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THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh (not present)

Bruce W. Stebbins

Enrique Zuniga

MAY 1, 2012

12:59 p.m.

Boston Convention and Exhibition Center, Room 101

415 Summer Street

Boston, Massachusetts

Laurie J. Jordan

Professional Court Reporter

1 MAY 1, 2012

2 PROCEEDINGS:

3 CHAIRMAN CROSBY: I would like to call the
4 fourth, May 1, 2012 meeting of the Massachusetts Gaming
5 Commission to order. Thank you to our hardy band of
6 friends who are joining us today in the bad weather.

7 By the way, I wanted to talk about today's
8 streaming or lack thereof. As the Commissioners all know,
9 I would like the public to know, we are very committed to
10 figuring out how to do this in as transparent and
11 accessible way as we possibly can. Usually, that means
12 that we will stream this live. However, in our process
13 of trying to find a permanent home for these meetings and
14 to find a cost that we think is appropriate for this
15 meeting, it varies enormously from venue to venue.

16 We have had somewhere between 50 and 100
17 watchers on the streaming of the meetings. Presumably,
18 that will grow over time. I think it is really important
19 from the standpoint of the regionality of this so everybody
20 in the State has access to these meetings.

21 However, today it was going to cost us an
22 extra \$3500 to do the streaming and we just made what was
23 a hard decision that we did not think that was worth the
24 \$3500. Or I guess I should say I made that decision,
25 because I don't think I talked to anybody about it.

1 We are going to try to set it up so we can
2 have it be a reasonable expense and have it be every time.
3 But today, we are not able to do it.

4 Instead, we will have the video up on the
5 website along with the transcript, which we are expediting
6 this week up on the website tomorrow. So, that will
7 hopefully pretty much make up for it.

8 Under ordinary circumstances, item two on
9 the agenda is the approval of the minutes. Commissioner
10 McHugh, as you can see, Judge McHugh is away on a trip that
11 he had planned prior to becoming Commissioner. As he is
12 the secretary and prepares those minutes, he has not had
13 the chance to do that. So, I think we will postpone those.
14 They will be available within the timeframe, but we are
15 not going to be able to approve them formally today.

16 So, we get to item three, which is a series
17 of administrative issues. Starting out with our search
18 for an executive director/acting executive director.
19 Commissioner Stebbins has been taking the lead on this.
20 We talked about it a little bit last week and hoped that
21 we could tee things up finally for today. How would you
22 like to bring us up-to-date?

23 COMMISSIONER STEBBINS: Sure. First of
24 all, as all of you know we have issued an RFR again for
25 a consultant to assist us with the recruitment and hiring

1 of a permanent executive director. That RFR closes now
2 at the end of this month, May.

3 In the meantime, since we have seen a draft
4 proposal of coordinated work between our two consultants,
5 Spectrum and Michael & Carroll, one of the items they
6 identify was assisting us with that recruitment or the
7 search.

8 My hope is that I am going to reach out to
9 both Spectrum and Michael & Carroll, begin to think about
10 what work we can line up in advance of, kind of speed the
11 process along. Whether that be understanding the sources
12 that we will turn to in terms of posting the position,
13 perhaps even coming up with a draft job description based
14 on their knowledge of the bill, as well as their
15 interaction with other jurisdictions and what those
16 executive director requirements have been. So, hopefully
17 we can kind of speed the process so that when we ultimately
18 select a recruitment firm, we can almost have some of the
19 work done.

20 In terms of an acting executive director, as
21 you can imagine, our challenge here was not necessarily
22 looking for all the qualifications we would look for in
23 a permanent executive director, but finding somebody with
24 a good base of skills to assist the Commission in the basic
25 operation and nuts and bolts of how do we do our day-to-day

1 business. Be it hiring, procurement, some basic
2 Massachusetts State government responsibilities and
3 finding somebody with some experience doing that.

4 I think the next challenge was how do we find
5 somebody who could come over here on an interim business
6 without putting ourselves in a position of having to
7 promise or guarantee that person employment, again, if
8 they decided to going into the search or not. I think that
9 was a challenge kind of asking somebody within State
10 government to walk away from their permanent position to
11 come to us on an interim basis with no guarantee of
12 employment after an executive director search was done was
13 difficult.

14 We did get some resumes that just kind of
15 came into us generally. There were some individuals who
16 had gaming business experience, which I didn't feel was
17 something that we were looking for at this point. They
18 certainly might be qualified candidates for the permanent
19 executive director position.

20 We also had a couple of resumes come in of
21 people we met with, feel them out, where their experience
22 and interests might lie. There really wasn't anybody out
23 of that group who I thought was a perfect fit for our
24 immediate needs in this acting executive director
25 position.

1 I think last meeting I mentioned we had
2 received a proposal form from a former gaming control
3 commissioner from Nevada. I kind of compared his scope
4 or proposal with the work project outline that our
5 consultants have proposed to us. There certainly were
6 similarities that I thought we might be having two people
7 overlapping with doing too much of the same work.

8 I attempted to reach the individual from
9 Nevada on several occasions and never received a response
10 back. I think additionally we would have had a challenge
11 because at some point the rate being considered or
12 suggested to us would have put us past the \$50,000 mark.

13 So, looking at our procurement regs., I
14 think we would have had to essentially post that consulting
15 services, another RFR and there again kind of dragging out
16 the process longer than we had hoped for.

17 The person that kind of came to mind was
18 already within State government. Certainly has extensive
19 knowledge about how Beacon Hill and State government
20 operate as well as somebody who has a firm understanding
21 of the legislation as it was passed is Stan McGee from the
22 Executive Office of Economic Development and Community
23 Development where he has been an assistant secretary.

24 We have included his resume. We asked for
25 his resume. We included it in your packet. I would like

1 to have some discussion today about appointing him, kind
2 of borrowing him from the administration for the interim
3 period to be our acting executive director. I think we
4 would get somebody with good knowledge of the inner
5 workings of Beacon Hill, State government. At the same
6 time, has obviously an acute awareness of every provision
7 within the bill as it was passed.

8 I think we are borrowing him essentially to
9 come over and assist us during this interim period, and
10 again while we also move forward with the process to go
11 out and solicit resumes to be considered for the full,
12 permanent executive director of the Commission.

13 CHAIRMAN CROSBY: You talked to some other
14 folks about it also. Do you want to fill us in on that?

15 COMMISSIONER STEBBINS: Sure. Again, we
16 attempted to reach out to the proposal we had from the
17 gentleman from Nevada. Again, comparing his scope of
18 work, a lot of the work mirrored what our consultants,
19 Spectrum and Michael & Carroll, will already be doing for
20 us. Also, really never received a call or an email back
21 from the gentleman.

22 CHAIRMAN CROSBY: No, no. I was talking
23 about Stan McGee. You talked to people about Stan McGee
24 and reference checks.

25 COMMISSIONER STEBBINS: Yes. I contacted

1 former Secretary O'Connell who was Mr. McGee's boss during
2 his tenure in the administration. Something that was kind
3 of highlighted to me, which I found a tremendous amount
4 of interest in was Stan's work with the Massachusetts Life
5 Sciences Initiative. A billion-dollar initiative on
6 behalf of the State where Stan had done some extensive work
7 in the early organizational days of getting the Life
8 Sciences initiative up and off the ground including doing
9 some initial hiring of staff to again get the Initiative
10 up and off the ground.

11 And I think that is somewhere where we find
12 ourselves, kind of at that early stage. We are looking
13 to make some smart, initial hires. Again, I just think
14 Stan's awareness of the legislation and everything it
15 calls for is pretty well positioned such to do that. In
16 addition to having somebody who I think will work well with
17 Spectrum and Michael & Carroll.

18 CHAIRMAN CROSBY: I also did some checking
19 out. Commissioner Stebbins and I have taken the lead on
20 this. There was an elephant in the room with Stan as I
21 have now sent information around to you about this. He
22 went through this horrendous experience of being accused
23 of a sexual harassment charge several years ago in Florida.

24 He brought it up as something that we ought
25 to be aware of and consider. I actually was not aware of

1 it. We thought that obviously something we had to think
2 through. And as I think the material that I sent around
3 said, this was investigated six ways from Sunday by the
4 State Attorney General in Florida. The State Attorney,
5 like our DAs, I think, and the State Attorney decided that
6 there was no evidence to proceed on. It was dropped
7 completely.

8 Then Dan O'Connell, who was his boss, looked
9 into the whole situation again to see if there was any
10 reason why he should not come back into the administration.
11 Dan O'Connell came to the conclusion that it was nothing.
12 That this was a warrantless, meritless allegation. And
13 that Stan's record was pristine.

14 Then the Governor's office did the same
15 thing. I talked with the Governor's office. You talked
16 with Dan. That is an absolute clarity on the part of his
17 present hiring authority, which I think gives us an awful
18 a lot of comfort -- If everybody from the Florida State
19 Attorney who never even brought a charge to the Governor
20 with all of the political sensitivities in the world that
21 he lives in feels like this was a false charge and has no
22 merit whatsoever, if all of those parties think that then
23 I feel comfortable that we are okay with it.

24 It is realistic. Mr. McGee said you guys
25 should know about it. It may come up. And I know how

1 sensitive said he, I know how sensitive you are to the issue
2 and to the brand of integrity and so forth.

3 For my money, there is nothing to this. To
4 hold it against him in any way would not be appropriate.
5 I know you're thinking about it. So, let me go through
6 a few other issues that I went through and then I think
7 we should talk about it.

8 He would like to be a candidate for the
9 permanent position. He would like not to have been
10 precluded for that. I said he this would not prejudice
11 him in any way. We would keep him completely separate from
12 the drafting of the search document. This would not
13 prejudice us one way or the other.

14 But I also told him that all of our strong
15 predispositions is for the permanent ED we are hoping we
16 can find someone with very serious gaming commission
17 management experience. That is not absolute, but I wanted
18 him to be very clear and not come in with any false
19 expectations. He was clear on that.

20 I talked to Secretary Bialecki, his present
21 boss who also speaks very highly of him and is prepared
22 to give him a leave to let him come right back after however
23 long it takes, three, four, five months, if he does not
24 end up with a permanent position.

25 He has a couple of responsibilities now that

1 are major. One is negotiating this Broadband Initiative
2 the State is undertaking. I am not quite sure what that
3 is. He will drop that, pass it onto somebody else.

4 He's also one of the lead negotiators from
5 the Governor's office on behalf of the Governor's office
6 on the Tribal Compact. That is something we talked about
7 quite a bit and again, I would like to have your thoughts
8 on.

9 I asked him whether -- He would like to keep
10 that up. He thinks dropping out of that would be very
11 difficult for the Governor's office. I asked whether that
12 cut one way or the other was that a good thing, bad thing,
13 negative thing, neutral thing and we tried to think it
14 through. We could not think of any way -- It is
15 conceivable that at some point the Governor's negotiators
16 might have a different view of what an appropriate compact
17 should be. Who knows? We don't know about that. But
18 that is possible.

