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THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

AUGUST 28, 2012, 1:00 p.m.

OFFICE OF THE DIVISION OF INSURANCE

First Floor, Hearing Room E

1000 Washington Street

Boston, Massachusetts

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PROCEEDINGS:

CHAIRMAN CROSBY: We call to order the 24th meeting, public meeting of the Mass. Gaming Commission.

The first item on our agenda is the approval of minutes. We have three sets August 8, 14 and 21. Maybe we will start out with August 8. Any comments? One thing just occurred to me when I read the question that Commissioner Stebbins read about safeguards in the Expanded Gaming Act that would insure initial proposals for development are for resort casinos and not gaming parlors. This actually raises an issue that we haven't ever really talked about as a Commission, which is is there anything that we can do to really maximize the resort destination impact of these things.

Obviously, the more people we pull in from out-of-state the better off we are. That is pure net revenue to the Commonwealth, pure economic development to the Commonwealth. We've had a lot of conversations with the various tourism industries -- elements of the tourism industry, but never really talked.

Is there any sort of strategic work that we can do or we can facilitate to try to make these facilities be even more destination than anticipated? I'm not

1 worried about them becoming slots parlors, but can we to
2 take to the high-end. And I think this probably is not
3 the right place to talk about that but I would just sort
4 of want to put that on the table. I have had some ideas
5 about maybe there are ways we could think of the strategic
6 relationships with other dimensions of the industry. We
7 talked about it a little bit at your forum. But I just
8 wanted to put that on the table and maybe bring that up
9 next week for conversation.

10 Any other thoughts on August 8? Shall we
11 do them one at a time?

12 COMMISSIONER ZUNIGA: Yes. I suggest we
13 do them one at a time.

14 CHAIRMAN CROSBY: I am going to have a
15 motion to accept?

16 COMMISSIONER STEBBINS: Motion to accept
17 the meeting minutes from the August 8 meeting in Western
18 New England University.

19 CHAIRMAN CROSBY: Any further discussion?
20 All in favor? I.

21 COMMISSIONER ZUNIGA: I.

22 COMMISSIONER CAMERON: I.

23 COMMISSIONER STEBBINS: I.

24 COMMISSIONER MCHUGH: I.

1 CHAIRMAN CROSBY: Opposed? The I's have
2 it. August 14, are there any questions?

3 COMMISSIONER ZUNIGA: Yes. I have a
4 couple of questions or perhaps potential edits. Under
5 item nine of the minutes of August 14, it refers to item
6 3.4.2. I seem to recall that one of the conclusions was
7 also to look at the Federal rates for reimbursements. So,
8 I would like to insert that as part of the minutes.

9 CHAIRMAN CROSBY: Okay.

10 COMMISSIONER MCHUGH: What would you like
11 inserted there, Commissioner?

12 CHAIRMAN CROSBY: The bottom line, I think
13 we talked about looking for the Federal rates as a matter
14 of information. But at the end, I think we decided that
15 we were just -- our bottom line was going to be to be
16 reasonable and just leave it at reasonable. I don't
17 remember that we were talking about looking at the Federal
18 rates --

19 COMMISSIONER ZUNIGA: As a guideline?

20 CHAIRMAN CROSBY: -- as a substitute.

21 COMMISSIONER MCHUGH: I prepared these --
22 Because I wasn't here, so I prepared them solely -- that
23 doesn't mean we can't --

24 COMMISSIONER ZUNIGA: I just remember

1 having had a discussion about the Federal rates.

2 COMMISSIONER MCHUGH: There was a
3 discussion of the Federal being higher. So, I'd be happy
4 to take a suggestion as to what we put here.

5 COMMISSIONER ZUNIGA: Let me look at the
6 transcript then and offer a suggestion.

7 CHAIRMAN CROSBY: Anything else?

8 COMMISSIONER ZUNIGA: Yes, page four
9 project management consultant, Commissioner Zuniga state
10 that a meeting is scheduled. I was not in attendance of
11 that meeting and I knew I would not be in attendance. So,
12 it's a small correction. But my statement was that there
13 was a meeting scheduled with the Commission consultants
14 on August 22. Do you see that at the top of the page of
15 page four?

16 COMMISSIONER MCHUGH: That he is scheduled
17 to meet that is a mistake. Right. You were not going to
18 be there, right.

19 COMMISSIONER ZUNIGA: The meeting was
20 scheduled. It did take place, but it was not part of it.

21 COMMISSIONER MCHUGH: Right.

22 CHAIRMAN CROSBY: On page three, the last
23 paragraph the first point was the manual should contain
24 an introduction discussing the nature of the Commission's

1 work and need bah, bah, bah, some kind of introduction.

2 Did we decide who was going to do that?

3 COMMISSIONER ZUNIGA: I was going to take
4 a stab at it.

5 CHAIRMAN CROSBY: Okay, fine. Then number
6 seven there was this issue that the Commission employee
7 was prohibited forever from working for a private entity
8 on a particular matter in which he participated as a member
9 of the Commission. And I think we were going to look into
10 that a little bit more?

11 COMMISSIONER ZUNIGA: Yes.

12 CHAIRMAN CROSBY: So, those two things are
13 still --

14 COMMISSIONER ZUNIGA: -- are ongoing, yes,
15 are open.

16 CHAIRMAN CROSBY: Any other comments?
17 Commissioner Stebbins, you referred to questions from the
18 Western Mass. forum that were going to be forwarded to me?
19 Did that happen? On the last page -- page five, sorry,
20 top paragraph, are there any questions that are left
21 hanging that I have not responded to?

22 COMMISSIONER STEBBINS: No. I think we
23 took care of -- There were three, but there was a whole
24 series of questions from potential surrounding

1 communities. I think our discussion was to invite that
2 individual in to meet with two of us and then see if we
3 could help answer them or at least note that we have to
4 address them in the regulatory process.

5 CHAIRMAN CROSBY: That's fine. So,
6 there's nothing hanging. Should we have a motion on that
7 with the one correction?

8 COMMISSIONER ZUNIGA: So moved.

9 COMMISSIONER CAMERON: Second.

10 CHAIRMAN CROSBY: All in favor? I.

11 COMMISSIONER ZUNIGA: I.

12 COMMISSIONER CAMERON: I.

13 COMMISSIONER STEBBINS: I.

14 COMMISSIONER MCHUGH: I.

15 CHAIRMAN CROSBY: All opposed? The I's
16 have it. August 21, any comments?

17 CHAIRMAN CROSBY: I will abstain from these
18 minutes, because I wasn't here.

19 CHAIRMAN CROSBY: I don't have any.
20 Anybody else comments? Do I have a motion?

21 COMMISSIONER CAMERON: Motion to accept.

22 COMMISSIONER STEBBINS: Second.

23 CHAIRMAN CROSBY: With Commissioner Zuniga
24 abstaining, all in favor? I.

1 COMMISSIONER CAMERON: I.

2 COMMISSIONER STEBBINS: I.

3 COMMISSIONER MCHUGH: I.

4 CHAIRMAN CROSBY: Opposed? The I's have
5 it.

6 Down to administration item 3A, Executive
7 Director search update. Commissioner Stebbins?

8 COMMISSIONER STEBBINS: Sure, just a quick
9 update. We agreed at I believe our August 14 meeting to
10 close the posting -- we will close the posting for the
11 Executive Director on September 7. I had a call with a
12 potential candidate yesterday. As again, I am getting a
13 number of the initial referrals from our folks at
14 JuriStaff.

15 As I think I reported in one of our previous
16 meetings, most of the calls to this date have been with
17 candidates out-of-state noting our preference in finding
18 somebody who has previous gaming commission experience.

19 They are doing a pretty thorough job of
20 screening individuals. Again, I reference Commissioner
21 McHugh's point that if there truly is an effort to land
22 a candidate that he or she may be from out-of-state that
23 there is some responsibility on our part to one, sell this
24 opportunity as well as sell the opportunity and the

1 excitement about living in Massachusetts and living in the
2 Boston area. And again, being part of this pretty
3 exciting effort that we are undertaking.

4 That has been something I have tried to get
5 to with the initial kind of introductory interview calls
6 to see if they really are interested in what is a big issue
7 for anybody to decide and that is whether you want to
8 relocate to another state.

9 I can report that to date everybody is
10 sincere about their interests, and sincere about
11 exploring the opportunity further. I have a few more
12 introductory phone calls set up. And then we will move
13 ahead with scheduling time for these candidates to come
14 to Boston and meet with us. And have a more thorough
15 discussion about some probably more detailed questions
16 about operating the Commission, the regulatory process,
17 etc.

18 I have been very pleased with the candidates
19 that JuriStaff has so far identified for us.

20 CHAIRMAN CROSBY: Sort of an estimated
21 schedule at this point would be?

22 COMMISSIONER STEBBINS: Again, I am hoping
23 to get through the initial phone calls I would like to
24 think within the next two and a half weeks. And then begin

1 to look at scheduling the on-site visits for the
2 candidates that are strong to move onto the next phase.

3 CHAIRMAN CROSBY: So, mid-September or so?

4 COMMISSIONER STEBBINS: Yes.

5 CHAIRMAN CROSBY: Great. I did speak with
6 Commissioner Stebbins about whether we have a diverse pool
7 of candidates. And we are not doing great on that score
8 and hope that reiterated to JuriStaff that that was one
9 of the priorities that we gave them when they came up with
10 this and won't be satisfied if they can't meet that
11 objective. I think we both reinforced that.

12 There is a second issue that has come up with
13 JuriStaff which Commissioner Zuniga wanted to talk about.
14 Do you want to raise that?

15 COMMISSIONER ZUNIGA: Yes. The question
16 has come up relative to potential hires out of this search
17 for other positions. And whether we would request a
18 proposal, if you will, from JuriStaff as to how to
19 compensate for additional searches or additional hires
20 that may come up out of this search. It is just something
21 that in the current contract we did not stipulate. And
22 it's something that we ought to think about.

23 CHAIRMAN CROSBY: I thought what they were
24 looking for was whether we would be willing to compensate

1 them if we hired somebody from the Executive Director
2 search that they had surfaced for something else?

3 COMMISSIONER ZUNIGA: For something else,
4 that's what I mean. I forget the exact terminology but
5 they call it a related hire. They have already done and
6 continue to do the search for Executive Director. But
7 within that pool of applicants, if you will, there may be
8 or there may not be somebody who may fit in another
9 position, a related position.

10 CHAIRMAN CROSBY: Did you ask Janice
11 whether --

12 COMMISSIONER ZUNIGA: I did, yes.
13 Industry practice is that there would be some
14 compensation. It all depends on -- The compensation, to
15 some degree, it all depends on the compensation upfront
16 that was for the original search. And the compensation
17 would also be warranted to the extent that they do a lot
18 of the additional work that goes with hiring someone.

19 For example, there is a level of vetting but
20 there is also a level of guarantee, if you will, if that
21 person doesn't work out for a position that they
22 themselves would conduct additional search efforts to
23 replace that person.

24 CHAIRMAN CROSBY: Okay. That was the

1 critical thing. When Commissioner Zuniga brought this
2 up, my reaction was if they are doing a good job on the
3 ED search and one issue there is this issues of a diverse
4 pool, but if they are doing a good job on the ED search
5 that their fee is pretty modest compared to others that
6 bid on the job. And if we hired somebody that they
7 surfaced and we closed the loop on somebody for another
8 position, it saves us a lot of time and money. And I would
9 be inclined to do it so long as it was consistent with
10 industry practice, which I gather that it is.

11 COMMISSIONER ZUNIGA: It is consistent,
12 yes.

13 CHAIRMAN CROSBY: Does anybody else have
14 thoughts about that? Should we authorize Commissioner
15 Zuniga to negotiate an agreement with them that words
16 however you may work out?

17 COMMISSIONER ZUNIGA: That would be the
18 asks subject to the approval of the Commission.

19 CHAIRMAN CROSBY: Let's do that just
20 informally, authorize Commissioner Zuniga informally and
21 then bring it back to us. But our predisposition is to
22 go along with what they're suggesting. Okay.

23 COMMISSIONER ZUNIGA: Fair enough.

24 COMMISSIONER CAMERON: That makes sense.

1 CHAIRMAN CROSBY: 3B, additional hires.

2 We have a couple of job descriptions. I guess
3 Commissioner McHugh, you want give us a quick update?

4 COMMISSIONER MCHUGH: To start with, the
5 General Counsel there is a job description there that I
6 put out for your consideration and welcome comments on
7 that and then ultimately approval.

8 The next question would be how long does the
9 search for, if we post this, how long does it stay open.
10 I know that we have been in the practice of putting closing
11 dates on the searches, the postings we've made thus far.
12 I am not sure why we can't post a position and have the
13 posting end when the position is filled. That is done on
14 a number of searches that I have been involved with
15 elsewhere and saves the need to repost something and go
16 through a new process if the first search ends at a dead
17 end.

18 So, I'd recommend that if we are ready to
19 post the General Counsel position that we say the posting
20 remains open until the position is filled.

21 The third question is whether we want to
22 embark on a search and a screening process of some kind
23 but wait until the Executive Director is onboard to make
24 the final decision so that the Executive Director can at

1 least take a look with us at the finalists and have a say
2 in making that judgment.

3 I think we talked about these top-level
4 positions, the executive level positions the General
5 Counsel, the IEB. The Director of Racing may be a little
6 bit different but at least these high ones we had talked
7 about that idea of teeing up a pool of screened candidates
8 for the Executive Director to be able to take a position
9 on.

