

1
2 THE COMMONWEALTH OF MASSACHUSETTS

3 MASSACHUSETTS GAMING COMMISSION

4
5 OPEN MEETING

6
7 CHAIRMAN

8 Stephen P. Crosby

9
10 COMMISSIONERS

11 Gayle Cameron

12 James F. McHugh

13 Bruce W. Stebbins

14 Enrique Zuniga

15 _____

16
17
18 November 27, 2012 1:00 p.m.

19 OFFICE OF THE DIVISION OF INSURANCE

20 First Floor, Hearing Room E

21 1000 Washington Street

22 Boston, Massachusetts

23

24

PROCEEDINGS:

CHAIRMAN CROSBY: I think we will call to order the 37th public meeting of the Mass Gaming Commission on November 27th. First order of business is approval of the minutes. We do have the November 13 minutes. Any comments?

COMMISSIONER STEBBINS: Mr. Chairman, I had one from last week that I forgot to make that change or send that change along to our secretary, but on Page No. 5, it says, present with College President Messner was "Michael Souza," and it's S-u-z-o-r.

COMMISSIONER MCHUGH: Sorry.

COMMISSIONER STEBBINS: I noticed it last week and I didn't send you an E-mail with the correction.

CHAIRMAN CROSBY: Anything else? Do you want to move for their acceptance? Commissioner McHugh?

COMMISSIONER MCHUGH: I move that the -- with that correction on Page No. 5 of the minutes of the November 13 meeting be accepted.

COMMISSIONER CAMERON: Second.

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1 CHAIRMAN CROSBY: All in favor? Aye?

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER CAMERON: All opposed?

6 The Ayes have it. Okay. Project work plan, I think
7 -- first of all we are going to, for the audience, I
8 guess the web folks won't be able to see this but we
9 are going to be using this chart. We are going to
10 be having a discussion about this project management
11 chart.

12 And later on we will be referring to
13 it from time to time. But I think in the -- this is
14 the section here in the Phase I application process,
15 which is going on right now, you can see in here we
16 are in the process of accepting the background
17 information but this has been handled mostly by
18 Commissioner Cameron. Do you want to just give a
19 quick status report where we are at in terms of the
20 process?

21 COMMISSIONER CAMERON: Yes,
22 Mr. Chair. I would like to do that. From the
23 standpoint of investigations we look at the scope of
24 licensing, request for waivers, as -- some of them

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1 may take a little investigative resources in order
2 to make these determinations. So we in the IEB have
3 taken all of these requests. We are putting a
4 policy in place to secure the documents. I would
5 like to introduce Lieutenant Brian Connors and Kevin
6 Condon from the State Police. Gentlemen, please
7 stand up.

8 CHAIRMAN CROSBY: Welcome.

9 COMMISSIONER CAMERON: Both
10 lieutenants have been assigned to the Commission
11 from the State Police. They are long time
12 investigators in a number of different criminal
13 capacities and I am very grateful to the state
14 police for sending their best and their brightest
15 our way in order to assist with background
16 investigations and eventually it will be other
17 investigations as well as those troopers
18 responsibilities who will have responsibility on the
19 floor of the gaming floors.

20 CHAIRMAN CROSBY: You will be
21 basically full time with us? Both of you will be
22 basically full time with us, right?

23 LIEUTENANT CONDON: Yes.

24 LIEUTENANT CONNER: Yes.

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1 CHAIRMAN CROSBY: Great. Welcome.

2 COMMISSIONER CAMERON: We think it
3 was important to work with our consultants to have a
4 full understanding of the background investigations
5 and, of course, the State Police have enormous
6 resources within the state to assist with
7 information that may be developed in the state with
8 regard to any of those licensees.

9 We are looking at things like
10 document security at this time, a process to work
11 with our consultants. We are ready to go with
12 investigations. We have that process in place. And
13 that is the status at this time.

14 CHAIRMAN CROSBY: I think we have
15 received most of the packages of proposals about who
16 should be background checked; right? Stage one is
17 the developers send us a package saying here is our
18 structure, here are the organizations and the
19 individuals that we think should be background
20 checked.

21 Then there is some investigation that
22 has to go on with that to make sure that we agree on
23 who the so-called background checks or qualifiers
24 are. And I think we have gotten most of those

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1 proposals in so far and that is the process that is
2 going on right now.

3 MS. GLOVSKY: We have, Mr. Chair.
4 There are some that do not have any request for
5 waivers so it will not be necessary to conduct any
6 initial investigation at this time. And, of course,
7 we are aware of others who are demonstrating
8 interest now so there will be, in fact there will be
9 a meeting with our consultants this week with a
10 company who has recently shown an interest.

11 We look at this as a process up until
12 the 15th so we will be handling questions as well as
13 investigations throughout up until the 15th and then
14 it will certainly halt the investigations at that
15 point.

16 CHAIRMAN CROSBY: Right. This is
17 just indicative of the people who are concerned
18 about the timing of this that if a proposal comes in
19 and we don't have any difference -- they don't ask
20 for any waivers. They are saying, okay, here are
21 all our people.

22 These are the people that we want
23 investigated. No problem. We are not asking for
24 any waivers. Then the process goes like that. We

1 can then start the investigations and that takes
2 time off this chart that we will be talking about.

3 I don't know if you can not see this
4 very well but this green line up here is the entire
5 background check process. And we have allocated
6 nine months because we assume that there will be
7 issues but any time that can be taken out of this
8 nine-month process is time which goes to the bottom
9 line of getting the applications out.

10 The background check process is the
11 single largest chunk of time in the entire process.
12 The total of 12 months, 90 days for people to submit
13 the background forms, six months to do the checks
14 and another three months to have hearings and
15 debates if there are issues or any contested
16 outcomes.

17 So when people are concerned about
18 the timing this is the critical variable right here
19 and the developers can help up a lot by submitting
20 the information quickly, submitting the information
21 cleanly, not debating about who should get qualified
22 and so forth, just FYI.

23 COMMISSIONER CAMERON: Mr. Chair, one
24 additional issue with regard to scope of licensing

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1 and that would be to start a conversation about
2 utilizing our investigative resources. Something
3 that I thought about is focusing our investigative
4 resources on the slots license informally.

5 We are prepared to start every
6 investigation as they come in the door. We are
7 prepared to put a team to investigate but we could
8 make a decision to focus on slots, make sure we get
9 those licenses done in a timely -- those
10 investigations done in a timely manner which would
11 also mean making sure we are prepared regulation
12 wise to move that process forward.

13 We did get the investigations,
14 rather, the applications out a few days earlier and
15 we could have -- we would make a decision as a
16 commission to move forward with focusing on the
17 slots license time wise and then move onto the next
18 phase as we are investigating the other licensees.

19 CHAIRMAN CROSBY: As a practical
20 matter is it an either/or proposition?

21 COMMISSIONER CAMERON: It is not.
22 Again, we are prepared. We have the investigative
23 resources between our consultants, the State Police,
24 we will be hiring some folks on our own to put a

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1 team of investigators on every single application as
2 they come in. But it doesn't mean we couldn't make
3 it a focus to really use our resources in a way that
4 would expedite the slots licensees.

5 CHAIRMAN CROSBY: Right. What do
6 people think about that? I mean, it's a really
7 important question. I think clearly -- I think the
8 legislation sort of anticipated that we might --
9 that the slots would move a little quicker.

10 We do have it starting quicker on
11 our -- we have the slots license being awarded I
12 think October, November of next year, less than a
13 year from today ahead of the casino licenses. One
14 of the questions on our key policy questions is how
15 should we think about the slots license? Do we
16 think about it strategically in relation to the
17 casinos and the locations, etc? So what do you all
18 think?

19 COMMISSIONER MCHUGH: I think we
20 ought to discuss that in the context of the key
21 policy questions --

22 CHAIRMAN CROSBY: Right.

23 COMMISSIONER MCHUGH -- that we are
24 going to discuss in a couple of weeks. The other

1 piece to think about, and I think it is doable, is
2 segregating out the regulations in order to support
3 a slots piece. And those regulations have to be
4 done to support the casinos, which will have slots
5 in any event.

6 So it is just a question of assigning
7 a priority to the slots piece and not worrying
8 about -- not worrying -- but not dealing now with
9 the other regulations that may be necessary for
10 table games and other kinds of things. So that is
11 certainly doable. I think it is something we ought
12 to consider very carefully for a whole variety of
13 reasons.

14 CHAIRMAN CROSBY: Right.

15 COMMISSIONER MCHUGH: But I think we
16 ought to consider it in the context of the
17 discussion with the policy question so that
18 everybody understands what is on the table.

19 CHAIRMAN CROSBY: I agree with that
20 and I don't think we should come to any conclusions
21 to that. You know, Commissioner Cameron mentioned
22 this and she is going to be starting the
23 investigation even before we get to our policy
24 questions so I thought it was worth at least airing

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1 it a little bit.

2 COMMISSIONER MCHUGH: Right.

3 CHAIRMAN CROSBY: And letting our
4 audience know this is something we are thinking
5 about and we are game for input on this topic as
6 well. Any other thoughts that you want to bring up
7 on this before --

8 COMMISSIONER ZUNIGA: I am in full
9 agreement with that. One point I would highlight is
10 that it occurs to me that during the investigation
11 process a number of things could come up between,
12 let's say, meetings of the Commission, which a lot
13 of decisions are really delegated as a practical
14 matter to the director and the investigators.

15 So the specific focus my guess is that may
16 shift from time to time as things come up and that
17 is just something that we should not attempt to
18 micro-manage if you will.

19 CHAIRMAN CROSBY: Right.

20 COMMISSIONER ZUNIGA: That maybe goes
21 without saying.

22 CHAIRMAN CROSBY: Right.

23 COMMISSIONER MCHUGH: But ultimately
24 we set the policy and the direction.

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1 COMMISSIONER ZUNIGA: Yes.

2 COMMISSIONER MCHUGH: And we receive
3 any contests between the IEB and the developer
4 applicant. So I agree with not micro-managing but
5 ultimately we are going to have both hands on the
6 wheel as we go forward.

7 COMMISSIONER ZUNIGA: Absolutely.
8 And the key -- or one of the key pieces of that
9 clearly is the major policy decision that we just
10 talked about.

11 COMMISSIONER MCHUGH: Right.

12 COMMISSIONER CAMERON: I have
13 thoughts but I will wait until we get into the
14 policy discussions.

15 CHAIRMAN CROSBY: Okay. Whose
16 question is that? Is that your question, the one
17 about the slots sequencing?

18 COMMISSIONER MCHUGH: It is not my
19 question.

20 CHAIRMAN CROSBY: Whose is that?

21 COMMISSIONER MCHUGH: I have an
22 opinion, of course.

23 COMMISSIONER ZUNIGA: On question
24 eight, Mr. Chairman --

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1 CHAIRMAN CROSBY: Yes, but there was
2 another one specifically. If nobody knows who has
3 it that could be a problem.

4 COMMISSIONER CAMERON: It touches on
5 a number of questions.

6 CHAIRMAN CROSBY: Yes but it was a
7 very --

8 COMMISSIONER ZUNIGA: 19. I am
9 sorry.

10 CHAIRMAN CROSBY: Whose is it?

11 COMMISSIONER ZUNIGA: It was yours,
12 Mr. Chairman.

13 CHAIRMAN CROSBY: Mine? Got it.

14 COMMISSIONER ZUNIGA: That's the
15 issue. The question asks -- tries to get to the
16 point of awarding the license.

17 CHAIRMAN CROSBY: Right.

18 MR. ZUNIGA: But there are all kinds
19 of activities upstream from that.

20 CHAIRMAN CROSBY: The question I was
21 going to ask was who -- we were talking about
22 talking to Clyde Beryl maybe to get some ideas he
23 might have about it. Are there other good people on
24 the sort of micro side of it not, you know, on the

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1 strategic question the strategic implications are
2 there -- the consultants, I guess, would be good to
3 talk to about this. We had it at three. This was
4 a -- we had this at three and I think we are talking
5 about now moving that up because it affects the
6 investigations. That is why I haven't talked about
7 it. It's in the green. But I think we should
8 change that and move it forward. Okay.

9 COMMISSIONER ZUNIGA: Perhaps what
10 you are alluding to has to do there are a number of
11 moving pieces and moving targets, if you will, where
12 a license may effect the sphere of influence of
13 other licensees. It may be very early for us to
14 know because there are still proposals coming to
15 fruition.

16 COMMISSIONER CROSBY: Right. But
17 that would bear on, you know, do we do the casino
18 license slots fast? That is a reason not to. All
19 right.

20 COMMISSIONER MCHUGH: Yes, but some
21 of this is going to shake itself out by January
22 15th; right?

23 CHAIRMAN CROSBY: Right.

24 COMMISSIONER MCHUGH: And we will be

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1 in a much better position and any policy decision we
2 can make can take account of contingencies that
3 develop. We are going to have a lot more
4 information by then.

5 CHAIRMAN CROSBY: Anything else on
6 the scope of licenses and RFA-1 process? I think
7 that is moving along pretty well. It is getting a
8 little more complicated because obviously somebody
9 has been listening to the Commission talking about
10 encouraging competition and we have been pleased to
11 read the newspapers and see that things are
12 happening in western and eastern Massachusetts,
13 which is exciting and, I think, good for the
14 Commonwealth but it also means we are going to have
15 more on our plate but that's good.

16 Okay. Key policy questions -- this was, I
17 think, just a status report. Did everybody get
18 sufficient consultant time? I am going to need more
19 for question 19 since we are going to move that up.
20 Did everybody have enough time? Do we need to
21 reschedule more?

22 COMMISSIONER CAMERON: No.

23 CHAIRMAN CROSBY: Great but I am
24 going to set one up on question 19 and that can be

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1 re-color coded. Let's make it a red.

2 COMMISSIONER ZUNIGA: One thought I
3 had after the initial call is to start putting
4 together -- I will do this for first my benefit and
5 then for the benefit of the Commission start
6 putting some bullets as to some initial thoughts and
7 distributing them, just thinking out loud, for
8 potential follow up, also with our consultants
9 after that.

10 CHAIRMAN CROSBY: Okay. And also I
11 think there is going to be so much to do on the week
12 of the 10th and we will have ourselves one week.
13 The comments period closes today, I think. Then we
14 basically have a couple days this week and next week
15 for us to prepare for the following week so
16 circulating stuff early is not a bad idea too, I
17 think. Any other suggestions or issue about just on
18 the process? Is that working all right?

19 COMMISSIONER MCHUGH: Yes.

20 COMMISSIONER CAMERON: Yes.

21 CHAIRMAN CROSBY: We got no other
22 additional questions. We got comments but no
23 additional questions. Enrique, you added in the new
24 ones from last week? We gave some to Commissioner

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1 McHugh, I think, in his absence?

2 COMMISSIONER ZUNIGA: Yes. They are
3 not necessarily here in this chart, by the way.

4 CHAIRMAN CROSBY: Okay. I thought
5 you were going to add those in. Those need to be
6 added just so we have a master.

7 MS. REILLY: I thought we were just
8 going to give them to Jim because they weren't for
9 the chart. They were outside of policy questions.
10 We can look at them. I have the notes.