19 If that were to happen, it seems to me that
20 if anything having McGee working with us probably would
21 be good for us. He'd be even more sympathetic to the
22 perspective that we bring to the table, which is ultimately
23 going to be a very important perspective, because we are
24 going to own this, whatever it is, when it is done. So,
25 we talked about that. Again, I think it is something that

1 you ought to think about and react to.

2 The other issue was just the sense of
3 independence whether -- Everybody has wanted it to clear
4 that the Commission is quite independent. We are not a
5 creature of the Governor. We are not a creature of the
6 Legislature. We are not beholding to anybody. For the
7 record, all of the politicians have respected that to the
8 Nth degree so far. Would there be any appearance of an
9 issue there?

10 Again, I think it's a fair question. I
11 think it is worth thinking about, but I don't think this
12 is going to look like we are under control. This is a
13 temporary position. My sense is that that does not create
14 a problem. I certainly don't feel that it creates a
15 problem in terms of the reality of our independence. I
16 do not think it's an appreciable appearance problem
17 either.

18 The guy is a superstar by any measure. In
19 fact, if I may say -- Well, you raised that issue, he's
20 a Rhodes Scholar. He's a Harvard Law School graduate.
21 The guy is incredible. He was a senior attorney at a major
22 downtime law firm. I think it Hale Dorr at that point.

23 I also talked to Senator Stan Rosenberg who
24 was the Senate's lead negotiator, very, very knowledgeable
25 about this. He spoke exceedingly highly of Stan McGee.

1 So, to be able to get somebody who knows State government,
2 who is in State government, who is super smart and who knows
3 this law backwards and forwards, and actually knows a fair
4 amount about the Gaming Commission -- gaming business even
5 though he has not been in it, I can't imagine how we would
6 ever come up with a better person myself. That is the
7 extent of my thought process.

8 COMMISSIONER CAMERON: Mr. Chair, if I
9 could speak to this matter. I had the opportunity to
10 attend a public safety meeting last week with the highest
11 level public safety officials in the State regarding the
12 compact. Mr. McGee was part of putting that meeting
13 together.

14 I was very impressed with his subject matter
15 knowledge of gaming and the aspects that we will need to
16 know moving forward. Also very impressed with his level
17 of concern for the public safety aspect and realizing that
18 this would be something we would all have to grapple with,
19 and what would needed to be said in the compact language
20 that speaks to enforcement issues. That was my first
21 opportunity to observe and work with Mr. McGee and I was
22 very, very impressed.

23 Also, I am very sensitive to, from a
24 law-enforcement standpoint, evidence versus an
25 unsubstantiated allegation. And every document that I've

1 looked at with regard to this matter, there is no shred
2 of evidence. There are no witness accounts of the
3 allegation. It's completely unsubstantiated. That does
4 not enter into my decision at all in moving with this
5 individual. In fact, we do the individual a disservice
6 if we took this into consideration.

7 I did have a concern thinking about the
8 perception. Someone working, negotiating in the
9 Governor's office. Like you, Mr. Chair, I did try to think
10 through would there be a situation where there would be
11 a conflict or a perceived conflict, probably more likely.

12 I really couldn't think of an instance that
13 I could wrap my arms around saying we shouldn't do this
14 because this may happen. I really couldn't foresee that.
15 I think you explained that well.

16 I think what you're referring to when we had
17 a conversation, just a brief conversation on another
18 matter was this individual is so knowledgeable and very,
19 very bright. And I wondered if he would be challenged
20 enough by this position. Because with an acting position,
21 we are talking about a startup. And I wondered. I know
22 you had the opportunity to ask that particular question
23 and that was not a concern.

24 I would concur that this is a very, very
25 talented individual and we should look to make this move.

1 CHAIRMAN CROSBY: In my view, what we
2 need desperately is to get freedom so we can do our jobs
3 trying to get ready to make decisions on licensing.
4 Learning what we need to know, getting that process going,
5 and doing it as quickly as we can and do it well.

6 We don't need to be about the business of
7 either standing up the organization. We don't need to be
8 about the business of making sure our computers are
9 working. And we are doing stuff like that. We don't need
10 to be doing procurements. We are doing that work. We are
11 doing staff work at the moment, which is fine. I'm happy
12 to do it. But we shouldn't be doing it.

13 So, having him take the lead and also freeing
14 up Janice who is supposed to be supporting the Commission
15 as we do our primary work would be priority number one.

16 I also think there are things we want to work
17 with the consultant on like some issues we will get to later
18 on in the agenda. But we don't really want to be spending
19 all the time working with a consultant as we are talking
20 about writing long-time regs. and sort of setting up the
21 organization structure for hires that are going to be a
22 year down the road. I think those are two areas.

23 He is a high-end capable guy. He has had
24 very much the startup experience. With the Life Sciences
25 Institute, he was the startup guy before they hired Susan

1 Windham-Bannister who now runs it. He is apparently doing
2 the same thing to the Broadband Institute right now, though
3 I really don't know what the Broadband Institute is.

4 So, he is perfectly capable it appears and
5 certainly, as he says, of getting his hands dirty. But
6 he also -- He's a smart guy. He knows a lot about this
7 business. And I think he will enhance our ability to talk
8 policy a little bit too. He would like to do that. That
9 appeals to him. He knows enough to help us think about
10 that, which I think is all to the good.

11 He knows he's a one-man band. We probably
12 will try to get him an executive assistant or some kind
13 of office manager support or something like that. He's
14 not going to have a cast of thousands to do all of the grunt
15 work while he is thinking great thoughts. So, I
16 appreciate the point. I end up feeling like he is fine
17 on that issue.

18 COMMISSIONER ZUNIGA: My question was very
19 similarly along the lines of Commissioner Cameron. I am
20 just wondering if Mr. McGee is in fact understanding of
21 the fact that this would be, as you say, getting to the
22 nitty gritty, unglamorous perhaps activities. If you
23 could just expound a little bit for my benefit on whether
24 he understands that piece and he is willing to --

25 CHAIRMAN CROSBY: I asked him specifically

1 about that. He said he thinks he has the demonstrated
2 capacity to be both a front and a backend person. That
3 the work that he has done demonstrates that he can do the
4 backend, unglamorous work.

5 His present boss tells me that he's a
6 roll-up-your-sleeves type guy. He is not looking for the
7 limelight. He is not trying to be out front. He likes
8 being anonymous. He drafted those two statements of works
9 that I gave you for the contracts with the Governor's
10 office. He drafted those.

11 He said if you were looking merely for a
12 director of operations who didn't know anything about
13 gaming, there would be no point in getting me. There are
14 other people around who are better operations people. I
15 think you spoke to one who is the senior operations person
16 but knew nothing about gaming.

17 But as long as you like somebody who can roll
18 their sleeves up and know something about gaming that he
19 thinks is a better fit. He is frank to say he is interested
20 -- he likes what we are doing and he is interested in seeing
21 if there is a possibility long-term. I think if there were
22 no possibility long-term, he would be less interested in
23 coming in for a few months and turning right around and
24 going right back out again.

25 He realizes this is a chance to get to know

1 us and a chance for us to get to know him. He's willing
2 to do that.

3 By the way, one thing I did not mention that
4 is very important. He would not get a raise. He would
5 be paid exactly what he is being paid now. We would just
6 transfer him over. I don't even know technically how we
7 would do it. Probably we will just pay back the Agency
8 for his salary for this period of time. There would be
9 no additional benefits, no pay raise, anything like that.
10 It would be just the same. Neither he nor I nor anybody
11 thought it would be appropriate to give him a pay raise
12 for this.

13 He also said that he was -- epical of your
14 point, he said he would not do this if he couldn't return
15 to Housing and Economic Development too because he
16 realizes this is sort of a crapshoot.

17 COMMISSIONER ZUNIGA: Just to expound on
18 his resume which speaks to his qualifications, I concur
19 that he's had tremendous, very relevant experience and in
20 many aspects of this job. I think he is a tremendous
21 candidate.

22 CHAIRMAN CROSBY: Great. Anything else?
23 I think we can run a motion on this one.

24 COMMISSIONER STEBBINS: I would move that
25 the Commission name Stanley McGee current assistant

1 secretary for Policy and Planning at the Executive Office
2 of Housing and Community Development as the acting
3 executive director of the Massachusetts Gaming Commission
4 subject to the issues that you raised regarding working
5 out the financial transaction.

6 CHAIRMAN CROSBY: To start as quickly as
7 possible.

8 COMMISSIONER STEBBINS: To start as quickly
9 as possible.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER ZUNIGA: Second.

12 CHAIRMAN CROSBY: Any other discussion?
13 No. Great. I think he's a terrific choice. I think we
14 are lucky.

15 All in favor say I.

16 COMMISSIONER ZUNIGA: I

17 COMMISSIONER STEBBINS: I.

18 COMMISSIONER CAMERON: I.

19 CHAIRMAN CROSBY: Opposed? Motion carries
20 unanimously. Thank you very much.

21 Second on our agendas is the public
22 information officer. This is one I've been taking a lead
23 on. The process, I think everybody knows this, but just
24 to reiterate this. We asked Karen Schwartzman and she
25 asked Hank Shafran, formerly of Bingham McCutchen, the two

1 of them to effectively do this search for us.

2 Hank and Karen, they got a lot. We did this
3 as a real search. We thought this is one we should take
4 the time to do right. It was posted. We searched around
5 aggressively for candidates. We got a lot of candidates.

6 Hank and Karen whittled the resumes down to
7 14, interviewed all 14. The two of them interviewed all
8 14, I think. They whittled it to two finalists.

9 At last week's meeting, you all empowered me
10 to make a decision, to interview them and make a decision
11 if I felt there was a decision to be made. Otherwise, I
12 would come back to you.

13 I interviewed both of them. I thought long
14 and hard. I talked to references about both of them. And
15 I come down feeling like Elaine Driscoll, who is now --
16 I'll give you her exact title. You've got this resume.
17 She is the director of communications for the Boston Police
18 Department.

19 I talked to two of her former commissioner
20 bosses, Commissioner O'Toole and Commissioner Evans. And
21 they both were absolutely -- Davis, I'm sorry. Evans,
22 that was Kevin White.

23 They both were incredibly high on her.
24 Commissioner Davis said my only reluctance is I would hate
25 to lose her. She will be really impossible to replace.

1 She is distinctive in her ability to deal
2 with crisis stuff. You can imagine what they go through
3 all of the time. We think we have crises, they've got them
4 in spades.

5 She is also a very thoughtful planner about
6 proactively figuring out how an organization, in this case
7 BPD and in the future the Mass. Gaming Commission, can
8 build appropriate outreach tools, really establish the
9 reputation we are trying to with being transparent and fair
10 and participatory. She's very up-to-date on social media
11 tools. I don't have to tell you her resume. You've got
12 it in front of you. I think she is a superstar. She's
13 really terrific.

14 I don't know if you want me to talk more about
15 her, but I feel completely comfortable. I have talked
16 with both Hank and Karen about this too. I think they
17 probably would come down on the same -- I know Karen would
18 come down on the same place and I think Hank probably would
19 too. We are unanimous. There are no issues. There are
20 no soft spots.