10 Those are the three issues as I see it. Is
11 job description okay? Do we leave the posting open until
12 the position is filled if we go ahead and post it now? And
13 do we proceed with getting some finalists for the
14 Executive Director to weigh in so that they would be here
15 when he or she arrives?

16 COMMISSIONER CAMERON: Commissioner, I
17 want to first speak to the job description. I thought it
18 was excellent. I love your enthusiasm and your
19 salesperson skills. In fact, I wrote a job description
20 and I feel like I need to go back and amend mine because
21 it is a bit on the vanilla side. I really appreciated
22 reading that.

23 I would be encouraged as someone interested
24 in a General Counsel position to look at this and really

1 look at it with a different view after reading this. I
2 just want to commend you for that.

3 I am not sure about leaving it. I would
4 have trouble reading a posting and not knowing what the
5 deadline was. Knowing that okay, I know I'm interested.
6 I have until this point to kind of do some research,
7 finalize my package. I'm just not sure. Personally, I
8 don't think I've ever seen one that remains open until
9 filled. It may be common and I'm just not aware.

10 I'm just thinking in my own head when is this
11 due? Could it lead someone to believe that maybe the job
12 was already filled because it is until filled? In other
13 words, it doesn't matter when you get your package in.
14 I'm just not sure about that. Maybe it is very common and
15 I'm just not aware.

16 And I love your idea about holding this if
17 possible until the Executive Director would assist with
18 at least have a say in the matter. I think that that is
19 an excellent idea if we are able to do that.

20 COMMISSIONER MCHUGH: One thing one could
21 do with the posting until filled is to say application
22 deadline is X, but that the position remains open until
23 it is filled. So that if you get somebody who for some
24 reason misses the deadline that it's not a terminal

1 failure. If the search collapses, you don't have to
2 repost it. You just repost a new deadline.

3 COMMISSIONER CAMERON: Okay. That makes a
4 lot of sense to me then.

5 CHAIRMAN CROSBY: That was an interesting
6 point that Commissioner brought because you also don't
7 know whether is there any point in applying because it's
8 right down to the finalists.

9 COMMISSIONER MCHUGH: Right, it might not
10 be until 2015.

11 COMMISSIONER CAMERON: We hope not.

12 CHAIRMAN CROSBY: Any other reactions to
13 those three things?

14 COMMISSIONER ZUNIGA: Pretty much similar.
15 I think the job description really encapsulates a lot of
16 what we would want or what the legislation envisions for
17 the General Counsel. I was under the side of leaving the
18 position open until filled but I recognize that nuance.
19 I agree that to the extent possible that ED should have
20 the ability to gauge between a couple of these high-level
21 candidates.

22 CHAIRMAN CROSBY: If we can.

23 COMMISSIONER ZUNIGA: If we can time it
24 well.

1 CHAIRMAN CROSBY: Let the dates play out.
2 Right now, it's just about right. Because if things go
3 well in the ED search, it would be just about right.

4 COMMISSIONER MCHUGH: So, we can have an
5 application deadline of say mid-October and begin to
6 solicit them. He or she would hopefully be aboard by then
7 or at least be aboard by the time we finish the processing
8 and have a few candidates to take a look at.

9 CHAIRMAN CROSBY: You are not going to
10 leave the General Counsel open until mid-October?

11 COMMISSIONER MCHUGH: Have an application
12 deadline of mid-October. It's going to be open until
13 filled --

14 CHAIRMAN CROSBY: Right.

15 COMMISSIONER MCHUGH: -- with an
16 application deadline of, I am just throwing out
17 mid-October as a suggestion. And then we process those
18 and have three, four, five finalists ready for either
19 interview by us -- At that level, it seems to me we need
20 to do that whoever is tasked with doing the screening, and
21 having the Executive Director have an opportunity to have
22 a say.

23 CHAIRMAN CROSBY: This is really, as it has
24 been all along, pretty much your call because you are the

1 one who is playing the role of GC at this stage of the game.
2 That just off the top of my head seems like a long time
3 from now. I would have guessed you would have wanted the
4 applications to be done, at worst, a month after at least
5 we posted it, which would be like --

6 COMMISSIONER MCHUGH: Well, we are really
7 talking about six weeks as opposed to four, Mr. Chairman.

8 CHAIRMAN CROSBY: Yes. If you are
9 comfortable with that, it's I'm fine with me.

10 COMMISSIONER MCHUGH: I've got some other
11 things to talk about to alleviate stress in a minute.

12 CHAIRMAN CROSBY: Okay. If you're going to
13 have your stress relieved, then I'm all for it.

14 COMMISSIONER MCHUGH: I'm working on that.

15 CHAIRMAN CROSBY: For about what, 65 years?

16 I had a couple of editorial comments. One
17 is that the first referred to the casino licenses and we
18 don't to forget we are talking about the slots license
19 also. If either casino ought to switch to gaming licenses
20 or something. I wondered whether on the primary
21 responsibility you might want to put in something about
22 overseeing adherence to the ethics rules of the Commission
23 just to sort of --

24 COMMISSIONER MCHUGH: That should be

1 there. I thought it was.

2 CHAIRMAN CROSBY: Maybe it is. Maybe I
3 missed it.

4 COMMISSIONER MCHUGH: No, no. I'll check.

5 CHAIRMAN CROSBY: Then on the desired
6 knowledge, skills and abilities there is really only one,
7 the first one which has to do with particular legal skills
8 and experience.

9 COMMISSIONER MCHUGH: Right.

10 CHAIRMAN CROSBY: Is that really right?
11 Is that what you -- you wouldn't be thinking of preferred
12 something else, either preferred experience in the gaming
13 industry or preferred experience in the regulatory
14 business or is it really just this wide open?

15 COMMISSIONER MCHUGH: That is a good
16 question to talk about. In my view, it is wide open. For
17 this position what we are looking for is somebody who has
18 a history of managing complex transactions in the
19 corporate and the commercial area.

20 There will be others who we'll have who will
21 have particularized knowledge. We will get to one of
22 those or two of those in a few minutes. And really, we
23 are looking for somebody who has worked in a complex
24 environment and in a commercial side and succeeded.

1 Demonstrating in the process the kind of flexibility and
2 ability to deal with new challenges that I think we are
3 going to need as we move forward.

4 And the ability to say that we need somebody
5 with a particular kind of expertise to fill a slot within
6 the legal office that we are trying to build. It's that
7 kind of generalist that I think we really need to look
8 after the evolving business of the Commission.

9 CHAIRMAN CROSBY: That's fine with me.
10 Again, you would have a better sense of that. Basically,
11 any lawyer pretty much who has been out in practice for
12 10 or 15 years could consider themselves a candidate for
13 this?

14 COMMISSIONER MCHUGH: They could consider
15 themselves as a candidate, but any lawyer is pretty broad,
16 Mr. Chairman.

17 CHAIRMAN CROSBY: Not me, I'm not talking
18 about that kind of lawyer.

19 COMMISSIONER MCHUGH: But I think that
20 complex corporate and commercial matters in a firm legal
21 department, governmental agency is going to narrow the
22 field down considerably.

23 CHAIRMAN CROSBY: I had a couple of minor
24 edits that I will just give to you to do as you wish.

1 COMMISSIONER MCHUGH: Okay.

2 CHAIRMAN CROSBY: Process wise, have we
3 determined that you are going to play the role here?

4 COMMISSIONER MCHUGH: No. We haven't
5 determined that and we ought to think about that for just
6 a second as to whether I'll screen this position. We
7 don't want to form a subcommittee for a variety of reasons.

8 We could ask an outsider to do this. We
9 could do it with me screening them with Janice's help. I
10 suspect we will get a fair number of resumes. I suspect
11 that the number of resumes that we get will quickly divide
12 itself into two classes. So, we could go that route.

13 Or we could get the help of an outside
14 consultant to help us with this. Those are the two
15 alternatives as I see it. And I am indifferent. I can
16 see benefits to both approaches.

17 The benefits to the doing it in-house
18 approach is that you get to see everybody and you get to
19 make the judgment internally. The drawback is you get to
20 see all of them and you have to make the judgment
21 internally.

22 CHAIRMAN CROSBY: It's a real time sync.

23 COMMISSIONER MCHUGH: It is.

24 CHAIRMAN CROSBY: If you are talking about

1 middle of -- I guess you could be seeing candidates
2 starting at any time?

3 COMMISSIONER MCHUGH: You could. You
4 could do it on a rolling basis. You could do it in a
5 variety of ways.

6 CHAIRMAN CROSBY: My instinct would be to
7 say getting some kind of outside help to do a preliminary
8 cull, to receive them, do the preliminary culling and to
9 get a pretty substantial number for you to look at but not
10 have you have to take it from the top would be in
11 everybody's interest including the relevant stress
12 levels.

13 COMMISSIONER MCHUGH: Yes. Can we do that
14 without going out to bid? That is the thing that concerns
15 me.

16 COMMISSIONER ZUNIGA: We have prequalified
17 three firms.

18 COMMISSIONER MCHUGH: Do we have to go
19 through some kind of a process soliciting -- We have three
20 and we could give it to one of the others who doesn't --

21 CHAIRMAN CROSBY: -- or JuriStaff who is
22 particularly in the legal business.

23 COMMISSIONER MCHUGH: My question is do we
24 have to go out and solicit or can we just pick one?

1 COMMISSIONER ZUNIGA: I think we can pick
2 one from each of the three that we have prequalified. The
3 proposals are pretty standard in the sense of the fee is
4 usually commensurate or a percent of the salary if they
5 are doing the full search.

6 If they are doing a support function, which
7 may be what we are envisioning here, which is what we did
8 for the staff attorney, we could request a quote for that.
9 And that could be done in pretty short order, as long as
10 we can define as much as we can the specific support
11 function, which I'm happy to take a stab at or let you do
12 that.

13 COMMISSIONER MCHUGH: Then I would
14 recommend to my colleagues that we quickly get somebody
15 aboard. I'll talk with you tomorrow about the support
16 function I envision which would basically be vetting the
17 resumes that we get.

18 I think that I would like to just look
19 through the resumes to make sure that nothing has been
20 missed. But all of the vetting and ranking and the like
21 be done by an outside consultant. We get a bid for that
22 and be able to get this thing up and posted next week so
23 we get going. Is that unrealistic?

24 COMMISSIONER ZUNIGA: I think that is

1 doable.

2 CHAIRMAN CROSBY: I think that sounds
3 great. So, let's just informally delegate you and the
4 Commissioner to work out that process and get posted next
5 week.

6 COMMISSIONER MCHUGH: Great.

7 CHAIRMAN CROSBY: All right, staff
8 attorney.

9 COMMISSIONER MCHUGH: Staff attorney,
10 okay. We have a great pool. JuriStaff got about 170
11 applications. I'm not surprised that that frankly. --
12 that they whittled down to 10 that they sent to me. There
13 are some terrific people in that 10. I would like to move
14 promptly to take the next step with them.

15 I talked with the JuriStaff folks this
16 morning and suggested that Commissioner Cameron, who is
17 going to need some help on this as well, and I would take
18 a look at the 10 and pick say five or six that we wanted
19 to talk to. That we would talk to those people and make
20 a recommendations to the Commission as to who to get.

21 And that we do that pronto subject to the
22 background check and the other stuff before we make the
23 recommendation to the Commission. We have some really
24 very highly qualified people.

1 Let me say in that regard, because I wanted
2 to take up two other pieces -- one other piece and
3 Commissioner Cameron has another. That as I look at this
4 position and think about what lies ahead of us, it seems
5 to me that we want somebody who has had extensive
6 experience in the regulatory field. That is creating,
7 working with, massaging, changing, promulgating
8 regulations.

9 We are going to be in the regulation
10 promulgating business big time for the next -- for the
11 foreseeable future. And to have somebody who has had some
12 experience and who has achieved some success in that area
13 is part of the job posting qualifications and it seems to
14 me is a really important ingredient of what we are about
15 to do.

16 We have not only our own regulations to do
17 but we have to oversee the Charitable Gaming regulations
18 that we need to work with. And I have talked with --
19 trying to get that process started again. And I think we
20 are going to have an oversight role rather than a doing
21 role, but we still need to have somebody that has some
22 expertise for that. So, that is one piece of our legal
23 business.

24 A second piece of our upcoming legal

1 business for the next foreseeable future is things like
2 the minutes and compliance and making sure we have
3 followed deadlines for reporting and other things that we
4 are required to do, routine processing of Freedom of
5 Information Act requests that don't require a lot of heavy
6 lifting, but do require some attention to detail, some of
7 the Open Meeting Law stuff. There I have a proposal that
8 I'll make when I finish this rather windy soliloquy.

9 Then there is a third piece that
10 Commissioner Cameron is going to need help with. And she
11 can speak for herself as she so ably does, but that too
12 is going to be heavily involved with regulations and with
13 legislative drafting from now through February 1 or 2.

14 Commissioner, do you want to fill in there
15 because we need, I think, a third person in that area.

16 COMMISSIONER CAMERON: With regard to
17 racing, as all of you know we will be proposing regulatory
18 changes in keeping with the model policies of racing,
19 which will mean assessing our regulations as they are now
20 and drafting new regulations to adhere to those model
21 policies.

22 In addition to that, by law we are required
23 to analyze simulcasting and pari-mutuel wagering by
24 January 1 of next year. This is a four-month period in

1 which to complete that one piece, which is mandated by law.

