

The Commonwealth of Massachusetts
Massachusetts Gaming Commission

Meeting Minutes

Date: July 26, 2012

Time: 1:00 p.m.

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

Present: Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: Commissioner Stephen P. Crosby, Chairman

Call to Order:

Commissioner McHugh opened the 18th public meeting in Chairman Crosby's absence.

Approval of Minutes:

See transcript page 3.

Commissioner McHugh stated that the minutes for July 17 have not been distributed and will be voted on at the next Commission meeting.

Administration:

See transcript pages 3-18.

Executive Director Search Update – Commissioner Stebbins stated that JuriStaff has called an initial contact and outreach list of approximately 50 contacts to gauge interest and collect additional names. Initial quotes have been submitted for an ad to be published in industry publications. After discussion, however, they have decided to not to buy an ad at this point, as there are free media that can be utilized for advertising. The position also will be posted on job search websites like Monster and Careerbuilder. Elaine Driscoll has been involved in discussions regarding creating a PowerPoint presentation about the Gaming Commission that a prospective candidate can review to gain information about the position. Commissioner Stebbins stated that a few revisions have been made to the job description. Commissioner Cameron stated that a decision will have to be made relative to whether the racing responsibilities should be included in this position, or whether a separate Executive Director should be hired solely for racing. Commissioner Stebbins stated that he does see the Executive Director as having some responsibility for racing and language in the current the job description indicates such

responsibility. Commissioner Cameron stated that she was comfortable with leaving that language in the job description. It was the consensus that the Commission would move forward with the current Executive Director job description.

Commissioners McHugh and Stebbins reported that they had had a discussion with the Attorney General's office regarding the ability to keep the names of candidates confidential. Two strategies were discussed, the first having one Commissioner involved in the interview process and the second having a subcommittee of two Commissioners. Their discussions with the Attorney General revealed that both strategies would afford confidentiality to the candidates, although the subcommittee strategy would be somewhat more complicated. Commissioner McHugh stated that he would like to wait until Chairman Crosby is present to make a decision on this matter.

Additional Hires – Commissioner Zuniga stated that he drafted a job description for a staff attorney. He is in the process of getting quotes from three search firms and will have an update on this process soon.

Discussion of MGC Internal Policies – Commissioner Zuniga stated that he distributed the first draft of the employee manual which consists of six chapters. Eileen Glovsky, the Commission's new Director of Administration, has reviewed this and provided comments. No vote will be taken on the manual until Chairman Crosby returns.

Project Management Consultant – Commissioner Zuniga stated that a contract has been executed with the consultant, PMA, and they have begun working on the database.

Racing Division:

See transcript pages 18-36.

Update – Commissioner Cameron stated that she has prepared a memo outlining the next steps based on the racing consultant's recommendations. She has assembled a group of volunteers who have agreed to participate in a working group to help facilitate the implementation process. Annie Allman has agreed to coordinate this working group. Commissioner Cameron also stated that she recommends that the Commission post for an Executive Director of Racing. Commissioner Zuniga stated that facilitation of the working group was not included in the scope of Ms. Allman's original contract so he will be working on the process of extending her current contract with the Commission. Commissioner McHugh stated that he would like to have a greater understand of how the working group will interact with the Commission. He would also like to discuss how the Executive Director position would be integrated into the Commission.

Commissioner Cameron summarized two adjudicatory hearings she recently held. The first hearing, held on July 22, 2012, was an appeal by Ramon Antonio Acevedo Fuentes, formerly a licensed groom at Suffolk Downs, who was ejected in 1995, and whose license was suspended in 2010. Commissioner Cameron has tentatively decided to uphold the ejection and suspension. The appellant will be given notice that he has 30 days to seek reconsideration of this tentative

decision. The second hearing, held on July 19, 2012, was an appeal by Jacqueline B. Davis, a licensed jockey, who was suspended for three calendar days and disqualified from her second place finish in a race that was held on June 23, 2012, based on a ruling that she crowded other horses during a race in violation of Commission regulations. Commissioner Cameron has tentatively decided to uphold the three day suspension and disqualification. The appellant will be given notice that she has 30 days to seek reconsideration of this tentative decision. Commissioner Cameron filed these two decisions with the full Commission.

Commissioner Cameron provided a summary of the New Commissioner Training she attended in Saratoga, which was a very informative and comprehensive program.

Project Work Plan:

See transcript pages 36-69.

Consultant Status Report – Commissioner Zuniga stated that the Commission has the ability to extend the consultants’ contracts for the same type of activities that the Commission procured initially. He has asked the consultants to provide him with a plan for the months subsequent to September 30 for budgeting purposes.

Commissioner McHugh stated that the Commission is currently working under a schedule that will allow for the Phase 1 application to be ready for mid-October. In order to do this the regulations that govern the application process will have to be in place, as well as regulations that deal with Commission structure that is necessary to have in place to support the application process. The present schedule calls for these regulations to be in the hands of the Secretary of State so that they can be published by the end of September. He provided the Commission with a memorandum outlining policy issues that have to be worked on, with a goal of having the draft regulations finalized by the August 7 Commission meeting. He summarized those issues that are still outstanding and his recommendations on policies the Commission should adopt. The outstanding issues included: early funding for host or surrounding communities; empowering staff to make final decisions; ability to deviate from Commission regulations; political contributions made by applicants; code of ethics; qualification of applicants; graded qualifications; ability to ask for supplemental information once an application is filed; requesting supplemental information not relevant to the application; the role of the Bureau in making findings on violations of the statute or regulations; finality of deadlines; withdrawal of applications; filing fees; adjudicatory proceedings; pre-application consultations; notice to the public of identity of the applicants; and hearings.