21 Each of these hires, just for the record, are
22 subject to background checks. Because of each of their
23 backgrounds, I don't think there is much to check, but we
24 will do the financial background checks. So, both will
25 be subject to background checks as all of our hires will

1 be.

2 But subject to that, I don't have any
3 reservations at all about recommending Elaine. She will
4 take the job. We have not talked with her yet about
5 salary. She is making \$107,000 now. And she has some
6 perks that we cannot provide her like a car. So, we
7 haven't closed that loop, but my guess would be it would
8 be a little above that. We would give her a small raise.
9 That's what I'm guessing what I'm thinking at this point.
10 So, I have no reservations at all recommending her to you,
11 but I am happy to talk about it or whatever.

12 COMMISSIONER CAMERON: Just to comment, Mr.
13 Chair, that this is a critical position in a large Police
14 Department, really critical, fast-moving, issues every
15 single day. I also checked when I saw her resume. I was
16 not involved in interviewing. I've never met this person.
17 But I did check a couple of law enforcement colleagues who
18 just rave about this person, just top shelf.

19 So, I was very pleased to see this in the
20 package today. I hear nothing but the highest praise for
21 this individual.

22 CHAIRMAN CROSBY: Great.

23 COMMISSIONER STEBBINS: Just looking at her
24 resume, I do like the fact that she has executed some
25 strategies towards engaging the public using social media,

1 which I think is what we are looking for in terms of keeping
2 this process transparent and participatory.

3 I think picking up on Commissioner Cameron's
4 point is a lot of what this person is going to be dealing
5 with is very sensitive information. A lot of future
6 Gaming Commission responsibilities are going to revolve
7 around licensure and law enforcement. And I think having
8 somebody who had that background dealing with the
9 sensitive nature of a lot of these issues, it seems to me
10 she brings the right qualifications to the job.

11 CHAIRMAN CROSBY: I actually hadn't thought
12 about that, but it is duh, but it's obvious. So much of
13 our work will be one sort of law enforcement/
14 compliance/oversight regulation or another. A
15 sensitivity to that is a real benefit. I hadn't really
16 thought about that. I thinks that's right.
17 Commissioner?

18 COMMISSIONER ZUNIGA: Just a very minor
19 point for the record. The use of a car in the law
20 enforcement may not really be considered a perk. It could
21 also apply to us at some point in the future.

22 CHAIRMAN CROSBY: Because of the nature of
23 her job.

24 COMMISSIONER ZUNIGA: Because of the nature
25 of her job, yes. Just a very minor point. On the larger

1 point, I think her experiences is really impressive based
2 on her resume here and what you describe of the process
3 that Karen and Hank helped us conduct here. It is also
4 very important and very comforted by the numbers, just by
5 the sheer interviewing 14 people that rose to the occasion
6 and selecting from that group of people is very comforting.

7 CHAIRMAN CROSBY: Just for the record, this
8 is an issue that is important to me and it's important point
9 to the Commission. We were very aggressive also in trying
10 to find candidates of color, because as you know I think
11 that is something that we are going to make sure that we
12 are attentive to. We weren't able to find the right
13 candidates, but we were very aggressive.

14 And if there were an affirmative-action
15 officer looking over our shoulder, we would have complied
16 with all of the intent there. There was something else
17 I was going to say. I have forgotten what it was. I will
18 speak to that when we get done with this.

19 Anything else? Again, do we want to have a
20 motion?

21 COMMISSIONER ZUNIGA: Let me make a motion
22 to extend an offer to Elaine Driscoll for the title of --
23 for position of director of communications subject to
24 negotiating a salary that is acceptable to both the
25 organization and herself.

1 COMMISSIONER CAMERON: Second the motion.

2 CHAIRMAN CROSBY: Any further discussion?

3 All in favor, I.

4 COMMISSIONER ZUNIGA: I.

5 COMMISSIONER STEBBINS: I.

6 COMMISSIONER CAMERON: I

7 CHAIRMAN CROSBY: Opposed? Motion carries
8 unaniously. Thank you, very much. I think that is a
9 great move.

10 What I was going to say that I am mindful of
11 the fact that some people watching us might be saying,
12 Don't you guys sit right next door to each other? Why are
13 you talking about this as if you've never heard of Elaine
14 Driscoll?

15 This is a weird environment we live in where
16 we may not by the Open Meeting Law talk amongst ourselves
17 about practically anything, but for sure about anything
18 that is significant like this. So, we are trying to figure
19 out as we do our work. Gayle, our Commissioner Cameron
20 and Commissioner Zuniga I think found out about her this
21 morning. You got her resume, right?

22 COMMISSIONER CAMERON: Yes.

23 CHAIRMAN CROSBY: So, it's an odd way of
24 doing business, but it's what we're doing. If it seems
25 weird to you that yes, we all work together in our same

1 office on a full-time basis and we are talking to you about
2 these things as if we have never heard of it before that's
3 why it is. There will be other such oddities as we go along
4 here.

5 There is a second issue on the DIO public
6 information officer topic. Commissioner Zuniga, you had
7 some thoughts on that?

8 COMMISSIONER ZUNIGA: Yes. As you all
9 know, the Office of the Governor procured Karen
10 Schwartzman and Polaris when only Chairman Crosby was
11 appointed by the Commission. That is essentially an
12 emergency procurement.

13 And as a housekeeping item, we should sign
14 and execute a contract for that procurement. The best
15 thing that I see as relevant is to tally up the hours that
16 have been expended, designate a time in the near future
17 where a director of communication comes in and execute
18 contract for the hourly rate that she has been billing us
19 for that amount.

20 CHAIRMAN CROSBY: To retroactive we execute
21 a contract for the time she starts through say when Elaine
22 Driscoll starts?

23 COMMISSIONER ZUNIGA: Correct. That would
24 be really just a housekeeping item, but I think it is very
25 important however.

1 We also should contemplate a second piece,
2 which is her role going forward especially as a transition
3 begins to occur. She has suggested a number of hours that
4 we should consider. Because of her role, I believe this
5 would be appropriate to have this be done on a sole-source
6 basis. The procurement should be done on a sole-source
7 basis.

8 The business case according to the
9 regulations for sole sourcing needs to be articulated in
10 writing. I don't have that for you today, but I can have
11 that in the very near future if with your permission and
12 appointment I conduct those conversations with Karen to
13 execute a second contract for that transition period.
14 That would suffice and comply with all of the procurement
15 regulations and allow us to have the proper contract
16 documentation as well.

17 I would note a couple of things. She has
18 been billing us on a deeply discounted basis, essentially
19 two-thirds of her regularly billing rate, which she has
20 proposed as a way to continue -- in the transition form
21 that that could be done as well.

22 MS. SCHWARTZMAN: Half.

23 CHAIRMAN CROSBY: That's what I thought,
24 half.

25 COMMISSIONER ZUNIGA: Half, I'm sorry.

1 Thank you. That was essentially the conversation really
2 to execute those two pieces of contracting documents.

3 CHAIRMAN CROSBY: This is an example of the
4 Commissioners doing staff work. Ordinarily, we would not
5 be doing stuff like this. Thank you, and it is important
6 that we get this done right.

7 Karen and I talked about this when she first
8 came onboard that this was going to be a short-term gig.
9 If she were interested in staying onboard as a full-time
10 employee, she would be at the top of the pile. She's not
11 willing to give up her own practice to do that. So, it
12 was understood that we would come to this juncture at some
13 point if we felt we needed a full-time person, which we
14 did.

15 I think that Elaine should be involved in
16 that conversation. And I'm sure Karen would be fine with
17 that. And figure out what the relationship would be.

18 I would just say also for the record that Ms.
19 Schwartzman, you have been irreplaceable. And you are a
20 great professional in this environment. Personally, I
21 couldn't have done it. I would have made more mistakes
22 than I have made without your help. Would that Elaine
23 Driscoll can do as much for us as you have done.

24 I would love to keep -- The background, your
25 ethics commission background, working as an ethics

1 investigator for five years has helped tremendously and
2 gives a sensitivity to these issues. That is really
3 helpful. I hope Elaine can to do that.

4 Personally, I would like to figure out a way
5 to keep Karen involved in some appropriate way. I think
6 Elaine ought to be crucial in that conversation. If the
7 upshot of that is there is some continuing role, I think
8 that would be great.

9 COMMISSIONER ZUNIGA: Which I would just
10 emphasize then the piece about executing a contract, the
11 first piece, we should look to get that done sooner rather
12 than later.

13 CHAIRMAN CROSBY: Great. I don't think we
14 need a motion for that. Anybody think less well of Karen?
15 Thank you Ms. Schwartzman. Any other hiring needs?

16 Thank you very much for doing that. That's
17 great for keeping an eye on that.

18 Three-C other hiring needs, I think this is
19 just informational. We will be posting -- I don't know
20 who all knows this. -- soon, like tomorrow, we will be
21 posting four jobs, an administrative manager, office
22 manager high-end admin. kind of person, two executive
23 assistants and a receptionist. We may not necessarily
24 need all of those people but we want it in the pipeline.
25 We want the search done, we can be ready to move ASAP. We

1 probably will want to add at least one of those persons
2 on to help Stan McGee when he comes on board and maybe
3 Elaine as well.

4 So, cast your net. If anybody knows
5 anybody, this is the time. I hope folks are getting a
6 sense that we are starting to kick into a different gear
7 now. Having Stan and Elaine on board is going to be an
8 extraordinary help. Then having these other support
9 staff is going to change the nature of lives quite a bit,
10 which will be nice. Anything else, other hiring?

11 COMMISSIONER ZUNIGA: As part of those
12 hirings, I'd like to make sure that we keep an eye on and
13 possibly in the posting and whatever we receive to look
14 for experience with accounts payable, bookkeeping.
15 Whether that is one or more, I don't think we need more
16 than one at this point. Some of the clerical relative to
17 the finances that I am seeing could be very valuable in
18 what we can do.

19 If we are posting, in addition to our
20 website, if we are posting it somewhere else as part of
21 HRD -- Commonwealth employment opportunity that would be
22 great, because other candidates could really be drummed
23 up with very relevant experience.

24 CHAIRMAN CROSBY: Is this one of these jobs
25 including some kind of bookkeeping expertise or

1 experience?

2 MS. REILLY: The admin. position.

3 CHAIRMAN CROSBY: Should we think that? Is
4 it time to get a bookkeeper as opposed to somebody who is
5 going to do that sort of out of their hip pocket when they
6 are doing a bunch of other stuff?

7 COMMISSIONER ZUNIGA: I think in the spirit
8 of what you mentioned that we are posting it and may not
9 have to necessarily hire somebody right away, but by the
10 time Mr. McGee comes in and can also weigh in. I think
11 it is never too late to start benefiting from experience
12 relative to accounts payable, the State accounts payable
13 system, MMARS. We have to comply with a lot of
14 comptroller type procedures they can be very hopeful to
15 us. But it is also understood that it would be a phase-out
16 with them. To the extent that we can rely on their help,
17 it's not that critical. But we should be mindful that we
18 need to eventually have some of that expertise in house.