2 I have had some conversations with
3 Commissioner McHugh just talking in general about some
4 ideas. I did have a meeting last week with an individual
5 who has significant knowledge, has worked for the State
6 previously in this particular area with racing
7 regulations. This maybe someone we might be able to hire
8 as a consultant. I am in the process of having that
9 individual put a proposal together for us. So, I will be
10 speaking to you all about that in the near future.

11 In addition to that piece, which may be very
12 helpful for our short window to meet the requirements of
13 having that assessment done and having drafted new
14 regulations along with the assessment, it may make some
15 sense to look at this individual to assist us in a
16 consulting capacity.

17 CHAIRMAN CROSBY: This person wouldn't be
18 a candidate for the staff attorney job?

19 COMMISSIONER CAMERON: No. That is not
20 the same individual at all. But we probably would not be
21 able to find this specific expertise available to us who
22 comes highly recommended in that position, to be honest.
23 That would be someone that would obviously be assisting
24 eventually with racing but not have the expertise to help

1 us with this particular assignment.

2 In addition to the individual -- I won't
3 mention names because we are not there yet. This is a
4 brand-new idea that just came to me this week. The
5 individual came in to see me. I'm working on that piece.

6 Secondly, one of the contacts I made in
7 Saratoga when I was up there for the new Racing
8 Commissioner training was the staff attorney for the New
9 York Board of Wagering, Racing and Wagering. And there
10 is a young woman who did apply for the staff position who
11 just graduated from law school who has spent a couple of
12 summers interning with the New York Board. And they
13 highly recommended her. She did excellent work and has
14 gained significant knowledge.

15 So, that maybe someone we may be able to
16 bring on as kind of a paralegal position to assist with
17 the short-term regulatory -- the work that we need to do,
18 which is in addition to the four-month window, we are
19 looking at for all of the regulatory changes we will
20 propose, we probably only have a five-month window if we
21 look at where we need to be before next racing season.

22 So, this is a front-burner issue and it may
23 be an opportunity for this young person who comes highly
24 recommended. And I have great respect for the person

1 recommending her. He was a presenter at the training.
2 He was excellent. So, just a couple of ideas that I will
3 be working on quickly because of our short window here with
4 making regulatory changes.

5 CHAIRMAN CROSBY: Okay.

6 COMMISSIONER MCHUGH: Let me take that and
7 fit it into a broader scheme here. We have the staff
8 attorney who is a reasonably high level, three to five
9 years, three to seven, eight year person, experienced
10 lawyer who comes in and is going to be heavily occupied
11 with the regulatory environment in creating the
12 regulatory environment in which we live.

13 We have the people that Commissioner
14 Cameron just talked about. And really there is enough
15 work there between now and the end of January when those
16 regulations, if we are going to change them in time for
17 the new racing season, have to be basically ready to go
18 through this process that we put our Phase-1 regulations
19 through. That's the deadline about. There is enough
20 work for two people there to do that, to take a look at,
21 revise all of the regulations, incorporate best practices
22 and keep us informed as we are moving forward. So, there
23 is enough work there.

24 There's a third piece of what we are doing

1 that requires really a first-year associate type person.
2 That is the minutes and some of this other regulatory
3 compliance stuff. I had a conversation -- Actually, I got
4 broadside from Boston University a while ago. And they
5 have created an intriguing program called a fellowship
6 program where you take a recent law school graduate who
7 would be the equivalent of a first-year associate and in
8 effect treat that person the way judges treat law clerks.

9 You would have a one-year contract with the
10 person for law clerk type money. And he or she comes
11 aboard and does whatever you want him or her to do. That's
12 the kind of work it seems to me -- the kind of things I'm
13 talking about, the minutes, the regulatory compliance,
14 the keeping track of deadlines that we could use some help
15 with particularly in a time when we are evolving into a
16 more fully staffed legal environment. When we will have
17 a General Counsel on board who can begin to plan what the
18 permanent view looks like.

19 And you have this person for a one-year
20 contract for a relatively modest although livable salary
21 and no commitment beyond that. So, I would recommend that
22 we think about after we hire this staff attorney of pursuing
23 this fellowship kind of thing, law clerk type thing as well
24 as looking at Commissioner Cameron's proposal. But that

1 is the big picture into which these pieces fit, as I see
2 it.

3 We can talk more about that, but it seems
4 to me we need to move reasonably promptly on all of those
5 fronts if we are going to do so.

6 COMMISSIONER ZUNIGA: I would agree with
7 that idea that this short-term, if you will, but intense
8 period maybe a good approach to have somebody like that.

9 I have thought of for all things
10 racing/financial matters and in my quest to understand the
11 flow of funds as they currently work and some of the
12 historical of the racing statutes as they were amended and
13 then later were amended with our statute, I had thought
14 of somebody as like a business analyst.

15 But from what you are describing, if this
16 person, paralegal or contract person, could also help in
17 that that dimension, if you will, and maybe that's a bit
18 too ambitious, I would be interested in that dimension.
19 The financial flow of funds as they relate to racing,
20 there's a nexus to the recommendations that we have to make
21 in January relative to pari-mutuel wagering and all of
22 that.

23 COMMISSIONER MCHUGH: The people that
24 Commissioner Cameron is talking about probably would be

1 able to do that. In addition, if we had this basic
2 first-year associate, he or she would be a terrific legal
3 researcher to go through the kind of statutory evolution
4 from the beginning of the racing statutes and trace things
5 through. That is what these young people coming right out
6 of law school have been trained to do and are pretty good
7 at. And they need to learn some practical stuff. So,
8 between those two, it seems to me we would be able to fill
9 that bill as well as several others.

10 COMMISSIONER ZUNIGA: Okay.

11 CHAIRMAN CROSBY: It makes good sense to
12 me. Why don't we informally say that under your
13 collective coordination you'll go ahead and try to work
14 out that package of people. It sounds great.

15 COMMISSIONER MCHUGH: And we'll come back
16 with proposals for the Commission before we finalize
17 anything.

18 COMMISSIONER CAMERON: Yes.

19 COMMISSIONER MCHUGH: Great.

20 CHAIRMAN CROSBY: The Director of
21 Investigations and Enforcement Bureau, Commissioner
22 Cameron?

23 COMMISSIONER CAMERON: Mr. Chair, there is
24 in your packages a job description. As I just pointed

1 out, I would like to amend it to include a little more
2 enthusiastic language. I was most impressed with that.

3 I would be looking for your comments with
4 regard to that job description. Again, I think this is
5 a position we should consider posting for sooner rather
6 than later.

7 CHAIRMAN CROSBY: Like next week?

8 COMMISSIONER CAMERON: Yes. And like
9 falling in line with Commissioner McHugh's recommendation
10 on hopefully being able to fit this position in with some
11 input from the Executive Director I think makes a lot of
12 sense for this particular position. It is a key position
13 for our Commission.

14 I have been working with other law
15 enforcement leaders in this State to try to have them think
16 about great candidates for us. So, starting little bit
17 of a recruiting process so that we have a great pool of
18 candidates. I think that will be most helpful to us. I
19 have been speaking with a number of folks from within the
20 State and as well our gaming consultants who have great
21 a network also to assist with providing names of
22 individuals who may fit the bill here.

23 CHAIRMAN CROSBY: Any comments on the job
24 description?

1 COMMISSIONER MCHUGH: I think it is a
2 excellent and comprehensive description of what we are
3 looking for, and emphasizes the critical importance of
4 this position to the Commission's work. I think it is
5 pretty clear that this is a key employee and that extensive
6 law enforcement experience and investigatory experience
7 is essential.

8 CHAIRMAN CROSBY: That is a good point,
9 because I don't think it says either one of those. I just
10 was curious.

11 COMMISSIONER CAMERON: If you look at
12 qualifications under A.

13 CHAIRMAN CROSBY: Yes.

14 COMMISSIONER CAMERON: At least 10 years
15 management experience in complex criminal investigations
16 and enforcement. So, we are really looking for that
17 management type person who has managed a diverse group of
18 investigative staff.

19 And I'll be honest with you, I think what
20 we really looking for here and I tried to emphasize these
21 skills, are those communication skills and relationship
22 skills, because you will be dealing with law enforcement
23 leaders from around the world in this capacity, especially
24 a group of diverse stakeholders here in the Commonwealth.

1 And those relationships are critical.

2 CHAIRMAN CROSBY: That's good. You're
3 right. Do you want to add in under minimum qualifications
4 E - the credit check in addition to drug testing? I think
5 at some point somebody said we need to.

6 COMMISSIONER CAMERON: We can do that.
7 That would be part of the background investigation and
8 credit check.

9 CHAIRMAN CROSBY: Somebody said we are
10 supposed to.

11 COMMISSIONER CAMERON: Law enforcement
12 folks are very accustomed to that, but others are not I
13 suspect.

14 COMMISSIONER MCHUGH: That is an important
15 point. We need to say something about credit check in
16 there. And I need to add that to mine. I didn't put that
17 in mine.

18 CHAIRMAN CROSBY: Right. That is supposed
19 to be a routine part of a heads-up to people. Is the
20 process then -- We hope to get this posted next week.
21 Again, how long do you want to post it? And how do you
22 want to handle the process of screening?

23 COMMISSIONER CAMERON: I would go with the
24 six weeks. I think that that make sense to me. In

1 listening to Commissioner McHugh talk about a six-week
2 process that made a lot of sense to me as well as hopefully
3 having time for an Executive Director to weigh in I think
4 makes a lot of sense.

5 I would certainly be happy to take the lead
6 and go through a screening process and then certainly set
7 up interviews with someone else. I would think it would
8 be another law enforcement executive, frankly, to assist
9 with the process. And have the finalists come before the
10 full Commission.

11 CHAIRMAN CROSBY: I think it's the same
12 issue as we talked about with Judge McHugh. You are up
13 to your eyeballs with a lot of stuff. Do you want to take
14 on the process?

15 COMMISSIONER CAMERON: I really hope to
16 have racing issues underway. And when I give my racing
17 report, I think you will see that things are moving quickly
18 with regard to racing.

19 I think I will have, given the six weeks out,
20 I think I will have the time. And this is a critical
21 position. So, I'd be happy to take the lead if that is
22 acceptable.

23 CHAIRMAN CROSBY: It's fine to take the
24 lead. The question is whether you want the same kind of

1 support that we talked about with Commissioner McHugh.

2 COMMISSIONER CAMERON: Using a search firm
3 to assist.

4 CHAIRMAN CROSBY: To be the initial
5 wingaling to receive the things and pare it down to some
6 substantial number where you would then pick up the ball.

7 COMMISSIONER ZUNIGA: I have a question
8 that may help answer that question. Do we anticipate a
9 lot of resumes for someone like this? For General Counsel
10 there is many candidates.

11 COMMISSIONER CAMERON: I don't anticipate
12 nearly as many as for General Counsel. It will be a much
13 smaller pool of candidates, frankly.

14 One of the issues we have in the
15 Commonwealth is the fact that retired law enforcement
16 executives who have worked for State or Municipal
17 government are not eligible to work for another State
18 agency.

19 CHAIRMAN CROSBY: It's not that they're not
20 eligible, but they can't be paid for it because of their
21 pension. So, as a practical matter, right.

22 COMMISSIONER CAMERON: As a practical
23 matter we will not receive in-state those kinds of
24 individuals. So, they will be out-of-state and/or folks

1 with Federal service who would apply for this petition.

2 CHAIRMAN CROSBY: Or maybe career people,
3 people who are in their late 30s or 40s in Massachusetts
4 who haven't maxed out on their pensions.

5 COMMISSIONER CAMERON: To leave their
6 agency and come to another, there maybe some of those. I
7 would not anticipate a lot of those individuals.

8 COMMISSIONER CAMERON: People like to
9 stick with their --

10 COMMISSIONER CAMERON: They do, that
11 uniform and lots of reasons why it doesn't happen
12 frequently to move from agency to agency. It happens a
13 lot more around the country. It does not happen in the
14 Northeast very often, interestingly enough a cultural
15 kind of thing.

16 COMMISSIONER STEBBINS: Quick question.

17 COMMISSIONER CAMERON: Sure.

18 COMMISSIONER STEBBINS: Is there a
19 difference between somebody coming from this type of
20 background and how big an agency or how big a team of people
21 they may have managed in the past? Is it okay for an
22 individual to have had success managing 10 people? Or do
23 we see the size of this Bureau becoming 25 to 30 and maybe
24 that's not what somebody is up to?

1 COMMISSIONER CAMERON: I think on purpose
2 I left it general enough to consider all of those
3 individuals. Do you know what I'm saying? I wouldn't
4 rule out just because you haven't supervised 2000 folks.
5 I wouldn't rule out someone with different credentials.

6 COMMISSIONER STEBBINS: I have one edit to
7 pass over.

8 COMMISSIONER CAMERON: Thank you,
9 Commissioner.

10 CHAIRMAN CROSBY: Okay. So, do you want to
11 have support or not?

12 COMMISSIONER CAMERON: Thank you. I guess
13 what I'd like to say is that I'd like to have that
14 flexibility. If for example, three weeks into this
15 process we have an inordinate amount of resumes that were
16 not anticipated I could at that point --

17 COMMISSIONER ZUNIGA: -- reevaluate.

18 COMMISSIONER CAMERON: -- reevaluate if
19 that's acceptable.

20 CHAIRMAN CROSBY: Sure.

21 COMMISSIONER CAMERON: It may be the kind
22 of thing where we get no more than 10 resumes. It's just
23 hard to say.

24 COMMISSIONER STEBBINS: Is it important to

1 have people from some of our stakeholders potentially
2 included in the screening process?