11 CHAIRMAN CROSBY: Okay. One way or
12 the other. I forget. I thought we were adding
13 them. Maybe you are right. Let's just double check
14 on that. Okay.

15 MS. REILLY: Okay.

16 COMMISSIONER ZUNIGA: I will make it a
17 point to follow up myself.

18 CHAIRMAN CROSBY: Okay. I had
19 suggested to Janice that all the comments get
20 distributed to whoever has those questions. There
21 are quite a few comments and we could all get copies
22 of everything or we could just get copies -- if
23 anybody has a preference?

24 COMMISSIONER MCHUGH: My preference

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1 is to get everything --

2 CHAIRMAN CROSBY: Okay.

3 COMMISSIONER MCHUGH -- because we are
4 going to have to discuss them.

5 CHAIRMAN CROSBY: Right.

6 COMMISSIONER MCHUGH: And it will be
7 helpful to see what the public input is for all of
8 us in thinking through what we have to say about
9 issues. It has been invaluable in the past.

10 CHAIRMAN CROSBY: Okay. I think that
11 is it. Did you want to talk about some of the
12 security --

13 COMMISSIONER CAMERON: We are in the
14 process --

15 CHAIRMAN CROSBY: Just so people
16 know.

17 COMMISSIONER CAMERON -- of working on
18 document security for the Commission, a secure
19 portal in which to transport confidential
20 information, which all of this is by the way this
21 investigative material. We see a real need to make
22 sure that material is secure.

23 The other thing we are doing is hiring a
24 room in our facility which is -- which means we will

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1 have a key pad with access and we will know who
2 enters the room, a safe for the materials so the
3 State Police will be out this week in order to
4 secure the office. All of the investigative
5 material will be in one place. It will be secure.
6 And we take that responsibility seriously.

7 CHAIRMAN CROSBY: And next week we
8 are going to talk a little bit about the general
9 process of handling --

10 COMMISSIONER CAMERON: We will be
11 prepared to do that, yes, Mr. Chairman.

12 CHAIRMAN CROSBY: Okay. Onto
13 administration. Director Glovsky?

14 MS. GLOVSKY: Good afternoon.

15 CHAIRMAN CROSBY: Good afternoon. We
16 have been talking. This is really for our people in
17 attendance and the people watching on the Web but we
18 have been talking about building a project
19 management chart that really gives us the tools to
20 understand what we have to do, when we have to get
21 it done, and importantly how everything interrelates
22 where a delay in one place affects a delay in
23 another.

24 And this chart, can you scroll it up

1 and down just so the whole -- on the left-hand side
2 it says that the category, the topic that we are
3 talking about, Phase I regulations as you can see is
4 basically over. Here is the line we are in at the
5 moment. Phase I regulations is basically over.

6 Phase I applications we are in the process
7 right now. we are accepting -- this is the Phase I,
8 accepting that the background check of documents
9 talking about waivers for who is going to qualify
10 and who is not going to qualify and eventually when
11 we approve finally the applications that starts the
12 background check process.

13 As you can see we have I think six months.
14 In about four months we are anticipating that the
15 background check for process for the category II
16 license, the slots license, will be ready to go
17 forward probably by April, May, and that is this
18 line. Scroll it back up again.

19 Anyway, the big one here that I wanted to
20 really focus on is this background check process so
21 that people really understand the interrelated
22 nature of this. This is the 90-day period in which
23 we expect to get the filled out background forms
24 given to us and to determine with each of the

1 bidders who will have a background check done and
2 who will not. If that happens quicker, if that only
3 takes two months rather than three, then that moves
4 the entire process up by a month. If on the other
5 hand we have to debate at great length who the
6 qualifiers are, who the investigated people are, and
7 it goes longer than 90 days, then obviously it is
8 just going to push the whole process out. Then
9 there is a six-month period here for doing the
10 background checks for the casinos, a four-month
11 period for the slots.

12 Again, we are -- if we do the
13 background checks there are no issues. It goes
14 quickly. There are no debates or appeals on the
15 decisions. Then we can go to the second phase of
16 the application process right at the end of the
17 investigation which will be give or take six months.

18 If on the other hand there are
19 debates, disagreements about the outcomes of some of
20 the investigations then we have an opportunity for
21 the Commission to review those contested issues, to
22 have public hearings, and to eventually make
23 decisions another 90 days out. Taken together that
24 whole process is as much as 12 months but it can be

1 longer or shorter depending on what is going on.
2 Nothing else is immovable. Any time we can save in
3 the background check we can pass on to other stages
4 of the game. Not totally. We still have to write
5 the regulations for the applications and that will
6 take a period of time but I think the application,
7 the regs -- this is a drafting of the regs, right?
8 So the drafting of the regs will be done about four
9 months out in the background checks.

10 So theoretically we would be ready to
11 go to applications, the second phase, as soon as
12 April or May or June. So that was just the only
13 point. This is available for anybody to look at,
14 particularly our friends in the media who are
15 concerned about the time. I mean, this is something
16 that is really interesting to understand and to see
17 where the variables are and where we can make
18 changes.

19 Interestingly, just to give you an
20 order of comparison we just got a report from
21 Pennsylvania. They are issuing some more licenses
22 and they have just received their applications. Not
23 their Phase I applications, the full application,
24 and they are allocating one year to make the

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1 decision from the time they receive the application
2 to the time the license is awarded so just to give
3 you a relative order of magnitude. Okay. Anything
4 else on that?

5 So we are not, just the Commission is
6 now using every Monday morning we use this and go
7 over it and see whether we are on track, whether
8 there are slippages, whether there are issues that
9 need to be addressed. Every time we look at this it
10 surfaces questions because everything relates to
11 everything else.

12 Down below -- scroll down to the
13 hires. That's the racing division, the regs, the
14 changes we are doing for the legislation about the
15 law. These are all of our additional hires and they
16 are all tied into crucial positions. The head of
17 investigations, enforcement, the director of
18 licensing and so on and so forth. So it's a very
19 valuable document that we are now using every week.
20 And thank you to our vender, PMA. It's great. Are
21 there other --

22 COMMISSIONER MCHUGH: We intend to
23 use this, at least briefly, at each of our public
24 meetings; correct?

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1 CHAIRMAN CROSBY: Yes. Well, we were
2 going to see how it goes. I think it would be a
3 great idea if we can target in -- it doesn't
4 actually do it on this chart -- but we can target in
5 on the week we are in and just run through this and
6 demonstrate to the public whether we are on track or
7 not. I think that is a good idea. Elaine, if you
8 have that. Okay, director?

9 MS. GLOVSKY: You saw the hires and
10 personnel being put together. I have been working
11 with Director Berger. We have all the racing
12 postings and responses to that and working through
13 that. That is going to keep us busy over the next
14 six weeks.

15 In addition we have one new employee
16 this week who is working for Commissioner McHugh,
17 Artum. Commissioner McHugh, did you want to --

18 COMMISSIONER MCHUGH: Yes, Artum is
19 a -- in two days will be a newly minted lawyer in
20 Massachusetts, a recent graduate of Boston
21 University Law School, here on a Boston University
22 Law School fellowship program created and they will
23 be with us for a year. The competition was very
24 stiff for this position and publicized and we are

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1 delighted to have Artum with us and know that he can
2 bring some substantial value.

3 CHAIRMAN CROSBY: It is purely
4 coincidental that Commissioner McHugh and I both
5 went to BU law school.

6 MS. GLOVSKY: The only other thing I
7 wanted to mention is that thanks to Ellen Cassidy
8 and Jamie Ennis who were extremely helpful and being
9 the procurement team for the stenographic services
10 is that I do have a memo to give out. I didn't have
11 it done in time for the packets.

12 But what I think we are going to have
13 a pre-qualified group of vendors to provide
14 stenographic services. As we look at just the month
15 of December having several vendors that we can turn
16 to particularly when we look at I think the week of
17 the 10th when we have something for almost every
18 day.

19 We went through the entire program.
20 40 percent of this was based on the technical
21 response and the quality of their staff and their
22 ability to meet the requirements that we set forth
23 in terms of being able to turn things around in 24
24 hours or 48 hours or to be able to respond to us

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1 within 24 hours if we decided we needed to have an
2 emergency meeting and also the quality of the people
3 they have working for them as well as their business
4 references and 60 percent of the response was based
5 on cost.

6 So that the top three vendors I
7 recommend to be pre-qualified for use by the
8 Commission I recommend Catuogno and Sten-Tel,
9 Reporters, Inc. and Copley Court Reporting. Again,
10 thank you to Ellen Cassidy and Jamie Ennis for their
11 assistance.

12 CHAIRMAN CROSBY: Do we need to do
13 anything on that? Do we need to vote to adopt them?

14 MS. GLOVSKY: I don't know.

15 COMMISSIONER ZUNIGA: We have taken a
16 vote when we have pre-qualified our three sets of
17 advisers who helped with us searches, personal
18 searches. We took a vote.

19 MS. GLOVSKY: Do you want to do that
20 next week so I have time to get the memo to all of
21 you?

22 COMMISSIONER ZUNIGA: That would be
23 just fine.

24 CHAIRMAN CROSBY: If that time is all

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1 right with you. Yes.

2 MS. GLOVSKY: That is all I have at
3 this time. Are there any questions?

4 COMMISSIONER MCHUGH: Each of them
5 would produce draft minutes as well?

6 MS. GLOVSKY: Yes. That was included
7 as one of the things they would have to do. They
8 would have to do summarizations.

9 CHAIRMAN CROSBY: Great. Thank you.

10 MS. GLOVSKY: Thank you very much.

11 CHAIRMAN CROSBY: Commissioner
12 Zuniga, you have a topic as well?

13 COMMISSIONER ZUNIGA: Yes. I have a
14 brief topic to be included in the topic as a
15 recommendation to approve a second amendment of the
16 contract with outside counsel. We have run the
17 course of the prior contract terms.

18 They expired November 15 and
19 Commissioner McHugh who has been the project manager
20 of this effort has recommended and conferred with me
21 to put together this second amendment as described
22 in this brief memo here. I can talk about any
23 specifics or is there any questions?

24 CHAIRMAN CROSBY: Certainly from my

1 standpoint I have been really satisfied with
2 Anderson and Krieger so I don't have anything to
3 add. Anybody?

4 COMMISSIONER MCHUGH: Let me just say
5 briefly because I worked very closely with them in
6 one context or another over the last eight months
7 and particularly in the context of preparing the
8 Phase I regulations. They worked extremely well
9 with the outside consultants and the process we used
10 for taking the regulations from a concept to the
11 actual words formed, the Massachusetts form, really
12 worked well. And I worked very closely with them.

13 Now that we are building an in-house
14 staff the amount of time and the number of things
15 for which we are going to have to rely on them is
16 going to diminish but they still have an expertise
17 in the regulatory process that we can and should
18 take advantage of and now have a store of background
19 knowledge that would be valuable to us as we
20 proceed. So it's a good asset to have.

21 COMMISSIONER ZUNIGA: In addition to
22 that, let me mention the way this was procured we
23 have all the flexibility to make any number of
24 amendments subsequent -- and extensions --

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1 subsequent to the original contract. So this
2 constitutes a very prudent and within the budget as
3 approved by the Commission in September of this
4 year.

5 CHAIRMAN CROSBY: Great. Do you want
6 to move?

7 COMMISSIONER ZUNIGA: So if there is
8 no discussion I move that the Gaming Commission
9 approve the second amendment of the contract with
10 Anderson and Krieger to continue the services of
11 outside counsel. The amendment is for an additional
12 \$200,000 at this point and the proposed term is to
13 extend that from November 15 of this year, 2012, up
14 until November 15 of 2013 for a full year.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER MCHUGH: Yes, I second
17 that.

18 CHAIRMAN CROSBY: Any other
19 discussion?

20 COMMISSIONER MCHUGH: I just would
21 note by way of discussion that the \$200,000 is
22 essentially a cap. We are billed on time and only
23 for the time actually expended. It is not a
24 commitment, that sum of money, and that's the way

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1 the first contract worked, the first stage of the
2 contract.

3 CHAIRMAN CROSBY: Have we finished
4 the balance? Did we use up everything of value?

5 COMMISSIONER ZUNIGA: Yes. We used
6 up the original balance -- well, two balances, if
7 you will.

8 CHAIRMAN CROSBY: Yes.

9 COMMISSIONER ZUNIGA: And the term as
10 well. I mentioned to you as well, Commissioner
11 McHugh, and our consultants have done a great job of
12 summarizing the work plan and modifying the work
13 plan as needed. Some original tasks were modified,
14 others deleted, and others are on going so that has
15 been the effective contract management.

16 CHAIRMAN CROSBY: Great. All in
17 favor? Aye?

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MCHUGH: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Opposed? The Ayes
23 have it. Personnel searches, I think there is in
24 your package -- actually, why don't you --

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1 Commissioner Stebbins, do you want to take this one?

2 COMMISSIONER STEBBINS: Sure. As a
3 result of our meeting last week you will find in
4 your packet a draft job description for a position
5 entitled director of gaming workforce and supplier
6 development and diversity initiative.

7 As we talked about in previous
8 meetings we are going to talk about it again because
9 of the MOU and the Casino Careers Institute is on
10 the agenda but we have talked about, actually, I
11 think it is in our plan, albeit, under a different
12 title, Work Force Development.

13 This is a job description and
14 position that would not only be the Commission's
15 staff leader but including the implementation of a
16 work force development plan, building off that
17 meeting that Chairman Crosby and I had with key
18 business resources from across the Commonwealth to
19 support small businesses in Massachusetts who may be
20 interested and need to build their capacity to be a
21 qualified supplier and vendor to these large casino
22 operations and at the same time promoting diversity
23 across the initiatives.

24 So a person with a wide variety of

1 skills from business development to work force
2 planning as well as diversity initiates an HR field.
3 I don't think we necessarily agreed upon a timing
4 for posting this position, Mr. Chairman, but we can
5 talk about that. You see in front of you the draft
6 job description for this position.

7 CHAIRMAN CROSBY: I thought the job
8 description was really good. The only -- I am not
9 sure this matters but under knowledge and skills
10 required do you think it is an absolutely a
11 pre-requisite that they have public sector
12 experience? There could be a lot of people that
13 have worked in the private sector, who have been
14 based in the private sector but interfaced with the
15 public sector?

16 COMMISSIONER STEBBINS: That first
17 bullet we could easily move that down into the third
18 category.

19 CHAIRMAN CROSBY: Yes.

20 COMMISSIONER STEBBINS: Because the
21 second bullet under knowledge or skills preferred I
22 think would allow itself to be interpreted as
23 private sector experience but, you know, building
24 off the work, at least in the training area we know

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1 that we are going to do is going to involve a number
2 of public entities.

3 CHAIRMAN CROSBY: Right.

4 COMMISSIONER STEBBINS: Someone with
5 experience already in the public sector who has been
6 doing that type of work but we could easily move
7 that down into preferred so as not to exclude
8 anybody.

9 CHAIRMAN CROSBY: I think that is
10 worth doing. Any other thoughts about this?

11 COMMISSIONER MCHUGH: I have a
12 question about the first bulletin, job
13 responsibilities. That gives the appearance of
14 exclusivity.