19 CHAIRMAN CROSBY: As far as I am concerned,
20 that is really up to you and Janice. Whenever you think
21 it is time. If it is time to start the process going now
22 so we have somebody in a month or two, I am game with that.
23 It's up to you.

24 COMMISSIONER ZUNIGA: I think it is never
25 too early to get that.

1 CHAIRMAN CROSBY: That is a fifth one.
2 Any other thoughts? Any other needs? I guess we will get
3 to one when we get to our friends the Racing Commission.

4 The gaming consultants. I put in your
5 packages just a simple -- the chart that Kathleen O'Toole
6 sent me that is a product of the work going on between
7 Spectrum and Michael & Carroll.

8 This now lays out the major topic areas and
9 the responsibilities, which firm will take the lead on
10 them. They also attached a blank gant chart, which
11 doesn't do much for us, but it shows what they are in the
12 process of working on out there. I think they are together
13 now and are continuing to work on this.

14 We are already using them. I have talked
15 with several of them, a couple of them about various issues
16 now, not just on negotiating their contract, which is
17 something they have to do on their own nickel, but on
18 actually getting their substantive help on work we are
19 doing, which I think we will be able to pay them for in
20 due time when we execute this contract.

21 So, it is moving along pretty quickly. I
22 would hope that within possibly by the end of this week
23 they're really be ready to finalize the statement of work.
24 Commissioner Zuniga said he would take the lead on getting
25 the contracts packaged properly. I think we are getting

1 awfully close to -- started with them in a formal way and
2 informally, we are already going. I don't know if there
3 is really anything to talk about here, but you are welcome
4 to if you want.

5 COMMISSIONER CAMERON: Mr. Chair, one
6 comment. One of the things that we've been doing and we've
7 asked the State Police to assist with is background
8 investigations for everyone we hire. I spoke to the
9 lieutenant in charge who tells me they anticipate those
10 completed for the law firm as well as the two gaming
11 consultants by the end of this week.

12 CHAIRMAN CROSBY: Great. Again, I think
13 the gaming consultants and the law firm, for that matter,
14 are probably as clean as you're going to find just because
15 of the nature of their work but we should go through this
16 as well. That's good. Thank you.

17 COMMISSIONER ZUNIGA: I have a question
18 relative to gaming consultant contract negotiation. As
19 you pointed out last time, the RFR as originally stated
20 or as originally drawn out stipulated a maximum amount.
21 Both consultants came under that with the proposal. Of
22 course, that is assuming that they would be doing 100
23 percent of what we asked them to do and what the Governor's
24 Office envisioned in the RFR.

25 Now that they have two, perhaps we have to

1 divide it in some fashion. So those tasks, has there been
2 any discussion or consideration whether the cost proposals
3 should be revised? I am not expecting that they would be
4 halved because we have two. It is reasonable to expect
5 there will be some coordination hours, etc. But I am also
6 not expecting that they would be exactly what they proposed
7 when they assumed they would be doing all of the activities
8 that had been listed. Is there an update on that or is
9 that part of what we need to continue negotiating?

10 CHAIRMAN CROSBY: At the moment, there is no
11 discussion of anything other than the \$500,000 cap. They
12 are each going to get their share whatever they determine
13 within that cap. There had never been any discussion
14 about going higher.

15 COMMISSIONER ZUNIGA: Okay. In the
16 aggregate?

17 CHAIRMAN CROSBY: Correct, in the
18 aggregate. There is expected to be basically a four-month
19 job. I think their position is that we can spend that
20 \$500,000 in that 16 weeks. And at the end of that if we
21 need further help, which we probably will, we are going
22 to do whatever we need to do to get that.

23 I think for the work product that was
24 envisioned in the RFP for the time being we are capping
25 it.

1 Could we change that? If we felt it was
2 going to be a \$650,000 job rather than a \$500,000, can we
3 do that?

4 COMMISSIONER ZUNIGA: Sure. We just need
5 to look at what they proposed originally, what they assumed
6 what they were going to be doing. In other words, the
7 basis for their cost proposal and what the activities may
8 end up being because circumstances changed.

9 CHAIRMAN CROSBY: Just because the RFP
10 said it was going to be capped at 500, when we execute a
11 contract we could make it more if we felt we needed to?

12 COMMISSIONER ZUNIGA: Yes, yes, again
13 subject to the detailed understanding of what they
14 proposed on and what circumstances changed based on their
15 proposal. In other words, they may have assumed that they
16 were going to do A, B and C, but we come here and say now
17 we want you to do D in addition to those that's a piece
18 that we need to negotiate.

19 To that end frankly, we are asking them to
20 coordinate with another party. That clearly may not have
21 been part of their considerations, which was part of my
22 point. There could be additional hours there for
23 coordination. Hopefully not much but let's realistically
24 -- they now have to coordinate with a party that they were
25 not envisioning originally.

1 CHAIRMAN CROSBY: That's fair. Our law
2 firm is very local in its focus. There's some legal work
3 that may be required to be done by Michael & Carroll in
4 particular that's the national regulatory environment
5 kind of stuff. That could have an impact on that too.

6 We should think about when we do negotiate
7 this contract, we should think about what is going to
8 happen after six weeks. Both what is the number now is
9 that rational, is that appropriate, but also what is going
10 to happen after 16 weeks. We might want to keep the door
11 open to be able to extend it if they're good. But I'm sure
12 we are going to need their help for a while longer.

13 COMMISSIONER ZUNIGA: Absolutely.

14 CHAIRMAN CROSBY: Anything else on the
15 gaming consultants?

16 The outside counsel, Commissioner McHugh
17 has been handling that. They are further along than even
18 the gaming consultant. They've got our scope of work
19 pretty well drafted, I think. And they are doing some
20 work. But I can't really report much on that. We will
21 wait until we hear from Commissioner McHugh when he gets
22 back on that.

23 As far as permanent meeting date and
24 location, I spoke to this a little bit when it comes to
25 the issue of the streaming. We will be meeting every

1 Tuesday at one o'clock for the foreseeable future with
2 other events stuck in like the one that is coming up on
3 May 3.

4 We don't yet know where. We are trying to
5 figure out a place which is cost efficient which has the
6 technological capacity which is flexible in terms of the
7 size of the audience because we never know when a lot of
8 people are going to come. We are having a harder time
9 matching all of those criteria than we had hopes that we
10 would. We are not able to announce a permanent place yet,
11 but we will keep working on that. Anything else on that?

12 Finance budget update, Commissioner, do you
13 have anything?

14 COMMISSIONER ZUNIGA: Not really except for
15 what I already had mentioned relative to the need to
16 execute a contract with Polaris. So, I already kind of
17 spoke about that. There is no update otherwise.

18 CHAIRMAN CROSBY: Procurement?

19 COMMISSIONER ZUNIGA: Procurement, as you
20 know prior to the last meeting we posted the executive
21 search firm RFR. We also sent an email blast, if you will,
22 to a number of firms that we know of with a reference to
23 our website and our compacts. Because only in compacts
24 they can obtain certain forms that we are asking them to
25 obtain.

1 We have had some inquiries, which is good.
2 It's exciting. The response deadline is May 11.

3 CHAIRMAN CROSBY: May 11? You had said the
4 end of the month?

5 COMMISSIONER ZUNIGA: What Commissioner
6 Stebbins was referring to is the process will be all
7 completed, the review, evaluation by the end of the month.
8 The responses are due by May 11. So, that is our next
9 milestone.

10 I have also reached out to Treasurer's
11 office and the Governor's office for assistance as we
12 discussed last week relative to the evaluation of those
13 eventual responses.

14 CHAIRMAN CROSBY: Great. Anything else?
15 Number six, the first issue on the agenda is Commissioner
16 Cameron's on the May 3 event, which is going to be right
17 next door. It's already to do.

18 COMMISSIONER CAMERON: Yes.

19 CHAIRMAN CROSBY: Why don't you give us an
20 update?

21 COMMISSIONER: I'd be happy to, Mr. Chair.
22 We have included the latest draft and we are pretty close
23 to the final draft. This is the agenda for this coming
24 Thursday, the event.

25 CHAIRMAN CROSBY: Was that with the packet?

1 have the President of the American Gaming Association will
2 be giving us some remarks to start. As you mentioned last
3 week, some individuals were not thrilled with that but I
4 think it is important that we get an overall state of the
5 industry.

6 Mr. Frahenkopf also wants to speak
7 worldwide regulatory reform and the National Center for
8 Responsible Gaming. So, those three topics he will be
9 focusing his remarks.

10 CHAIRMAN CROSBY: I sort of said this the
11 other day, but I really just think for the record we are
12 a part of the gaming industry now. This is the major
13 gaming association.

14 He is not just a lobbyist. He runs the
15 industry association for an industry of which the people
16 Massachusetts through their elected representatives have
17 decided we are part of. We will be talking to a lot of
18 people. We will hear more about that. I don't think
19 there is any issue at all about having someone like this
20 person come and talk about the industry.

21 COMMISSIONER CAMERON: Correct. And he is
22 a subject matter expert and a very good speaker. I think
23 it'll be interesting for all of us to hear that
24 perspective.

25 We've decided to structure the day in panel

1 discussions. I think that that will give us the most
2 benefit for the subject matter experts we are bringing in.

3 They can discuss the topic and play off one
4 another with their comments and their lessons learned.
5 This is a real an opportunity for all of us to learn from
6 experts in the area and the lessons they have learned.

7 One of the aspects that I think is really
8 positive for us is the fact that this is a seasoned industry
9 now. And there are lessons learned and best practices and
10 we'll be learning about those hard lessons learned and the
11 evolution and where things are today. I that will help
12 us tremendously.

13 We are starting the morning with a panel
14 called Determining Priorities. That really is the new
15 Commission, what are the things that we should be most
16 concerned about as we are in our fifth week of work. We
17 have just started our fifth week of work as the Commission.
18 What are the things we should be paying attention to right
19 away. We think we know some of the things, but it will
20 be interesting to hear from experts on when they started
21 commissions in other jurisdictions, what are those things
22 we should be paying attention to.

23 The second panel is really going to give us
24 information on, okay, we tried this, it worked well. We
25 ended up changing some things for these reasons. Those

1 are the actual trial by error experiences that they have
2 gone through.

3 When we are talking about panelists, we have
4 prior commissioners from jurisdictions. We have
5 executive directors. Regulators, law-enforcement
6 officials, many of whom have served in numerous
7 jurisdictions. I think what we are finding is this is a
8 pretty small industry and that the experts are very well
9 sought after and they tend to move from jurisdiction to
10 jurisdiction. They end up with a job they find more
11 challenging and they are willing to move somewhere else.

12 CHAIRMAN CROSBY: We should keep our eye
13 open for an executive director.

14 COMMISSIONER CAMERON: That is important to
15 talk to the individuals we are bringing in, because it will
16 be a source of contact for us to use moving forward.

17 We will take a lunch break after our first
18 two panels. This building affords a food court. So,
19 those individuals who are attending will not have to leave
20 if they don't choose to. The food court well be open to
21 all of those in attendance.