3 COMMISSIONER CAMERON: Yes. I think it's
4 always helpful to have someone from another agency assist
5 us, yes. I would value that experience. Like I say, I've
6 already been reaching out to many of our stakeholders to
7 think of good candidates and make recommendations.

8 CHAIRMAN CROSBY: Okay. Great.

9 COMMISSIONER ZUNIGA: Can I insert on this
10 line item?

11 CHAIRMAN CROSBY: Sure.

12 COMMISSIONER ZUNIGA: Just something I've
13 been thinking about also some kind of financing and
14 accounting support. In the similar venue to the staff
15 attorney that we have talked about, more and more we'll
16 need a staff accountant, for lack of a better term.

17 I would like to start drafting a job
18 description, some Accounts Payable experience for that
19 sort. We are going to start paying more bills and there's
20 going to be more need to report more timely. I think that
21 is becoming a necessity for us.

22 CHAIRMAN CROSBY: Sure. Good, you know
23 the process.

24 COMMISSIONER ZUNIGA: Yes. I'll come back

1 with a job description.

2 CHAIRMAN CROSBY: We want to always
3 remember that we do have a pool of people who have
4 contacted. I happen to know offhand of at least one who
5 might fit that kind of a bill.

6 So, we just want to make sure -- Janice is
7 sensitive to this. -- make sure we look at the people who
8 have already contacted us as one of the places to look.
9 That's great. This jumps ahead a little bit. But our
10 org. chart is probably anticipating that the Director of
11 Administration will not include finance, right? There
12 would be a CFO; is that right?

13 COMMISSIONER ZUNIGA: There was a memo I
14 believe in the packet that articulates that.

15 CHAIRMAN CROSBY: That was last week, I
16 think. Eileen, do you remember offhand the org. charts?

17 MS. GLOVSKY: I think that there is a CFO.
18 I think there is some conversation about where we draw the
19 line between the Commission operations and casino
20 operations -- interacting with casinos. In any event, at
21 this point in time I do think that we are likely to need
22 support staff in the accounting arena and really not be
23 able to -- Are you suggesting that we wait for a CFO to
24 be appointed?

1 CHAIRMAN CROSBY: No, no. I was just
2 thinking, if this person is going to be ultimately under
3 the Director of Administration, then you and Commissioner
4 Zuniga should be working -- you probably should be working
5 together on this anyway. But if this person is probably
6 going to spin out and be underneath the CFO, then it
7 doesn't really matter as much that the coordination be
8 done with you. That's the only reason I'm bringing it up.

9 If we need it, we need it. It's just a
10 question of how much it needs to be coordinated with you.
11 That's the only reason I was raising it.

12 COMMISSIONER ZUNIGA: I was assuming that
13 I would be coordinating with Eileen. We have talked a
14 little bit about this notion of a generalist in all finance
15 and accounting matters. Ultimately, where he or she may
16 end up can remain to be seen.

17 CHAIRMAN CROSBY: Okay. Fine. That's
18 great. So, we'll get moving on that.

19 Discussion of MGC internal policies.

20 COMMISSIONER ZUNIGA: There is a very brief
21 update on this. I have not yet made the changes that we
22 discussed last meeting before I went on vacation. I
23 didn't do them when I was at camp. But I will get to them
24 in short order and hopefully bring back the updated

1 version pretty soon.

2 CHAIRMAN CROSBY: Also, we agreed a couple
3 of weeks ago to get some training on State employee
4 relations, union rules and regs. and how they pertain to
5 us and so forth. We do have that scheduled for September
6 17, where several people from HRD --

7 MS. REILLY: We are changing the date.
8 It's going to be next week on the fifth.

9 CHAIRMAN CROSBY: So, it's September 5?

10 MS. REILLY: Yes.

11 CHAIRMAN CROSBY: So, I think everybody has
12 been notified, but not everybody has to go. But it is
13 important for us to understand what our legislation calls
14 for and what the rules are and so forth. And how to deal
15 with our Racing Commission employees and so forth.
16 That's coming.

17 Next up is Eileen Glovsky, report from
18 Director of Administration. And she has asked that we
19 combine this with the consultant status report under item
20 five, because they kind of fit together and there are some
21 time sensitive issues. So, I will just pass this over to
22 you.

23 We have decided to switch the Director of
24 Administration -- alternate the Director of

1 Administration with the Director of Communications and
2 Outreach every of the week. They both felt they didn't
3 really have all that much to talk about. And similar to
4 as we have talked about in our own update meetings that
5 if they do it every two weeks, it can be a little more
6 substantive. So, this week we will only have the Director
7 of Administration.

8 MS. GLOVSKY: I think we had a little bit
9 of a discussion about this last week but one of the roles
10 of the Director of Administration that I am moving into
11 more strongly is really the coordination of the
12 consultants, which Commissioner McHugh has done a lot of
13 up until this point.

14 When I first came onboard, they were working
15 on -- they were up to their eyeballs in RFA-1. And it was
16 hard to make the transmission, but we are really starting
17 to do that now. So, that I will be coordinating with both
18 the project management consultants and the gaming
19 consultants and any others that we bring in here, be the
20 point person for them to the Commission and for the
21 Commission back to the consultants. Hopefully, that will
22 make things a little bit easier for everyone.

23 The first thing that we really just wanted
24 to talk about today that I believe is in your packet is

1 the strategic plan outline. The consultants have been
2 kind enough to put the table of contents together for us.
3 And we just really wanted to see if there were any topics
4 that seemed to be missing from this. I think it is fairly
5 in depth. I'll be intrigued if there is something
6 missing.

7 But we wanted to give the Commission the
8 opportunity to take a look at it and make sure that the
9 things that you expected to be on this were here before
10 we send the consultants who actually are hard at work on
11 drafting this as we speak. If there is something
12 substantive that is missing, we would like to know about
13 it at this point in time. Commissioner Zuniga?

14 COMMISSIONER ZUNIGA: I don't necessarily
15 -- It's nothing necessarily missing but I have two
16 questions, if that's okay. Under part 4B, XIII and XIV,
17 in parenthesis is potential for Internet gaming and sports
18 betting. I am curious as to what the thought processes
19 is behind that and why is it labeled potential?

20 CHAIRMAN CROSBY: Do you want to introduce
21 Steve?

22 MS. GLOVSKY: Steve Ingis is coming to us
23 from Spectrum Gaming Group, our consortium of gaming
24 consultants and has been working hard on this.

1 MR. INGIS: I believe that there have been
2 some preliminary, very preliminary discussions regarding
3 whether these topics would be included in the regulation
4 package. And I anticipate there will be ongoing
5 discussion with the Commissioners in that vein.

6 COMMISSIONER MCHUGH: This is basically a
7 placeholder in the event so that we don't overlook the need
8 to have those discussions?

9 MR. INGIS: Yes. These are subject
10 matters that are very active throughout the gaming
11 industry today and are evolving and will be evolving very
12 speedily over the next several months.

13 COMMISSIONER ZUNIGA: I would be
14 interested in seeing the contents of that. I am
15 particularly interested also coming from being the
16 representative of the Commission to the Treasurer's
17 Online Product Task Force, which is also as you well know
18 an effort that has some track and is in a bit of a parallel,
19 if you will.

20 CHAIRMAN CROSBY: In which Spectrum
21 staff --

22 COMMISSIONER ZUNIGA: Spectrum is also
23 advising them. I've got a second question. The RFA
24 Phase-2 process, item eight, I was wondering if we will

1 be looking at scenarios or formulating scenarios as part
2 of this process? Maybe that hasn't yet been drafted but
3 I am interested in what the ongoing thought process would
4 be relative to that.

5 COMMISSIONER MCHUGH: What do you mean by
6 scenarios?

7 COMMISSIONER ZUNIGA: How we may let out --
8 Whether the strategic plan will lay out one option as here
9 is what we should do for the RFA Phase-2 process or whether
10 it will lay out two or three scenarios, just to pick a
11 number, where if we do this here is the outcome. And if
12 we do that there is an outcome.

13 MR. INGIS: Along those lines, there will
14 be certain areas where there will be various options
15 deposited in the strategic plan. Certain policy issues
16 that will need to be decided by the Commission is on an
17 ongoing basis.

18 With respect to RFA Phase-2 processes,
19 there will be discussions and recommendations about the
20 various aspects of an application as to what you need to
21 look at and how the evaluation process should proceed.
22 Those are the items that are itemized here in this outline.
23 The actual memo, which I've seen a draft of expands upon
24 those points.

1 COMMISSIONER MCHUGH: If I could just
2 expand on that because we did a discussion the other day
3 a little bit about looking forward and trying to capture
4 some of the lessons learned from the first process.

5 The current thinking is that we need to have
6 a schedule as laid out in this plan in which we have some
7 policy decisions early on that everybody looks at, some
8 big issues. And maybe they won't be concrete enough to
9 have them resolved definitively, but at least we'll see
10 what the areas are. And then some drafting. And then
11 looking, at an appropriate point, looking at the drafting
12 with the other policy issues that surface and the context
13 of that drafting, and weigh in on those.

14 Another level of drafting and then --
15 remaining policy issues and then a final set of regs to
16 consider. So, that we can still maximize efficiency in
17 getting through this without having everybody spending
18 every meeting going over things line by line.

19 Getting the policy decisions in a context
20 made earlier in the process and as a part of an ongoing
21 part of the process, so we don't face what we faced last
22 time, which was unavoidable given the speed with which we
23 were trying to work. But basically a set of policy
24 decisions to be made toward the end almost in a vacuum,

1 then the regulations for a week and a half and then a final
2 decision as to things that were published.

3 So, that I think, Eileen -- that kind of a
4 protocol is what Eileen and Kathy O'Toole and Kristin
5 Gooch are working on now to try and present for us all to
6 approve as a protocol. But that is the sort of general
7 before they work on it --

8 MS. GLOVSKY: And to a certain extent, I
9 think that is how we are going to be approaching the
10 strategic plan. Our intent is that the strategic plan
11 will be fully drafted, shall we say, on or about September
12 10. And that that with any associated policy decisions
13 that need to be made would then be distributed to the
14 Commissioners for review and discussion. And then the
15 information from that discussion would then be put back
16 into it.

17 CHAIRMAN CROSBY: This is policy decisions
18 about the strategic plan?

19 MS. GLOVSKY: Yes.

20 CHAIRMAN CROSBY: Not policy decisions
21 about regulations for Phase-2?

22 MS. GLOVSKY: We are using that sort of a
23 model so that we will get into this habit of having a little
24 bit more structured interaction with the Commission about

1 the development of this information. So, it doesn't feel
2 like you are getting a book that has to be reviewed and
3 that a lot of the decisions have to be made.

4 CHAIRMAN CROSBY: Right. That
5 anticipated what I was going to say. The only thing on
6 this under eight, RFA Phase-2 process and selection.
7 That is really what we just got through talking about.
8 What the strategic plan needs to tell us is what is the
9 process that you are going to use to write the criteria
10 and make the decisions and so forth and so on.

11 And this doesn't really do this. This just
12 puts out some values kind of, but it doesn't really outline
13 what is into the strategic plan will give us I think which
14 is the proposed process by which we will develop this
15 decision --

16 MR. INGIS: The proposed process will done
17 through the promulgation of regulations, which unlike
18 Phase-1, you will have some luxury of time.

19 CHAIRMAN CROSBY: But the process that we
20 develop the regs -- We know what the regulations are
21 publicly but how we go through it -- How are we going to
22 figure out which criteria we are going to use? What kind
23 of a ranking system are we going to lay out? That is a
24 process that we have to go through in some structured form.

1 That is what the strategic plan needs to
2 tell us is what is that structured form going to be whereby
3 we are going to identify the critical variables in the
4 decision-making process and then translate that into an
5 RFP, RFA-2, which just isn't quite addressed here in that
6 one segment. Do you understand what I'm saying? Does
7 that make sense to you?

8 COMMISSIONER MCHUGH: Basically, we are
9 talking about the same thing. The protocol that I was
10 talking about was sort of thought of as this standalone
11 thing. But it obviously fits right there and other pieces
12 of this fit into the strategic plan as well.

13 CHAIRMAN CROSBY: That's a really
14 important thing. That is really the meat and potatoes of
15 what this is all about. What are the standards and how
16 are we going to use them to make these decisions? We and
17 the public need to understand how we are going to do that.
18 That's really a big item.

19 MR. INGIS: Although not articulated
20 specifically, those items that you just mentioned should
21 be discussed in the draft of the strategic plan. They
22 should be encompassed within there.

23 CHAIRMAN CROSBY: Good, that's what we're
24 all saying I think.

1 COMMISSIONER STEBBINS: Quick question.
2 I'm going back under page four, 9b, explain that a little
3 bit for me. It talks about the interplay -- topic is
4 interplay between regulatory enforcement and then you
5 tick off three examples. Are those going to be provisions
6 of what those other individual states have done or lessons
7 we can learn from them?

8 MR. INGIS: Discussions of experiences
9 that those various regulatory agencies had in
10 coordinating with criminal law enforcement, the mistakes
11 made and lessons learned kind of scenarios.

12 COMMISSIONER STEBBINS: I know you picked
13 New Jersey because New Jersey is a full-time commission.
14 Pennsylvania because they are relatively new to the
15 market. Where does Indiana kind of fit into that
16 category?

17 MR. INGIS: That I'm not sure of. I can
18 find out, but I am not sure.

19 CHAIRMAN CROSBY: Okay. Great.

20 MS. GLOVSKY: I just wanted to let the
21 Commission know that I'm going to be meeting with PMA who
22 are the project management consultants on Friday. And we
23 are going to get to work on broadening the base of --

24 CHAIRMAN CROSBY: Is that the one I'm

1 coming to? Is it the one that I asked you about the other
2 day?

