

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: May 29, 2012

Time: 1:00 p.m.

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

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Call to Order:

Chairman Crosby opened the meeting. He stated that the meeting is being recorded, not live streamed, and that the recording will be posted on the Commission's web site, along with the meeting transcript.

Approval of Minutes:

See transcript pages 2-3.

Commissioner McHugh stated that the May 22, 2012, minutes have been posted on the Commission's web site. Chairman Crosby stated that he has a couple of changes to make to the paragraph regarding the contracts with the gaming consultants. Commissioner McHugh stated that Chairman Crosby can give him the changes and he will incorporate them into the minutes.

Motion made by Commissioner McHugh to adopt the minutes of May 22, 2012, subject to amendments. Motion seconded. The motion passed unanimously by a 5-0-0 vote.

Administration:

See transcript pages 3-46.

Welcome Elaine Driscoll – Chairman Crosby welcomed Elaine Driscoll, the new Director of Communications and Outreach.

Executive Search Firm Update – Commissioner Zuniga stated that the two respondents to the first solicitation were notified that the solicitation was canceled due to the fact there were only two respondents. A new solicitation was issued on Friday, May 26, and responses are due on June 13.

MGC Internal Policies – Commissioner Zuniga stated that he has drafted two policies. The first is an information technology resources policy outlining the business and personal use of IT devices. Commissioner McHugh stated that this is a standard policy with roots in policies used elsewhere in state government and it seems like a good policy. Chairman Crosby asked if accessing personal E-mail is exempt from the policy. Commissioner Zuniga stated that the policy is all encompassing and covers such things as hardware, software, and networks. There should never be an assumption that anything is fully private when using MGC equipment. Commissioner McHugh suggested that this policy minimizes use of public equipment for private purposes and that employees should use their own devices as the primary mechanism for accessing personal e-mail. Commissioner Cameron stated that this policy is consistent with policies she is familiar with and has had to adhere to over the years.

Motion made by Commissioner Zuniga to adopt a policy relative to information technology resources as presented. Motion seconded by Commissioner Stebbins. The motion passed unanimously by a 5-0-0 vote.

Commissioner Zuniga stated that he has drafted a hiring policy which has been reviewed by outside counsel. He received counsel's comments late Friday and did not have enough time to present the information for this meeting. He stated that the policy would designate a hiring manager who can draft or modify a job description, with a secondary role for a human resources person who will conduct initial screenings, searches and intake of resumes, and thereafter will work with the hiring manager to assist in the hiring decision. This policy has been modeled on a policy used in the Treasurer's office. This policy also states that all recommendations must be in writing and will become part of the personnel file. Commissioner Cameron stated that she is concerned about codifying a policy that may not be exactly what someone will need in the future to hire appropriately. Commissioner Zuniga stated that the Executive Director might serve as the hiring manager for a number of positions. Commissioner Cameron asked if this would preclude her or another Commissioner from being involved in the hiring of certain positions and gave as an example her desire to be involved in hiring the Commission's chief investigator. Commissioner Zuniga stated that such a policy would not preclude anyone – Commissioner, executive director or other – from being a hiring manager but suggested that further discussion be tabled until the written policy is available for review.

Commissioner McHugh stated that the Commission is faced with the need to hire a number of people, some of whom are being interviewed now. He recommended looking at the personnel policies that other agencies of the Commonwealth currently have and adopting those that would work for the Commission. He stated that the Commission could have a full policy manual with leave policies, vacation policies, etc. in place in two or three weeks, so the hiring process can move forward. Chairman Crosby clarified that the Commission would not be halting hiring while working on this policy.

Chairman Crosby stated that background checks will be conducted on all hires and that no one will be announced until the background checks are completed. The State Police are conducting the background checks and Commissioner Cameron has been managing the process. Commissioner Crosby stated that a question has been raised whether a full background check is needed for the executive assistant and office positions. Commissioner Cameron will make a recommendation on this. Commissioner Cameron stated that the Commission is currently using the State Police who do background checks for the Governor's office and use a comprehensive background investigation for key hires. A corporate investigation is done for all consultants that have been hired. She has spoken with the State Police about conducting a modified version for the various levels of employees, and an executive assistant would fall into the lower level background investigation. She is in the process of discussing the process with the State Police and is obtaining information from other gaming jurisdictions. She stated that within a week she should be able to provide an outline of levels of investigations used in other jurisdictions that the Commission can modify and use.