15 CHAIRMAN CROSBY: Let's add, and
16 others. Is that all right?

17 COMMISSIONER MCHUGH: Yes. If we
18 added and others I would prefer that.

19 CHAIRMAN CROSBY: That's a good
20 point. I didn't pick that up. Okay. I think we
21 ought to post it ASAP. It takes forever to do
22 searches because of the process we have to go
23 through. I think this is very important. I would
24 like to see us -- if for some reason we might decide

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1 not to do the hiring immediately, but I think if we
2 can get the ball rolling now and start finding
3 candidates I would like to post it this afternoon
4 for however long -- how long do we usually post?

5 COMMISSIONER ZUNIGA: Keep it open
6 for a month?

7 CHAIRMAN CROSBY: Yes. Let's all
8 send it around to people that we know. I would like
9 to get this one going quickly.

10 COMMISSIONER STEBBINS: We usually
11 post for a month. If we look to post for a month
12 from now we will be in that holiday window so maybe
13 we want to extend it beyond that to the first of the
14 year to the 10th or the 15th in the month of
15 January.

16 CHAIRMAN CROSBY: I forget now who
17 does these. Do you do these or does Eileen?
18 Eileen. Okay. So I don't think we need to vote on
19 that. So we are off to the races on that. Space.
20 Where are we at? What's our need? When are we
21 going to meet it?

22 MS. REILLY: Currently we are in the
23 process of working with the landlord to do two
24 things, one is to extend the lease in our current

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1 space which as you guys know was only a one-year
2 lease and we also need to lease additional space
3 within the building.

4 So we are working with them with the
5 goal hopefully to have additional space by January
6 15th because the two spaces that we have will be
7 filled by then and we are in the process of hiring
8 additional employees and bringing down the racing
9 division people.

10 So we have ordered additional cubes
11 for the space that we are in which will accommodate
12 the racing division people but any additional hires
13 above that we are going to need additional space so
14 we are in the process and hopefully we will know
15 within the next week whether or not the January 15th
16 date will work for additional space in the building.

17 And then after that the process will
18 be that probably somewhere around the beginning next
19 year, January, maybe February timeframe to send out
20 an RFP for a permanent space for the Commission.

21 The building we are currently in
22 probably will not be able to accommodate us for our
23 needs going forward so that is where we stand.

24 CHAIRMAN CROSBY: Did you say by the

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1 middle of January we will know whether -- when will
2 we know whether we will be able to accommodate the
3 January 15th?

4 MS. REILLY: Probably by the end of
5 this week, beginning of next week.

6 CHAIRMAN CROSBY: And if we don't?

7 MS. REILLY: There are a couple of
8 different scenarios in the building one that is at
9 play right now that would have us with additional
10 space by January 15th. There is other space that we
11 could move into but it is not as desirable.

12 There needs to be some work done
13 there. We would have to do some build up. The
14 space that we are currently negotiating for we can
15 move in after maybe just painting and not have to do
16 any kind of construction to get us in there. So it
17 is more desirable from that standpoint.

18 CHAIRMAN CROSBY: Great.

19 MS. REILLY: We are working.

20 CHAIRMAN CROSBY: Great. The
21 Employee Manual, chapters one and three,
22 Commissioner Zuniga.

23 COMMISSIONER ZUNIGA: Yes. I have
24 included in the package the latest draft as we have

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1 talked about with the latest additions and edits,
2 notably the edits from the last meeting relative to
3 written recommendations. The policy is now that the
4 State has included here that they cannot be taken
5 into account until candidates have met all other
6 requirements, all the pre-requisites.

7 I have also included in the first
8 chapter as we discussed a little while ago our core
9 values and other minor edits. And I have done the
10 same with chapter three, which includes some minor
11 edits and are now ready to be submitted for
12 approval.

13 CHAIRMAN CROSBY: Any further
14 comments?

15 COMMISSIONER MCHUGH: Commissioner
16 Zuniga has done a terrific job with these chapters
17 as well and I think they are good, sound,
18 thoughtful, comprehensive chapters.

19 COMMISSIONER CAMERON: I would agree.
20 Easy to read, to understand, clearly articulated
21 what the process is. I think any employee who would
22 read this would clearly understand what we are all
23 about and what the responsibilities are. So well
24 done.

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1 COMMISSIONER ZUNIGA: Thank you.

2 CHAIRMAN CROSBY: Do you want to move
3 to adopt it?

4 COMMISSIONER ZUNIGA: So I move that
5 we adopt chapters one and three of the Employee
6 Handbook as submitted and presented.

7 COMMISSIONER STEBBINS: Second.

8 CHAIRMAN CROSBY: All in favor?

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER MCHUGH: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: Opposed? The Ayes
14 have it. Racing division --

15 COMMISSIONER MCHUGH: Can I just --

16 CHAIRMAN CROSBY: Yes.

17 COMMISSIONER MCHUGH: So we are going
18 to continue this process next week? We will have a
19 couple of chapters to consider and then continue on?

20 COMMISSIONER ZUNIGA: Yes. Submit
21 them for review and additional research, if any, and
22 them subsequently approval.

23 COMMISSIONER MCHUGH: This is a good
24 process.

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1 CHAIRMAN CROSBY: Maybe we should do
2 it one chapter at a time so we can extend this
3 longer? Great stuff. Hate to have this come to an
4 end.

5 COMMISSIONER ZUNIGA: This was an
6 initial task contemplated for our outside counsel,
7 by the way, which we took out of the original plans.

8 CHAIRMAN CROSBY: Saved some serious
9 money.

10 COMMISSIONER ZUNIGA: My bidding rate
11 is much lower, yes.

12 CHAIRMAN CROSBY: Thank you. That is
13 terrific. All right. Racing Division, Commissioner
14 Cameron?

15 COMMISSIONER CAMERON: Yes, Mr.
16 Chair, on behalf of our racing director I will be
17 reporting since she is ill.

18 The first issue is the equine drug
19 testing laboratory closure. A meeting was held
20 yesterday with key staff members over at the lab in
21 order to assure that all of the issues that were
22 pending can be taken care of in a timely manner.

23 And when I talk about issues it is
24 disposal of equipment and hazardous materials. All

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1 of those issues have been worked out and at this
2 time I am assured that we are in a position to close
3 the lab and I would like to make a motion that we
4 vote on closing the equine drug testing laboratory
5 on December 31st of this year.

6 CHAIRMAN CROSBY: Second?

7 COMMISSIONER MCHUGH: Second.

8 CHAIRMAN CROSBY: Discussion?

9 COMMISSIONER MCHUGH: This is
10 probably a silly question but I take it there are no
11 pending analysis left?

12 COMMISSIONER CAMERON: That's
13 correct. No pending analysis. No pending cases in
14 which involve samples so we are prepared to properly
15 close the laboratory. Notifications have been made
16 to U-Mass. We are renting that laboratory at this
17 time from the University of Massachusetts.

18 There will be an official letter sent
19 but those phone calls have been made and everyone is
20 well aware of our plan and I would like to credit
21 U-Mass for being very helpful in offering their
22 services to assist us in the closure and also like
23 to credit the staff from the State Racing Commission
24 who have worked hard to implement this plan.

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1 CHAIRMAN CROSBY: Great.

2 COMMISSIONER ZUNIGA: I have another
3 comment. We will be in good position to have
4 selected the new lab as we are going --

5 COMMISSIONER CAMERON: Correct. The
6 RFP is awaiting final approval from us and that
7 process is in place, timelines are in place, and we
8 will be able to meet those timelines.

9 CHAIRMAN CROSBY: Great. This is a
10 big, big improvement so I am really glad. I think
11 it is great. Any further discussion? All in favor?
12 Aye?

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER STEBBINS: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 CHAIRMAN CROSBY: Opposed? Ayes have
18 it.

19 COMMISSIONER CAMERON: Okay. At this
20 time I would like to call our transition coordinator
21 Doug O'Donnell who is going to give us a report on
22 the finances for the racing division.

23 CHAIRMAN CROSBY: And this was in
24 response simply to my asking at the last meeting if

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1 we could just sort of be briefed on how the income
2 and expense works because I, for one, didn't really
3 understand it and I don't think we ever really had
4 it presented.

5 COMMISSIONER CAMERON: Correct.

6 MR. O'DONNELL: Good afternoon.
7 Jennifer and I put together some information last
8 week. Obviously she is not here today. But it is
9 in regard to revenues and expenditures of state
10 racing and just an overall picture as to how the
11 money flow works in state racing.

12 It can be somewhat complicated
13 because there are a number of revenue streams and
14 expenditures that go along with the trust funds and
15 whatnot, but what you have before you is a racing
16 division money flow chart which somewhat simplifies
17 the sources and where the monies go.

18 So from the top you can see revenues
19 from tracks. There are two separate accounts that
20 we have: The general account where the funds are
21 wired in. They are both with Bank of America. And
22 that is the revenue from the state commission, the
23 track daily license fees and the track assessments.

24 CHAIRMAN CROSBY: The revenue from

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1 the state commission is what?

2 MR. O'DONNELL: It is coming in from
3 the different tracks. It is based on the statutory
4 take out and there are different percentages
5 depending on if its live. It's in the statute.

6 CHAIRMAN CROSBY: So by state
7 commission you mean the statutory assessments?

8 MR. O'DONNELL: Yes.

9 CHAIRMAN CROSBY: I got you. Okay.

10 COMMISSIONER ZUNIGA: It would be
11 akin to the gross gaming credit that we get.

12 MR. O'DONNELL: Right.

13 CHAIRMAN CROSBY: Right.

14 MR. O'DONNELL: A percentage of the
15 para-mutual. And that is based on the statute what
16 the percentages are. The track daily license fee
17 which is based on \$300 a day when the tracks are
18 open that is also wired into that account and the
19 track assessment, which is a computation based on
20 the total para-mutuals and broken down on a
21 percentage basis. Those monies are also wired into
22 the account.

23 And it's all through the racing
24 financial system, which is a program we have in

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1 place. We have a vendor which actually put the
2 program in place and we are working with him moving
3 forward to see where we are going to go with any
4 type of auditing system we are looking into.

5 Monies that are also wired into that
6 account are the trust funds, the monies from the
7 stabilization fund, capital improvement funds, and
8 the promotional funds.

9 The other account that we have is the
10 basic track account, which is, those are actual
11 deposits made from the track. The inspectors make
12 the deposits for it. The occupational licensing
13 fees and any type of fees that may be imposed.

14 CHAIRMAN CROSBY: Excuse me, Doug,
15 the stabilization fund and the capital improvement
16 fund, the stabilization fund is an existing fund.
17 That's the race horse stabilization.

18 MR. O'DONNELL: Yes.

19 CHAIRMAN CROSBY: Is that also the
20 capital improvement fund as an existing fund?

21 MR. O'DONNELL: No, the stabilization
22 fund is the one regarding the dogs.

23 CHAIRMAN CROSBY: That is paid out to
24 the former owners?

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1 MR. O'DONNELL: Correct. But again
2 it is a calculation between the breaks and the
3 unclaimed tickets where monies are deposited --
4 collected here in the general fund, the percentage
5 from the RFS is wired in, and from there those
6 monies go into the stabilization fund where at that
7 point they are approved and disbursed to the owners,
8 the dog owners.

9 CHAIRMAN CROSBY: And the capital
10 improvement and promotional funds? Again, explain
11 those to us.

12 MR. O'DONNELL: The capital
13 improvement fund that is monies that the state
14 basically holds, which are the tracks money. We
15 hold that money for them to do capital improvements.

16 So we will hold money. They will
17 send in a requisition to have work being done on a
18 facility. It will be approved by us and at that
19 point it will be disbursed back to them for payment.

20 COMMISSIONER MCHUGH: How does
21 money -- from what source does money go into that?

22 MR. O'DONNELL: It basically attracts
23 money but we hold onto it for them to do --

24 COMMISSIONER MCHUGH: Periodically

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1 issue a call for more money for that fund?

2 MR. O'DONNELL: No, the monies come
3 in. Again, it is a percentage of the breaks from
4 the para-mutual wagering that comes in.

5 COMMISSIONER MCHUGH: All of that
6 feeds all of these funds?

7 MR. O'DONNELL: Yes. Those become
8 our revenue sources to the state. The
9 stabilization, capital improvement fund, and
10 promotional funds are not revenue sources.

11 COMMISSIONER MCHUGH: I understand,
12 but the money comes from the tracks in the same
13 fashion.

14 MR. O'DONNELL: Correct. And again
15 the tracks will submit their requisition to us for
16 work that has to be done or the promotional fund if
17 they are promoting a raise or if there is something
18 that they are doing. It all depends what monies are
19 available.

20 And from there as you can see from
21 the chart all those monies go into the sweep account
22 and they are disbursed into the track accounts,
23 which are the capital improvement, promotional, and
24 stabilization fund.

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1 The process we currently have now
2 there is an approval process with the CR's, the cash
3 receipts. They are done on a monthly basis. They
4 are approved by Commissioner Cameron, sent to them,
5 and it is authorized and sent back to us.

6 CHAIRMAN CROSBY: And the MGC
7 oversight fund that's essentially the operation of
8 the division?

9 MR. O'DONNELL: Yes, right.

10 CHAIRMAN CROSBY: So the trust funds
11 feed the trust accounts and the stabilization fund.
12 What you referred to as the two revenue categories:
13 general and track, they feed the oversight fund?

14 MR. O'DONNELL: Yes.

15 CHAIRMAN CROSBY: And the two --
16 maybe this is on your next page but do the two
17 revenue categories equal the total expense of the
18 operation?

19 MR. O'DONNELL: Revenue categories
20 equal the total expense?

21 CHAIRMAN CROSBY: Yes.

22 MR. O'DONNELL: We can look on that
23 chart. This is a running P&L or revenue expense
24 report for the calender year of 2012. They are

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1 actuals up through October and then the last two
2 months are estimates.

3 And if you see up top it is broken
4 down by projected program revenue, which is what we
5 have just gone over, the commissions, licensing
6 fees, occupational fees and what not. And then that
7 will give you the totals, the total program revenue
8 on a monthly basis.

9 And then if you look at the
10 expenditures that will also show on a monthly basis
11 what they are. And if we go out through May and
12 June for the expenses that is when state racing
13 ceased to exist, which is 5/19, and then the ISA
14 went into place with NGC, so those revenues are
15 done.

16 I get that information every other
17 month so that is why it is separated there but as
18 you can see from this if you look at the first
19 column at the projected program revenues and the
20 expenditures there is a surplus showing over a
21 million dollars for the calendar year 2012.

22 The reason why that is so high this
23 year is because of the issue with the local aid
24 which my understanding it still hasn't been -- it is

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1 still up in the Attorney General's Office. We
2 haven't got a clear understanding on that yet.

3 CHAIRMAN CROSBY: So that category,
4 local aid to host communities is --

5 MR. O'DONELL: In March there was a
6 payment, 368, that was paid.

7 CHAIRMAN CROSBY: Right.

8 MR. O'DONNELL: And that should be
9 done every quarter and it has not been paid since
10 then.

11 CHAIRMAN CROSBY: So three of those
12 quarters would pretty much equal the million
13 dollars?

14 MR. O'DONNELL: No, it would equal --
15 if you look on the following page that would equal a
16 total of -- you can see that at 2012 calendar year
17 payments, no payment MGC for three quarters. That
18 equals \$701,431,000.