3 MS. GLOVSKY: I'll have to check back with
4 you. Just to set up a meeting with them and get some
5 training on the software. But what I'd like to do is when
6 I come back in two weeks is have a draft schedule that
7 includes more than just the things that we have on the
8 strategic plan, but would include the hiring that we are
9 talking about and how those plan out and some of the
10 procurements that we are looking at doing. I welcome
11 input from all of you on other things that should be added
12 to that plan so that we start to not only have something
13 that is really focused on what the consultants are doing
14 to really a big picture view of what the Commission needs
15 to be working on over the next 18 months to three years.

16 COMMISSIONER MCHUGH: This is a really
17 minor thought with respect to that. But I wonder if it
18 would be possible at some early phase to get all of the
19 Commissioners read-only access to that plan, electronic
20 read-only access to that plan as it evolves from time to
21 time.

22 I think it is helpful to know what the
23 deadlines are and what other things are going on when.
24 And just having that available would be an enormous help.

1 MS. GLOVSKY: Let me check on that. There
2 are some licensing issues around that, but I'll work to
3 see -- I'm sure that there is a way to accomplish that.

4 I know you have some other things to update
5 on.

6 MR. INGIS: As an update, in addition to
7 delivering the strategic plan outline, the gaming
8 consultant team has been working on a number of items
9 relating to the RFA Phase-1 and the conclusion of the
10 strategic plan. They include such items as finalizing
11 the RFA-1 Phase-1 application forms, including
12 determinations relating to confidentiality of
13 information. We got nearly completion of those forms
14 sets, anticipate that they will be ready for the
15 Commission's review by the end of this week.

16 We are also in the process of completing the
17 writing of RFA Phase-1 process instructions that are
18 designed to accompany the RFA Phase-1 application packet.
19 They too should be ready for completion and delivered to
20 the Commission by the end of this week.

21 In addition, we are evolving the time line
22 and table of organization on a continuing basis based on
23 last week's discussion with various Commissioners. We
24 are preparing initial budget estimates based on the

1 discussions relating to timeline and table of
2 organization.

3 We are expanding the RFA Phase-2
4 regulations list to include the policy decisions that will
5 be needed for each regulation. We are developing and
6 documenting protocol for engaging with the Commission and
7 the legal consultants around the planning, drafting and
8 review of the Phase-2 regulation process.

9 And finally but not least in significance,
10 we are completing the drafting of the various sections of
11 the strategic plan. And as Eileen indicated, we are on
12 schedule for filing that with the Commission on September
13 10.

14 COMMISSIONER ZUNIGA: Can you go back to
15 the second to last update?

16 MR. INGIS: The protocol for engaging with
17 the Commission?

18 COMMISSIONER ZUNIGA: Yes. What is the
19 timeline for that?

20 MS. GLOVSKY: We are in the process of
21 working that -- I would say that that would be done within
22 the next week or two. It will be an iterative process.

23 MR. INGIS: We would love those
24 discussions.

1 CHAIRMAN CROSBY: In concert with that, we
2 have also discussed extending the consultants' contract
3 for a second phase, which would include this, which that's
4 going on sort of in parallel.

5 We are presuming -- I think we pretty much
6 made the decision that we want to and can extend the
7 consultant contract to talk to the RFA-2 Phase, the
8 implementation of the RFA-2 Phase that's going on right
9 now too, right? Are you finished?

10 COMMISSIONER ZUNIGA: Yes.

11 CHAIRMAN CROSBY: We are still thinking
12 about the need to close the loop pretty quickly on how we
13 are going do the investigations, and whether we need to
14 do an external procurement. Do we use resources already
15 onboard, some combination of that? That is moving in --
16 You are going to go away for couple weeks, right? Is
17 that what you said?

18 MS. GLOVSKY: Not until October. I think
19 within the next week or so we will have that nailed down
20 about how we are going to approach that.

21 CHAIRMAN CROSBY: Okay. Great. Anything
22 else?

23 MS. GLOVSKY: No. Thank you.

24 CHAIRMAN CROSBY: Thank you.

1 an informal comment period. It's not a statutory comment
2 period. So, it doesn't have to track the comment period
3 that is being followed for the regulations. And we can
4 leave it open after the regulation comment period closes.
5 So, there will be time to consider it as we go forward.

6 The other thing that we'll have to consider
7 next Monday -- I mean next Tuesday is how we are going to
8 -- the final plans for setting up this multi-location
9 hearing that we are going to have on the 10th. The Open
10 Meeting Law does not apply to that in terms of the
11 strictures that apply so long as we do what agencies
12 typically do at this stage and that is simply gather
13 information and don't deliberate.

14 So, I will have for distribution to the
15 Commission later this week a little memo that we can
16 consider next week as to a process for processing the
17 comments that we get on September 10. We can talk about
18 that next week as well. Because we need to have a process
19 to efficiently process those comments and get them turned
20 around and get the regulations revised so that we can have
21 them in the hands of the Secretary of State by September
22 28 so they can be published on schedule.

23 I think we'll have no difficulty meeting
24 that schedule. So, those two things are going to be items

1 clarification, we can probably deal with. Otherwise, we
2 can take questions but we will have to get to them if there
3 are things that we have to deliberate to answer.

4 MS. REILLY: The other question that they
5 had was would we put a time limit on when they come up to
6 make their comments?

7 COMMISSIONER MCHUGH: Oh, I hope so.

8 CHAIRMAN CROSBY: What I said was
9 reasonableness time rather than set a timeframe in
10 advance. I think people were asking is do we want to say
11 you can speak but you've got 10 minutes or do we want to
12 just manage it as we go?

13 COMMISSIONER MCHUGH: It seems to me that
14 we take a look at the volume. The notice asked people to
15 tell us if they wanted to be heard. Take a look at the
16 volume and then have some rules of order promulgated as
17 soon as we can. That seems to me to be the -- That's the
18 functional way to do it. Would that work?

19 MS. REILLY: Sure.

20 COMMISSIONER MCHUGH: At this point, I have
21 no idea whether we are going to have a lot of people or
22 a few people or how it's going to be. We could be more
23 generous if have a few, but we want to make sure everybody
24 gets heard. Does that make sense?

1 CHAIRMAN CROSBY: Yes, that's fine.
2 Apparently, we were going to do it from 4:00 to 7:00 in
3 order to make sure that we could get people after work.
4 We ended up not posting 7:00 as an end point because we
5 didn't want to have to sit there for an hour if there's
6 nobody there. But we do want the public to know that we
7 are going to run over in fact until 6:00 anyway so that
8 people who work until five can get there.

9 Okay. Anything else on that?

10 COMMISSIONER MCHUGH: No.

11 CHAIRMAN CROSBY: I think we are on item
12 four, Racing Commission that would be Jockey Cameron.

13 COMMISSIONER CAMERON: Thank you, Mr.
14 Chair. It's a new role for me.

15 First, I'd like to report on hearings that
16 were held on behalf of the Commission earlier this month.
17 The first matter is the matter of Abad Cabassa, a licensed
18 jockey. This was in regard to Suffolk Steward Ruling.

19 Just to be brief in my reporting, the
20 Commission had issued the appellant a license to practice
21 as a jockey in the Commonwealth of Massachusetts. The
22 appellant participated in the fifth race taking place on
23 Wednesday, July 4, 2012.

24 The appellant's horse, number two, entered

1 the home stretch at the 1/16 pole. It altered its course.
2 As a result, the appellant's course changed, another
3 horse, the number five horse was crowded by the
4 appellant's horse and it had to maneuver in order to avoid
5 a collision.

6 In this matter, we heard from both the chief
7 steward as well as the jockey. We reviewed video of this
8 matter. My tentative decision is based on the findings
9 of fact. The respondent's conduct constitutes a
10 violation of 205 CRM 4.11(6) and section A, B and C.

11 During the hearing, the evidence
12 demonstrated that the appellant's horse did change course
13 during the homestretch, crowded another horse and forced
14 it to alter its path. I, on behalf of the Commission,
15 credited the testimony of the chief steward, Susan Walsh,
16 as being consistent with the evidence from the tape,
17 namely a video of the race.

18 The appellant provided testimony in the
19 form of his opinion as to what horse five did pulling out.
20 But I believed it was clear from the video and the
21 testimony.

22 And my tentative decision is to uphold the
23 decision of the Suffolk Downs' Board of Stewards,
24 suspending the jockey license of the appellant for seven

1 calendar days. The days in which the suspension is to be
2 served shall be determined by the stewards.

3 To the extent that the appellant appeals the
4 disqualification of his mount from the race in question,
5 the Commission upholds the disqualification. Of course,
6 the appellant will be notified of the tentative decision
7 and his right to seek reconsideration within a 30-day
8 period. That is the first matter that I am reporting to
9 the Commission.

10 The second matter is with Marco Chavez.
11 And this was a State Police ejection. Findings of fact
12 are as the appellant was formerly licensed as an exercise
13 rider at Suffolk Downs on May 2004. The appellant was
14 ejected due to an altercation, which occurred on April 10,
15 2004.

16 Notwithstanding the ejection, the
17 appellant continued to receive licenses to work at Suffolk
18 Downs most recently during the 2007 racing season. On
19 July 2, 2007, the appellant was again ejected from Suffolk
20 Downs for using a false Social Security number and false
21 date of birth. Additionally, the appellant purportedly
22 was not in the United States legally.

23 In 2010 for the first time, the appellant
24 appealed that ejection. However, he ultimately failed to

1 show at the scheduled hearing resulting in his appeal
2 being dismissed with prejudice. The appellant has used
3 different Social Security numbers and dates of birth on
4 applications for racing licensure.

5 Again, the conclusion based on the findings
6 of fact, the appellant's conduct constitutes a valid
7 ground for ejection of the appellant. And my tentative
8 decision on behalf of the Commission is to uphold the
9 ejection of the appellant. And this appellant may not
10 seek further Commission review for a full calendar year
11 from the date of this decision.

12 The subject will be notified. And of
13 course, this is a tentative decision and again the
14 appellant has 30 days to seek reconsideration of that
15 tentative decision.

16 CHAIRMAN CROSBY: So, they sit for 30 days.
17 If they don't appeal it or ask for reconsideration --

18 COMMISSIONER CAMERON: The decisions
19 become final on behalf of the Commission.

20 CHAIRMAN CROSBY: They can also waive that
21 30-day waiting period if they want to?

22 COMMISSIONER CAMERON: We have put a
23 process in place that if the subject chooses not to appeal
24 and would like to serve their suspension in a timely

1 manner, we have a process in place which will allow that
2 to happen.

3 CHAIRMAN CROSBY: Reconsideration would be
4 before the full Commission?

5 COMMISSIONER CAMERON: Correct, but it
6 would not be a full hearing. It would just be any new
7 information that the appellant chose to provide to the
8 full Commission.

9 CHAIRMAN CROSBY: Okay.

10 COMMISSIONER CAMERON: The third is a State
11 Police ejection. This is the matter of Josue Morales
12 Marcano. And the findings of fact are as such that the
13 appellant was formerly licensed as a jockey at Suffolk
14 Downs. On October 2, 2009, the appellant was in a vehicle
15 with a Mr. Joel Villaneuva in the backside of the Suffolk
16 Downs Racetrack. On October 2, the incident in question,
17 the State Police observed the appellant with a number of
18 pills requiring prescription.

19 Criminal charges were filed against the
20 appellant due to the possession of the pills in question.
21 However, those charges have been dismissed. The
22 appellant has stated that the prescriptions were most of
23 them that he had prescriptions but not all of them. Based
24 on a finding of fact, the appellant's conduct did

1 constitute a valid ground for ejection.

2 During this hearing, I credited the
3 testimony of the appellant that he had prescriptions for
4 most of the drugs. The finding of credibility is made in
5 part because the appellant does not claim to have been
6 legally in possession of all the drugs. There were a
7 couple of pills for which he did not have a valid
8 prescription.

9 His willingness to make a statement against
10 his own interests greatly strengthens the finding of
11 truthfulness. I noted on behalf of the Commission that
12 the dismissal of the criminal charges against the
13 appellant is not an exonerating factor for the appellant,
14 but a mitigating factor.

15 Possession of such drugs is detrimental to
16 racing. It indicates a violation of law and possible
17 problem with substance abuse. However, in light of the
18 passage of time and the appellant's honesty, some mercy
19 may be appropriate in this matter.

20 With regard to a finding, on behalf of the
21 Commission, I ordered that the objection (SIC) of the
22 appellant be upheld but that we lift that objection (SIC)
23 immediately due to at least one instance of having
24 prescription drugs without the prescription. And the

1 stewards may consider this matter when he seeks a
2 license.

3 At this point, it is my tentative decision
4 that we lift the ejection, which will allow the appellant
5 to then go before the stewards for a license. This
6 individual has never had any other issues. And I found
7 that to be a mitigating factor also.

8 So, at this point, it is my recommendation
9 that we lift the ejection and let him proceed with the
10 licensing process before the stewards. Again, the same,
11 it is tentative and does have the right to appeal the
12 tentative decision.

13 We have one other matter. This is a
14 previous case in which the 30 days was -- We were in the
15 middle of that 30-day window for this decision. And this
16 is in the matter of Walter Case. You will see a letter
17 from his attorney in your package. It's the Law Office
18 of Jeffrey Pocaro.

