



Massachusetts Gaming Commission Meeting Minutes

Date/Time: May 10, 2023, 11:15 a.m.
Place: Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 112 628 6657

The Commission conducted this public meeting remotely utilizing collaboration technology. The use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

Commissioners Present:

Chair Cathy Judd-Stein
Commissioner Eileen O'Brien
Commissioner Bradford Hill
Commissioner Nakisha Skinner
Commissioner Jordan Maynard

1. [Call to Order](#) (00:06)

Chair Judd-Stein called to order the 452nd Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five Commissioners were present for the meeting.

2. [Administrative Update](#) (00:40)

Chair Judd-Stein then introduced Executive Director Karen Wells, who stated that she had no Administrative Update for this meeting.

3. [Commissioner Updates](#) (00:55)

Chair Judd-Stein then introduced Commissioner Skinner, in her role as Treasurer for the Commission, to discuss the Commissioners' Budget for Fiscal Year 2024, which was prepared in cooperation with the Finance Division. A *Memo on the FY 2024 Commissioners' Budget* was included in the Commissioner's Packet on pages 1 through 4, and a *Matrix of Proposed Appropriation Items* was included in the Commissioner's Packet on pages 5 through 7.

Commissioner Skinner then turned to the Chief Finance and Accounting Officer, (“CFAO”) Derek Lennon to review the Budget.

a. [FY24 Commissioners' Budget Review](#) (01:40)

CFAO Lennon observed that this was the first discussion of the Commissioners’ Budget at a public meeting, as it was previously done with the Chief Administrative Officer and then the Commissioners would be consulted later. He stated, however, that having the Commissioners all discuss their budget together was a good change to the process. He reported that the majority of what was in the Budget was just carried forward from last year, with a few items moved around or with small adjustments made. He then introduced the Chief Administrative Officer to the Chair, Grace Robinson, who had prepared the Memo, to discuss clarifications or corrections to the Budget.

Ms. Robinson first mentioned a slightly different allocation of funds for salaries since the introduction of sports wagering in the Commonwealth. She specified that gaming would carry 65 percent of the salary budget, sports wagering would carry 28.5 percent, and racing would carry 6.5 percent. She stated that the salaries in this budget also included allocations for the five Commissioners’ salaries, plus the Executive Assistant’s salary, which was new from last year, as well as the Chief Administrative Officer to the Chair's salary. She referenced the line item for parking and meeting space, noting that all five Commissioners had reserved parking spaces at 101 Federal Street, and the cost of these spaces was going up slightly. Ms. Robinson said that the funding would be continued for off-site meeting space, which could be used for space rentals, audio visual needs, catering, or anything related to hosting public meetings or hearings at off-site locations across the Commonwealth. She noted that a new line item was added for Commissioner sponsored team building events, so that any time the Commissioners wanted to host a training or a team building event, they could do so.

Next, Ms. Robinson addressed the ‘General Consulting’ line item, mentioning that the former funding for transcription services had been reallocated to General Consulting purposes, so the Commission could hire an outside consultant, since the legal division was now handling the transcription of meeting minutes. In the ‘Travel and Conferences’ line item, she mentioned there was a lot of interest in traveling in the last fiscal year, but the budget for that had been scaled back a bit with the onset of sports wagering. The travel allowances for FY 2024 had been level funded, and an estimate of about three thousand dollars per conference was allotted, which included conference registration fees, hotel booking costs, and other travel reimbursements. Assuming each Commissioner went on three conferences in the year, she said that would total \$8,500 per Commissioner for the conference travel budget for the year.

Commissioner O’Brien then asked whether three thousand per Commissioner was still reasonable, given that the cost of travel had increased. She further enquired if there should be a different allowance for conferences within New England versus outside New England because airfare and hotel might necessitate adding more to that cost than just a static allowance of \$3,000

per Commissioner that remained unchanged from last year. CFAO Lennon replied that he thought the \$3000 allowance per Commissioner per conference was still adequate for a typical two to three-day trip unless international travel would be expected. He also explained that these numbers were just estimates, and that the overall budget was only about 50 percent spent at this point in the fiscal year. He added that if some trips exceeded this estimate, he was confident more money could be found, since \$3,000 per Commissioner was a very small part of the total \$35 million overall budget for the agency.