Technical and Other Assistance to Communities – Commissioner Stebbins stated that the Ombudsman position has been posted and several resumes have been received. The job description was also forwarded to some of the Regional Planning Agencies, as well as Mass Development. His goal is to allow a couple of weeks for resumes to come in and then narrow down the finalists.

Commissioner McHugh asked if the Commission had any questions about the protocol for interaction with state agencies or the community advisory which were discussed at the last Commission meeting. Commissioner Stebbins stated that he hopes the state agencies and applicants respect this protocol and go through the appropriate channels. He stated that it is his opinion, that, after gaming licenses are issued, there will still be a role for the ombudsman to serve as an advocate for the Commission and the developer to see the regulatory process through. Commissioner McHugh stated that there is a lot more work to be done on thinking through the post license piece.

Charitable Gaming:

See transcript pages 69-77.

Status Report – Commissioner McHugh stated that he has prepared a draft memorandum with a report to the legislature regarding charitable gaming. As of July 31, 2012, the Commission is responsible for regulating bazaars run by charitable organizations. He summarized the report for the Commission. There are four types of charitable gaming in Massachusetts, beano (bingo), charitable gaming tickets, bazaars, and raffles. Beano and charitable gaming tickets account for 73% of the gross amount wagered in charitable gaming. The total is \$75 million, of which \$18 million is retained by the charities. A large portion of the difference is given back in the form of prizes, and the rest goes to expenses and taxes. The Lottery Commission has historically regulated beano and charitable gaming tickets. Anyone who has a beano license can run a bazaar or raffle and the Lottery Commission regulates these as well. Bazaars and raffles not overseen by the Lottery Commission are overseen by the Attorney General. Both entities have issued regulations though in many respects the regulations are not consistent. The draft report recommends that all charitable gaming be consolidated under the Lottery Commission. If the Gaming Commission agrees, then if the Commission would work with the Lottery, the Treasury and the Attorney General to prepare legislation and regulations that would become effective at the beginning of fiscal year 2014. Commissioner Zuniga stated that he agrees with the proposed plan and is happy to see consensus with the other agencies as well. Commissioner Cameron stated that she agrees that housing this with one agency makes a lot of sense. Commissioner Stebbins agreed as well. Commissioner McHugh stated that he will move forward to finalize this report and have it ready for approval at a future meeting. It was decided to have a Commission meeting on July 31, 2012, with consideration of the report being the only agenda item.

Finance/Budget Update:

See transcript pages 77-79.

Commissioner Zuniga stated that he submitted to the Commission a preliminary budget for FY 2013 and is currently working on putting that budget in the object codes of MMARS, which is the accounts payable system, and will help the Commission track the budget. Director Glosky has been helping with this and he is contemplating having a budget ready for approval at the August 7 Commission meeting.

Public Education and Information:

See transcript pages 79-96.

Community Outreach/Responses to Requests for Information – Commissioner Stebbins stated that he has prepared a memorandum outlining how the Commission can deal with speaking requests and has put these requests into four categories. He has obtained input from Janice Reilly, as well as Director Driscoll, to incorporate his thoughts with the speakers bureau she is developing. He asked the Commission to review the memorandum and provide feedback at a future meeting.

Report from Director of Communications and Outreach – Director of Communications Elaine Driscoll stated that she has been working on a speaker's bureau and after conducting an audit of other agencies with successful speaker's bureaus, she developed a number of criteria, including a minimum of 30 attendees and submission of requests for speakers 30 days in advance. She has created a request form on the Commission website. She also has put together a press release, as well as releases for Twitter, Facebook, and e-mail, to let people know about the bureau. She stated that she is getting far along in the process of finding a company to create a logo, website, and brochure. She is hoping to create a subcommittee to choose the final three proposals, with the goal of having this work completed by September. By consensus, the Commission decided that those who wish to speak at a public Commission meeting should be submit a request via the Commission website. Director Driscoll will review the request and, if appropriate, facilitate the appearance of the person who made it.

Western Mass Forum – Commissioner Stebbins stated that this forum will be held on Wednesday, August 8 in Springfield at Western New England University. The topics will be community mitigation, tourism, and workforce development and job training.

Research Agenda:

See transcript pages 96-99.

Commissioner Zuniga stated that he met with the Inspector General's staff to get more information about entering into an interagency service agreement with U. Mass for some of the research that the legislation requires. The commission agreed to initiate an RFI process identifying the sections in the expanded gaming legislation that describe the baseline study. The hope is that U. Mass, as well as other institutions, may respond.

Motion made to adjourn, motion seconded and carried unanimously.

List of Documents and Other Items Used at the Meeting

1. Massachusetts Gaming Commission July 26, 2012 Notice of Meeting & Agenda
2. Position Description: Executive Director

3. July 26, 2012 Memorandum Regarding Racing Division Workgroup
4. Tentative Decision and Order of Suffolk Steward Ruling No. 1011

5. Tentative Decision and Order of State Police Ejection and Suffolk Steward Ruling 1059
6. Protocol For Prospective Gaming Developers' Interactions with Massachusetts Agencies
7. July 26, 2012 Memorandum Regarding Policy Questions in Connection with the Draft Phase 1 Regulations
8. Draft of Charitable Gaming Massachusetts Gaming Commission Report to the Legislature
9. July 18, 2012 Memorandum Regarding Meeting/Speaking Request Policy, Public Speak-Out and Expert Testimony
10. July 25, 2012 Memorandum Regarding Speakers Bureau

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