19 In light of my tentative decision that
20 upheld the judge's ruling in this matter that this
21 individual not be licensed, Mr. Case's attorney is asking
22 that we withdraw the application and request that the
23 denial that was published in the United States Trotting
24 Association website be withdrawn. In other words, they

1 are asking that for us to consider the fact that they never
2 made application and we never held a hearing.

3 What I thought was appropriate was that we
4 let it be known, and you will see an extension for filing
5 the objection to the tentative decision. In other words,
6 because this settlement offer was made in the middle of
7 the 30 days, certainly we would give the individual
8 another couple of weeks to file any kind of objection
9 material.

10 But, it is my recommendation that we deny
11 the request for settlement. They did make application
12 and we did hold a hearing. I don't think it's appropriate
13 to say that those things did not happen or that we do not
14 have a record of that. In being fair to the individual,
15 I thought it was appropriate to extend his filing time for
16 an appeal, but that we deny the settlement offer, which
17 is to withdraw the application and the appeal process.

18 This is a matter, Commissioner McHugh,
19 where I think the Commission should vote on my
20 recommendation that we deny the settlement.

21 COMMISSIONER MCHUGH: I agree that we
22 should vote. But my only question is should we vote now
23 or vote after we have all of the papers?

24 COMMISSIONER CAMERON: If there are nay

1 papers.

2 COMMISSIONER MCHUGH: There may not be.
3 But the other deadline is September 14. I guess to
4 rephrase, that's whether we should wait until after
5 September 14 and just deal with this matter once and either
6 deny the request to withdraw or --

7 COMMISSIONER CAMERON: Which still allows
8 the appellant to appeal.

9 COMMISSIONER MCHUGH: Right, file
10 objections. I'm really asking for what your judgment is.
11 Whether we ought to do that now and give him notice.

12 COMMISSIONER CAMERON: I think that the
13 appellant is probably looking for an answer to the
14 settlement request before a decision to appeal my
15 tentative decision, which is why I thought it would be
16 appropriate that we vote on the settlement piece of this.
17 How do you feel about that Commissioner?

18 COMMISSIONER MCHUGH: The logic of that is
19 impeccable. I just wonder if -- I am just unsure as to
20 whether he is entitled to notice that that we were going
21 to vote on that today.

22 I would recommend that we take this up next
23 Tuesday and that we give Counsel notice that we are going
24 to do so. Whether he's got a right to be heard, we can

1 check, but at least he's got notice that we are going to
2 take it up next Tuesday and then take it up next Tuesday.

3 COMMISSIONER CAMERON: We'll handle the
4 settlement offer next Tuesday, but in the meantime the
5 appellant will be notified that he has additional time.

6 COMMISSIONER MCHUGH: Right. And that
7 will still give him about two weeks to file whatever papers
8 that he wants if we reject the request to withdraw the
9 appeal.

10 CHAIRMAN CROSBY: Who is John Hill?

11 COMMISSIONER CAMERON: Mr. Hill is right
12 behind us. He handles for DPL and the former Racing
13 Commission, Mr. Hill is the keeper of all of the records,
14 sending the letters on behalf of now the Gaming
15 Commission.

16 CHAIRMAN CROSBY: Thank you. So, we will
17 deal with this next week.

18 COMMISSIONER CAMERON: We will. Thank
19 you. In addition to those hearings and those matters, I
20 would like to report on -- I think it is appropriate to
21 speak of the fines that were made public this week at
22 Suffolk Downs.

23 What I would like to say is I have been
24 briefed by track officials on the matter. Reportedly,

1 the track and the officials are cooperating with EPA to
2 ensure compliance, to meet those standards and certainly
3 on behalf of the Commission I will continue to monitor that
4 ongoing matter.

5 CHAIRMAN CROSBY: Would it make sense to be
6 briefed by the Agency as well? They may have a different
7 view of things.

8 COMMISSIONER CAMERON: This is not a new
9 matter, Mr. Chair. This is an ongoing. It's a couple of
10 years old. Millions of dollars have been spent to
11 mitigate the situation out at Suffolk Downs.

12 If you think it makes some sense to talk to
13 EPA officials, then I'm sure we can do that. But this is
14 a matter that I have been briefed on with regard to --

15 CHAIRMAN CROSBY: I don't know a thing
16 about this. So, don't anybody take us in any other way
17 than a complete ignorance, but in the abstract, our
18 business now is to oversee the operations of these folks.
19 And how compliance is executed and why mistakes are made
20 whether they are willful or not, there is a context it
21 seems to me to compliance that is something we ought know.

22 The facility won't necessarily have the
23 same perspective on their plans as the Agency itself. I'm
24 sort of raising the question. We know some of the facts.

1 WE have read the newspaper. You have been briefed. I
2 have never seen any of the actual paperwork. I have
3 really no idea what really went on. But I wonder whether
4 as the regulatory agency it would behoove us to understand
5 everybody's perspective and context of what transpired
6 here. It's just a question I'm asking everybody.

7 COMMISSIONER CAMERON: As we have
8 scheduled in our efforts to learn more about the
9 operations, which we now regulate, we are scheduled out
10 at Suffolk tomorrow. If you would like, I can arrange for
11 a private briefing for all of the Commissioners, if you
12 think that is appropriate and if you think you need
13 additional information. We can certainly arrange for
14 that also.

15 COMMISSIONER MCHUGH: Could I offer a
16 suggestion here? Rather than do that, which is
17 thoughtful way of course to handle it. Perhaps a first
18 step rather than trying to do this on the fly tomorrow,
19 would be to get the papers that were filed in court.

20 Those are going to reveal the allegations
21 and reveal a lot of the information that underlay the
22 ultimate resolution. We will have a chance to study
23 those, to look at them, to talk about them, to inform
24 ourselves about the parameters of what was going on.

1 And then to the extent that we think we need
2 further information, we could invite -- That being a
3 Federal agency, I think we can only invite. -- a
4 representative of the EPA to appear in front of us and do
5 the discussion in an open forum here where everybody can
6 see us. But at least we would be informed about A, the
7 need for further information and B, the parameters of what
8 we need to inquire about. We can do that in fairly short
9 order.

10 But I think to try to dive into a matter that
11 has been going on as I understand it since 2008 that
12 already has resulted in a substantial amount of investment
13 in upgrading facilities. To try and get into the middle
14 of that on the fly with one side and not with everybody
15 would be a mistake. This would be more deliberative way
16 to get at it. I just throw it out for consideration.

17 CHAIRMAN CROSBY: As I said, I am just
18 bringing this up because it's the first time we ever had
19 a situation like this where one of our regulated entities
20 had this kind of issue. So, I think we need to think about
21 how we handle this. That's what I'm trying to do.

22 I would imagine that the papers are like
23 this and you could guide us through.

24 COMMISSIONER MCHUGH: I think the relevant

1 papers can be distilled into a relatively few. We could
2 take a look at the docket and see what the papers are, get
3 the relevant papers and distribute them to the Commission
4 and get fairly quickly to the meat and get through a lot
5 of the chaff.

6 CHAIRMAN CROSBY: That's my way of saying
7 that you think that it kind of does make sense for us to
8 take an effort to look a little further into this and just
9 to get a context.

10 COMMISSIONER MCHUGH: I think that that
11 preliminary look will help us understand whether it's
12 worth a further look.

13 CHAIRMAN CROSBY: Okay.

14 COMMISSIONER CAMERON: I'll arrange for
15 that. One further matter before we move onto the status
16 of the Director of Racing is we are in the process of
17 finalizing some additional work for our racing
18 consultant. We talked about this a couple of weeks ago,
19 but now we are in a position to move forward and have her
20 facilitate the work of a working group that we put
21 together. This is all with regard to best practices in
22 racing and a roadmap for getting there. So, that should
23 be finalized this week.

24 Commissioner Zuniga, I will make sure

1 you're well-informed of this. I'll have more to report
2 on that by next week. I can move onto the Director of
3 Racing search, Mr. Chair.

4 CHAIRMAN CROSBY: Just on -- This can be a
5 yes or no. I don't need to know the details, but do we
6 have the interagency financing stuff figured out? We
7 weren't sure -- There was this issue of the legislation
8 changing? There might have been a cash flow problem.
9 You guys were looking into that. There's also the issue
10 of the dog payments. Where do all of those things stand?

11 COMMISSIONER CAMERON: They are ongoing
12 and certain matters are resolved every week, which is
13 probably the best way to describe the process. New issues
14 come up every week that we ask questions and we have had
15 a series of meetings at the Comptroller's office to seek
16 advice on moving forward when it comes to financial
17 arrangements.

18 And we have also utilized Anderson and
19 Kreiger to assist us with some issues regarding kennel
20 payments. We are making progress, but we do not have a
21 final resolution to that matter yet, Mr. Chair.

22 CHAIRMAN CROSBY: How about the cash flow
23 issue, the appropriation versus the accrual of monies and
24 so forth?

1 COMMISSIONER ZUNIGA: In terms of payment
2 to cities and towns or just the notion -- the absence of
3 the appropriation?

4 CHAIRMAN CROSBY: There was the absence of
5 an appropriation and we were going to look into whether
6 that poses an issue for us or was it just a simple cash
7 flow issue? Or we can comingle funds and it doesn't
8 matter?

9 COMMISSIONER ZUNIGA: The short answer is
10 that that has not been fully resolved, just to support
11 Commissioner Cameron's point. There is a fact which is
12 there will be an absence of an appropriation for the racing
13 operations.

14 In general, the racing operation are "self
15 sustaining". There will not necessarily be additional
16 monies needed with the following caveat: mostly because
17 of the absence of this appropriation, we will likely
18 utilize monies from this trust. When agencies do that
19 there is a surcharge on trust monies versus appropriation
20 monies that the State imposes. There is a delta there.

21 But there is also an allowance for a waiver.
22 We can request a waiver because A and F may recognize that
23 that is not the intention necessarily of that surcharge.
24 Am I explaining myself a little bit?

1 CHAIRMAN CROSBY: Yes.

2 COMMISSIONER ZUNIGA: So, that matter has
3 not yet been resolved, but it's ongoing.

4 CHAIRMAN CROSBY: So, somebody could give
5 us a note just to let us know where that is going and when
6 it gets --

7 COMMISSIONER ZUNIGA: The conclusion that
8 I have reached I think is that the flow of funds -- I really
9 need to understand the flow of funds better and hence I
10 am looking forward to a little help from either a paralegal
11 or a Racing Director or both, frankly. That could really
12 be good timing for us.

13 CHAIRMAN CROSBY: This is something that
14 Commissioner Zuniga brought up the other day. And since
15 it's not time sensitive, there is no sense of any crisis
16 problem, but a lot of people, I feel the same way, I don't
17 really understand the funds flow within that operation,
18 but our new ED may well.

19 Since it's not urgent, we probably ought to
20 just wait and let that person help us through that. As
21 well as there will be the audit going on and there maybe
22 overlap between what the auditors audit -- the transition
23 audit is doing.

24 But I share your sense of frustration a

1 little bit, because I don't really understand how those
2 funds flow works.

3 COMMISSIONER CAMERON: And it maybe a
4 situation, Mr. Chair, where there are as part of the
5 working group's assignment, which will be all
6 encompassing, we may take a look at accounts. There may
7 be a situation where there are so many accounts because
8 years ago they did not have the ability to decipher money,
9 so they set up separate accounts. So, we may have too many
10 accounts.

11 So, all of this will be looked at as part
12 of the overall assessment, review and make
13 recommendations for regulating in keeping with all of the
14 best practices including financial best practices.

15 CHAIRMAN CROSBY: Where is the transition
16 task force?

17 COMMISSIONER CAMERON: Are you talking
18 about the audit?

19 COMMISSIONER ZUNIGA: The working group.

20 CHAIRMAN CROSBY: No, your working group.

21 COMMISSIONER CAMERON: They have been
22 identified and we have a schedule planned to actually have
23 meetings next week with Ms. Allman.

24 CHAIRMAN CROSBY: Great.

1 COMMISSIONER CAMERON: With regard -- To
2 finish my report, with regard to the Director of Racing
3 that we posted, that posting closes this week. I have
4 scheduled interviews for next week, next Thursday. Jen
5 Stark from the AG's office, our gaming counsel, has agreed
6 to assist in those interviews. We are going to move
7 forward in a timely manner, be able to present to the full
8 Commission.

9 CHAIRMAN CROSBY: How many applicants do we
10 have?

11 COMMISSIONER CAMERON: We received, I
12 believe, it's nine applications to date. Again, I don't
13 want to say exactly how many interviews because the
14 posting doesn't close until the end of this week, but we
15 will be interviewing a couple of candidates and moving
16 ahead with the process.

17 CHAIRMAN CROSBY: Great. Maybe by the end
18 of this month -- by the end of next month possibly a little
19 sooner we might have somebody.

20 COMMISSIONER CAMERON: It is my intent to
21 move this quickly. I think we can. And I think we have
22 done our due diligence and will be able to move ahead
23 within the next couple of weeks.

24 CHAIRMAN CROSBY: Great. Okay. Anything

1 else on racing business? Item five, we've done 5A. 5B
2 technical and other assistance, I am confusing this with
3 the outreach and responses. Technical and other
4 assistance to communities, Commissioner Stebbins, did you
5 have any?

6 COMMISSIONER STEBBINS: Sure. A quick
7 update on the ombudsman search update. We have wrapped
8 up our interviews. We are doing some follow-up calls --
9 We will be, we haven't started yet doing some calls to some
10 references. Hopefully by the end of this week, early next
11 week we can narrow down the list to just a handful of
12 finalists to present to you Mr. Chairman to meet with
13 shortly after Labor Day. And out of that group, hopefully
14 have a candidate that stands above the rest.