19 CHAIRMAN CROSBY: The no payment?

20 MR. O'DONNELL: Yes.

21 CHAIRMAN CROSBY: The 731,000 did you
22 say?

23 MR. O'DONNELL: \$701,431,000.

24 COMMISSIONER MCHUGH: So you say that

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1 should be done, those payments should be made every
2 quarter and they haven't been done. And they
3 haven't been done because the legislature was
4 changed to prevent them from being done.

5 MR. O'DONNELL: Correct.

6 COMMISSIONER MCHUGH: I just want to
7 make that clear.

8 COMMISSIONER ZUNIGA: I may be
9 mistaken but I thought two payments were made and a
10 third one was not.

11 MR. O'DONNELL: At this point this
12 was all that was paid. The issue was with the
13 189,000, which would have been for the first quarter
14 of this year, January, February, and March, it
15 should have been paid 9/30, September 30, has not
16 been paid. And then we are going on further to the
17 end of this year there is another 273,000.

18 COMMISSIONER ZUNIGA: Okay.

19 CHAIRMAN CROSBY: In prior years has
20 there been a surplus or deficit?

21 MR. O'DONNELL: Yes. There has been
22 a trend of raising the para-mutuals going down.
23 When they abolished the Greyhound racing there were
24 major cuts in the budget for state racing and since

1 then it has somewhat plateaued because of the
2 staffing that was reduced. I mean, staffing doubled
3 up, racing revenues did decline.

4 State racing has always been
5 self-funded, so it has supported itself. And, in
6 fact, there was a surplus after all of the -- after
7 the local aid, after the economic assistance, which
8 is in the compulsive gamblers, which is \$210,000
9 combined there was a surplus of roughly \$280,000 at
10 the end of the calendar year.

11 And what happens at that point it is
12 in the legislation that money is distributed to the
13 tracks both for Suffolk and Plainridge, which goes
14 to the purse accounts. So the purse accounts will
15 get an additional \$140,000 from 2011.

16 With this year, as you can see,
17 depending on what happens with the local aid, the
18 situation of the status of the local aid there is
19 approximately, there will be \$210,000 taken out of
20 the estimated million dollars, which would leave
21 approximately \$800,000 to be disbursed to the purse
22 accounts at the tracks for 2012.

23 CHAIRMAN CROSBY: If we don't have to
24 use it for local aid in the end?

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1 MR. O'DONNELL: Correct. I mean,
2 that can be expensed out prior to the end of the
3 year for the operating budget but if it is not done
4 by 12/31 then those monies are distributed to the
5 purse accounts.

6 CHAIRMAN CROSBY: Good. It is
7 interesting that even with the decline that it
8 stayed positive.

9 MR. O'DONNELL: There is an increase
10 this year compared to last year. I think it may
11 have just plateaued in terms of what the para-mutual
12 wage is but it has increased over last year.

13 CHAIRMAN CROSBY: Great. That is
14 very helpful. That is exactly what I needed.
15 Anybody -- is there more stuff here that you want us
16 to look at?

17 MR. O'DONNELL: Yes. You can see on
18 the -- by the way that Massachusetts State Racing
19 Commission, Racing Development, and Oversight Fund.

20 CHAIRMAN CROSBY: Right.

21 COMMISSIONER CAMERON: Page No. 4.

22 MR. O'DONNELL: This is in the annual
23 report. This shows a comparison of the program
24 revenues and expenses from 2011 to 2010. And it

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1 just does give you a breakdown of the commissions,
2 what the revenue expenses are and also gives you
3 notes as to where those monies go and, you know,
4 between the purse accounts, the overages, and this
5 is done on an annual basis. This is put in the
6 annual report.

7 COMMISSIONER ZUNIGA: And you took it
8 out the end of the year, right?

9 MR. O'DONNELL: Calendar year,
10 correct.

11 CHAIRMAN CROSBY: But the outs, the
12 965,000, that is what goes to those three trust
13 funds, right, not to the operational expenses?

14 MR. O'DONNELL: The outs go back to
15 the tracks. They are unclaimed tickets so those
16 will go back to the tracks. In the case of the dogs
17 it goes to the stabilization fund.

18 You have a year after -- unclaimed
19 tickets you have a year and those funds will go back
20 to the tracks or the case of the dog tracks they
21 will go back to the stabilization fund.

22 CHAIRMAN CROSBY: Great. Anything
23 else? Questions or anything? Great. Thank you.
24 It was helpful.

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1 COMMISSIONER CAMERON: Thank you.
2 Mr. Chair, with regard to a transition update the
3 jobs as we mentioned last week have been posted.
4 Those resumes will be reviewed and we will be
5 prepared to be fully operational on January 1, 2013.

6 CHAIRMAN CROSBY: Great. Anything
7 else about racing?

8 COMMISSIONER CAMERON: That concludes
9 my report. One last thing, if I may make note that
10 we introduced Danielle Holmes several weeks ago as a
11 new staff member. She also will be a newly minted
12 lawyer this week.

13 COMMISSIONER MCHUGH:
14 Congratulations.

15 COMMISSIONER CAMERON: Two on staff.
16 Congratulations.

17 CHAIRMAN CROSBY: A gaming commission
18 party coming up.

19 COMMISSIONER MCHUGH: That presents a
20 lot of hard work.

21 CHAIRMAN CROSBY: Yes. Public
22 education information, Ombudsman Ziemba.

23 MR. ZIEMBA: Mr. Chairman, over the
24 course of the last week I have continued my outreach

1 activities. Of particular note I have been in
2 contact with the City of Everett and the City of
3 Holyoke. You probably have seen the press responses
4 regarding both of those potential applications.

5 Winn Resorts is in active
6 conversations with the City of Everett. I have met
7 with a couple of representatives from the mayor's
8 office earlier today and we discussed how the city
9 could best get organized for those discussions and
10 what the timelines are, particularly of note the
11 January 15th deadline and then deadlines going
12 forward on the Phase I application process.

13 I have also been in conversation with
14 the City of Holyoke. They are in conversations with
15 two potential applicants. In the course of my
16 conversation with both of the above cities we
17 stressed it is the responsibility of the applicants
18 and a responsibility of the host communities to try
19 to engage surrounding communities to make sure that
20 is a process that works for everyone. And we
21 discussed how the eventual process works here with
22 the Commission for any sort of appeals of
23 surrounding community determinations.

24 I have also been in conversations

1 with a couple of surrounding communities for at
2 least two of the different regions and the one thing
3 that I did stress to them the January 15th deadline
4 should not be seen as the end of any process,
5 specifically people shouldn't think that there is a
6 need to get a surrounding community mitigation
7 agreement concluded by January 15th.

8 CHAIRMAN CROSBY: Actually, show them
9 on the chart. Show them where it is on the chart.
10 Yes.

11 MR. ZIEMBA: So, obviously, there is
12 anxiety with all proposals but the fact that things
13 don't have to be done by January 15th relieves some
14 of that anxiety. Today is the deadline for the
15 policy questions. We have received some of those
16 responses.

17 Pursuant to the discussion at last
18 week's meeting we sent out an advisory to the
19 legislature and we detailed to them the January 15th
20 deadline and also our policy process.

21 The final item that I have to report
22 is that we continue to have active conversations
23 with the regional planning agencies and how to
24 engage them on the surrounding community process and

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1 advise that they may proceed to host communities and
2 those discussions are proceeding very well.

3 I think that we may have a joint
4 meeting of the three impacted regional planning
5 agencies within the next week or so to further
6 discuss that possibility. That is all I have.

7 CHAIRMAN CROSBY: You were concerned
8 about making sure that -- particularly I think the
9 municipalities, maybe both municipalities and
10 developers had a chance to comment on the questions
11 and stuff and to get them out to them. Have you
12 gotten the kind of feedback or reactions that you
13 were looking for?

14 MR. ZIEMBA: I haven't really seen
15 many of the comments that we have received today. I
16 don't think that we received too many.

17 MS. REILLY: A lot of them came in
18 today.

19 MR. ZIEMBA: And I know the regional
20 planning agencies, at least the first page of
21 questions was sent to every one of the regional
22 planning agencies.

23 CHAIRMAN CROSBY: Right.

24 MR. ZIEMBA: And I know we will be

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1 getting a lot of comments. As you know we also
2 submitted the fact that we are doing those policy
3 questions to all of the adjacent communities as
4 well. And I do see some of those responses have
5 come in so far. So I think we will have some pretty
6 good comments.

7 CHAIRMAN CROSBY: Great. Anything
8 else? Questions?

9 COMMISSIONER ZUNIGA: Just a brief
10 comment. I think as the landscape continues to
11 evolve about proponents and applicants in my
12 estimation this idea of involving the original
13 planning agencies is fantastic because they will
14 provide a very useful, a very pragmatic role for
15 everybody. And I think it's great efforts on behalf
16 of all of us but especially you, John.

17 CHAIRMAN CROSBY: Are you talking
18 about in the application process?

19 CHAIRMAN ZUNIGA: No, in the
20 coordination of the host and the surrounding
21 communities --

22 CHAIRMAN CROSBY: Conversations.

23 CHAIRMAN ZUNIGA -- conversations.

24 CHAIRMAN CROSBY: Yes.

24 And the fact that these new

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1 communities have some place to turn right off the
2 bat is great. We have been out trying to encourage
3 new communities. It is good that we can service
4 them when they appear. So great.

5 Commissioner McHugh, you came from
6 the problem gambling session. Was there anything
7 that you were interested in passing on?

8 COMMISSIONER MCHUGH: There were two
9 things. I have a memorandum that I will distribute
10 to everybody that goes into a little bit more
11 detail. But there were -- this was a -- the forum
12 was entitled New England Problem Gambling
13 Consortium. It is a meeting they hold twice a year
14 for all the compulsive gambling groups in the New
15 England area.

16 So there were representatives from
17 Rhode Island there. There were representatives from
18 Connecticut, representatives from Massachusetts.
19 And two points among many thoughtful contributions
20 by those assembled stand out.

21 One is that the New England Council
22 has recently hired two weeks ago a person who has
23 spent his entire career in surveying largely on
24 behalf of lottery commissions. He was the marketing

1 director for the Connecticut State Lottery for the
2 last year and a half.

3 He ran a consulting firm for 20 years
4 in which he serviced lottery commissions all over
5 the country and before that he was on staff of some
6 other lottery commission. So he was a marketing
7 director in all of those capacities.

8 He has now turned his talents to
9 creating. And his first order of business is to
10 create a survey in Massachusetts to establish a
11 baseline of compulsive gambling. And he is
12 designing now a survey that he will use, an on-line
13 survey that he will use in a statistically valid way
14 he says to accomplish the effort -- accomplish the
15 task of creating that baseline.

16 He described basically what his
17 methodology was and said that before the actual
18 questionnaire is sent out that he will coordinate
19 with us and other stakeholders. But it seems to me
20 that fits in precisely with the kind of research and
21 baseline establishment that we are trying to
22 establish.

23 CHAIRMAN CROSBY: Absolutely. Who
24 is funding that?

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1 COMMISSIONER MCHUGH: The
2 Massachusetts Council of Compulsive Gambling.

3 CHAIRMAN CROSBY: Massachusetts
4 Council.

5 COMMISSIONER MCHUGH: Yes,
6 Massachusetts Council is funding this. So he is
7 very -- he is convinced that he can use this tool to
8 establish a baseline within three percent plus or
9 minus based on a survey technique. So that was
10 helpful information. I thought we ought to take
11 advantage of and offer to bring that information
12 back to us so we can use it.

13 The second is that the Council has
14 prepared -- has received a number of requests they
15 said from cities and towns, both host and
16 surrounding, regarding what they can do to get
17 prepared for what they anticipate will be an
18 increase in the problem of gambling that comes from
19 the advent of casinos.

20 The first thing the Council responded
21 was, you have got it now. You may not realize it.
22 But the second thing they did more pro-actively was
23 to establish a checklist of things that they ought
24 to be thinking about. It's a ten-point checklist.

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1 They did not have a copy of it there
2 but we can easily get a copy of it from them. And I
3 thought that our Ombudsman ought to have that as
4 part of his kit when he goes and meets with the
5 communities that he chooses to do that. And so I
6 mentioned that briefly to him. I thought that was a
7 good and helpful thing.

8 CHAIRMAN CROSBY: Yes. Good.

9 COMMISSIONER MCHUGH: I also reported
10 to them that we were contemplating as we think about
11 our organization chart a high level position for a
12 person who will be focused on compulsive gambling
13 and received from out of state people from Rhode
14 Island and from Connecticut accolades for the
15 transparency from which we have been proceeding on
16 this and other issues.

17 So that was gratifying to hear and I
18 urged them to keep the cards and letters coming to
19 let us know if they thought that we were veering off
20 that path. It was a good and helpful forum.

21 CHAIRMAN CROSBY: Great. Thank you.
22 Any update on the Design and Sustainability
23 Conference?

24 COMMISSIONER STEBBINS: No.

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1 Obviously we are still on track for the meeting on
2 the 12th from 8:00 a.m. to noon right here in
3 Boston. It will be the morning of one of our policy
4 discussion meetings in the afternoon. I think we
5 squared away the cost, room arrangements and
6 everything.

7 We also sent the invitation out to
8 MMA and they are distributing it to all their member
9 communities as well. It looks to be a good event
10 and it will be interesting to see how we might be
11 able to fold the Walk Boston information into the
12 discussion as well.

13 CHAIRMAN CROSBY: Good. Great.
14 Director Driscoll?

15 MS. DRISCOLL: Good afternoon.

16 COMMISSIONER CAMERON: Good
17 afternoon.

18 COMMISSIONER MCHUGH: Good afternoon.

19 MS. DRISCOLL: I will try to keep my
20 presentation brief which is that the end of this
21 week meeting with our graphic designer team where I
22 anticipate getting a series of examples on what the
23 new website will look like, letterhead, business
24 cards, basically all of our collateral.

1 If the designs are on track then they
2 will add everything additional from what will be our
3 E-mail newsletter, Power Point presentations, just
4 essentially all of the elements that will be
5 necessary for branding and just a uniform
6 presentation of information.

7 So I am excited for that. Many of you
8 in the last couple of days have started getting
9 E-mails from me requesting input on website
10 contents. That is going to be particularly business
11 over the next two or three weeks, so if you haven't
12 gotten it from me yet as soon as I get to an area
13 that is really under your purview you will get one.

14 And at that point we will basically
15 go over the wire frame and what all the content will
16 be so that we can quickly get something up that will
17 be, like I said, an ever evolving site but really
18 moving quickly.

19 So that will start happening over the
20 next couple of weeks and then the other note that I
21 would just like to make I have noticed just
22 increased engagement on our social media, for
23 example, we have more followers now than any other
24 hearing regulatory agency does in the country, which

1 was in a pretty short period of time. And I think
2 it is because we have been utilizing it as much as
3 possible to keep the community media public informed
4 of what we are up to.

