



Meeting Minutes

Date: August 9, 2013

Time: 9:30 a.m.

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

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

Absent: None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript page 2.

9:29 a.m. Chairman Crosby opened the 74th public meeting.

Approval of Minutes

See transcript pages 2-3.

9:30 a.m. Commissioner McHugh stated that the minutes for the July 25 and July 26 meetings are ready for approval.

Motion made by Commissioner McHugh that the minutes of July 25, 2013 be accepted. Motion seconded by Commissioner Cameron. The motion passed unanimously.

Motion made by Commissioner McHugh that the minutes of July 26, 2013 be accepted. Motion seconded by Commissioner Stebbins. The motion passed unanimously.

Administration

Report by Executive Director Day. See transcript pages 4-26.

- 9:31 a.m. Executive Director Day provided an overview of hiring processes and other matters within the Commission. Executive Director Day introduced Kathy Baertsch, a new addition to the Commission's Licensing team. The Commission hopes to identify a finalist for the position of Chief Information Officer by the end of the month and will begin interviews for the position of Chief Financial and Accounting Officer next week. Executive Director Day informed the Commission that he met with the State Police Colonel to begin discussions on the role that state police will play in future enforcement and regulation of gaming establishments.
- 9:33 a.m. Director Glovksy provided more information on the procurement processes. The Commission anticipates hearing oral presentations and scoring applicants for the building site design and mitigation RFR as well as the economic development RFR during the remainder of the month. Responses to the document management RFR are due on August 15th.
- 9:35 a.m. Director Glovsky introduced Jennifer Pinck from Pinck & Co, the Project Management firm that the Commission has selected to assist with the RFA-2 application review. Ms. Pinck provided an overview of her company and how she plans to coordinate the review teams.
- 9:44 a.m. Commissioner Zuniga presented his recommendation for the firm that will provide financial advisor services during the RFA-2 review process. He recommended that the firm of HLT Advisory be approved to provide services to the Commission and the three other firms that applied be prequalified for use by communities or the Commission if a need arises. HLT has extensive experience in the gaming and hospitality industries. The firm will be paid a fixed fee per application reviewed.
- 9:53 a.m. *Motion made by Commissioner Zuniga that the Commission accept the proposal submitted by HLT advisory and pursue negotiating a contract and detailing the scope of services as described in the response dated June 28, 2013; furthermore that the Commission prequalify the firms of Moelis and Company, Rubin Brown, and Spectrum Gaming Capital to provide services to the Commission if needed; and furthermore that the Commission prequalify the same firms of Moelis and Company, Rubin Brown, and Spectrum Gaming Capital to provide services to any host or surrounding communities that may require such services, subject to executing a letter of agreement with the respective applicant. Motion seconded by Commissioner Stebbins. The motion passed unanimously.*

9:55 a.m. Executive Director Day stated that the Commission has selected the finalist for the position of HR manager and that individual is proceeding through the background check process.

The Commission is also currently working with DCAM to issue an RFP for new office space by the end of the month.

Racing Division

Report by Director Durenberger. See transcript pages 26-81.

9:55 a.m. Director Durenberger stated that a Massachusetts bred standardbred horse, Royalty for Life, won the Hambletonian Stakes Race last weekend at the Meadowlands in New Jersey.

9:57 a.m. Director Durenberger introduced Kevin Brown, general counsel for the Department of Revenue, to speak about the change in the Massachusetts tax law. Mr. Brown provided an overview of the law and answered questions from the Commission. The Commission requested that the Department of Revenue follow up with more information regarding the amount of tax revenue that the change is expected to generate and the record keeping that the Commission should require of licensees.

10:23 a.m. The commission took a brief recess.

10:29 a.m. Director Durenberger discussed amendments to 205 CMR 3.00 and 4.00 for adopting the model rules on medication and veterinary practices. The Commission agreed to review the redline version of the changes at the next public meeting.

10:38 a.m. Director Durenberger presented the updated application for a license to conduct horse racing pursuant to Chapter 128A and explained the differences from the prior version of the application. The application is a work in progress and the Racing Division will update the application more fully after the current racing season concludes. The Commission agreed to hold a public comment period on the application form, with the period closing several days prior to the next public meeting. At the next public meeting the Commission anticipates making a decision on whether to adopt the changes.

Regulations

See transcript pages 81-94.

11:00 a.m. General Counsel Blue and Deputy General Counsel Grossman discussed the upcoming phase of regulation drafting and the regulations grid that he enclosed in the meeting packet. The Commission's legal department will coordinate the drafting process and Director Acosta and Director Vander Linden will provide guidance on the licensing and problem gaming portions respectively. Commissioner Stebbins recommended prioritizing regulations on gaming schools so that the schools will be ready in time. Chairman Crosby noted that the Commission should also prioritize

the regulations of sections B, C, D, I, and J from the regulations grid. The Commission would like to conduct a systematic discussion of the policy questions arising out of this upcoming phase of regulations prior to starting the drafting process.

Ombudsman Report

See transcript pages 94-117.

- 11:16 a.m. Ombudsman Ziemba reported on the status of applicants, host communities, surrounding communities, and outreach efforts. All Category 2 applicants have signed host community agreements and have scheduled elections. Three of the Category 1 applicants have executed their host community agreements.
- 11:34 a.m. The Commission discussed the most effective way to notify potential surrounding communities of the need to engage license applicants in discussions regarding surrounding community agreements. The Commission is encouraging applicants to proactively negotiate agreements with surrounding communities.
- 11:38 a.m. Ombudsman Ziemba stated that he will create a timeline of the ENF filing schedule for Category 1 applicants.
- 11:40 a.m. Ombudsman Ziemba presented West Springfield's citizens notice and recommended that the Commission approve it.

Motion made by Commissioner McHugh that the Commission approve West Springfield's letter to voters as set out in the Commission packet with such minor and nonsubstantive changes as the Commission staff may deem necessary or appropriate. Motion seconded by Commissioner Cameron. The motion passed unanimously.

Ombudsman Report

See transcript pages 117-119.

- 11:42 a.m. Chairman Crosby stated that the Commission will hold an executive session pursuant to G.L. c. 30A, § 21(a)(5), G.L. c. 30A, § 21(a)(7), G.L. c. 66, G.L. c. 4, § 7, and G.L. c. 4, § 26(f). The Commission will not reconvene in open session at the end of the executive session.

Motion made by Commissioner McHugh to enter into executive session. Motion seconded by Commissioner Stebbins. The motion passed unanimously by roll call vote.

- 11:43 a.m. Meeting moved to executive session.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission August 9, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission July 25, 2013 Meeting Minutes
3. Massachusetts Gaming Commission July 26, 2013 Meeting Minutes
4. Pinck and Company Letter
5. Massachusetts Gaming Commission August 7, 2013 Memorandum Regarding Recommendation to Select a Financial Advisor
6. Massachusetts Gaming Commission Racing Division August 9, 2013 Draft Letter to the Local Government Advisory Council Regarding Amendment of 205 CMR
7. Massachusetts Gaming Commission Draft Application for License to Hold or Conduct a Racing Meeting
8. Phase II (Parts 2 & 3) Regulations Grid
9. Status of Resort Casino Applicants Category 1 in Region A (Eastern Mass.)
10. Status of Resort Casino Applicants Category 1 in Region B (Western Mass.)
11. Timeline for Slots License
12. Massachusetts Gaming Commission August 7, 2013 Memorandum Regarding Update on Potential Surrounding Community Outreach
13. Citizen Notice to Voters of West Springfield

/s/ Catherine Blue
Catherine Blue
Assistant Secretary