

DRAFT/UNOFFICIAL – MINUTES

These minutes are DRAFT minutes and are posted here to comply with RSA 91-A:2. The Board has not voted to accept them. Changes may/may not be made prior to their adoption at the next Board meeting.

**NEW HAMPSHIRE GAMING REGULATORY OVERSIGHT AUTHORITY
DRAFT – Minutes of Meeting – December 14, 2010**

Member Attendance:

Tom Ferrini, CHAIR (Mayor, City of Portsmouth)
John Barthelmes, Commissioner, Dept of Safety
Paul Kelley, Director, NH Racing & Charitable Gaming Commission
Debra Douglas, Chairman/Commissioner, NH Lottery Commission
Michael Delaney, Attorney General, State of NH
David Bailey, Chief of Police, Bedford NH
William Graham, NH State Police

Additional Attendees: see Exhibit A

Meeting called to order by Chair, Tom Ferrini at 1:10pm.

An e-mail was received from Frank Catania, Catania Consulting, stating he is unable to attend today's meeting due to an illness. Frank has taken ill and is unable to attend the meeting today.

The authority expected a presentation from Christiansen Capital Advisors at this meeting. As of this time, there is no representation from Christiansen present.

November 23 minutes approved as amended. Debra Douglas submitted a change, page 2, 3rd paragraph, need clarification on the G&C meeting date.

Since there are no presenters, we can begin the deliberation process. Steven Ingis, Spectrum, is in attendance today to answer any questions the authority may have concerning their proposal.

Chairman Ferrini gave an overview of the three proposals to the committee.

Commissioner Barthelmes stated he does not feel Catania has addressed the scope of this project. Chairmen Ferrini will not seek a vote until all proposals have been reviewed.

Sebastian Sinclair, Christiansen Capital, has arrived. Mr. Sinclair was not aware that it was a public meeting therefore he had no presentation, but would be more than happy to answer any questions. Chairman Ferrini asked Mr. Sinclair to point out some of the highlights of the outline of the scope of their proposal. Christiansen are consultants in the gaming and entertaining business. They specialize in casino gaming, horse racing and lotteries. Christiansen has just finished working with the Illinois lottery on a public management contract. They have worked with the NJ gaming commission and Connecticut as well. Every 10 years Connecticut has to review their gaming and gambling in total for the state. This is a detailed study that involves estimates, renovations, and expansions within those jurisdictions. Briefly discussed gaming/gambling in the State of Maine.

Commissioner Barthelmes asked what Christiansen's experience is on the enforcement end of gaming. What is the role of existing agencies i.e., state police, and the racing and charitable gaming enforcement branch? Christiansen's recommendation is that the policy arm should be separate from the enforcement arm.

Debra Douglas understood Delaware took table games because they had to do. Machines are where the money is.

Christiansen and Spectrum both confirmed that a 30 day turn around is feasible. Need to find out the date of the next G&C meeting and perhaps schedule the next authority meeting a week prior to the G&C meeting.

First the authority needs to look at the proposals received from Catania, Christiansen, and Spectrum. The Committee has also had a presentation from Attorney Stocker, and submitted requests to other attorneys that may perhaps want to speak before us.

Chief Bailey made a motion to accept Spectrum's proposal.

Seconded by ????

Ayes – 7, Nays – 0

The nature of the contract that we are going to engage in with Spectrum is such that we will need to present to the G&C in order to get approval. We had a presentation from attorneys offering opinions of broader legal issues. Attorney Stocker, and Catania Consulting, made presentations to the committee. The nature of the services that would be engaged by an Attorney are decidedly smaller in scope, with regard to a few simple broader legal issues, for example succession. It would be prudent to make a selection today so that we can go in front of G&C and get their approval. Attorney General Delaney's preference is that there is an attorney on retainer now that we could consult with at the discretion of the authority if and when the need for those services arise. Attorney General Delaney would endorse moving to seek authority from the G&C so we could retain him on as needed basis going through the winter.

Attorney General Delaney made a motion to approve Attorney Stocker

Seconded by Commissioner Barthelmes

Ayes – 7, Nays – 0

In terms of how we are going to put this all together, in terms of time, RSA 284-A:2 I(b) states the functions and duties of the authority shall include "Design the structure of the oversight agency necessary to regulate all lawful gaming and betting activity in the state, considering whether the state should continue the current divided structure or whether the state should adopt a unified and centralized gaming control authority.". Members of G&C, Attorney Stocker and Spectrum are going to assist in that regard, however, given the makeup of this authority it is incumbent on us to undertake that to a degree ourselves as we go through the process. If we are going to have a G&C meeting in the 2nd or 3rd week of January then we should schedule a meeting for the first week of January for our group. We should perhaps consider the 1st Thursday, Jan 6. At that meeting we can schedule our further meetings going forward. At that meeting we can talk about RSA 284-A:2 I(b) and queue that up. We will then have the meeting with the G&C and, assuming that we're able to proceed, we will have a 2nd meeting in the month of January.

Other issues we need to consider is consideration of law enforcement issues as well. Attorney General discussed the presentation that he found most helpful was the presentation from the State of Delaware. Particularly interested in the law enforcement aspects. Delaware has a very successful history as far as regulation is set up. Would suggest hearing from a few more states. In terms of regulatory structure we want to avoid deterrents such as corruption or organized crime. Attorney General Delaney's would like to propose, with the Chair's blessing to volunteer to structure one of the meetings in January where he will outreach to some of his counterparts in other states that have had problems and hear from them and see what lessons can be learned in that regard.

Commissioner Barthelmes suggests that Attorney Stocker and Spectrum be present at the first meeting where there will be discussions on RSA 284-A:2.

In summary, we have three areas to look at:

- RSA 284-A:2 I(b), structure of oversight agency,
- preparation for the meeting of governor and council,
- and finally, Attorney General has offered to come up with people from the law enforcement/regulatory side to discuss how other states have handled problems.

Since funding is under the NH Lottery Commission, and administrative is under the Department of Safety, we need clarification as to how the funding is going to be done and how the payments are to be processed. We need to make sure the cash flow is coordinated. Should this be submitted to G&C under the Lottery agenda or the DOS agenda?

Meeting of December 28 has been canceled.

MEETING ADJOURNED

GAMING REGULATORY OVERSIGHT AUTHORITY
EXHIBIT A
December 14, 2010

ATTENDEES:

Steven Ingis, Spectrum Gaming Group
Bob Clegg, Legislative Solutions
Sudhir Naik, NH Racing and Charitable Gaming
Dick Bouley, Dennehy/Bouley, Concord NH
James C. VanDongen, Dept of Safety
Chuck Saia, NH Racing and Charitable Gaming
Bob Blaisdell, The Demers Group
Scott Spradling, The Spradling Group
Curtis Barry, The Dupont Group
Keith Lohmann, Dept of Safety
Sherry Baker, Dept of Safety
Nancy Cassidy, Dept of Safety