Additional Hires – Chairman Crosby stated that Janice Reilly is interviewing people for executive assistant and administrative positions. The Commission has decided not to hire an interim Executive Director is planning to hire a senior level support person who will do much of what was envisioned for the interim Executive Director, although he or she will likely not have any gaming expertise. He stated that he would like the person who fills this position to be responsible for IT, HR, and procurement to free up Janice Reilly and Commissioner Zuniga to work on higher level tasks. The person in this position could also be the principal interface with the consultants insofar as management of the project plan is concerned. He stated that ideally this would be an interim position. He would like the Commission to appoint him as the hiring person for one or more of the people currently being interviewed. Commissioner Cameron stated that it would be ideal if someone were willing to come in on an interim basis but that many of his or her responsibilities will become the responsibility of the Executive Director and there may be a conflict if this individual were offered a full-time position at a high level. Commissioner McHugh stated that what is needed is someone who is willing to come into a startup operation, with some background in administration and management, who can be flexible and put together the components that need to be upgraded going forward. If someone cannot be found to serve on an interim basis and were hired on a full-time basis, he or she could move into another position once the Executive Director is on board. Commissioner Stebbins stated that he would prefer to hire someone on an interim basis, as by statute the Executive Director has the authority to make the top hires. If hired with an assurance of permanent employment, the interim candidate would probably be seeking assurances of job that the Commission may not be in a position to guarantee.

Commissioner Cameron stated that after talking with the gaming consultants and listening to their thoughts on the process for hiring an executive director, she thinks that a director can be hired quickly. Commissioner Zuniga stressed the importance of creating a job description and title for the interim position. Commissioner McHugh suggested creating a job description stating that the job responsibilities may change when the Executive Director is hired.

Motion made by Commissioner McHugh to designate Chairman Crosby as the hiring manager for the administrative position being discussed, subject to promulgation of a job description that

the Commission approves at its next meeting. Motion seconded by Commissioner Zuniga. The motion passed unanimously by a 5-0-0 vote.

268A Disclosures – Commissioner McHugh stated that he has provided the Commission with a disclosure form that is required by Chapter 268A, Section 6, a provision of the State Ethics Law that prohibits an individual from acting on a particular matter if he or she has a personal interest in that matter. He stated that the Commission will have to approve work on an enhanced code of ethics by Anderson & Krieger partners and employees because such a code may affect them. Because such a code and other employment policies may also affect each Commissioner, each Commissioner will have to have a similar form signed by his or her appointing authority.

Racing Division

See transcript pages 46-53.

Transition Plan Update – Commissioner Cameron stated that the Commission's racing consultant, Ann Allman, accompanied her to a series of meetings at the office of Division of public Licensure. Meetings were held with employees and staff relative to financial oversight, HR, IT, and audits. They also met with the chief veterinarian who serves in a management role overseeing employees, and former commissioners who provided an historical perspective on the State Racing Commission. On Thursday, they visited Suffolk Downs and Plainridge racetracks. An additional Interagency Service Agreement has been entered with the Office of Consumer Affairs to perform the administrative services necessary in order to make the payments from the Racing Stabilization Fund. She anticipates a report from the racing consultant in four to six weeks. The report will presented to the Commission as a whole.

Commissioner Zuniga stated that that he would like to revisit the additional hires discussion, as the Commission has had several inquiries about summer internships. Commissioner Stebbins stated that he has spoken to a college student he would like to hire to assist Janice Reilly with some basic organizational work. He stated that these candidates should have some level of background check. Chairman Crosby asked if there is any reason not to hire one or more interns. Chairman Zuniga stated that interns provide a worthwhile, cost-effective method of hiring for an interim position, although interns might require more supervision than permanent employees. Commissioner McHugh stated that some co-op programs at local colleges and universities might also be a source for personnel assistance to the Commission.

Project Work Plan

See transcript pages 53-57.