22 We start after lunch with a panel
23 discussion. This is really the nuts and bolts. Before
24 the doors open, the bidding process, the background
25 investigations, the financial oversight, smart

1 regulations. These are the first things that we will be
2 doing.

3 This may not be the sexy work, but all of
4 these topics we'll need to pay attention to immediately.
5 And the experts that we have brought really are seasoned
6 and have great oversight whether it be the legal aspects,
7 the financial aspects or the day-to-day running of the
8 commission. Those folks will talk to us about that.

9 Then we are going to end the day with our
10 enforcement responsibilities. This starts right away
11 with us with background investigation. What system are
12 we going to set up? There are many, many options. We can
13 outsource. We can involve the State Police to a great
14 degree. We can hire from within to handle those. So,
15 we have lots of options we'll be considering. These
16 subject matter experts will be talking to us about that.

17 The other thing we've asked these folks to
18 talk about is crime. What is real and what is perceived
19 in the industry? And what are their experiences in New
20 Jersey and in Pennsylvania and other jurisdictions in
21 which they have worked?

22 We also have individuals on the panel who
23 have worked in Native American gaming. I think we are
24 going to hear some of those differences, the perspective
25 on Native American gaming.

1 What we've done is used our consultants who
2 are subject matter experts, they will be moderating for
3 us. Other than the law enforcement panel, the Chair was
4 good enough to invite Sheriff Cabral from Suffolk County.
5 She participated on a conference call with us this week.
6 She was excellent, knowledgeable, really interested in the
7 moving parts of law enforcement. Who does what? How do
8 we collaborate? How do we work well together?

9 One of the most interesting new developments
10 in law enforcement in general but in particular casino
11 gaming is the fusion center. All the information is
12 pumped into the intelligence center, fusion center, for
13 the region. And we end up with real-time information.

14 If there is a scam happening in Las Vegas,
15 we're going to know about it that day and look for certain
16 trends. The colonel of the State Police was very
17 interested in that in making sure we incorporate that into
18 the fusion center here in Massachusetts. So, we'll be
19 hearing about all of those things with a full day on
20 Thursday.

21 I don't think you need to know -- we are
22 working with flying them in, putting them up. All of these
23 folks have volunteered their time to come in and help us
24 out. I am personally very grateful for their giving of
25 their time to come in and do that for us. So, we look

1 forward to Thursday, Mr. Chair.

2 CHAIRMAN CROSBY: On Sherriff Cabral, she
3 is really, I don't know if it's expert, but really an
4 aggressively interested law enforcement person in the
5 business of the law-enforcement agencies collaborating or
6 not.

7 One of the few criticisms -- not criticisms,
8 but issues in our legislation is that who does what to whom
9 relative to law enforcement. And who is in charge is not
10 at all clear. And I know she could easily be affected by
11 this. But as an aside, she is really interested in how
12 organizations can work together to maximize output and
13 throughput effectiveness.

14 If we were to run over -- the idea is that
15 they will be speaking to us. And behind us through the
16 camera and whoever is in the room speaking to the public,
17 we will be asking questions. Some of the questions will
18 probably have come from the public. How long or have you
19 given how long do they talk and then how long is Q&A?

20 COMMISSIONER CAMERON: A piece I failed to
21 mention and you bring this up, we have gone high-tech.
22 Rather than answer questions directly from the public, we
23 have a Twitter account so that individuals can text their
24 questions in as the panelists are speaking or beforehand
25 if they choose.

1 CHAIRMAN CROSBY: From the audience?

2 COMMISSIONER CAMERON: From the audience.
3 We will have a desk in the back with a computer system set
4 up where all of those questions are taken and provided
5 to the moderator. We have asked them to leave at least
6 10 minutes at the end for Q&A. Obviously, we will not be
7 able to get to every question. But at the moderator's
8 discretion, they are going to answer as many as they can.

9 CHAIRMAN CROSBY: I can imagine that these
10 could easily run over, just the Commission's questions
11 never mind everybody else's questions.

12 I don't know whether we need to think about
13 how do we cushion that? Can we cut lunch in half if we
14 had to? Can we run over by 45 minutes?

15 COMMISSIONER CAMERON: We have discussed
16 those issues with the moderators. We have also challenged
17 them to try to stay on. That is one of the challenges with
18 a good moderator is to stay within the timeframe. They
19 are all going to try to do that as best as possible.

20 CHAIRMAN CROSBY: It's more of how much
21 interest is generated from outside. If there can be some
22 flexibility built-in. You'll basically be emceeding the
23 whole thing. If you feel like there is so much interest
24 and so much stuff being talked about that you'd like to
25 be able to expand it, it would useful to have a way to do

1 that.

2 COMMISSIONER CAMERON: We are ending at
3 3:30. So, we really do have a little bit of time built
4 in to run over frankly.

5 CHAIRMAN CROSBY: We are ending at three?

6 COMMISSIONER CAMERON: I guess we are
7 building it in already, to be honest with you. Secondly,
8 we are going to have other forums.

9 If we see a need -- We realize we are just
10 scratching the surface here. We realize we are not
11 discussing all of the important issues around casino
12 gaming. So, I would hate to have anyone look at this and
13 say that we are not talking about A, B or C. It's not that
14 we don't think it's important, but these were the basic
15 startup responsibilities of the Commission. That is how
16 these subjects were chosen.

17 There are others that are very, very
18 important. I know we are going to be dealing with economic
19 development issues in the later forum. There maybe things
20 that we look at here and say we need to pay more attention
21 and we may do that in a later forum.

22 CHAIRMAN CROSBY: I also don't want to raise
23 expectations of the public that we can take the questions
24 and then not be able to take any questions answered.

25 COMMISSIONER CAMERON: We will be answering

1 some questions at the end of every panel. The panelists
2 are also going to make themselves available for those who
3 may want a sidebar with them at a later point.

4 CHAIRMAN CROSBY: Very good.

5 COMMISSIONER ZUNIGA: Just a very minor
6 point, but perhaps if we build in a small break in the
7 afternoon session. The change of one panel into another
8 panel may take a few minutes to the end of your point.

9 CHAIRMAN CROSBY: Maybe that's into 3:30,
10 but maybe it's 1:00 to 2:00 and then 2:15 to 3:15.

11 COMMISSIONER CAMERON: We could do that.

12 CHAIRMAN CROSBY: It will take a few minutes
13 to get one panel out.

14 COMMISSIONER CAMERON: They will be seated
15 right in the front row, so it won't take a lot of time.

16 I think we can -- Part of panel discussions
17 are it ran a little over, let's take a break now. Having
18 the flexibility to do that is how this whole day is put
19 together. As we see fit, we will do that. Thank you.

20 CHAIRMAN CROSBY: This is great. I am
21 really glad you came up with this idea. Thank you.

22 Anything else on this? So, please join us May 3.

23 Next, is our second educational forum, which
24 will be on development. Commissioner Stebbins is
25 marshalling that one.

1 COMMISSIONER STEBBINS: Just a quick
2 update. We have narrowed down our date to June 14th, which
3 is a Thursday. Kind of hopefully keeping in line with our
4 forum that kicks off this Thursday.

5 We confirmed a number of speakers that were
6 very involved in the lead up to the passage of the bill
7 in terms of studies that were done, Spectrum, Innovation
8 Group, Professor Barro from UMass. Kind of re-examining
9 their work now that the bill has been passed. I know some
10 of those studies did a lot of their work based on certain
11 scenarios. Obviously, the bill lays out now one scenario
12 of up to three casinos and a slot parlor.

13 Some of those were done a few years ago.
14 It's going to be interesting to get their perspective on
15 whether the economics have changed any of our expectations
16 going forward.

17 The second panel is going to be assessing and
18 reviewing the information we are going to need. We are
19 bringing in some people that really to this point may not
20 necessarily have been involved in the studies and the work
21 that was done, again, leading up to the passage of the
22 gaming bill.

23 Professor Martin Romitti from UMass Donahue
24 Institute is a confirmed speaker. He did a lot of analysis
25 as Commissioner Zuniga and I found out last week on gaming

1 in Missouri.

2 Steven Norton from the New Hampshire Center
3 for Public Policy is confirmed. He was doing a lot of
4 research work during New Hampshire's recent discussion of
5 whether they would add gaming to some of their facilities
6 in New Hampshire.

7 PricewaterhouseCoopers, which does an
8 annual survey of the gaming industry has confirmed their
9 participation even though they have not identified a
10 speaker for us.

11 We are looking at a couple of additional
12 names. We have kind of invitations outstanding but no
13 confirmation yet now that we have narrowed down the date.
14 Based on all of the speakers we wanted to have around the
15 table their availability, I think we will be able to
16 lockdown some of these additional speakers.

17 Just as a reminder we're going to be at
18 Quinsigmond Community College in Worcester.

19 CHAIRMAN CROSBY: At 9:00 on June 14?

20 COMMISSIONER STEBBINS: Correct.

21 CHAIRMAN CROSBY: Are you thinking this is
22 a half-day?

23 COMMISSIONER STEBBINS: I was thinking
24 right now between two panels it's a half-day. I've been
25 toying with the idea of kind of an additional economic

1 impact piece is a third panel. Right now, I'm focusing
2 on nailing these two down. If we need an additional,
3 continue the day, we can work towards that or maybe even
4 make that a separate session.

5 I know you've had some thoughts about a
6 mitigation forum but maybe adding the economic.

7 Again, some of the economic impact and
8 mitigation around the economic factors, which the bill
9 outlines maybe adding that onto your day or not. Right
10 now, we have nailed down these two panels and kind of their
11 discussion strategies at this point.

12 CHAIRMAN CROSBY: There is a school of
13 thought that the research that is all done is in the tank.
14 I am sure there are people who will never believe any
15 research is legit.

16 Do we have the ability -- Are there
17 constructivist critics not just people who are never going
18 to accept anything that says there is a net gain from this,
19 but are there constructive critics who we should hear from
20 about whether we have the right people doing the research?
21 Are there issues of screwed up methodologies? Are the
22 wrong questions being asked? Is the trade off analysis
23 being done properly, etc.? Is that part of --

24 COMMISSIONER STEBBINS: One person or two
25 people that we are trying to add to that reviewing the

1 information that we need. We'll hear from different
2 people who have already done research. I'm hoping to add,
3 confirm some folks that will kind of give us a differing
4 opinion as to what tools we should need.

5 We are balancing a line. We don't want it
6 to be an anti-gaming discussion, but we do want to invite
7 the objective criticism as to whether we have all of the
8 right tools or not when ultimately, we are considering
9 gaming license applications.

10 CHAIRMAN CROSBY: Right.

11 COMMISSIONER ZUNIGA: Let me speak a little
12 bit to the meeting we had with Mr. Romitti of the Donahue
13 Institute. In the beginning he highlighted a very
14 interesting and sophisticated model that they call the
15 gravity model for figuring out just who patronizes the
16 casinos that already exist in Missouri.