5 I am noticing a lot of re-tweets on
6 job opportunities and things like that that we are
7 trying to aggressively put out there and make sure
8 that people know about. So that is exciting. And I
9 can just feel the momentum continuing with an
10 interest really from the public at large about
11 specifically what is going on and seeking additional
12 information.

13 CHAIRMAN CROSBY: Do you ascribe that
14 to the additional bidders or to just all the stuff
15 you are doing and sending out or the application
16 process?

17 MS. DRISCOLL: Yes, I mean, it is
18 probably a combination of all those things and I
19 think that the more tangible progress that community
20 members read about it in the newspapers and really
21 start to see the process moving the more level of
22 interest comes in making sure that people are
23 staying up to date on our status and like anything
24 the more you utilize Twitter the more connections

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1 you start to see. It is a combination of everything
2 really.

3 CHAIRMAN CROSBY: Interesting.

4 MS. DRISCOLL: The level of interest
5 is great and also demonstrates how important it is
6 that we keep communicating what we are up to. So I
7 am going to be maintaining that but like I said my
8 focus is really the website because I just want to
9 see that up and running as soon as possible.

10 CHAIRMAN CROSBY: What is your ETA
11 for that?

12 MS. DRISCOLL: I am going to say --
13 my real ETA is I would like to see it tied into the
14 January 15th deadline so everything can happen all
15 at once. That is what I am hoping. It might be
16 before but I am hoping no later than that. A lot of
17 work has to get done in between. I think we can do
18 it.

19 CHAIRMAN CROSBY: Great. Anybody
20 else?

21 COMMISSIONER CAMERON: Thank you.

22 CHAIRMAN CROSBY: Okay. The Casino
23 Training Institute MOU.

24 COMMISSIONER MCHUGH: I hate to do

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1 this but I came back from that meeting that I was at
2 all morning and I left notes on this next topic in
3 my car. Can I ask for a two-minute break?

4 CHAIRMAN CROSBY: Absolutely. We
5 will make it five.

6 (Recess.)

7 CHAIRMAN CROSBY: I think we are
8 ready to reconvene. We want to talk about the MOU
9 draft, Commissioner Stebbins?

10 COMMISSIONER STEBBINS: Sure. And
11 Bob LePage from the Community College is here to
12 answer any other questions we might have cited. I
13 invite Bob up to the table.

14 I sent around late last night a
15 revised version of the MOU, and I can quickly walk
16 through those changes which we made, Bob and I made,
17 last night over the phone. I also had the chance
18 yesterday to catch up with our staff attorney Mr.
19 Grossman. We walked through some of the concerns he
20 had with the document. But let me start off just
21 kind of going through what I think were some of the
22 major changes or major recommendations.

23 If you look at Page 3 under both
24 parties acknowledge, the last bullet, will seek to

1 enter into memorandums of understanding with
2 potential -- with casino developers, operators. I
3 think that change was suggested so that any casino
4 operator or licensed applicant wouldn't necessarily
5 feel compelled. It would still be somewhat left up
6 to their discretion whether they wish to enter into
7 an MOU with the institute.

8 If you go down below the Commission
9 agrees -- I just wanted to point out language that I
10 had added, which was an aversion that went out on
11 the original package. Identifying the institute
12 really is kind of our lead public partner again not
13 necessarily excluding any private for profit
14 entities that might also wish to partner with the
15 Commonwealth in terms of workforce development,
16 workforce planning.

17 A little further down that paragraph
18 you see alignment of certification and licensure
19 procedures. Again, not necessarily creating a role
20 with the institute and creating the licensure
21 requirements. That is actually established up above
22 under the commissions sole responsibilities. So we
23 just added the verbiage about alignment,
24 certification, and licensure procedures.

1 And if you go to the last page we
2 struck some language from the end of the last bullet
3 where it says work with all potential casino
4 operators and maximize the ability to capture
5 industry and employer information.

6 I would look at that as kind of an
7 on-going task or requirement or activity of the
8 Commission similar to a model in Pennsylvania. We
9 find that Pennsylvania annually tracks employment in
10 the industry and among suppliers, women, minorities,
11 Veterans, again, some of the key categories that the
12 statute laid out for us.

13 And in that last paragraph it says
14 the agreement provides a framework for work force
15 planning. And I think we kind of got around some of
16 the training-ease so to speak. The licensure
17 training is really best defined and best described
18 as training for licensed positions, the three levels
19 of gaming employee positions. So it is training for
20 those licensed positions among the many others who
21 we know that the licensed positions are in some
22 respect a small percentage of the overall job
23 opportunities that are going to be available in
24 large casino resort operations.

1 I just wanted to highlight those are
2 the big changes, again, kind of incorporating some
3 concerns I heard raised by my colleagues on the
4 Commission as well as Attorney Grossman, but if we
5 have any further comments or questions we can review
6 those. Bob is here to help us answer those. But
7 hopefully we can move on and approve this today and
8 get it signed.

9 CHAIRMAN CROSBY: Questions?
10 Thoughts?

11 COMMISSIONER MCHUGH: I have a series
12 of questions that I would like to preface by saying
13 I had from the outset thought that this was an
14 excellent approach to creation of a workforce that
15 is going to be necessary for these casinos and
16 ensuring to the extent we can ensure that the jobs
17 that are created are Massachusetts jobs and not
18 creation of job opportunities that brings people in
19 from other states.

20 I am aware of states where that has
21 happened because the workforce in place when the
22 casinos were opened were not ready. There was no
23 skilled pool and therefore they had to resort to
24 people coming in from the outside. So I think this

1 kind of an approach, a pro-active approach is
2 essential. That said my specific comments fall into
3 two broad categories.

4 The first of those is one that I
5 raised the last time we were together and that is,
6 what does licensure represent? What are we
7 licensing? And the second is exclusivity. And so
8 let me with those sort of general environmental
9 thoughts go through specific questions.

10 And the first has to do with the
11 first bullet at the bottom of Page No. 1, which says
12 we are going to help ensure the integrity of gaming
13 operations by carrying out the regulations
14 promulgated by the Commission for training and
15 licensure.

16 I am not sure and I would like to
17 discuss at some point the extent to which we are
18 going to promulgate regulations for training as
19 opposed to licensure because it seems to me another
20 discussion is whether or not we are going to license
21 people as a stamp of approval on their
22 qualifications to hold a key gaming job or whether
23 we are going to license people because they have
24 both the qualifications and the skills necessary to

1 perform a specific job.

2 And I raise that question because it
3 seems to me that casino operators are going to
4 determine whether the individuals have the ability,
5 the training, the skill necessary to operate a
6 gaming table, a roulette wheel, a blackjack table,
7 whatever else there is regardless of what we do or
8 don't do.

9 And so the question becomes whether
10 some kind of a licensure requirement that focuses
11 both on background and training may have one
12 component that can be enormously complicated and
13 unnecessary. I don't know the answer to that.

14 But I don't know that it is a
15 foregone conclusion that we are going to regulate
16 the content of training. So that is the first
17 comment I had.

18 The second is a derivative of the
19 first and it's the penultimate bullet in that
20 paragraph which says, we will work on providing a
21 permanent statewide data base of trained individuals
22 who meet licensed requirements as documented by
23 completion of training or documentation of
24 experience and skills.

1 Again, are we going to get in the
2 process of certifying the substantive training that
3 is a pre-requisite to holding a job and at the same
4 time creating some kind of a comparable mechanism
5 for certifying that out-of-state people who have
6 some level of experience meet the training
7 standards?

8 Or are we going to leave that entire
9 piece -- both of which seems to me are complicated.
10 And the intersection of both of those two it seems
11 to me even more complicated or are we going to
12 basically leave that piece to the casinos. So this
13 seems to me to have decided that question in favor
14 of licensing training and licensing comparable
15 skills from other places.

16 My next question deals with the --
17 CHAIRMAN CROSBY: Can we deal with
18 that one?

19 COMMISSIONER MCHUGH: Yes.

20 CHAIRMAN CROSBY: That's a big
21 question. Can we go with that one first and then
22 come back to your next one?

23 COMMISSIONER MCHUGH: Yes. The ones
24 that I have raised thus far are integrated, are

1 related.

2 CHAIRMAN CROSBY: Right.

3 COMMISSIONER MCHUGH: I would be
4 happy to talk about that for today but I would also
5 like to hear from our consultants and some others, I
6 think, before we decide on that. I don't think that
7 any of these are show stoppers in so far as this is
8 concerned.

9 They illuminate things that we might
10 want to modify slightly to avoid making a decision
11 before we are ready to make it, I guess. That is my
12 point.

13 CHAIRMAN CROSBY: Let's hear -- I
14 agree with that question so let's hear what your
15 take is on it, Bob. What have you anticipated and
16 planned?

17 MR. LEPAGE: In the planning process
18 or the earlier documents we shared it was our
19 understanding that the Commission would be
20 responsible for ensuring the training, quality of
21 training as well as the curriculum for training and
22 ultimately would be tracking those in a database of
23 some kind who were then approved.

24 Now, that may be a pass off. It may

1 not be the role -- it certainly isn't the role of
2 the training but it may be a pass off of information
3 to the Commission in some way that this person has
4 completed the training now to be certified and
5 qualified to be licensed to work in a casino, no
6 different than other industries like nurses, as I
7 mentioned in the past, where a college will complete
8 them and another organization will certify them.

9 It is going to go to what depth or
10 role the Commission chooses to serve in this
11 process. I think ultimately I would agree with you
12 that ultimately the employability of that individual
13 is going to be the selection of the operator. And
14 that is done in different ways in different states.

15 In some cases the operator has to
16 furnish a level of support for that individual after
17 they have demonstrated the skills and the abilities
18 for them to be approved by the Commission for
19 employability. So I think that, you know, part of
20 our role in this is to develop the planning process
21 so we have alignment to the best solution.

22 CHAIRMAN CROSBY: Right.

23 MR. LEPAGE: I think there are a
24 number of areas where part of this is going to be

1 the planning and investigation stage of what is the
2 best way to do it. Regardless of whether it is the
3 role of community colleges or not I think there are
4 still some areas that need to be further
5 investigated and that is one of them, is there a
6 pass off? Certainly there needs to be some pass
7 offs to the operators as well who will want to know
8 who has completed classes so they can recruit from
9 that, so that will have to be defined.

10 CHAIRMAN CROSBY: But your
11 anticipation had been that the Commission would use
12 its regulatory role to review and approve in some
13 fashion the content of the training?

14 MR. LEPAGE: Correct.

15 CHAIRMAN CROSBY: And effect the
16 quality of the training at the end of the day?

17 MR. LEPAGE: Correct, so those people
18 who are investing their dollars or state dollars
19 invested in them would be ensured that they then
20 could be successful in that occupation.

21 CHAIRMAN CROSBY: Right.

22 MR. LEPAGE: So the goal was to
23 ensure that they would then be able to hit the
24 ground running that they would have the baseline

1 skills and then on top of that they might then
2 gather additional skills in the orientation phase
3 but they would be educated on rules, regulations,
4 proper procedures, no different than other
5 occupations that are licensed in the Commonwealth.

6 CHAIRMAN CROSBY: So if you are a
7 nurse you have to take some kind of a state exam
8 that tests your nursing knowledge and you are
9 thinking that this would be comparable to that?

10 MR. LEPAGE: Well, it would either be
11 demonstrated or a completion of a test. No
12 different than many occupations.

13 COMMISSIONER ZUNIGA: Which could be
14 ongoing. No different than a driver's license.
15 People with a driver's license may not necessarily
16 all be good drivers but it's an ongoing, there are
17 additional systems in place that also compliment the
18 licensing process including monitoring, enforcement,
19 or re-licenses.

20 COMMISSIONER CAMERON: I'm sorry. To
21 me I see this differently than those occupations.
22 And the model I am familiar with is not where the
23 state regulates positions like a dealer. It up to
24 the state to make sure for a licensure that they

1 have the proper suitability but it is up to the
2 employer to determine the skill sets and if those
3 skill sets meet the expectation of the employer.

4 And I know that there are many states
5 that get involved with licensing before there is a
6 job offer. The down sides obviously there are some
7 people who don't complete training so you have used
8 investigative resources on individuals who have not
9 completed the training, choose to go in a different
10 direction, or for whatever reason don't continue.

11 So I would like to see those numbers
12 before making a determination that we are
13 responsible for, you know, having that suitability
14 for licensure on the front end rather than the back
15 end, which is the model I am familiar with.

16 And I still think -- this is not --
17 as a nurse this is not any kind of a situation where
18 you are dealing with a patient's life and/or other
19 issues that would involve the state wanting to
20 have -- same with driving. That's an issue where
21 the state has to make sure for safety reasons. I
22 don't see positions such as hotel workers, dealers,
23 necessarily being in that same mold.

24 MR. LEPAGE: It depends on the

1 occupation. I think in the states that have moved
2 to a more regulated licensure, trained and then the
3 license process, it has been around the idea of one,
4 they historically haven't had a long history.

5 They didn't grow a workforce over
6 time. It is a new industry to them so that is part
7 of it. So they are developing different regulations
8 in those states that had gaming for a long period of
9 time and have kind of grown organically.

10 Two, I think that the occupations
11 that are selected are occupations that they believe
12 have risks to the Commonwealth because they are a
13 question of -- or their state -- there is a question
14 of maintaining the integrity of the gaming so they
15 want to ensure that those people who go into those
16 jobs have the proper background, the proper
17 knowledge, not knowledge provided necessarily by
18 just the employer but with oversight in the training
19 process because they believe it ensures a deeper
20 level of integrity of the gaming.

21 And I think in some of these states
22 they were certainly younger in their experience than
23 other states who have grown workforces over a period
24 of time.

1 I think the other element to it is
2 that part of the process that has to happen, and
3 what we are proposing here is a more formalized
4 planning process, is really looking at how different
5 roles are provided and what curriculum is
6 appropriate and what level of training is
7 appropriate to get them to that stage.

8 And part of the challenge that we are
9 facing I think now state wide which I think is a
10 good challenge but some of this planning has to take
11 place while we have ten to 14, depending on news
12 coverage, 14 different potential employers of which
13 we have to start preparing a workforce today to
14 deliver them in four years, three years, or two
15 years.

16 COMMISSIONER CAMERON: Those ten to
17 14 will only result in a limited amount of licenses.

18 MR. LEPAGE: That's right.

19 COMMISSIONER CAMERON: So you are not
20 preparing a workforce for 14.

21 MR. LEPAGE: No, we are preparing
22 them for three to five or three to four. But the
23 problem is, for example, in our region in western
24 Mass we have six potential employers. We have to

1 build a pool that can then be plugged into all of
2 them, whoever comes out the other side in the
3 process. Because in our region with very limited
4 demographic growth, with shortages of key employees,
5 there would likely be shortages for a casino, we
6 have to start building a pool of employees today to
7 be able to deliver them three years from now.

8 Just for the length of time it will
9 take us to skill those who are in our labor pool to
10 then be employable it is going to take a period of
11 time, so we really have to build a regional labor
12 pool that whoever is chosen by the Commission will
13 then draw upon. It is not as though we have a Ford
14 plant moving to the region and we know it's a Ford
15 plant.