15 CHAIRMAN CROSBY: This week are you going
16 to give me those names or next week did you say?

17 COMMISSIONER STEBBINS: My hope is either
18 the end of this week or early next week. Just doing some
19 reference calls at this point.

20 CHAIRMAN CROSBY: Good.

21 COMMISSIONER STEBBINS: I can tell you we
22 saw a great pool of candidates. As we all know, this job
23 has responsibilities at one end that kind of morph into
24 responsibilities that are a little bit different down the

1 line.

2 So, we had people with strong backgrounds
3 on both sides of the requirements. I think we had a good
4 strong pool of candidate to pick from. Every
5 conversation -- I'll remind everybody of this. But every
6 conversation, if it was somebody we saw with tremendous
7 skills and they don't necessarily become a finalist for
8 the ombudsman position, we did have conversations with
9 them about what their other interests may be. Because
10 certainly we see some of their skills being utilized by
11 this Commission at some point down the line as we kind of
12 build this organization and go along the way and figure
13 out what our staffing needs are going to be.

14 Everybody was amenable to that. The
15 feeling among everybody we talked to was the level of
16 excitement of being in on the ground-floor is something
17 as exciting as the Gaming Commission is.

18 CHAIRMAN CROSBY: Great. A couple of
19 other things in this area. First of all, since I am
20 serving as the ombudsman, there were two I think I
21 mentioned earlier, Suffolk Downs and Ameristar talking
22 about -- got in touch with me. Ameristar wanted its first
23 pre-applicant payment meeting. And Suffolk Downs has
24 asked for its post-applicant meeting with DOT. And

1 Suffolk Downs is now asking to meet with Environmental
2 Affairs. And I put all of those meetings together.

3 Collins Center and Mass. Development are
4 those that you were going to line up? Are those to be
5 working with the ombudsman to provide services?

6 COMMISSIONER STEBBINS: Yes. I think
7 Mass. Development had offered to be a part of our interview
8 process with respect to the ombudsman candidate because
9 of their experience in doing obviously pretty large
10 development deals.

11 The key person there was not available to
12 sit in on the interviews, but I may ask that individual
13 to help us do some of the follow-up calls. The Collins
14 Center, I've been neglectful, but I need to circle back
15 with them and complete our work and make the presentation
16 before the Commission here in very short order.

17 CHAIRMAN CROSBY: We had talked on the
18 eighth about the RPAs, involving the RPAs in this. And
19 we continue to get outreach from the RPAs that they'd like
20 to be involved. But I think we agreed on the 14th to
21 postpone that until the ombudsman comes onboard. So, we
22 are just holding all of the RPAs in place until the
23 ombudsman is in place.

24 Item 6, finance/budget.

1 COMMISSIONER ZUNIGA: I don't have an
2 update of the budget of this year. I will be reporting
3 budget to actual expenditure at the close of this month
4 in a subsequent meeting, whether that is next meeting or
5 the meeting after that.

6 I did want to mention that I've had some
7 initial discussions with our consultants from Spectrum
8 who are putting together the budget piece for the
9 strategic plan. The approach really as I can see it, it
10 is just preliminary, is to take what we approved as the
11 fiscal year budget '13 and make assumptions as to
12 additional items or growth of certain expenditures for
13 fiscal year '14 and '15. That is sort of what I'm starting
14 to see as the pieces that relate to budget in the strategic
15 plan.

16 So, we went through some itemization of line
17 items that we may or may not have carried forward. We may
18 have to escalate some of them. We may have to do away with
19 a couple of others. Those discussions are ongoing.

20 CHAIRMAN CROSBY: Okay.

21 COMMISSIONER ZUNIGA: The baseline is what
22 we already had as the fiscal year '13 approved budget.

23 CHAIRMAN CROSBY: Good. Anything else in
24 that category?

1 COMMISSIONER ZUNIGA: No.

2 CHAIRMAN CROSBY: Item 7, public education
3 and information, community and/or development outreach
4 responses. I think we do have one. Commissioner McHugh,
5 did you --

6 COMMISSIONER MCHUGH: Yes. I wanted to
7 talk about this. It's in the packet. It's a letter from
8 Charles Blanchard, the Palmer Town Manager. We all
9 received this at the end of the forum that we had.

10 Commissioner Stebbins and I talked with Mr.
11 Blanchard about this subject. The essence of which is
12 this that there are a number of fire districts and water
13 districts in cities and towns throughout the State that
14 are of considerable -- they've been around for a long time.
15 And they have a governing structure that is independent
16 of the governing structure of the area in which they exist.
17 They supply the fire protection and the water service for
18 various cities and towns under contracts with the cities
19 and towns and the others to whom they provide services.

20 So, a gaming applicant, an applicant for a
21 gaming license in an area where water or fire service is
22 provided by one of these independent districts would have
23 to obtain services from those districts and would have to
24 negotiate with them in order to get the services that were

1 required.

2 There was some concern on Mr. Blanchard's
3 part about whether there would have to be a host community
4 agreement between the gaming license applicant and these
5 independent districts. Or whether the statute
6 contemplated a host community agreement with the city or
7 town where the applicant was going to build a development
8 that encompassed whatever agreements were necessary with
9 these independent districts, and asked whether the
10 Commission could clarify its position on that issue.

11 Commissioner Stebbins and I, when we talked
12 to Mr. Blanchard told him that the host community
13 agreement was one that was put to the vote of the city or
14 town by the municipal authorities. The municipal
15 authorities were defined in the statute as the mayor and
16 city council of all but a Plan A and E charter, I think,
17 and the board of selectmen of a town, and did not talk about
18 these independent districts.

19 So, that the statute did not contemplate the
20 creation of a host community agreement so far as we could
21 determine between the applicant and these independent
22 districts.

23 Mr. Blanchard's letter requests the Gaming
24 Commission to require a single host community agreement

1 and no agreement between -- no independent agreement
2 between the gaming license applicant and these
3 independent districts.

4 I'm not sure that is within the Commission's
5 purview to require that. I do think that the Commission
6 could take the position and it would be my recommendation
7 and I think what we have discussed with Mr. Blanchard, that
8 the Commission would strongly encourage and would look
9 favorably on an application from a city or town that
10 included all of the necessary steps that had to be taken
11 in order to make the license applied for a reality. That
12 would be an agreement with whoever was going to provide
13 water and whoever was going to provide fire protection.

14 So, I think the Commission could take the
15 position that a single package voted on by the residents
16 of the city or town included all of the elements necessary
17 for a successful development would be something the
18 Commission would be interested in receiving and would look
19 favorably upon.

20 The reason for dealing with this issue now
21 is that there are a number of these districts throughout
22 the Commonwealth. The idea here would be to answer this
23 question in the fashion that I have just described or
24 recommended or otherwise and then post as one of our

1 frequently asked questions the answer so that it would be
2 available for everybody. Because this has come up more
3 informally than Mr. Blanchard's request in other
4 contexts. This is not the first time this question has
5 arisen.

6 That's a synopsis of the issue and our
7 recommendation. I think I am joined by you, Commissioner
8 Stebbins, in the recommendation as to how to answer it
9 but --

10 COMMISSIONER STEBBINS: No. I agree with
11 Commissioner McHugh's comments about this. I know that
12 this has been an issue on the minds of the folks in Palmer
13 in trying to draw some resolution to it. At one point,
14 I think we considered trying to address this through the
15 regulatory process.

16 But I think the statute is pretty clear that
17 we evaluate one host community. We don't evaluate a
18 number of different community agreements that come forth
19 with respect to one applicant. So, clarifying this is --
20 Taking this step, as Commissioner McHugh pointed out, and
21 clarifying this as it relates to this particular case and
22 we don't know if there are any other cases out there, but
23 this would allow the community of Palmer to kind of move
24 ahead with looking at what the components of a host

1 community agreement would be.

2 Any other examples, we may find issues with
3 communities negotiating with a municipal or utility
4 company. We may find the municipal water authorities
5 whatever have you, but the statute is pretty clear that
6 it's one host community agreement that comes forward,
7 compiles all of these into one host community agreement
8 as opposed to the separate agreements to be put to the
9 Commission.

10 I like the idea of just simply addressing
11 this as a matter of our policy as opposed to waiting this
12 out to the regulatory process. I'm not sure it needs
13 that. But if we can give some simple declaration of that
14 as a way to move forward, we know it benefits the Town of
15 Palmer in this case and it may benefit another community.

16 COMMISSIONER ZUNIGA: I have got a question
17 which is not meant as a disagreeing with the
18 recommendation. I think it's sound. I am just wondering
19 if we have talked to or we should talk to the Department
20 of Public Utilities, which at least in the case of water
21 does regulate these water districts. It does not for fire
22 protection.

23 So, maybe somebody from there could have
24 some insight as to whether reinforcing our position

1 perhaps or clarifying something that we may not be
2 thinking about. I'm just kind of wondering.

3 COMMISSIONER MCHUGH: We surely should
4 touch all relevant bases and that would be -- it certainly
5 wouldn't be harmful to ask the Department of Public
6 Utilities. Send them this letter and ask if they have any
7 comment on that. We could call them up and see if we could
8 get a quick answer on that.

9 My sense is that this focuses solely on the
10 host community agreement and what are the contents of it,
11 which is not within the heart of the DPU's regulatory
12 scheme. But it certainly does no harm to ask for their
13 input.

14 COMMISSIONER ZUNIGA: Just as a way --

15 CHAIRMAN CROSBY: What would they have to
16 say about this?

17 COMMISSIONER ZUNIGA: I don't know. As
18 the body that regulates water districts, I am wondering
19 if there is a nuance in our thinking about host community
20 and the legislation of 23K, we may not be considering.
21 That's all.

22 CHAIRMAN CROSBY: No harm.

23 COMMISSIONER ZUNIGA: Maybe it's overly
24 conservative, but as you were talking about -- especially

1 for water, because I happen to know that they do regulate
2 all of the water providers whether they are public or
3 private.

4 CHAIRMAN CROSBY: I agree with
5 Commissioner McHugh there is nothing to hurt about making
6 the call. Although it's hard for me to see what they
7 might --

8 COMMISSIONER MCHUGH: We'll do that
9 promptly and I'm sure we will get a prompt response.

10 CHAIRMAN CROSBY: The question that occurs
11 to me and I haven't really thought about this very much,
12 but we will be spec'ing in RFA-2 what is required of a host
13 community agreement above and beyond whatever is spec'd
14 in the legislation in, I'm guessing.

15 COMMISSIONER MCHUGH: Correct.

16 CHAIRMAN CROSBY: Is there some reason --
17 So, this puts up one piecemeal item that we would now
18 preview. It's going to be in the RFA, one criteria for
19 the host community agreement. Does it matter that we are
20 just sort of picking and choosing a few things or would
21 it be better off to say -- We don't really know what all
22 is going to be in the host community agreement.

23 COMMISSIONER MCHUGH: We don't and that's,
24 Mr. Chairman, why I suggest we deal with this as a

1 frequently asked question rather than some kind of a
2 formal ruling or something.

3 We surely, I think, can say, and I maybe
4 wrong, but I think we surely can say that we would strongly
5 encourage a host community agreement with all of the
6 pieces in place over a host community agreement that had
7 a lot of loose ends.

8 I think at the same time that would be
9 helpful to both the city and the town and the districts
10 to understand that that's what we are looking for. We are
11 not looking for a series of satellites around the host
12 community agreement that weren't a tight part of it.

13 CHAIRMAN CROSBY: I guess there is no harm
14 that if random questions comes up that preview the RFA-2
15 and the host our specs. If we can deal with them we do.
16 So, there's no harm in doing that.

17 COMMISSIONER MCHUGH: Right.

18 CHAIRMAN CROSBY: But it is an important
19 thing for everybody to remember that although there are
20 negotiations going on now with communities between
21 developers and communities -- Actually, this is again
22 something we haven't really talked about.

23 But in our schedule, it is understood that
24 a referendum on a host community agreement will come after

1 the RFA-2 is distributed because that will have the spec
2 that is required for the host community agreement in it.
3 So, anyway, just highlighting that for folks.

4 COMMISSIONER MCHUGH: So, could we leave it
5 that assuming DPU doesn't have anything material to say,
6 and if it does we will come back and have another
7 discussion, but assuming that it doesn't that we will
8 answer this question in the fashion just described, i.e.,
9 that the Commission strongly encourages and will look with
10 great favor on a host community agreement that has all of
11 these pieces tied up in a single package?

12 CHAIRMAN CROSBY: Yes. It sounds right to
13 me. I forgot one thing under some item up above,
14 technical assistance -- No, it's coming up.

15 We have had on again, off again
16 conversations on how to talk to communities with vested
17 interest that want to talk to us, whether it's a bidder,
18 prospective bidder or town organization that is pushing
19 the deal or pushing against the deal. We keep talking
20 about how are we going to respond to these requests,
21 several of which are pending right now.

22 I think Commissioner McHugh and I were meant
23 to come up with an approach. What we discussed it and I
24 am going to suggest we adopt is something like this. That

1 official committees, official parties from
2 municipalities or applicants, can through our website
3 form can submit the request to come forward, to meet with
4 us, tell us what the agenda would be, the time that would
5 be required-- they think would be required, and that as
6 long as there were issues -- that the agenda was
7 clarification or suggestions but not advocacy, we would
8 like them to come to either our regular meetings, we might
9 put a regular session and people could come or if need be
10 have a special session.