Commissioner Hill then pointed out that the budget was only 50 percent spent because the Commission anticipated the coming of sports wagering, and so many things had been put off that probably ought to have been done by this point; so that low spending mark might be a bit misleading. CFAO Lennon concurred and added that travel for conferences might have dropped off between September 2022 and about March 2023 due to the Commission's agenda being filled with sports wagering items. CFAO Lennon emphasized that it was important for the Commissioners to continue to attend conferences, in order to stay up to date with developments in the regulatory environment, as well as what was happening in other jurisdictions, since gaming is a heavily regulated industry, like others he had been in.

Commissioner Hill echoed this sentiment, stating that there were some conferences he wished he had attended but did not because of the implementation of sports wagering. He agreed, however, that the conference travel budget estimate seemed appropriate for now. Commissioner Skinner also concurred with Commissioner Hill, adding that the budget could be adjusted later if needed.

Chair Judd-Stein then emphasized that even though funds in the budget were made available for travel, she wanted the Commission to understand that they were not committing to any particular future travel plans, which still had to be disclosed to appointing officials under the ethics rules. She then requested the estimated total travel budget bottom line, which Ms. Robinson replied was \$42,500 for all travel line items combined. John Scully, Finance and Budget Office Manager for the Finance Division, then clarified that this item was part of the \$81,370 estimated for all 'Class E Administrative Expenses'. CFAO Lennon then pointed out which lines in the budget matrix were included in the travel total, which also included out-of-pocket hotel and meal reimbursements if Commissioners made their own travel plans and were reimbursed later, as well as separate lines for credit card, registration, and travel agent costs if Commissioners made plans through the Commonwealth's agency.

CFAO Lennon further explained that some conference sites let the Commission bill them for registration and travel costs, whereas some expected payment up front via credit card, so all these needed to be separate line codes in the budget. Chair Judd-Stein then suggested that Commissioners tentatively plan the travel for any upcoming conferences they wanted to attend for the fiscal year and inform CFAO Lennon of those plans, so he could balance the cost estimates among all the Commissioners. She also asked that they be aware of any opportunities for speaking engagements, and submit those requests to CFAO Lennon, so the Commission might be represented at key events. Commissioner Skinner thought this was a good idea, adding

that she sometimes decided which conferences to attend based upon which other Commissioners were also attending. She stated it was a matter of professional courtesy to have some way of balancing conference travel expenses between the Commissioners. Commissioner O'Brien noted that she had always assumed each Commissioner got 20 percent of the travel budget allotment, and if ever anyone was going above that, they would come back and have a conversation, in order to avoid putting staff in an awkward position. She said she didn't believe that needed to be a formal vote, but there needed to be a trigger point that if any request was going to put one Commissioner above 20 percent of the allotment, then the five Commissioners would need to discuss that before the money was moved.

Commissioner O'Brien then asked if the travel budget should be preemptively set higher than \$42,500 given that some Commissioners had announced their intent to travel more next year than last. Commissioner Skinner disagreed, saying that she didn't find it necessary to allocate a higher dollar amount to Commissioner travel ahead of time and create a hard 20 percent cap per Commissioner, since that's not how other divisions approach their allocations. She reiterated that the Commission's appointing authorities signed off on travel, based on the Finance Division's representation on the availability of funds.

Commissioner Maynard added that he thought all the Commissioners were good fiscal stewards who understood how to balance their responsibility to stay informed of the regulatory landscape by attending events, and to be careful with the budget and respectful of their colleagues by not overusing their travel allotments. He expressed that he wanted to stick with the 20 percent amount, but not create any kind of formal cap.

Commissioner Maynard suggested that this issue could be raised again later in the year if travel spending started to come closer to the budgeted amount. Commissioner O'Brien emphasized that her position was the same as she had taken on this issue a year ago. She expressed concern about not putting outside approvers in a position where they might have to deny a Commissioner's travel because other Commissioners had already used too much of the total allotment. Commissioner Hill agreed that there should be a threshold percentage of spending that triggers the Commission to re-visit the issue as a body.