16 CHAIRMAN CROSBY: How does this bear
17 on Commissioner McHugh's question, though? Yes,
18 that is true, but what does that have to do with
19 whether we should regulate the content or the
20 quality of the education?

21 MR. LEPAGE: I think it comes back to
22 those key occupations and those occupations the
23 Commission feels is its role. And it goes back to
24 what the Commission feels it needs to serve as a

1 role in protecting the job growth but also the
2 integrity of gaming. And there are states who do it
3 different ways.

4 CHAIRMAN CROSBY: Right.

5 MR. LAPAIGE: And I think it also is
6 a little bit different in a states or a region who
7 has multiple employers versus a single employer. So
8 if you are in an environment like Las Vegas or
9 Atlantic City where you have many employers then
10 your training model may be different than in a state
11 or a region where you have a single employer.

12 So the goal is to go through a
13 process to define the best systems for those gaming
14 positions as well as the non-gaming positions.

15 COMMISSIONER MCHUGH: I think for
16 present purposes if we change this from the way it
17 is currently written, those two bullets in
18 particular, to one that had as part of the process
19 that we were agreeing with the institute on was one
20 that was designed to think through this very
21 question and come up with a model and the rational
22 for the model would be an ideal way to proceed at
23 this point rather than assuming as this document
24 currently does that we are going to do the

1 regulation and training and because once -- maybe I
2 am repeating myself -- once you say we are going to
3 regulate the training you have already set up now
4 the need for a process to do certifications of some
5 kind of those who are not going to go through the
6 training and that certification has to somehow
7 balance with the certification for the training and
8 that gets hugely complicated. But if we have to go
9 that way then we go that way.

10 CHAIRMAN CROSBY: I am sure there are
11 better ways to do this but if you just took that
12 first bullet point and said help ensure the
13 integrity of gaming operations by determining and
14 carrying out then it wouldn't be a fait accompli. I
15 think what Commissioner McHugh is suggesting is that
16 we just make sure this language is flexible enough
17 that it doesn't predetermine the outcome and a
18 change like that would do it.

19 Let me ask you something similar
20 because I had the same question. You refer to
21 training, certification, and licensure. Where does
22 one stop and the other take off? What are the
23 processes you envision and who has which role?

24 MR. LEPAGE: So certification would

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1 be that person has certified to be able to be
2 employed in the casino environment.

3 CHAIRMAN CROSBY: Certified meaning
4 what?

5 MR. LEPAGE: That would mean that
6 they would eventually go through the background
7 checks that are required by the state to be able to
8 be employed within the casino, which would be the
9 role of the commission.

10 COMMISSIONER CAMERON: Without a job
11 offer?

12 MR. LEPAGE: If they are in
13 non-gaming positions it would be a function of -- if
14 that's what the Commission decides. Certain states
15 require all persons who are employed by a casino to
16 be certified, to be employed because they have to
17 pass the background check or an age or a residency
18 requirement. So that can be the example the
19 Commissioner used to somebody working in the
20 hospitality environment or a hotel environment.

21 CHAIRMAN CROSBY: So certification
22 would be our process as you envision it and that
23 would include the background check, whatever level
24 of background. Okay. So what is licensure?

1 MR. LEPAGE: Then the next step would
2 be those people who could be employed from that
3 pool. There are certain ones who will select, are
4 interested in a career in a specific occupation that
5 requires additional training.

6 An example of that might be a slot
7 tech or a dealer or a certain type of cash handler
8 that would require a specific training that then
9 based on completion of that training would then be
10 licensed to provide that function within the casino
11 environment.

12 So using my earlier health care
13 analogy traditionally the hospital may have some
14 basic level of requirements and within certain
15 occupations within a hospital have training,
16 regulated training, and then licensed by a governing
17 body.

18 CHAIRMAN CROSBY: Okay.

19 COMMISSIONER CAMERON: That model is
20 a two-step model, so you would be using resources
21 for certificate and then again for licensure. I am
22 just not sure why someone would chose to go through
23 that process when they could -- when many casinos on
24 their own do their own training and then it is just

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1 a question of getting a license. Do you see what I
2 am saying?

3 MR. LEPAGE: Yes.

4 COMMISSIONER CAMERON: I am not
5 familiar with any model that requires a
6 certification and then a license.

7 CHAIRMAN CROSBY: Are there states
8 that do that?

9 MR. LEPAGE: Sure. There are states
10 that the licensure would be on the back end. The
11 licensure would be the final step in the process.
12 It would be the step where then you as the
13 Commission would validate that they have been
14 properly trained.

15 COMMISSIONER CAMERON: That is not
16 what the license does. The license validates their
17 suitability.

18 CHAIRMAN CROSBY: Meaning integrity.

19 MR. LEPAGE: That's right and it
20 becomes a question of whether you believe -- you as
21 the Commission are going to assume the role of
22 validating that they are trained and capable to
23 perform that function based on the expectations of
24 the Commission. And that becomes a question of

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1 whether the Commission believes it is its role
2 relative to the legislation to do that. And that's
3 the question.

4 CHAIRMAN CROSBY: Right. And that's
5 the question.

6 COMMISSIONER MCHUGH: Which we can't
7 resolve today. I think it is a critically important
8 question because the answer to it involves two
9 vastly different models of regulations.

10 CHAIRMAN CROSBY: Yes.

11 COMMISSIONER MCHUGH: So if we can
12 find a way to take that first and penultimate bullet
13 and change that language so that we make finding the
14 answer to this question part of the planning process
15 that would satisfy me for today's purposes.

16 CHAIRMAN CROSBY: Right. I would
17 agree with that. So if you guys can re-write -- I
18 guess it is edit two bullets, right.

19 COMMISSIONER MCHUGH: Two bullets.
20 It's the first bullet and the next to last in the
21 section.

22 CHAIRMAN CROSBY: Next to last such
23 that it is not prescriptive in quite that way and
24 leaves us the flexibility to answer this question

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1 then I am going to suggest maybe Commissioner
2 Stebbins I think this is a key policy question that
3 is new to the table. Maybe we could -- if you could
4 take the lead on that in talking with other
5 consultants and other jurisdictions, whoever, and
6 help inform our discussion on. I agree. It is a
7 really big sort of almost a philosophic question
8 about how we want to approach this. I just
9 suggested that Commissioner Stebbins take this as a
10 key policy question and put it into the mix.

11 COMMISSIONER MCHUGH: All right.

12 CHAIRMAN CROSBY: But I like the idea
13 of then going ahead and signing this because I think
14 we do want to reinforce the effort and show our
15 support of it.

16 COMMISSIONER MCHUGH. I have more
17 questions.

18 COMMISSIONER CAMERON: I do too.

19 CHAIRMAN CROSBY: I know. I wasn't
20 there yet but when we get there. All right. You
21 had another one.

22 COMMISSIONER MCHUGH: In the next
23 paragraph down --

24 CHAIRMAN CROSBY: Next to what?

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1 COMMISSIONER MCHUGH: I am sorry. On
2 Page No. 2, the first full paragraph after the
3 bullet. When President Mesner was here last year, I
4 mean two weeks ago he mentioned that private trade
5 schools could be part of the consortium.

6 CHAIRMAN CROSBY: Correct.

7 COMMISSIONER MCHUGH: I think it
8 would be helpful in the third line of the bottom to
9 say that specifically trade schools could be part of
10 this consortium because we have at least one active
11 trade school that is very interested in this
12 process. It seems to me we ought to leave open and
13 explicitly leave open the possibility of them
14 joining the consortium.

15 MR. LEPAGE: So on the line where it
16 says, and other educational private and public --

17 COMMISSIONER MCHUGH: Yes. So the
18 standard private and public profit and non-profit?

19 MR. LEPAGE: Right.

20 COMMISSIONER MCHUGH: The bullet at
21 the bottom of that page establishing the licensing
22 requirements for vendors -- I guess that one is all
23 right. That is the licensing of vendors. I wonder
24 if we are going to license the vendors, the training

1 of vendors, the private training of vendors. As I
2 understand it now we are in the process of trying to
3 work out an interim agreement at least under which
4 DPL will license the vendors.

5 MR. LEPAGE: The educational
6 providers.

7 COMMISSIONER MCHUGH: The educational
8 providers, the training under a standard DPL
9 process for licensing, and anything added over and
10 above that for us would depend on how deeply we want
11 to get into the curriculum regulation process.

12 So we are not necessarily solely
13 responsible for establishing the licensing
14 requirements for the education of vendors. We may
15 play a role in that. The DPL as a trade school
16 licensing has a significant role in that now and in
17 the future.

18 So I am not sure that bullet is
19 necessary. And in any event I think it is
20 inaccurate, so I would simply move to strike that
21 bullet. We can always re-insert it later as an
22 amendment, but I would simply move to strike that
23 bullet.

24 COMMISSIONER CAMERON: Both?

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1 CHAIRMAN CROSBY: But what about the
2 second bullet? If you strike the first what happens
3 to the second?

4 COMMISSIONER CAMERON: The second
5 too.

6 COMMISSIONER CAMERON: I would strike
7 that one too.

8 COMMISSIONER ZUNIGA: Maybe what
9 needs to be stricken is the "solely" in the
10 proceeding sentence.

11 COMMISSIONER STEBBINS: Or adding
12 TPL.

13 COMMISSIONER ZUNIGA: Or adding
14 others.

15 COMMISSIONER MCHUGH: That's a better
16 suggestion perhaps, has a role in.

17 COMMISSIONER CAMERON: Yes.

18 CHAIRMAN CROSBY: Yes.

19 COMMISSIONER ZUNIGA: We are still
20 envisioning the planning process.

21 COMMISSIONER MCHUGH: That's right.

22 CHAIRMAN CROSBY: You could even say
23 that the Commonwealth, acknowledges that the
24 Commonwealth through the Gaming Commission or other

1 agencies.

2 COMMISSIONER MCHUGH: Has a role
3 in --

4 CHAIRMAN CROSBY: Or in that case is
5 solely responsible because the Commonwealth is the
6 only -- whatever. You can do it however you want to
7 do it.

8 COMMISSIONER MCHUGH: Let's say the
9 Commonwealth has a role in, if we can do that. And
10 then that obviates my next question.

11 Now, the next question I have in the
12 bullet at the bottom of Page No. 3, at least on my
13 version. On the current version it is the second
14 bullet at the bottom of Page No. 3 with the heading
15 the Commission agrees to, one, and the second
16 bullet.

17 Have we decided that we are going to
18 require financial background checks for all of these
19 jobs as well as drug testing --

20 COMMISSIONER CAMERON: We have not.

21 COMMISSIONER ZUNIGA: I don't believe
22 so, no.

23 COMMISSIONER CAMERON: We have not.

24 COMMISSIONER MCHUGH: I would like to

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1 see that we take that out. We can always put it
2 back in.

3 CHAIRMAN CROSBY: It just says we
4 would create recommendations about these kinds of
5 issues. It doesn't say we would actually do that.
6 Recommendations for certification regarding the
7 methods and procedures for screening such as so it
8 only means we would contemplate that and make
9 recommendations.

10 COMMISSIONER MCHUGH. Well, that is
11 not, quite frankly, the way I read it, but I see
12 what you are saying. I just don't want to get us
13 past the financial piece, particularly given the
14 population from which we are trying to draw these
15 jobs. That is going to be a huge disqualifier
16 perhaps.

17 CHAIRMAN CROSBY: But I do think it
18 is something that we are going to have to think
19 through. We talked about that in our own hiring.
20 It's a major -- I don't know where we are going to
21 end up coming down on that.

22 COMMISSIONER MCHUGH: I understand
23 that. It is just another one of these things that I
24 didn't want to by implication decide without

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1 thinking.

2 MR. LEPAGE: Can we strike everything
3 from the such as to the end of that sentence?

4 COMMISSIONER MCHUGH: No, I think --
5 I understand the way the chairman reads that. If
6 others read it the same way that is simply something
7 we are going to consider then I am comfortable with
8 it.

9 CHAIRMAN CROSBY: I can go either
10 way. Personally I like having these things be
11 called out. I think it is important that we all
12 know that these are issues we are going to have to
13 resolve.

14 COMMISSIONER MCHUGH: Okay.

15 COMMISSIONER STEBBINS: My opinion, I
16 agree with the chairman. I don't think it
17 necessarily boxes us in.

18 COMMISSIONER CAMERON: I am just not
19 sure what that has to do with the MOU, to be honest.
20 And the other thing I have a concern about is the
21 word, work permit. I think we are really using
22 terms that are not part of the language of the Act
23 or terms that I am familiar with in gaming work
24 environments.

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1 COMMISSIONER STEBBINS: We do use
2 work permit if you go back to Page No. 1 where it
3 gives the language from section five.

4 COMMISSIONER CAMERON: Page No. 1 of
5 this document?

6 COMMISSIONER STEBBINS? Yes.

7 MR. LEPAGE: It comes from the
8 statute.

9 COMMISSIONER CAMERON: And the
10 difference between a work permit and a license, I
11 guess I am --

12 MR. LEPAGE: Again, in the statute it
13 suggests the work permit is the ability to work
14 within a casino environment. A licensure is related
15 to those occupations that are related specifically
16 to the gaming environment.

17 COMMISSIONER CAMERON: So they are
18 using work permit interchangeable with what you said
19 before, which was certification?

20 MR. LEPAGE: Yes, even within the
21 legislation --

22 COMMISSIONER CAMERON: I just have
23 never seen work permits. I am familiar with license
24 certification but not work permits.

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1 CHAIRMAN CROSBY: We are sort of
2 stuck with work permits, I think. Commissioner
3 McHugh?

4 COMMISSIONER MCHUGH: Finally on the
5 last page, the third bullet from the end, it talks
6 about creation of an inventory of potential jobs,
7 non-union, and it is signed training requirements
8 and prerequisites.

9 I am not sure I understand what that
10 means or what it applies to.

11 MR. LEPAGE: That is identifying all
12 the occupations that are non-gaming occupations that
13 will require other types of certification or
14 specific training to serve in that role. So, for
15 example, HVAC would require licensure of electrical
16 or a licensure.

17 So for us to be able to build
18 programs and labor pools backwards we have to
19 inventory those in cooperation with the casino
20 operators to get an idea on quantities and
21 requirements.

22 One of the things that we started is
23 to literally create a list of the job
24 classifications so that we can then get consistency

1 because one of the things we have already run into
2 like most businesses each casino has its own
3 terminology referring to different occupations.

4 So for us to be able to then say
5 these are the occupations, these are the quantities,
6 these are the traditional certifications, non-casino
7 related certifications that somebody will have to
8 have to be able to be in that job.

9 CHAIRMAN MCHUGH: I have difficulty,
10 as you know, as you have heard me say, about getting
11 into the training requirements for blackjack
12 dealers. I really have a problem with getting into
13 the training requirements for HVAC people.

14 I just don't think that is any part
15 of our role. I understand the utility of this
16 process that you are involved in, the funneling
17 process, the assignment of people, and I think it is
18 terrific.