17 At the time they were trying to figure out
18 how to license one license that they had revoked. My point
19 is simply that they developed a model. They studied the
20 proposals and of course that happened in the past. There
21 is clearly a case study now that can be corroborated to
22 the assumptions that were made on that model. I think a
23 theory with a case study is a very intriguing piece for
24 us to consider because of course they know the results over
25 in Missouri.

1 The critical piece for Massachusetts for us
2 will be how much is transferrable. What assumptions go
3 into their model that may or may not apply to the
4 Commonwealth where they applied in Missouri or anywhere
5 else, really. Missouri is just one example. There is
6 several others out there.

7 In the same venue Commissioner Cameron was
8 describing relative the expertise of others out there, I
9 think the best benefit comes from merging the theory with
10 the history and the case study that is out there.

11 CHAIRMAN CROSBY: Is that consistent --
12 well, yes. You were part of that same conversation.

13 COMMISSIONER STEBBINS: Yes. Obviously,
14 what was of interest for me was the presentation we
15 received about the research done in Missouri is they have
16 concentrations of casinos that are opened, several in the
17 Kansas City area, several in the St. Louis area. So,
18 circles of where they were drawing from there was a lot
19 of overlap.

20 Obviously, Massachusetts is a little bit
21 different because we are only licensing up to three and
22 the slots parlor also. But I think it will give us some
23 good tools to use when we are considering the applications.
24 Obviously, people from gaming businesses are market savvy
25 as well. But I think it will give us some good tools in

1 terms of looking really at what the impact is going to be.

2 CHAIRMAN CROSBY: And as I begun to think
3 about this more as we are getting into this, I was asking
4 last week the question what do we need to know and do we
5 know it. There's a caveat to that too, which is what do
6 we need to know in order to get the RFPs out the door? What
7 can we learn after the RFPs are out the door?

8 The first one is a major item on the process.
9 The other is less. We've got time on that. I think is
10 something we can ask our consultants too is thinking about
11 how to position the cash upfront payment. I don't know
12 whether we can get the RFP out there without having pretty
13 well-informed opinion about -- Maybe I'm wrong about that.
14 But it seems to me like you would want to know what you
15 were trying to get out of each of these regions in an
16 upfront payment.

17 We have a minimum, a mandated minimum but we
18 can go higher than that if we think that is appropriate.
19 And other states have gone way higher than that.
20 Certainly, we are supposed to offer an opportunity for the
21 slots license first. How does that impact? I think we
22 definitely need to know that because I don't know how
23 anybody would bid, how a casino is going to put together
24 a proposal without knowing whether we are going to drop
25 a slots parlor next door to them.

1 Again, I am only just beginning to think
2 about this. I think trying to figure out there is stuff
3 we need to know soon and there is stuff we can learn later
4 on. And figuring out what that is is important in this
5 process.

6 As much as you could do it within the open
7 meeting law context, as you begin to pull these together
8 and fine-tune the content of the panels, I would be
9 interested being a part of that and brainstorming on that.
10 I want to make sure we really get this right and use this
11 time well. It seems to me like there may well be more than
12 a one hour, one and a half hour panel to talk about the
13 issue of the economic impact, but we will see as it begins
14 to come together.

15 COMMISSIONER CAMERON: One comment on that.
16 Knowing Commissioner Stebbins was putting this together,
17 I did chat with some of the subject matter experts coming
18 in this week. And they will all be prepared to talk with
19 you about their experiences in New Jersey, in Pennsylvania
20 and other places around economic development.

21 CHAIRMAN CROSBY: That's great. Anything
22 else on that topic? We talked last week about originally
23 we were going to put community mitigation and compulsive
24 gambling into this day, but we decided that's too much.
25 I was tasked with trying to figure out, working on a

1 community mitigation/compulsive gambling educational
2 forum.

3 I'm going to try to do it in the next 30 days.
4 I am going to try to do it before the end of the month if
5 I can.

6 I have talked with Kathleen Norbut.
7 Kathleen is somebody -- Norbut -- who apropos of your point
8 about we don't want to reopen the door at the gambling
9 debate, a lot of the people that I have talked were opposed
10 to expanding gaming, have made the conscious decision not
11 to keep fighting that fight but to try to have a
12 constructive influence on how it's done. Kathleen is one
13 of those so are the people from the compulsive gambling
14 organization that you and I met with.

15 So, I don't think we are running risk of
16 opening old wounds or old debates, which are no longer
17 relevant. She is willing to participate. MAPC is
18 willing to participate. She has put me in touch with the
19 Worcester Regional Planning Association who apparently
20 had done some pretty good work on that. So, I think I've
21 got the makings of the community mitigation group pretty
22 well.

23 We also have makings I think of the
24 compulsive gambling. The compulsive gambling people are
25 really good. They are interested in being involved. I

1 haven't figured out where or when, but I think that is the
2 next one coming down the pike. And I will do it as quickly
3 as I think we possibly can.

4 I think these are sort of our three big
5 bringing in information but without the public opportunity
6 to speak. When we get our director of communications on
7 board, I think we are going to say now it's time to start
8 doing our listening tours around the Commonwealth where
9 we talk to people about stuff.

10 These three big ones are sort of the starting
11 point. If we can get them all done before the summer that
12 would be great, which is what I'll try to do for the one
13 I'm doing. Anything else on all that? Racing
14 Commission.

15 COMMISSIONER CAMERON: Limited report
16 today, Mr. Chair, but we did have a meeting last Friday
17 in the Comptroller's office. We are still trying to iron
18 out the proper language for the ISA in order to facilitate
19 these payments that we are obligated to make from the
20 racing stabilization account. Because it is transferring
21 from one account there were some issues around language
22 and exact numbers. So, we had an informative meeting on
23 Friday and that process is moving as quickly as we can help
24 move it along.

25 I also met with members of the law firm we

1 hired, Anderson & Kreiger, to discuss the legal aspects
2 of the transfer responsibilities from the Racing
3 Commission, which is now housed in Professional Licensure
4 to the Gaming Commission. Those were some productive
5 discussions.

6 I also had a meeting with Casey Atkins who
7 is the acting director through Professional Licensure to
8 discuss the actual contracts of employees. We are getting
9 close to the date, May 20. Those employees are of course
10 anxious to know what their status is. So, not knowing the
11 exact date of when we'll have this transfer of
12 responsibilities, but being mindful of employees, we have
13 had discussions about how we extend those contracts
14 through this racing season.

15 We'll need those folks through the racing
16 season and probably beyond. Just to do this in an orderly
17 fashion, how we go about extending those contracts. So,
18 we are working on those three issues as quickly as we can
19 to make this transfer.

20 CHAIRMAN CROSBY: This in the context of
21 going down two parallel paths.

22 COMMISSIONER CAMERON: It is.

23 CHAIRMAN CROSBY: We have to assume that we
24 will take it over so we are ready to do it. If it happens,
25 it may turn out that it gets postponed.

1 COMMISSIONER CAMERON: Right. But either
2 way, that racing season is upon us and those employees will
3 be needed, valuable employees. So, we are looking to
4 whatever appropriate mechanism to extend those contracts.

5 CHAIRMAN CROSBY: This is the full-time
6 employees speak or these are the consultants?

7 COMMISSIONER CAMERON: Those are both sets
8 of employees, the 12 full-time, the 23 contract employees.
9 So, we are looking at two different mechanisms to extend
10 employment beyond May 20th.

11 CHAIRMAN CROSBY: For the consultants and
12 the full-time?

13 COMMISSIONER CAMERON: Correct.

14 CHAIRMAN CROSBY: The full-time, maybe you
15 spoke to this, if we take it over are we going to be able
16 to keep them on in some kind of a contingent, temporary
17 condition or mode, not as consultants?

18 COMMISSIONER CAMERON: As we speak, we just
19 started those discussions to what is the best plan moving
20 forward. So, we are looking at that now. We have brought
21 that to the attention of the law firm we are working with.
22 We are moving ahead.

23 CHAIRMAN CROSBY: It certainly seems to me
24 that if we do take it over that we would not want to be
25 locked into the same folks for a long, long time. We don't

1 know anything about them. Presumably they are doing their
2 jobs well. But we may want to reorganize stuff and we just
3 don't have any idea.

4 COMMISSIONER CAMERON: We want that
5 flexibility.

6 CHAIRMAN CROSBY: We really have to have
7 that flexibility if we possibly can.

8 COMMISSIONER CAMERON: Which is why I use
9 the term mechanism. How do we facilitate that in a way
10 -- We are dealing with a labor situation where there are
11 three different bargaining unions that these individuals
12 are involved with.

13 We are trying to simplify something that we
14 don't want to make it complicated, but we want to
15 facilitate it in a way that makes sense. So, we are
16 exploring those options. That's all I have, Mr. Chair.

17 CHAIRMAN CROSBY: Let's take a five-minute.
18 Off the record.

19

20 (A recess was take)

21

22 CHAIRMAN CROSBY: We were talking about the
23 Racing Commission.

24 COMMISSIONER CAMERON: Yes, Mr. chair.
25 That's all I had, those three points, the update from last

1 week. I have nothing further at this time.

2 CHAIRMAN CROSBY: On the issue of the
3 postponement, Commissioner McHugh and I principally have
4 made our position known that if the interest is in
5 expediting our primary business, which is the licensing
6 business, it probably would be advisable not to have us
7 try to take over the Racing Commission. It is now in the
8 hands of the Legislature and Governor. If they want to
9 postpone it they will. If they don't, they won't.
10 There's not much more we can do on that. I think you are
11 doing the right thing. We have to just keeping focusing.
12 What about the search for the consultant?

13 COMMISSIONER CAMERON: We are waiting for
14 final responses. That will be wrapped up this week. Then
15 we are hoping to have a recommendation by next week's
16 meeting, discuss it and move forward.

17 CHAIRMAN CROSBY: Great. Do you have what
18 you need there? Do you have the resources that you need?
19 Assuming that we are going to take it over, which we have
20 no choice but to assume that.

21 COMMISSIONER CAMERON: We do not have those
22 resources. Because we don't have a definitive answer,
23 it's premature to talk about hiring folks because we would
24 not need them if we don't take it over. So, we are moving
25 ahead. We are doing what we have to do. We will be

1 prepared. It'll be a scramble, but we'll be prepared if
2 we need to be by the 20th. And I'm hoping for a resolution
3 as soon as we can possibly have it.

4 CHAIRMAN CROSBY: I said that if it is going
5 to happen it should happen soon because the game is not
6 happening because we are having to do it all anyway but
7 anyway. So, we will see. Thank you very much for hanging
8 in on that one. Anything else on racing?

9 Interagency relations, Internet gaming, is
10 there anything, Commissioner?

11 COMMISSIONER ZUNIGA: No, there is no
12 update from the last update. There's an upcoming
13 scheduled meeting for May 20, I believe.

14 CHAIRMAN CROSBY: Is that the next task
15 force?

16 COMMISSIONER ZUNIGA: Yes, that is the next
17 task force.

18 CHAIRMAN CROSBY: I was thinking about
19 maybe going to that meeting with you because I think it
20 is important to put that issue on the table that we talked
21 about before. That we think it's important to look at this
22 whole thing holistically so that it is not a turf battle
23 between the Gaming Commission and the Lottery.