Commissioner Hill pointed out that some Commissioners may spend more to travel to a particular event to which they may have been invited, rather than attending a conference they may go to regularly, referencing an invite that Commissioner Maynard discussed earlier as an example. Chair Judd-Stein then pointed out that when she was invited to a special event last year, she had decided to pay the travel costs out of pocket without seeking reimbursement because she was mindful of having too much impact on the travel budget. She stated that the budget may not necessarily cover the total cost of speaking engagements and, out of concern for fiduciary responsibility for state funds, she opposed the idea of expanding the budget for such engagements. The Chair opined that the \$8,500 allowance per Commissioner currently budgeted was more than sufficient. She recalled a former Commissioner once dissuading her from attending "flashy" events, advising instead to opt for more budget-friendly conferences. Chair

Judd-Stein pointed out that there were many virtual conferences and roundtable events available for Commissioners to educate themselves without significant cost. She stated that she would certainly feel comfortable having a discussion with fellow Commissioners if her travel spending began to encroach on the informal 20 percent per Commissioner threshold. She recommended that the flexible threshold remain unchanged.

Commissioner Skinner recommended having CFAO Lennon speak more specifically about the spending approval process, so as to alleviate any misunderstandings about how approvals are sought, and projections are made. CFAO Lennon then explained that he met with representatives of each division on a monthly basis and reviewed where current spending stood versus their estimated budget in each major area, such as travel. He said there were certain considerations that shaped their decision making, but as long as a division wasn't exceeding their total budget for a year, they were allowed to move money around from areas that hadn't spent hardly any of their allotted money into areas that were getting close to or exceeding their estimated allowance.

Looking at the Commissioners' Budget, CFAO Lennon recalled that hardly any of the \$30,000 allotted this year for travel to public meetings had been spent, since public meetings had been held virtually. He also mentioned that there was another \$10,000 remaining unspent for interpreters. Therefore, if there were an issue with spending on a certain item getting close to its budgeted amount, he would suggest moving money from some of those unspent pools to cover any shortfall.

CFAO Lennon continued that if Commissioners travelling to certain conferences were a priority, then there was certainly enough unspent money available in the budget to move into that area. Even if the Commissioners' Budget were hypothetically maxed out, he suggested it was still possible to reach out to Executive Director Karen Wells to find unspent money in another division. He further emphasized that the Finance Division tracked spending on a monthly basis, and they tried to adjust priorities in order to avoid coming back to the Commission to request a budget increase. Finally, he suggested discussing with Ms. Robinson whether there were any upcoming priorities that needed to be accounted for, so money might be shifted around preemptively within the Commissioners' Budget.

Commissioner Skinner recalled the recommendation last year was to allow each Commissioner to take three trips per year at a cost of \$3,000 per trip, but there was no decision to make that an official policy. Commissioner O'Brien agreed with that recollection, and restated her desire to track this spending, possibly through Ms. Robinson, and regularly discuss where money needed to be moved from, as spending approached budgeted limits. She drew a distinction between the Commission, where five Commissioners exercised co-equal authority over the budget, and other divisions for which a single director had ultimate spending authority.

Commissioner Maynard agreed with Commissioner O'Brien's opinion that the travel budget should be allotted equitably between Commissioners and spending should be tracked, with a trigger point to have a discussion if one Commissioner's spending was approaching 20 percent of

the annual total travel budget. Chair Judd-Stein suggested that it was important to have a vote on the Commissioners' Budget this year, so the staff would have clear guidance on it. She also asked that the travel discussion be tabled for the moment.

Commissioner Skinner then asked for Ms. Robinson to continue her discussion of other items in the *Budget Memo*. Ms. Robinson described the last few additional items, such as level funding for printing supplies and office furnishings. She noted that the 'Fringe Benefit Cost Recoupment' line item had been increased, and that FY 2023 had a large line item for consulting from Ernst & Young, which was no longer needed for FY 2024, resulting in a year-over-year decrease in the total Commissioners' Budget. Chair Judd-Stein then asked if the overall budget was to go before the operators for their review. CFAO Lennon answered that the total Gaming Commission budget, of which the Commissioners' Budget was one piece, was scheduled to go to the operators for their recommendations on August 15th, and then those recommendations would be brought back before the Commission on September 1st.

Commissioner Hill made a motion to vote on the Commissioners' Budget for FY 2024, but then withdrew it amid further discussion. Chair Judd-Stein then asked for clarification that this vote would mean formally adopting the travel budget breakdown of 20 percent per Commissioner. Commissioner O'Brien replied that the breakdown was acceptable to her, and that she was also comfortable with a 75 percent threshold on spending that would trigger further discussion about reallocation. Commissioner Hill concurred.