19 But I think part of this from my
20 standpoint doesn't need Commission interchange, at
21 least at that granular level to succeed. And I
22 would be very leary of getting into creating
23 requirements for HVAC and boiler operations,
24 housekeeping. I just don't think that is part of

1 our role.

2 So I would strike that bullet in its
3 entirety. And if there is some -- and as part of
4 the planning process something emerges that is
5 really does need the Commission's input and support
6 then let's talk about that further. But at the
7 outset I would not like to see that.

8 COMMISSIONER CAMERON: I agree.

9 CHAIRMAN CROSBY: I am fine with
10 that. I would suggest something slightly different.
11 On the first page at the bottom of that first
12 paragraph it says, work with lead partner to develop
13 an implementation plan and then the last line says
14 including but not limited to. I would say, such as,
15 which again just makes this suggestive.

16 Eliminate the section that
17 Commissioner McHugh raised, eliminate assigned
18 training requirements and prerequisites. But
19 personally I would like to leave in, as such as,
20 creating an inventory of potential jobs.

21 I think the idea of either the
22 Commission or the institute or both in some way or
23 another or this collaboration having an inventory of
24 potential jobs might be something we would like to

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1 do, might be a good idea. Certainly worth thinking
2 about. But take out the paragraph -- take out the
3 words after that that you are concerned about.

4 COMMISSIONER MCHUGH: Okay.

5 CHAIRMAN CROSBY: Okay?

6 MR. LEPAGE: Yes.

7 COMMISSIONER MCHUGH: And then
8 finally and this is a minor one, I would change the
9 will be followed by agreements in the last paragraph
10 to a may.

11 MR. LEPAGE: I am sorry. I lost you.
12 In the last --

13 COMMISSIONER MCHUGH: In the last
14 paragraph it says, this agreement provides a
15 framework for work force development and will be
16 followed by agreements which will deal with changes
17 in the scope of the work and new responsibilities of
18 both parties. I would just change that.

19 MR. LEPAGE: Good.

20 CHAIRMAN CROSBY: With an unerring
21 instinct for the tiniest capillary under agreements
22 I think it is the wrong principal. It should be
23 p-a-l not p-l-e.

24 COMMISSIONER MCHUGH: It's there

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1 twice.

2 CHAIRMAN CROSBY: It's there twice.

3 Thank you. Any other issues or questions?

4 Commissioner McHugh, would you be comfortable if we
5 voted to adopt this subject to Commissioner Stebbins
6 making these adjustments, running them by you?

7 COMMISSIONER MCHUGH: Sure.

8 CHAIRMAN CROSBY: Or would you rather
9 wait a week?

10 COMMISSIONER MCHUGH: No, we have
11 been working on this and the Institute has been
12 working on this, so I am comfortable doing it that
13 way.

14 CHAIRMAN CROSBY: All right. Would
15 somebody -- Commissioner Stebbins, do you want to
16 make that motion or Commissioner Zuniga?

17 COMMISSIONER ZUNIGA: Sure. I would
18 be happy to make a motion to adopt and have the
19 chair enter into an agreement with the Institute
20 subject to the edits as discussed here today for the
21 development of -- for the planning of a process for
22 workforce development.

23 COMMISSIONER STEBBINS: Second.

24 CHAIRMAN CROSBY: And just informally

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1 you will run those by Commissioner McHugh?

2 COMMISSIONER STEBBINS: Yes.

3 CHAIRMAN CROSBY: Any other

4 discussion? Commissioner?

5 COMMISSIONER CAMERON: No, I am

6 comfortable with those edits.

7 CHAIRMAN CROSBY: All in favor, aye?

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER MCHUGH: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER ZUNIGA: Aye.

12 CHAIRMAN CROSBY: No no's. So the

13 motion passes. Thank you, Bob.

14 COMMISSIONER CAMERON: Thanks.

15 CHAIRMAN CROSBY: Okay. The next

16 item is the Walk Boston comments. I put them on. I

17 think they were interesting, useful comments. It's a

18 little early for us but I thought it was worth

19 having us look at it and if anybody -- they offered

20 they come in if we need them to. I am not sure that

21 we do at this point.

22 Commissioner Stebbins, you talked

23 about maybe at least passing this along to the AIA

24 and BSA folks for their consideration.

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1 COMMISSIONER STEBBINS: Exactly.

2 CHAIRMAN CROSBY: And we certainly
3 would want to keep this for when we get into writing
4 the detailed regs. Any other comments or thoughts
5 about this?

6 COMMISSIONER CAMERON: No.

7 COMMISSIONER MCHUGH: Very helpful.

8 CHAIRMAN CROSBY: Yes. Okay. Mr.
9 Hock, you are up. Are you all prepared here? Okay.
10 Mr. Hock and friends. Make sure you get into that
11 mike. Why don't you introduce everybody?

12 MR. HOCK: Hi. My name is Barry
13 Hock. I am the director of the UAW Mass Gaming
14 Project. I am pleased to be here today with my
15 colleagues from the UAW to talk about workplace
16 safety for casino dealers. In the audience is Ellen
17 Wallace who is the subregional director of our
18 Region 9-A. Karen Rosenberg is an international rep
19 who works in Massachusetts. I will let me
20 colleagues now introduce themselves and July Kushner
21 can begin.

22 MS. KUSHNER: Good afternoon. I want
23 to thank Commissioners especially Sherman and Crosby
24 for letting us have this opportunity to address you.

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1 I am Julie Kushner. I am the regional director for
2 the United Auto Workers region 9-A that covers all
3 the northeastern states part of New York and Puerto
4 Rico. So we asked for this opportunity to have this
5 conversation with you about some of the issues we
6 have encountered in representing gaming workers. I
7 think there is --

8 CHAIRMAN CROSBY: Who do you
9 represent and where? It is not intuitive that -

10 MS. KUSHNER: A few things that might
11 surprise you about United Auto Workers representing
12 Gaming employees but we do represent gaming
13 department employees in all of the casinos in
14 Detroit, Michigan. Also in four casinos in Atlantic
15 City and a casino in Indiana, and I work directly
16 with the casino workers in Foxwoods in Connecticut.

17 And I started working with those
18 workers in 2007 after they approached us about
19 organizing a union for the dealers and so that is
20 how I got familiar with the subject. There are many
21 things that surprised me about dealers that one
22 wouldn't normally think about, problems they might
23 have at work.

24 So to begin with I want to

1 congratulate the Commonwealth of Massachusetts for
2 addressing probably the most important issues for
3 dealers and gaming floor dealers in a casino and
4 that is by making these non-smoking casinos. I was
5 unaware at the time of how serious an issue that is.
6 Now I have become incredibly aware of it because it
7 is really a life and death issue for the workers in
8 that industry and so we are really excited about the
9 fact that the statute prohibits smoking on the
10 gaming floor.

11 There are some other issues that
12 might also you might not think about so we wanted
13 the opportunity to share with you as you contemplate
14 training as you contemplate research. I think there
15 is an opportunity to really get ahead of the ball in
16 a couple of areas and one is ergonomics and the
17 design of tables and the training of workers about
18 how you can protect yourself from the strains and
19 the stressors of this job.

20 And so we asked one of our dealers to
21 come and talk about the workplace injuries that she
22 has suffered and then also an industrial hygienist
23 from our staff who has worked to begin to try to
24 understand this. It is not something you think of

1 but there are serious injuries that are involved
2 with dealers from the repetitive motion that they
3 engage in, from the need to preserve the integrity
4 of the game, so the constant surveying of the table
5 and Mary can explain those far better than I can.

6 But we think there is a really great
7 opportunity here for you to consider it. We know
8 you have some very big issues before you which we
9 heard about today is just a little tiny piece of
10 them so we know this is an issue that we know you
11 may have to come back later but we at least wanted
12 to put it before you so you can think about it. So
13 with that i will introduce Mary Magliano.

14 MS. MAGLIANO: Good afternoon.

15 MS. CAMERON: Good afternoon.

16 CHAIRMAN CROSBY: Hello.

17 MS. MAGLIANO: Commissioners. My
18 name is Mary Magliano. I was born in Fort Dix New
19 Jersey. i am an army brat. I was born February 21,
20 1953. I was raised all over the united States and
21 Europe as well. My family did a lot of traveling my
22 father being in the army.

23 I started working at Foxwoods
24 actually February 10th, 1992. i had to think of that

1 one. 1992 I was hired, one of 500 dealers selected
2 to learn how to deal Black Jack. I had to go
3 through the process of being interviewed by a casino
4 worker from Atlantic City and from that process I
5 went into an interview to see what type of skills I
6 had in mathematics, counting, you know, things of
7 that nature.

8 CHAIRMAN CROSBY: So this was just
9 like an open cattle call? Anybody could apply? You
10 didn't have to have any particular background?
11 There was no training process?

12 MS. MAGLIANO: You didn't have to
13 have a background check or nothing.

14 CHAIRMAN CROSBY: Interesting.

15 MS. MAGLIANO: It was just, you know,
16 you fill out your application, you give them your
17 resume, they look it over and whether they thought
18 you were qualified to do a job, you know, working in
19 the casino business you were asked to go for a
20 second interview.

21 That second interview then followed
22 you to a room where there were gentlemen who were
23 actually going to be instructors on how to deal
24 craps, black jack. The Asian games, you know

1 Roulette all the table games on the casino floor.
2 And I was chosen to deal black jack to learn how to
3 deal black jack.

4 And I have been in the business now
5 almost 20 less one year, 21 years. And back in
6 April of this year I had to go through surgery and
7 this is the fourth surgery I've been through in the
8 20 years that I have worked at Foxwoods. I had to
9 have a disc fusion to the neck. This is my second
10 disc fusion.

11 The first disc fusion actually took
12 place June 15th 2005 where I had to have three discs
13 fused in my neck because constantly looking down the
14 tables dealing black jack I generated three discs in
15 my upper neck so those had to be fused.

16 And back in November of 2008 I formed
17 carpal tunnel of my left hand and also tennis elbow
18 because of the way you have to structure your hands
19 to get the cards to come out of the shoe and deal
20 your game. So I had to have tennis elbow surgery
21 and also carpal tunnel surgery of my left hand and
22 my left elbow.

23 And then in April of this year I
24 noticed that I was having numbness in my hands, my

1 arms, my shoulders, and having a lot of pain in my
2 neck and I went to a neurologist. And the
3 neurologist says I hate to tell you this but you are
4 going to have surgery again on the last two discs of
5 your neck so now all the discs in my neck are all
6 fused and I still have numbness in my hands, my
7 arms, my shoulders.

8 I get muscle spasms in my neck. And
9 I was told that I would not be able to do that job
10 anymore and at almost 60 years of age I loved doing
11 my job. It was a very good job. The pay was good.
12 I miss the people. I just can't do the job anymore.
13 My hands are just shot. So now I guess I have to
14 resign my position. I have got to January 8 2013 to
15 resign my position as a high stakes dealer at
16 Foxwoods because I know I can't go back.

17 CHAIRMAN CROSBY: That's a terrible
18 story but from our standpoint I guess the issue is
19 what -- are there things -- I assume you are going
20 to get to this. Is this avoidable? Is this
21 something that people like us can speak to? I mean,
22 that is what --

23 MS. KUSHNER: I think that's -- and
24 Andy is going to address some of that from the

1 industrial hygienist point of view. What we have
2 learned about these jobs because this isn't an
3 isolated incident. It is very common. i was shocked
4 to see how many young women that I was working with
5 while we were negotiating the contract had had neck
6 surgery. But I think Andy can talk a little bit
7 about table design and about training of workers to
8 protect themselves to the extent possible. Andy, do
9 you want to start?

10 MR. COMAI: You have been provided
11 with a handout of this power point presentation. I
12 don't want to power point you to death but I think
13 the pictures are valuable in looking at table design
14 how workers interact with their work station.

15 Let's run through them quickly, these
16 slides. These are 17 slides. This is a gaming
17 table and if a trained ergonomist looks at that he
18 can see a multitude of risk factors. The way his
19 hand is postured over those chips, his right arm,
20 the angle of his upper arm bone, posture, the way he
21 is leaning forward in his chair, if you can see his
22 left arm his left arm is right up against a hard
23 edge.

24 You see a nice soft cushion in the

1 outside edge for customers and then when you look at
2 the operator's side of the table you see some hard
3 edges. The science of ergonomics the study of work
4 there is a number of risk factors that we just saw
5 all in one picture, awkward posture. We didn't have
6 a moving picture, but mechanical stress,
7 concentrations, that is that hard edge of the table.

8 Forceful exertions, when we talk
9 about force you often think well what does that have
10 to do with casinos? We represent slot techs and a
11 slot tech has to pick up an 800 pound slot machine
12 on a cart and move it across carpeting many hundreds
13 of yards from storage to the gaming floor. They
14 move things around constantly. That has been a
15 particular problem in Detroit.

16 Forceful exertions we are talking
17 about backs and shoulders pushing 800 pound slot
18 machines but if you look at somebody actually
19 picking up a card or picking up a set of chips or an
20 Asian game which has a lot of chips, it is like
21 Dominoes, those are actually forceful exertions on
22 the fingertips and the smaller muscles of the hand.

23 Also environmental lighting,
24 temperature, noise, are issues that we deal with in

1 ergonomics then on static muscle work, we are
2 standing for long periods of time. You are reaching
3 out and holding that posture for long periods of
4 time. So this is an awkward posture.

5 You have a person at one end of the
6 ergonomic spectrum she is very short but she has to
7 work at a work station that is the standard height.
8 Here she is getting that Roulette wheel spinning.
9 She has to also reach out and gather chips and so
10 forth.

11 So how do we design that work station
12 so that the shortest person can work comfortable and
13 the tallest person can work comfortably. We
14 provided you with a paper things written in New
15 Zealand where they looked like different types of
16 steps, different types of table ledges, different
17 types of shufflers and then they did user trials and
18 came up with some good design techniques on how to
19 make the equipment better.

20 Here again you have this idea of
21 pinched grips. This is an awkward posture that
22 results in forcible exertion of the hand, putting
23 pressure on that median nerve and her palm so we do
24 have a lot of these types of injuries. Carpal

1 tunnel syndrome, tennis elbow, shoulder injuries,
2 each of those injuries by the time it gets to the
3 point where people miss work or get medical
4 treatment beyond first aide or in Mary's case have
5 surgery goes on an OSHA log so as a union we are
6 able to get to those logs and calculate incident
7 rates and by far the ergonomic hazards are the ones
8 that show up consistently and across the casino
9 environment. Places where you have a standard,
10 there are a couple of papers in here from I think
11 British Columbia. There is one from Ontario Canada
12 that has an ergonomic stand. So they are working on
13 ways to develop better equipment in Canada. Across
14 the border in the US there is no standard, so there
15 is less of an impetus.

16 CHAIRMAN CROSBY: Is there no -- like
17 there is no AGA working on this or the union is
18 working on this? There is nothing sort of in the
19 pipeline of standards?

20 MR. COMAI: We have because of our
21 work in the auto industry and we have a really good
22 set of training programs and tools developed so
23 there is a computerized tool where we would set up a
24 table, look at different size people, as you reach

1 out and pick up chips it will calculate the torque
2 on your arm. You can redesign work stations that
3 way so we have used that in seated work stations and
4 non-industrial settings.

