute and (Developer/Operator)
10. Draft Memorandum of Understanding for Casino Careers Licensure Training By and Between Massachusetts Careers Training Institute and The Massachusetts Gaming Commission
11. A Statewide Initiative Addressing the Workforce Needs of the Gaming Industry in Massachusetts

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

SPEAKERS :

Elaine Driscoll, Director of Communications & Outreach

Dr. Jennifer Durenberger, Director of Racing

Eileen Glovsky, Director of Administrative Services

Jeffrey Hayden, Casino Careers Training Institute

Danielle Holmes, Legal Intern

Robert LePage, Casino Careers Training Institute

Jeffrey Messner, Casino Careers Training Institute

John Ziemba, Ombudsman

C E R T I F I C A T E

I, Mary K. Corcoran, a professional stenographic court reporter and notary public in the Commonwealth of Massachusetts, hereby certify that the foregoing pages contain a full, true, and correct transcription of all my stenographic notes to the best of my ability taken in the above-captioned matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of October, 2012.

I further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this meeting was taken, and further that I am not financially nor otherwise interested in the outcome of the action.

// Mary K. Corcoran //
Mary K. Corcoran
Notary Public
My commission expires June 13, 2014

Date 11/13/12

// Elizabeth Tice //
Elizabeth Tice, President
My Commission Expires August 26, 2016
Office Solutions Plus, LLC
470 Boston Post Road
Weston, MA 02493
617-471-3510 Office
617-471-3134 Fax
LizTice@OfficeSolutionsPlusLLC.com
www.OfficeSolutionsPlusLLC.com

Date 11/13/12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24