Chair Judd-Stein reiterated that the vote on this item was needed for clarity. Commissioner Skinner stated her support for Commissioner O'Brien's idea of a 75 percent threshold to talk about reallocations. Commissioner Hill supported an allocation of 20 percent per Commissioner. Chair Judd-Stein stated that, although she respected CFAO Lennon's explanation of reallocation as an important part of budgeting for operations, she wasn't totally comfortable with the idea that any unused money from elsewhere in the budget could be reallocated without limit to a discretionary item like travel.

Commissioner O'Brien then moved that the Commission direct the Budget Office and CFAO report back to the Commission in the event that any individual Commissioner exceeds 20 percent of the allocated amount for the cumulative total of lines E30, E41, and EE2, in the Commissioners' Budget for FY 2024, for further discussion on reallocation issues. Commissioner Maynard seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Nay.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed, 4-1.

Commissioner Skinner then moved that the Commission approve the FY 2024 Commissioners' Budget as included in the Commissioner's Packet and discussed here today. Commissioner Hill seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

b. [Succession of Officers and Positions](#) (01:05:51)

Chair Judd-Stein then introduced Commissioner O'Brien to discuss the matter of the Commissioners' respective officer roles. Commissioner O'Brien said this was an issue she had been talking about for some time with the compliance working group, which was a subset of the Compliance Committee, but it had not been discussed thoroughly with the rest of the Commission, given the implementation of sports wagering. She stated that, pursuant to M.G.L. c. 23K, § 3F, the Commission was required to annually elect a Treasurer and a Secretary, and that the time of year to do so was again approaching.

Commissioner O'Brien recalled that for the last year, Commissioner Skinner had been Treasurer, and Commissioner Hill had been Secretary. She explained that new presumptive nominees were needed for each new year, but that the start of the next term for the officers had moved several times since she has been on the Commission. She suggested that the Commissioners discuss what would be the least disruptive time of year for the officers to turn over, and the term of office for the new officers to begin, in order to avoid any possible vacant officer seats and scrambling to fill them at the last minute.

Commissioner O'Brien then asked CFAO Lennon whether he thought a July 1st turnover date made sense given the timing of the budget, or whether it should be a bit later than that, so as not to turn over the Treasurer position amid any crucial budget processes. She suggested avoiding setting the officer terms to begin in March, April, or May, as Commissioner appointments ending at that time could mean a high risk of disruption. CFAO Lennon replied that July would not be good timing for officer turnover either, since it would be right when one fiscal year was ending and the next one was beginning, with bills still coming in from the prior year during July and August.

CFAO Lennon noted there was no ideal time and recommended turning over the Treasurer role every other year instead of annually. He pointed out that the role required a lot of learning for a Commissioner to do in one year, unless they had significant prior experience with state finances. Commissioner O'Brien replied that the statute required an election every year, but perhaps the

same person could stay in the Treasurer role for two years. She also suggested either rotating the two Commissioners currently in the officer roles with the two Commissioners who weren't or cycling each Commissioner through each role in order by experience as Commissioner. She emphasized that whichever method of rotation was decided, it was important to settle on presumptive nominees in advance, to avoid confusion over who would take over the roles at the end of each term.

Commissioner Hill commented on how much he had learned in the role of Secretary, and said he also expected to learn a lot if he took on the role of Treasurer. He added that being in an officer role was a beneficial opportunity for any Commissioner. He favored the idea of being able to switch positions every year, referencing his experience in the legislature, where committee memberships and officer positions were rotated annually, allowing each member to learn different responsibilities. He thought that all the Commissioners were smart enough and experienced enough that each of them could come up to speed in each role over the course of one year.

Commissioner Skinner agreed with Commissioner Hill's preference for a one-year rotation, noting that "change is good." She added that she was glad that the newer Commissioners were also considered eligible to be officers. Commissioner Maynard, as the newest Commissioner, concurred. Chair Judd-Stein commented that she did not recall a time when newer Commissioners were not eligible to be officers, but never would have endorsed that idea. Commissioner Skinner expressed that she respectfully disagreed with the Chair's recollection and recalled that at least one Commissioner had suggested that newer Commissioners should not be officers.

Commissioner Maynard then opined that annual turnover was good, and it was beneficial to have new sets of eyes examining issues regularly. He also referenced the typical spring appointment dates for Commissioners and the beginning of the fiscal year on July 1st, as key time periods to consider when discussing the timing of the officer turnover, echoing CFAO Lennon's earlier comments.