5 There is also a really good tool and
6 again it is called the hand activity level, so it's
7 a non-regulatory standard that looks at the force of
8 the pinch grips, number of repetitions and it says
9 this level is beyond what is acceptable for most
10 people. So there are a number of tools out there to
11 evaluate jobs.

12 CHAIRMAN CROSBY: But there is nobody
13 --

14 MS. KUSHNER: I don't think there is
15 anyone now who is looking at it. We started looking
16 at this and then negotiations of the first contract
17 because we were looking at all the issues that
18 people brought to us and this drew our attention.
19 That is when we got in touch with Andy and he
20 started looking into it in Detroit and in Atlantic
21 City as well.

22 We are beginning to look at it but
23 what we are hoping for and especially in a case like
24 Massachusetts where you are creating new standards,

1 new regulations, and really starting out in an
2 industry that there might be interest in partnering
3 looking for grants or partnering with the unions to
4 really study these issues and try to come up with
5 standards that would was Andy mentioned like they
6 developed in Canada an incentive to maybe create
7 better works stations. right now we are not aware.
8 I know he has some suggestions.

9 CHAIRMAN CROSBY: Forgive me for
10 interrupting but are casinos receptive to this? I
11 mean, in the long run I would think their interest
12 would be parallel. Maybe they wouldn't perceive it
13 in the short run but in the long run?

14 MS. KUSHNER: We do have some
15 language in our contract in Connecticut for the
16 workers that we can pursue around these issues but
17 as you can imagine just starting out we had a
18 multitude of things to deal with but I think they
19 are receptive to it because as you can imagine there
20 are costs associated with this.

21 CHAIRMAN CROSBY: That is what I
22 mean.

23 MS. KUSHNER: The injuries.

24 CHAIRMAN CROSBY: Workmen's comp.

1 MS. KUSHNER: And lost work time and
2 the other things that go with it. So I think it is
3 an area where you can develop a partnership with the
4 employers.

5 COMMISSIONER CROSBY: Are there
6 manufactures who are looking at these issues? For
7 example, in Canada if they have standards they must
8 have manufacturers who are willing to develop tables
9 that meet those standards. There is some work on
10 that.

11 One of the issues around ergonomics
12 is if you go on the web and you google ergonomics a
13 lot will pop up. But it is -- if you look at
14 research you will find quite a few studies on auto
15 assembly and very little -- I think I provided you
16 with just about everything, the research on
17 ergonomics in casinos so it's not well studied.

18 CHAIRMAN CROSBY: Okay.

19 MR. COMAI: Again, this is a table
20 where you have a tall worker on the left and a short
21 worker on the right. You can see the person who is
22 turning the box on the craps table he is the one
23 with the contract stress to the elbows.

24 This is a good example of a chair --

1 there is a little bit of glare there -- but the idea
2 of providing good equipment, a good ergonomic chair,
3 something that provides lumbar support, arm rests, a
4 place to rest your arms in-between exertion so that
5 doesn't exist here.

6 He is leaning forward. Shoulders are
7 a complex system. There are four major muscles in
8 the shoulder, the blades, the rotator cuff, and what
9 we have done is some video of different dealers in
10 different games and we have done a posture analysis
11 of shoulders.

12 And it is actually quite similar to
13 posture if you are assembling a Dodge Dart or
14 dealing poker. It is actually pretty similar.
15 Again I have provided you with a paper where they
16 have looked at can we change the target location
17 when that dealer has to lie his cards down or pay
18 out chips can we reduce risk distance by just
19 changing the felt.

20 So that green stuff the felt on that
21 table was changed all the time and often times when
22 a game is re-designed can we change that layout to
23 reduce reach distances. Again, a simple fix. There
24 is a bunch of data I just provided some cost data on

1 the cost of rotator cuff injuries. It is probably
2 the fourth highest in terms of cost of surgeries
3 first being backs.

4 CHAIRMAN CROSBY: This is casino
5 people or this is just rotator cuffs in particular?

6 MR. COMAI: This is just rotator
7 cuffs in particular state of Washington or the
8 insurance providers and the workers comp providers
9 are the same so they can collect it and look at the
10 data. So there are a number of different tools that
11 we developed again through the Auto industry
12 university of Michigan university of Ohio developed
13 tools to evaluate shoulder flexion and they have
14 done studies on some of the same motions you see
15 that are the primary causes of rotator cuff
16 tendonitis are things that you do when you deal.

17 So internal rotation of the humerus
18 it's a bad thing reaching across your body is a bad
19 thing and that is required a lot of times when
20 dealers have to deal across the table and use one
21 hand. So the dealers a lot of them have developed
22 ways walking the table they call it or changing
23 postures or dealing with two hands sometimes is
24 allowed in some games. So they developed some

1 survival skills and those things need to be
2 evaluated and transferred to the buyers so people
3 can avoid injury. So again another major thing we
4 see are lower extremity complaints so people are
5 standing and bending. The University of Michigan
6 has recently completed some newer studies of
7 osteoarthritis and different diseases of the feet
8 and legs. So that is an example of a quick fix, a
9 padded elevated work stand on a craps table.

10 So that just gives you a little
11 outline of some of the risk factors faced by
12 workers. The UAW has participated in a host of
13 research projects around ergonomics. We have a
14 pretty good model as to how these tools could be
15 applied to the ergonomics.

16 MS. KUSHNER: So our hope was by
17 bringing this to your attention it is something you
18 would consider either as part of creating the
19 standards for regulations for casinos we also were
20 hopeful that there might be an opportunity to look
21 for grants or partner with institutions that would
22 be willing to study this issue because we are in
23 such a unique opportunity here just seeing the
24 introduction of this industry to Massachusetts

1 tracking data so that there is a real data base to
2 start from and you know encouraging training where
3 there things that can be shared with workers that
4 would help them to protect themselves.

5 So if you had a training program to
6 teach people how to deal black jack if you could
7 insert into that a real serious ergonomic training
8 as well to give people as much assistance as you can
9 or the easy fixes like the padded stands to elevate
10 short people so that they are not at greater risk.

11 So those were just some of the ideas
12 that we had. We know we are certainly working on
13 these issues in collective bargaining and the other
14 states where we represent workers but we thought it
15 was an opportunity to raise them with you at the
16 outset.

17 CHAIRMAN CROSBY: That's great. We
18 never would have even thought about this if you
19 hadn't raised it. That's great. You have seen Mr.
20 LePage from the Worker Training Institute. I mean,
21 there is a connection made that surely should be
22 made. Two thoughts occur to me: One is, we would
23 have to think this through, but we do have a big
24 research agenda and we are funded to do it. And it

1 is to look at the socioeconomic impacts. Well, this
2 is a socioeconomic impact and it may be that looking
3 for baseline data and assessing as time goes on what
4 the impacts are on workers would be an element of
5 that. It is certainly worth thinking about. And
6 that research design is going on right now.

7 The other thought I had was the job
8 description for the person who we are going to put
9 in charge of supplier and workforce development
10 commissioner might add a bullet point it would be
11 nice if that person could sort of take the lead if
12 we are going to consider partnering with the casinos
13 and with unions or employees to think about research
14 on this. So it would be good to have that person
15 take the lead on that. That fits right in.

16 COMMISSIONER ZUNIGA: Great idea.

17 MS. KUSHNER: We do want to say these
18 are really great jobs, especially the dealer jobs.
19 They are very skilled jobs. It takes a particular
20 type of person to do it, not just a smart person. I
21 have found that some of our smartest people have
22 tried to get through the dealer training and say it
23 is beyond them.

24 And when they explain the extent of

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1 these jobs and what they have to do and the number
2 of hands they have to deal in a minute and the
3 number of calculations they have to make on odds in
4 a minute you know I have been very very impressed
5 with the workers and with the quality of the jobs
6 themselves so I think we are very excited about --
7 we don't want to discourage anybody from thinking we
8 have got great jobs there. They are good jobs. We
9 are just looking to make sure they are the best and
10 the safest for people.

11 CHAIRMAN CROSBY: How much does that
12 position pay? What is the range?

13 MS. MAGLIANO: Well, being there
14 almost 21 years I was making about \$28 an hour.

15 MS. KUSHNER: That includes tip.

16 MS. MAGLIANO: And my base rate.

17 MS. KUSHER: The base rate --

18 MS. MAGLIANO: Almost \$10 an hour.

19 MS. KUSHER: So the tips are right
20 now at Foxwoods are averaging about \$15 an hour.

21 MS. MAGLIANO: 15 to 16.

22 CHAIRMAN CROSBY: And what is the
23 health benefit arrangement?

24 MS. MAGLIANO: The benefit

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1 arrangement?

2 CHAIRMAN CROSBY: For health
3 insurance?

4 MS. MAGLIANO: Right now I am
5 fighting workers comp. The three surgeries that I
6 had prior to this surgery here they were all under
7 workers comp. This one they denied. Why? I don't
8 know. I think for the simple reason they sent me to
9 their doctor up in Hartford, Connecticut, the
10 Workers' comp people sent me to Hartford Connecticut
11 and the doctor says, well, this is a pre-existing
12 condition and not a work-related injury.

13 CHAIRMAN CROSBY: I am sorry. I
14 meant what is the benefits package relative to
15 health insurance at Foxwood?

16 MS. MAGLIANO: It's great.

17 MS. KUSHNER: They have a package
18 that includes for full-time workers they are
19 eligible for single family coverage. They pay a
20 portion of that coverage. Of course, I am sure you
21 are aware of the rising cost of healthcare.

22 CHAIRMAN CROSBY: For everybody.

23 MS. KUSHNER: There is a large part
24 time workforce also which is part of the nature of

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1 casinos but in those cases most of the workers have
2 eligibility for some healthcare. There is about I
3 would say a quarter of the workforce that doesn't
4 have any healthcare within the dealer unit.

5 CHAIRMAN CROSBY: Within the dealer
6 unit.

7 MS. KUSHNER: Within the dealer unit.
8 I am most familiar with that.

9 COMMISSIONER CAMERON: Is that
10 because they don't work enough hours?

11 MS. KUSHNER: They are called casual
12 employees. They use them to fill in. It is a
13 little complicated. They are required -- they
14 depend on the casuals to work during the -- to deal
15 with the ups and downs of the weekly schedule for
16 the customer base. So that's a challenge to us.

17 COMMISSIONER ZUNIGA: I am curious
18 for a full-time person with seniority when you talk
19 an hour the multiple breaks or the multiple
20 rotations that they seem to take does that mean
21 somebody can take a break, like sit down for a while
22 or do they have to come back to another table?

23 MS. MAGLIANO: Our work hours are --
24 I used to go in at 4:00 in the morning and work

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1 until 12:00 noontime.

2 COMMISSIONER ZUNIGA: Straight?

3 MS. MAGLIANO: You are on that table
4 for one hour and you get a break every hour for 20
5 minutes. Another dealer taps you out. You go take
6 a break. You are there for 20 minutes. You come
7 back up the casino steps onto the casino floor and
8 you are dealing another hour.

9 MS. KUSHNER: There are frequent
10 breaks built into it.

11 MS. MAGLIANO: Yes. Actually, you
12 are dealing on the casino floor six hours breaking
13 for two and in an eight hour switch.

14 COMMISSIONER ZUNIGA: 20 minute
15 increments.

16 MS. MAGLIANO: Yes, 20 minutes. Yes.
17 20-minute breaks.

18 CHAIRMAN CROSBY: Interesting. Other
19 questions, thoughts?

20 COMMISSIONER MCHUGH: Is that unique
21 from your experience unique to Foxwoods or is that
22 an industry standard?

23 MS. KUSHNER: Well, it is fairly
24 standard although there has been pressures around

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1 changing those and making the breaks less frequent
2 which we have resisted because I think our feeling
3 is that is really critical not just for the physical
4 exertion but also for the mental exertion that it
5 takes for doing the job.

6 COMMISSIONER MCHUGH: Right.

7 MS. KUSHNER: So it is fairly
8 standard at least that or something similar. There
9 might be a little bit longer in poker. Poker seems
10 to run a little bit longer they may have an hour
11 and a half of dealing and then a half hour break so
12 it's not -- the total work period is about the same.

13 COMMISSIONER MCHUGH: But a chunk of
14 time followed by a chunk of break is standard.

15 MS. KUSHNER: And that is fairly
16 standard in the industry.

17 COMMISSIONER MCHUGH: Thank you. this
18 is all really helpful.

19 COMMISSIONER CAMERON: Yes, very
20 helpful.

21 CHAIRMAN CROSBY: Out of curiosity
22 will the developers, will the casino companies here
23 how will they figure out which unions they will work
24 with?

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1 MS. KUSHNER: That's a complicated
2 question. I think in many cases the unions work
3 together and we are a working coalition.

4 CHAIRMAN CROSBY: Right.

5 MS. KUSHNER: And that is what
6 happened in Michigan when there were a group of
7 unions that wanted the casino coalition and worked
8 together to figure out which employee application
9 fit best with their union and that is how the UAW
10 starting working with gaming employees so we
11 represent -- in Michigan we represent not just
12 dealers and the dual rate dealers but also the slot
13 techs and the slot attendant and the cage cashier.

14 And so there is a whole group of
15 titles that we represent in Michigan and then a
16 range of them in either Atlantic City or in Foxwoods
17 but what we found it works best when a group of
18 unions work together and there we have the operating
19 engineers and the teamsters so I am leaving stuff
20 out. I don't want to offend any unions but there is
21 a really very healthy coalition and they work
22 together. I think that will be idea.

23 CHAIRMAN CROSBY: But no task force
24 is working on this topic?

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1 MS. KUSHNER: I think the unions are
2 talking to each other but under federal law it
3 really is the role of the employees to pick the
4 unions because there is protections that the
5 employees get to choose their own unions.

6 CHAIRMAN CROSBY: Right. Great.
7 Thank you very much. Very helpful. I appreciate
8 it. Okay. Anybody else? Follow up to any of these
9 issues? Okay. Any other business, new business? Do
10 we have a motion to adjourn?

11 CHAIRMAN MCHUGH: So moved.

12 COMMISSIONER CROSBY: Second.

13 CHAIRMAN CROSBY: All in favor?

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER MCHUGH: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 CHAIRMAN CROSBY: We are adjourned.

19 Thank you everybody.

20

21 (Hearing adjourned at 3:41 p.m.)

22

23

24

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1 ATTACHMENTS:

2 Attachment 1: Agenda

3 Attachment 2: November 13, 2012 Meeting Minutes

4 Attachment 3: Massachusetts Gaming Commission Memo

5 Attachment 4: Draft of Director - Gaming Workforce

6 & Supplier Development and Diversity Initiative

7 Attachment 5: Compensation

8 Attachment 6: Massachusetts Gaming Commission

9 Employee Handbook

10 Attachment 7: Summary Schedule

11 Attachment 8: Memo of Understanding for Casino

12 Career Givers Licensure Training

13 Attachment 9: Walk Boston

14 Attachment 10: Presentation to the Massachusetts

15 Gaming Commission by Representatives of United Auto

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November 28, 2012

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November 28, 2012

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