24 And we are going to try to figure out what
25 generates the most money for the Commonwealth pursuant to

1 whatever. I want to make sure that the task force,
2 everyone on the task force really gets that. Maybe having
3 me come and having us both to sort of make that point might
4 be worth considering.

5 COMMISSIONER ZUNIGA: Yes. I agree and I
6 will make a note of confirming the next task force meeting.

7 CHAIRMAN CROSBY: What date did you say or
8 are you going to send me a note?

9 COMMISSIONER ZUNIGA: I will send you a
10 note, I believe it is tentatively scheduled for May 20.

11 CHAIRMAN CROSBY: If I am going to do it, we
12 should probably give them a heads up. If you are okay with
13 that, I'd like to do that.

14 COMMISSIONER ZUNIGA: Absolutely.

15 CHAIRMAN CROSBY: This is another variable
16 Commissioner Stebbins, it would be nice to have somebody
17 be able to -- I don't know who knows very much about this,
18 but to what extent does Internet gaming change the
19 equations? What do people in the industry think our
20 position out there to be on what happens to Internet
21 gaming, where it's done? We don't know.

22 Again, I think our consultants can probably
23 help us with this. As much as anybody knows, they probably
24 know. We need some real data to help us figure out what
25 we think this thing -- this new phenomenon ought to go.

1 And where does it most advance the Commonwealth's
2 objectives?

3 COMMISSIONER STEBBINS: The Internet
4 gaming piece is something we kind of put into our rough
5 outline as to updating the recent gaming studies as well
6 as ongoing economic research. Pricewaterhouse and their
7 gaming study almost did a big section on that calling it
8 the elephant in the room. What do we do with Internet
9 gaming?

10 What age population is it attracted to? Is
11 it people younger than 35, hopefully legally they can do
12 it. How is it going to impact casino gaming going forward?

13 Again, having somebody from Pricewaterhouse
14 at this forum as well as talking to the people that did
15 the other studies, Innovation, Spectrum and Professor
16 Barro from will UMass will hopefully give us some thoughts
17 on that.

18 CHAIRMAN CROSBY: On the Tribal gaming
19 situation, I don't think there is much to report. We have
20 said, we have made it very clear that we think it is
21 appropriate that we be kept up to speed as decisions begin
22 to get made.

23 Any decisions that will begin to get made
24 that will have significant impact on us are things we have
25 got to know about as they are going along. And we made

1 that point. The negotiating team understands that.
2 Having Stanley be in our presence will add to that
3 awareness and sensitivity. I guess that's about all there
4 is on that one.

5 Anything else on any of those two topics?

6 Strategic considerations, this we have
7 talking about things we can do to expedite this whole
8 process. Part of it is thinking about what economic date
9 do we really need before the RFP goes out and what can we
10 wait on?

11 Also, it has been proposed to us that we
12 bifurcate what we have been referring to as the RFP process
13 into a two-step process. That first step basically a
14 pre-qual. process. That anybody who intends to submit a
15 proposal or intends to try to submit a proposal would be
16 vetted by the Commission on basically their financial
17 integrity and their integrity -- I mean their financial
18 strength and on their integrity.

19 It could be as much as a six-month long
20 process but an awful lot of this can move much more quickly
21 than that. If we found cases where we were going to not
22 qualify people, not permit people to bid not because of
23 the particulars of their proposal or their financial bid
24 but because of something about inherent in their
25 operational record or their finances that would save

1 everybody a lot of time and money.

2 I think it is a great idea. We've looked
3 into it now quite a bit. I think I did distribute just
4 a quick outline from the consultants about how that process
5 would work. I have talked with them know about it. And
6 even as we are negotiating our contract, I've asked them
7 to begin to think about pulling together a document, and
8 this refers to sort of a standard industry document which
9 does ask the essential financial and integrity questions.

10 We will get that to you and think that
11 through and figure out if there is anything else we need
12 to know. We can probably get that process going soon,
13 maybe even before the month is over, which would be a big
14 step towards moving the process down the road.

15 As I say, to the extent that we can make
16 relatively quick decisions in the next 30, 60, 90 days
17 about people that we are not going to prequalify that will
18 help the towns, help everybody and take that step out of
19 the process after-the-fact.

20 So, I think you are probably familiar with
21 this, I guess whoever talked to the consultants. Any
22 other thoughts about that? I think it's the right thing
23 to do.

24 COMMISSIONER ZUNIGA: I agree and I have a
25 couple of considerations. First for discussion purposes

1 really, perhaps an advantageous approach to this two-step
2 process is that the first RFQ, if you will, not be
3 graphically driven. At least we should consider whether
4 anybody wants any license from this Commission as one of
5 the considerations of this RFQ.

6 Or whether we want to tier or segregate
7 essentially what we have which is Type I or Type II license
8 and whether we want -- the casinos and the slots parlor
9 -- and whether we want a separate RFQ and RFP process for
10 each of those for both.

11 One thing that I just thinking out loud a
12 little bit, if we keep it general, we could benefit from
13 whoever may be out there who is interested but may not want
14 to compromise line dealings that they may have because they
15 don't have them yet, an operator who may be interested in
16 keeping options open, if you will.

17 CHAIRMAN CROSBY: But they may not want to
18 surface the fact that they are interested?

19 COMMISSIONER ZUNIGA: That they are
20 interested in a particular location. They may be
21 interested in a license eventually but not necessarily a
22 particular location.

23 CHAIRMAN CROSBY: I don't see why we would
24 have to say anything about that.

25 COMMISSIONER ZUNIGA: Just speculating on

1 that a little bit. Just to put it more simply, we need
2 to consider whether this two-step process would have to
3 be for each type of license.

4 CHAIRMAN CROSBY: One and two?

5 COMMISSIONER ZUNIGA: One and two, slots
6 parlor and casino. They clearly have, at least the
7 legislation and some of the reports contemplated was that
8 the slots parlor would be a lot more straight forward to
9 let out that RFQ that it is more expeditious. Do we want
10 to comingle them and now we are the critical path of the
11 one that takes longer? We could always pre-qualify
12 everybody and then do the RFP separately.

13 CHAIRMAN CROSBY: Is this topic something
14 that would be covered in one of these?

15 COMMISSIONER CAMERON: Yes, because being
16 the bidding process and the different options around a
17 bidding process that is included. This particular piece
18 of it will be covered by our subject matter experts.

19 CHAIRMAN CROSBY: That will give us a first
20 bite at the apple in two days and then I think we can see.
21 I would be inclined to pull in whoever the best people are
22 on our consultant team soon in the next few days and sit
23 down with them and say really understand this.

24 There must be pretty complicated issues
25 about if there are corrupt practices investigations going

1 on overseas with a company but it's just an investigation,
2 does that disqualify them? I don't know. That's pretty
3 complicated. You probably have some kind of experience
4 with this. How do we do this?

5 COMMISSIONER CAMERON: We'll have those
6 options. I think one of the positive things is the options
7 will be presented to us. Frankly, on that particular
8 issue, jurisdictions have looked at it differently.

9 They have been licensed in certain
10 jurisdictions without looking at the business practices
11 overseas and then denied licenses in other jurisdictions
12 based on practices overseas. So, that'd be a decision
13 we'll have to make.

14 I agree with you, Mr. Chair, that this is a
15 process that makes a lot of sense to me. This
16 prequalification process rather than going to the full
17 RFP, start with the qualifications. In reading through
18 this, makes a lot of sense

19 CHAIRMAN CROSBY: I think so too. Again, I
20 don't think we really need a motion on this, but I think
21 we should move. We'll talk about it a little bit with
22 folks Thursday and immediately thereafter maybe sit down.
23 I'd like to do this really quickly. For one thing, I think
24 it'll give people a sense of comfort that we are really
25 moving it as fast as we possibly can.

1 COMMISSIONER STEBBINS: I think from the
2 municipalities that we already started to hear from, many
3 of them are weighing issues about costs associated with
4 hiring their own person to represent them in negotiations.
5 As we heard the other day, there are some communities which
6 may have multiple proposals.

7 Coming to a decision on whether we are going
8 to do this or not and doing it expeditiously I think we
9 will obviously save some communities that are in this
10 process, save them a lot of time, money and effort. That
11 they can realize that somebody they might be dealing with
12 may not be what we would see as a qualified applicant.

13 I know the notes here say the statute
14 contemplates such a process. But the way it reads under
15 Section 12 is it sounds like the municipalities are going
16 through a lot of work, even taking a vote before we even
17 get to that point of reviewing their qualifications and
18 the giving us the authority to go ahead and review the whole
19 application.

20 As quickly as we can the decision, I think
21 a lot of the -- the municipalities that may end up
22 participating would probably be anxious to know whether
23 we are going to initiate this or not and how that kind of
24 directs them.

25 I know we have a number of municipal

1 officials who are going to be here Thursday. Having that
2 discussion with them, maybe even getting their feedback.
3 They may think this is helpful to them in terms of avoiding
4 some costs which they don't get reimbursed for until down
5 the line.

6 CHAIRMAN CROSBY: Yes. I think that's a
7 good point. There is still -- The bidders are not going
8 to back off. They have to go ahead. They've already
9 started. They have to go ahead. But we can at least
10 truncate a lot of those. Because anybody we are going to
11 take out of the process soon, we could at least cut those
12 off. I think it's absolutely the right idea. I think we
13 should do it. So, we will. I will take the sense of the
14 group and we will move on that as quickly as we can.

15 Anything else on -- The only two things I can
16 think about, one which we talked about. One is changing
17 the focus on the economic data we need in trying to figure
18 out carefully what do we need to know in advance of the
19 RFPs and getting the RFQ process going ASAP. I guess those
20 are the ones I think of at the moment.

21 Anything else on that number nine?

22 Other business, I know there are one or two
23 things that came up after the agenda was prepared. I think
24 Commissioner Stebbins, you've got something?

25 COMMISSIONER STEBBINS: Sure. Just

1 quickly, Commissioner Zuniga and I were traveling around
2 Western Mass. last Thursday. As we already discussed, we
3 had a meeting with the folks at the Donahue Institute. It
4 was interesting to see Professor Romitti's work in
5 Missouri.

6 He did make the interesting aside comment
7 that it took Missouri about four years from the date of
8 the passage of their referendum to when their casino
9 riverboats were actually operational at the initial start
10 of how they conducted their business.

11 CHAIRMAN CROSBY: Four years is kind of what
12 we've been saying too.

13 COMMISSIONER STEBBINS: Right. It doesn't
14 mean we can't meet expectations and hopefully do it sooner.
15 But it was an interesting analogy to have pointed out to
16 us.

17 We also met later in the day with two
18 presidents from community college system, President
19 Rubenzahl from STCC and President Messner from Holyoke
20 Community College. Just for quick discussion and it maybe
21 at some point worth our wild to have some of the community
22 college presidents come to one of our regular business
23 meetings. They have all signed a memorandum of agreement.