Commissioner O'Brien suggested July 1st might be a good time for that turnover, since it would avoid potential conflict with typical Commissioner appointments in the spring. She then reiterated her suggestions for cycling the officer nominees, where either (1) the prior Secretary would go over to Treasurer, the current Treasurer cycles out, and a Commissioner that hadn't been Secretary could cycle in, or (2) the two Commissioners who were not officers last year could assume the role vacated by the two current officers. She indicated that she did not prefer one method over the other but thought the Commission should choose one of them. She suggested that perhaps the Commissioners might wait until the next meeting to consider the matter, but reminded the Commission that about six weeks remained until the end of the officer terms as they were currently set.

Commissioner Hill then raised a procedural question to clarify if either of Commissioner O'Brien's proposals would require votes to have officers step down early or not. Commissioner O'Brien stated that her proposals were not intended to change the votes on current officers, but rather to set presumptive nominees ahead of time for the next term, in order to allow advance discussion of nominations and avoid the last-minute confusion or vacancies in officer positions that she had seen in the past. She explained that she had seen many boards and commissions that had a set cycle of presumptive officer nominees, so it was known in advance who would be expected to be in each role for the upcoming term, barring any circumstance where someone might decline to be presumptive nomination because, for example, they knew they had an upcoming leave planned.

Commissioner Skinner asked if this was meant to be a succession plan. Commissioner O'Brien answered in the affirmative. She offered to write up a brief summary of options for timing of officer terms and default nominees that the Commission could then vote upon at a future meeting. She said that this could also be a formal plan of succession if a Commissioner left, and the number of Commissioners dropped down to less than five.

Commissioner Maynard brought up another potential succession option where the two officer incumbents just swapped positions if none of the Commissions not currently in an officer position wanted to move into one. He suggested that any Commissioner could be nominated for any officer position they did not hold in the immediate prior year. Commissioner Skinner agreed that nobody should be discouraged from seeking an officer role just because someone else was the presumptive nominee for that role. Commissioner O'Brien commented that the point of her plan was for all the Commissions to get a chance to cycle through each position, in order to get fresh perspectives.

Commissioner Skinner then asked if Commissioner O'Brien had been planning to introduce a new officer role related to compliance. Commissioner O'Brien replied that she had been working with consultant Jack Flynn about possibly creating a smaller compliance working group with an officer on the Commission as a point person, but that the idea lost traction when Mr. Flynn left as sports wagering got started. She said she might have to talk to Legal and HR about the potential implications of creating a new compliance working group, as well as on other possible sub-committees. Commissioner O'Brien told the Chair that she wanted to move forward with drafting her proposal for a presumptive succession plan.

Commissioner Skinner mentioned that there should be a mechanism for Commissioners to signal their interest in being nominated for an officer position, pointing out the importance of Commissioners getting experience in those roles. Commissioner O'Brien emphasized that her plan would not prevent anyone from expressing interest in being nominated. Commissioner Maynard said he appreciated the idea of a succession plan as a starting point for who would be nominated for officer positions, but not as a binding policy. Commissioner Skinner concurred with his sentiment and emphasized the need to preserve discretion in voting for officers.

Chair Judd-Stein then directed Ms. Robinson to place the succession plan item on the agenda for a meeting sufficiently in advance of the July 1st deadline for voting on officers, and asked Commissioner O'Brien to prepare her memo for discussion at that meeting, perhaps in late May or early June.

4. [Executive Session Regarding Security Deployment Strategies](#) (01:47:47)

Chair Judd-Stein then announced that, pending a vote, the Commission would meet in executive session in accordance with M.G.L. c. 30A, § 21(a)(4), to discuss the deployment of security personnel or devices, or strategies with respect thereto, at retail gaming establishments. Public discussion of these matters would probably so prejudice the possibility of effective law enforcement, that such discussion would not be in the public interest. The Chair noted that this public meeting of the Commission would not reconvene at the conclusion of the executive session.

Commissioner O'Brien then moved that the Commission go into executive session for the reasons stated by the Chair. Commissioner Skinner seconded the motion.

Roll call vote:

Commissioner O'Brien: Aye.

Commissioner Hill: Aye.

Commissioner Skinner: Aye.

Commissioner Maynard: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously, 5-0.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated May 10, 2023
2. [Commissioner's Packet from the May 10, 2023](#), meeting (posted on massgaming.com)