Integration of Work Plans - Chairman Crosby stated that all the gaming consultants have agreed to the work plans. There is a consensus on putting together a comprehensive project management chart that will be managed by the senior administrative person. Commissioner Zuniga stated that he is reaching out to individuals who may have project management experience to assist in setting up an appropriate project management tool.

Status Report – Commissioner McHugh stated that the lawyers and the gaming consultants have a standing meeting every Wednesday morning, and will be providing a report to the Commission on a weekly basis. He stated that he is meeting with the lawyers on a weekly basis to go through their items on the current project chart and get an update on what has happened during the previous week.

Finance/Budget Update:

See transcript pages 57-60.

Commissioner Zuniga stated that the Comptroller's procedure requires that those who use state issued credit cards obtain approval for all expenditures on a monthly basis before payment is made to the credit card issuer. Accordingly, he provided the commission with an expenditure log for the month of April.

Motion made by Commissioner McHugh to approve the expenditures as presented. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Commissioner Zuniga submitted information relative to the purchase of cell phones. The phone plan is provided through the state contract, which is a very cost effective plan.

Motion made by Commissioner McHugh to approve the cost for the communication devices as outlined. Motion seconded by Commissioner Cameron. The motion passed unanimously by a 5-0-0 vote.

Public Education and Information:

See transcript pages 60-66.

Economic Development Forum – Commissioner Stebbins stated that the Commission's next education forum is scheduled for June 14, 2012, at 9:00 a.m. at Quinsigamond Community College in Worcester. There will be two panels. The first panel consists of the individuals who authored some of the key studies and reports that were the impetus for passage of the original bill, as well as some ongoing market studies. The second panel will consist of experts who will provide additional viewpoints that may not have been factored into the studies leading up to the promulgation of the bill.

Community Mitigation and Compulsive Gambling Forums – Chairman Crosby stated that the Metropolitan Area Planning Council is leading the mitigation forum, which will be held on June 18, 2012, in Framingham. He has been in contact with Marlene Warner, executive director of the Massachusetts Council on Compulsive Gambling, who has told him that the Council will be able to handle the Compulsive Gambling Forum for a \$5,000 flat fee. She provided information on several upcoming meetings the Commissioners may want to consider attending. She suggested the Gaming Commission forum be held on the North Shore, or at University of Massachusetts, Amherst. The Commission agreed the North Shore would be a good location.

New Issues:

See transcript pages 66-76.

Outdoor Advertising Regulations – Commissioner Stebbins stated that the Outdoor Advertising Board is going through an extensive regulatory comment and review period and he reached out to their Director, Ed Farley, to discuss some of the regulations that may have an impact on the Commission’s business. Commissioner Stebbins stated that there likely were other areas in which the Commission’s areas of responsibility will overlap with the area of responsibility of other agencies.

Speaking Engagements - Chairman Crosby stated that the Commissioners are getting an increasing number of requests to speak at meetings and will have to use discretion when agreeing to speak to ensure there is no violation of state ethics laws. No payment will be accepted for these speaking engagements. He read aloud an e-mail he received from Karen Nober, Executive Director of the State Ethics Commission, providing guidelines to follow when accepting or declining speaking engagements.

Other Business:

See transcript pages 76-83.

Chairman Crosby stated that July 31, 2012 is the transition date for the Commission to take over bazaars and raffles. Commissioner McHugh stated that the Commission is committed to delivering a report to the Legislature before that date. He stated that he is working on the report and will have a plan and protocol to recommend before July 31.

Chairman Crosby stated that much work must be done relative to a research agenda. Commissioner Stebbins stated that he is hoping to get some thoughts regarding helpful and needed studies from the panelists at the upcoming Economic Development Forum.

Next Meeting: The next meeting is scheduled for June 5, 2012 at 1:00 p.m.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission May 29, 2012 Notice of Meeting & Agenda
2. Massachusetts Gaming Commission Information Technology Resources Policy
3. 268A Disclosure Form
4. Massachusetts Gaming Commission Procurement Transaction Log
5. May 23, 2012 e-mail from Karen Nober
6. Southeastern Regional Planning and Economic Development District 2012 Annual Meeting Flyer
7. Mt. Washington Bank 13th Annual Business Breakfast Flyer

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