11 For example, the sampler town might have --
12 Forget the examples. I don't want to distract from the
13 conversation. Basically, the idea is that if your an
14 official body of some sort, if you're bidder, you're a
15 municipality and you want to come and talk about the
16 process. You want to get clarification. You want to ask
17 questions. You want to make suggestions. We will be
18 open to doing that as long as you fill a form that lets
19 us know what you really want. But we will not at this
20 stage of the game be hosting people who want to take an
21 advocacy position for or against any proposal. Does that
22 seem right, Commissioner?

23 COMMISSIONER MCHUGH: Yes, with the
24 thought in mind that the advocacy for and against, there

1 will be a full and ample opportunity for that once we have
2 a concrete proposal in front of us.

3 So, to prevent abstract discussions about
4 things that may never come to pass, the advocacy should
5 be reserved for the time when we have a concrete matter
6 before us so we can focus on what is material and what
7 isn't. But the clarification process and the how do we
8 get there process and the inevitable things that come up,
9 we would be willing at our discretion after a form is
10 filled out to have people come and talk to us about it.
11 That would be the idea.

12 CHAIRMAN CROSBY: Right. Any thoughts or
13 other issues about that?

14 COMMISSIONER ZUNIGA: I think it sounds
15 great.

16 COMMISSIONER CAMERON: It makes sense.

17 COMMISSIONER MCHUGH: And that would be
18 coordinated through the Public Information Director.

19 CHAIRMAN CROSBY: We will work up a revised
20 form from what's already on there and get that out to
21 people who have requests pending and put it up on the
22 website for future requests. Great.

23 Item C is the discussion of the Diversity
24 Inclusion forum, which I believe we have scheduled on the

1 19th and that's sticking. I can't remember whether you
2 and I discussed this or whether I just wrote this down but
3 I thought it might be useful to put the agenda out or maybe
4 on the website or somewhere.

5 MS. REILLY: The flyer is posted. The
6 agenda has not been finalized yet.

7 CHAIRMAN CROSBY: I meant for comment.
8 People might want to comment on the draft agenda.

9 MS. REILLY: For the Diversity forum?

10 CHAIRMAN CROSBY: Yes. It doesn't grab
11 you?

12 MS. REILLY: I will talk to Ron about it,
13 sure.

14 CHAIRMAN CROSBY: That's fine. There was
15 a group that sort of brainstormed that helped develop that
16 idea. We could send it out to that group to get their
17 feedback on it. That's a good idea.

18 MS. REILLY: Okay.

19 CHAIRMAN CROSBY: The G2E Conference,
20 which is the major national trade show -- trade conference
21 of the American Gaming Association, Frank Fahrenkopf
22 wrote me a letter, which I have given you copies of with
23 several points.

24 One is inviting us all to come to the

1 conference. He highlighted a lot of the sections that he
2 thought -- the things that are going on that he thought
3 were particularly important. There is a two-day NCRG,
4 the National Council on Responsible Gaming, two days
5 before that. And there are a number of tracks he noted.
6 Things like iGaming, security and surveillance, advances
7 in gaming technology, globalization of the marketplace.
8 These are all things that particularly commissioners like
9 we are will value particularly to our learning curve,
10 which continues to be fairly steep.

11 He also invited us to participate in the
12 program. He invited me at least to participate in one or
13 more of the panels if we are out there.

14 I think what we have pretty much decided,
15 but I just want to make sure that this fits with everybody
16 is that we do want to go ahead and keep the momentum going
17 here. There is going to be a lot going on in October.
18 This meeting is the end of September, beginning of
19 October. So, we don't want to compromise that motion.

20 So, we will probably send three
21 Commissioners, have two here. We'll have a meeting
22 anyway. The Commissioners on the road will participate
23 by long-distance. We may also send one or two staff to
24 the conference. That's kind of where we ended up if that

1 fits with everybody.

2 Research agenda, there are two quick
3 things. I did meet with the Secretary of Health and Human
4 Services who is the trustee of the public health trust.
5 The public health trust is the trust that would fund
6 research -- that may fund research. So, it is very
7 important that she be a part of our research agenda.
8 Also, John Auerbach who is the head of the Department of
9 Public Health was there.

10 I just shared with them our kind of
11 preliminary thoughts about this opportunity. First of
12 all, the legislative mandate is to do a really
13 comprehensive study of the socioeconomic impacts of
14 gaming. How we have been thinking about approaching that
15 and how valuable we think it would be.

16 They were very interested and suggested, I
17 think, wisely that we have this research advisory group
18 that we have begun to put together look at an RFI before
19 we put the RFI out. So, there's a representative from the
20 Lottery. There will now be a representative from HSS and
21 Public Health. There are several representatives from
22 legislative committees. A bunch of people that have
23 expressed interest to be involved in this, all of whom we
24 are going to need their support to make it work.

1 So, I think that was a good suggestion. We
2 are now trying to put together that first meeting ASAP to
3 review the RFI, which I have kind of drafted with
4 Commissioner Zuniga. So, we'll put that together. That
5 slows down the RFI a little bit, but I think it's worth
6 doing. We will do that as quickly as we can in the next
7 couple of weeks.

8 The other thing is we have sort of decided
9 passively earlier on not to get the gaming policy and
10 advisory committee, which is a big committee that has
11 seats reserved for licensees and host communities. So,
12 we sort of deduced from that at first that that wasn't
13 meant to get started until we have licensees and host
14 communities.

15 However, the legislation also calls for the
16 gaming policy advisory committee to advise us on the
17 research agenda. So, we think we are going to get that
18 together. Most of those are gubernatorial appointments.
19 So, we are going to get in touch with the Governor's office
20 and tell him that we have got to get moving on that. I
21 think that something we would kind of put under the
22 ombudsman. The ombudsman can kind of be the staff person,
23 the convener for the gaming policy advisory committee.
24 So, that will be coming pretty quickly.

1 COMMISSIONER ZUNIGA: This group that you
2 are describing would be the precursor? It would be
3 substituted by the gaming policy advisory committee?

4 CHAIRMAN CROSBY: No, no. I think we
5 should have a research advisory group all along. This is
6 going to be a big project. It's going to take a lot of
7 expertise as well as it's going to cost us some money. And
8 we want the funding partners to be bought into this.

9 So, this is something separate from that.
10 The gaming policy committee will -- They may set up their
11 own subcommittee on research and maybe those two would
12 merge. But that's not the same. Obviously, they are two
13 different things.

14 COMMISSIONER ZUNIGA: What are calling the
15 other group or the first group?

16 CHAIRMAN CROSBY: There is no capital
17 letters. It's just ad hoc at this point. But I am just
18 referring to it as a research advisory group. It's not
19 capital letters yet.

20 Anything else on research or any of these
21 other items before we get to 10?

22 The one thing that did come up in the last
23 few days, we had been kind of watching with interest what's
24 been going on in Springfield, which is exciting, because

1 there's a lot of action. But also figure out how that
2 comports with our plans. Is this fitting? And what do
3 we think of the process?

4 All we've really seen is the newspaper
5 reports of what transpired. My sense was what we clearly
6 care about is the transparency of this process and
7 maximizing the competitive environment to make this
8 happen. Anything that promotes those two goals is good.

9 And it seemed to me from what was
10 transpiring in Springfield that the process what the mayor
11 was laying out was moving in that direction, both of those
12 directions, which was good. Several people have been
13 thinking about that. And I just wanted to throw it open
14 to comments, questions, observations, anything if you've
15 got them.

16 COMMISSIONER ZUNIGA: I do have a couple of
17 thoughts, I guess. One, I would be interested in the
18 process that is being described only in a summary right
19 now because it's only been reported by media. I am a
20 detailed person, so I would be interested.

21 CHAIRMAN CROSBY: I did get a call from the
22 mayor's economic development adviser to give me an update
23 of where they stand. And I didn't get a chance to get back
24 to them, but I will. And I will try to make sure we

1 understand the exact details of what's going on.

2 COMMISSIONER ZUNIGA: That's the first
3 step. I have something else. I guess is a question or
4 something for us to consider or ponder. The legislation
5 does speak about a host community in the case of cities
6 that are larger than 125,000 people, a host community will
7 be the ward of that city.

8 CHAIRMAN CROSBY: Unless the mayor and the
9 city council agree to go to the full city.

10 COMMISSIONER ZUNIGA: Correct. So, I am
11 wondering how that overlays with the process that we have
12 yet to see the details about relative to what is described
13 -- whether the mayor and the city council have a plan for
14 different wards, etc.

15 COMMISSIONER MCHUGH: From my standpoint,
16 I read the newspapers like we all read the newspapers.
17 Newspapers are always interesting. I don't have enough
18 detail to make a judgment on any specific aspect of
19 anything at the moment.

20 I agree with the Chairman's comments that
21 an open, transparent process allows the voters of the city
22 to vote on an agreement that ultimately comes to us with
23 full knowledge of what they are voting, with a transparent
24 process for formulating that agreement with competition,

1 to the extent competition is available, is surely in
2 keeping with the spirit of the statute.

3 Beyond that in terms of specific details of
4 specific goings on in specific communities, as I say, the
5 newspaper reports are endlessly fascinating but don't
6 supply me at the moment with enough detail to understand
7 -- to take any more of a position than that to encourage
8 that kind of transparent democratic process.

9 CHAIRMAN CROSBY: Right. I agree with
10 that. It may well be that we don't have a role beyond
11 encouraging that process. But I think encouraging that
12 process is an important step. Anything else from
13 anybody?

14 COMMISSIONER STEBBINS: It's interesting
15 to watch. I am mindful of reading -- I'm getting most of
16 my information at this point from the media as well.
17 Should we entertain, I think to Commissioner Zuniga's
18 point, learning more about if there is a formal statement
19 about what their process is going to be.

20 I think when the statute was being drafted,
21 I don't think anybody could foresee the situation that
22 Springfield finds itself in with multiple entities all
23 wanting to be in one host community. Again, this is a
24 process that is still unfolding. We kind of reiterate our

1 points and hope that any municipal process mirrors how
2 we've conducted ourselves, being transparent, being open,
3 allowing public input. But keep in mind that at the end
4 of the day we want to see a proposal which benefits the
5 host community and addresses the criteria that we are
6 going to evaluate a license application that is pretty
7 well laid out in the statute.

8 CHAIRMAN CROSBY: I think that's a good
9 point. We are in this funny situation where we can't talk
10 about this just off-line. We can only talk about this in
11 public.

12 I think you made a really good point. Our
13 job is to implement the letter as well to the extent
14 possible the spirit of this legislation. This
15 legislation has pretty clear criteria for what matters in
16 these applications and certainly has clear parameters
17 about what we control. To a certain extent, you've got
18 two somewhat conflicting issues here.

19 I think for us to reinforce, just as you
20 said, the criteria that will matter to us, when it comes
21 to us will be the criteria that fundamentally that
22 criteria which are in the legislation. Anything else?

23 Motion to adjourn?

24 COMMISSIONER MCHUGH: So moved.

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COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: All in favor? I.

COMMISSIONER ZUNIGA: I.

COMMISSIONER CAMERON: I.

COMMISSIONER STEBBINS: I.

COMMISSIONER MCHUGH: I.

(Meeting adjourned at 3:21 p.m.)

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

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

Proceedings recorded by Verbatim means, and transcript produced from computer.

//Laurie J. Jordan// Date: August 29, 2012

Court Reporter for Office Solutions Plus, LLC

My commission expires: May 11, 2018

//Elizabeth Tice// Date: August 29, 2012

Elizabeth Tice, President, Office Solutions Plus, LLC

My commission expires: August 26, 2016

1 ATTACHMENTS:

2

3 Attachment 1, Agenda

4 Attachment 2, August 8, 2012 Meeting Minutes of
5 Massachusetts Gaming Commission

6 Attachment 3, August 14, 2012 Meeting Minutes of
7 Massachusetts Gaming Commission

8 Attachment 4, August 21, 2012 Meeting Minutes of
9 Massachusetts Gaming Commission

10 Attachment 5, Massachusetts Gaming Commission job
11 description and solicitation of applications for the
12 position of General Counsel

13 Attachment 6, Massachusetts Gaming Commission Director
14 of the Investigations and Enforcement Bureau (IEB) job
15 description

16 Attachment 7, Massachusetts Gaming Commission Racing
17 Division Suffolk Steward Ruling No. 1016 Final Decision
18 and Order

19 Attachment 8, Massachusetts Gaming Commission Racing
20 Division State Police Ejection Tentative Decision - Marco
21 A. Chavez

22 Attachment 9, Massachusetts Gaming Commission Racing
23 Division State Police Ejection Tentative Decision - Josue
24 Morales Marcano

1 ATTACHMENTS (continued):

2 Attachment 10, Massachusetts Gaming Commission Racing
3 Division License Denial Plainridge Judge Ruling No.
4 1001-12, Extension for Filing Objections to the Tentative
5 Decision

6 Attachment 11, August 10, 2012 letter from Law Office of
7 Jeffrey R. Pocarо Regarding Walter Case

8 Attachment 12, August 27, 2012 Memorandum from Spectrum
9 Gaming Group Regarding Strategic Plan Outline - Working
10 Draft

11 Attachment 13, August 8, 2012 letter from Charles
12 Blanchard, Palmer Town Manager

13 Attachment 14, August 17, 2012 letter from American
14 Gaming Association Regarding Global Gaming Expo (G2E)
15 2012

16 Attachment 15, G2E 2012 Expo informational flyers

17

18 SPEAKERS:

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20 Eileen Glovsky, Director of Administration

21 Steve Ingis, Spectrum Gaming Group

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