24 CHAIRMAN CROSBY: All of the community
25 colleges?

1 COMMISSIONER STEBBINS: All of the
2 community colleges. There's obviously one or more, the
3 15 community colleges, there are multiple presents within
4 each of the gaming regions as outlined in the law. They
5 have come together as part of the Mass. Community College
6 system Casino Careers Training Institute.

7 Depending on where these licenses might be
8 awarded, certain community colleges would take the lead
9 on doing job training. They talked about the fact that
10 a lot of courses that they already offer in auditing and
11 financial are going to be some of the skills that are going
12 to be required by the gaming interests that potentially
13 will locate in Massachusetts.

14 They pointed to the curriculum Atlantic
15 Coast Community College in New Jersey already uses. It's
16 kind of the staple for training programs in New Jersey.
17 Pennsylvania has almost adopted that same curriculum. We
18 obviously will have people from Pennsylvania and New
19 Jersey. And at the end of this week, I'll want to talk
20 to them about this.

21 They have a bigger concern of one how do we
22 train people that want a career in this new sector, because
23 it hasn't existed before. And finding the appropriate
24 roadmap and resources for them to do that.

25 They don't want a young man or woman paying

1 a lot of money to an institution which may be, for lack
2 of a better term, considered fly-by-night that will come
3 in and say we'll train you in a gaming career. Then you
4 get your little gaming diploma and it means absolutely
5 nothing in terms of the skills that a gaming institution
6 is going to need.

7 For our benefit under the law, there is a
8 provision which says we shall establish licensure and work
9 permits for employees. The Commission may establish --
10 just to get the proper terminology -- may establish certain
11 certification procedure for any training schools and the
12 minimum requirements for reciprocal licensing for out of
13 state gaming employees.

14 I know this is probably at a very early
15 stage, but the community college presidents did reach out
16 to us pretty early on after we had all been named to say
17 we want to tell you what we are doing. How we want to give
18 opportunities to Massachusetts residents or residents
19 from the region to enter into these careers through an
20 approach, which if they are basing it off of the Atlantic
21 Community College model is already set in place.

22 We think because of the window of when a
23 license is awarded through the construction period that
24 hopefully simultaneously there can be an effective job
25 training program going on at the line at the same time.

1 I only bring it to our attention because we
2 do have a role and responsibility in this. Again, the
3 timing is a little ahead of the gun. It was a unique
4 presentation. It's great to see all of the community
5 colleges kind of working together to kind of gear up for
6 this. It's what community colleges are charged with
7 doing.

8 I think at some point we should have a couple
9 of representatives come from the community colleges come
10 and talk to us about that.

11 COMMISSIONER CAMERON: Comment about that.

12 CHAIRMAN CROSBY: Sure.

13 COMMISSIONER CAMERON: A couple of subject
14 matter experts are adjunct professors at Atlantic
15 Community College. And they teach courses. They will be
16 able to help us understand that a little better.

17 CHAIRMAN CROSBY: That's great.

18 COMMISSIONER ZUNIGA: I think that was a
19 great summary. I would only add that what Commissioner
20 Stebbins mentions is these community college presidents
21 is they realize that they may have maybe 70 percent of the
22 curriculum, I think they threw that number out there, but
23 would need some additional acquisition of a curriculum,
24 some of which is available in Atlantic Community College.

25 So, they are looking to invest really into

1 developing curriculum. I think it is very important for
2 us to consider them early relative to protecting that
3 investment.

4 They also feel that they are uniquely
5 positioned as a community college. Many of the hires of
6 casinos have to be 21 or older. The courses that they do
7 teach already also jive well into many of the positions
8 that accompany what a casino operator needs. It was a
9 great meeting, by the way.

10 CHAIRMAN CROSBY: Do we have any funds? We
11 have all these funds where the money goes, where some the
12 casino tax revenue goes. Does any of it --

13 COMMISSIONER ZUNIGA: I asked that
14 question. There is a fund call the community college
15 fund. I may not do it justice. They asked that question
16 themselves of the Legislature. The answer was a little
17 more in the realm of that is more meant for all community
18 colleges.

19 There was nothing envisioned specifically
20 designed for training for the gaming industry. That's not
21 to say that this Commission or even the Legislature clearly
22 has -- they clearly have a lot of leeway as to how those
23 funds maybe subsequently dispersed. It is very broad.

24 CHAIRMAN CROSBY: Some of the money goes to
25 support the committee colleges. There is nothing for

1 investing in the training of personnel.

2 COMMISSIONER ZUNIGA: There is nothing that
3 prescribed or earmarked, for lack of a better word, for
4 that.

5 CHAIRMAN CROSBY: It seems like it might be
6 something we want to think about. I don't know enough
7 about what the capital cost is for gearing up for this,
8 but the community colleges, speaking as somebody from the
9 university system, are very limited on resources. A lot
10 of them do a great job of mainstreaming kids who are on
11 the margins either academically or financially.

12 Conceptually, I wouldn't be adverse to
13 figuring out whether it would be appropriate for us to put
14 out some money to jumpstart that process a little bit. It
15 would be a strong statement to the industry we are really
16 serious.

17 This is an area where we can -- we have talked
18 about is there a way for us to partner with the industry.
19 And I think that's an open question, but this is a way maybe
20 we could. We might even talk to the industry, maybe the
21 gaming colleges are already doing this, but what are the
22 gaps? What problems do you have?

23 We can also include in that something about
24 that the law enforcement integrity issues -- If your
25 training is really buttoned up with respect to obeying the

1 law and understanding what the disclosure requirements.
2 All of that serves our interest because we have to
3 background check all of these people. I think it would
4 be worth just sort of thinking about that.

5 I'm not sure if it is within the purview of
6 our money, but I'll bet it is. We have quite a bit of
7 independence I think in what we do to invest in the startup
8 of this industry. Maybe it doesn't cost money. I don't
9 really know, but I think the sign is a good one.

10 The Governor, the Legislature, everybody is
11 into this for jobs. That's what people care most about.
12 To the extent that we can make sure that they're
13 Massachusetts residents, that they're well-trained, that
14 retention rates are high, that they have the highest skills
15 sets. All of that I think is good to implement one of the
16 primary policy objectives of this legislation.

17 COMMISSIONER ZUNIGA: Absolutely.

18 COMMISSIONER STEBBINS: They did mention
19 some upfront costs in terms of potentially buying the
20 curriculum from Atlantic Coast Community College. There
21 is a licensing fee that goes along with purchasing the
22 curriculum as well as similar to how do you teach a young
23 man or woman how to work on a C&C machine. It would be
24 great if we actually had a C&C machine in front of you that
25 computer, numeric control machine tool.

1 They talked about if there are going to be
2 people who are going to need to repair a slot machine,
3 having actual slot machines for the students to do hands-on
4 training with.

5 Again, I think kind of furthering the
6 discussion with them at some point to look at what the costs
7 of a training program could be from purchasing the license
8 to use existing curricula or some of the hands-on tools
9 that they might need for some of the different occupations,
10 I think that would be helpful.

11 COMMISSIONER ZUNIGA: We shouldn't assume
12 that they would be looking to the Commission necessarily
13 for those funds. Part of the conversation was relative
14 to more of a cash flow basis. Much of the training funds
15 can eventually come from the casino operators themselves.

16 It is the upfront sort of cash flow that we
17 would really need to about in conjunction with those
18 licensees. Of course, nobody has gotten a license yet.
19 Why would anybody want to put up some money?

20 CHAIRMAN CROSBY: I see what you are saying.

21 COMMISSIONER ZUNIGA: That cash flow is
22 really a conversation to be had. Really a partnership to
23 be forged between the minimum certification requirements
24 that this Commission will accept, because we will be
25 licensing individuals. And then the partnerships that

1 could be forged between industry and the community college
2 just by themselves.

3 COMMISSIONER STEBBINS: What did hear
4 anecdotal evidence that some of the community colleges
5 already talking with potential gaming interests and
6 essentially going through their job descriptions. I
7 think that's where they felt a comfort level that a lot
8 of what they offer in financial and auditing already kind
9 of meshed with the folks that the gaming interest when they
10 open up operations.

11 CHAIRMAN CROSBY: This is maybe a year
12 away before really gearing into this. I think your
13 suggestion about having a couple of people come in or maybe
14 we just organize a separate event with the community
15 college people and people from industry, maybe somebody
16 from this Atlantic whatever this place is, and put together
17 a half-day where everybody kind of talks about this. And
18 we think about how to really fine-tune it. What is the
19 real value add? How do we really, really do this well?

20 If we really did it well, maybe we can even
21 export kids if we could come up with something really good.
22 I don't know if there is a demand for really well-trained
23 casino professionals or not. There probably is. Maybe
24 we could really break new ground and try to do this in a
25 really, really buttoned up way.

1 COMMISSIONER STEBBINS: A proactive way.
2 In having a casual conversation with one of our
3 consultants, they raised the prospect of a community
4 impact issue might be from the influx of new people coming
5 into communities in Massachusetts to work in these
6 industries. Again, it kind of just struck me is we really
7 want jobs to be created for the people of Massachusetts.
8 Because there is no history of gaming here, finding people
9 with that skill set is going to be a challenge for us.

10 I think that is what kind of broadened our
11 attention and in interest in what the community colleges
12 are willing to do to partner together.

13 It will be one of my priorities to have that
14 conversation with our colleagues from Pennsylvania and New
15 Jersey about how that's worked.

16 CHAIRMAN CROSBY: Now that I think about
17 this, probably tiering. You think of a person with a
18 two-year degree or even just a certificate from a community
19 college not even an AA degree could probably be people who
20 work on the floor, work at the games and so forth.

21 But there must be a middle management level
22 that requires much more expertise that would take people
23 who graduate from a four-year college and have some degree
24 of more than a year or so of training.

25 Maybe we are not so far in advance. Maybe

1 it is worth talking to people. Maybe it's not just
2 community colleges. Maybe it's someplace else. We could
3 focus on mid-level people who need to get a degree in
4 something or other that would take longer. So, we are not
5 so far ahead of the eight ball.

6 You are absolutely right. To the maximum
7 extent possible, we don't want these operators to have to
8 go outside Massachusetts to find people to take these jobs.
9 Having us being proactive in that I think is a great idea.
10 I think it's really terrific.

11 Maybe as you say talk with our consultants
12 a little bit on Thursday and then maybe think about
13 sometime fairly soon in the next month or two trying to
14 put together a follow-up to this meeting.

15 That's great. Any other? Anything else
16 that came up late in the game?

17 COMMISSIONER ZUNIGA: Just a minor, we have
18 our P-Card, our procurement card. I will be activating
19 that.

20 CHAIRMAN CROSBY: Anything else? Are we
21 all set? I think we are done. Do we have ah motion to
22 adjourn?

23 COMMISSIONER ZUNIGA: So moved.

24 CHAIRMAN CROSBY: All in favor?

25 COMMISSIONER CAMERON: I.

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COMMISSIONER STEBBINS: I.

COMMISSIONER ZUNIGA: I.

CHAIRMAN CROSBY: I. We are adjourned.

Thank you folks.

(Meeting concluded at 3:02 p.m.)