

DRAFT/UNOFFICIAL – MINUTES

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**NEW HAMPSHIRE GAMING REGULATORY OVERSIGHT AUTHORITY
DRAFT – Minutes of Meeting – January 11, 2011**

Member Attendance:

Tom Ferrini, CHAIR (Mayor, City of Portsmouth)
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

Absent: John Barthelmes, Commissioner, Department of Safety

Additional Attendees: see Exhibit A

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

Meeting Minutes of December 14, 2011 approved as amended

Paul Kelly moved to approve minutes
Seconded by Attorney General Delaney

Attorney General Delaney's office has assisted us in preparing a draft proposal for the Governor & Executive Council. Once we have had an opportunity to review these two requested actions in draft form, we will seek to present them before the Governor & Executive Council at the meeting of Jan 19 at 10:00am. Presenters from the authority will be Chair, Tom Ferrini; Attorney General Mike Delaney; and Chairman/Commissioner Debra Douglas. Although it is not required, Authority members are welcome to attend.

An action item is needed for consideration by the G&C. General Delaney has drafted two proposed action items. The first item is to approve a contract with Spectrum Gaming Group in the amount of \$40,000. This action item, if approved by the authority, will then be submitted to the Dept of Administrative Services which will prepare the item for submission to the G&C. A similar action item has been prepared for Attorney Stocker. We voted to obtain his services on an "as needed" basis by the authority. To date we have not finalized an hourly rate for Attorney Stocker's services. General Delaney recommended that we approve with a "not to exceed" so we at least have a cap for what we expect to spend for legal services. Recommend that they would go under our Chair's name for signature. It is undecided whether this should go under Lottery's Agenda, because that's where our appropriations are, or the Dept of Safety, because that's who we're administratively attached to. General Delaney suggested that the Dept of Administrative Services decide which agency these items should go under. There is a standard P37 contract form with the state that is going to need to be filled out with Spectrum and Attorney Stocker. There are a couple of addendums for scope of services that need to be completed.

Prior to submission, once the documents are finalized they will be e-mailed to the authority members for review in advance of the meeting.

Chair Ferrini asked if it would be helpful to also submit to G&C the Spectrum Gaming proposal itself. General Delaney's instinct would be that the authority task the Dept of Justice and the Lottery Commission to prepare a standard addendum to the standard contract that would be a scope of services that would simply track the scope of services in their proposal but would not contain all of the paperwork. To the extent that any of the Councilor's were to ask for any more information in that regard we would certainly have the entire proposal to share with them. Stand ready to provide that to them. Discussed having Spectrum available for the G&C meeting. It is not necessary for them to be present at that time.

Discussed the Spectrum Gaming requested action letter. Need to include the actual number of proposal letters that were actually submitted, and the responses that we received.

Chief Bailey questioned if we go beyond the dollar amount of the action item, do we need to go back before the G&C to request more money. General Delany's recommendation is that we not in the first instance submit an item that would give us an open ended authority to expand the dollars being spent. After the report is reviewed and discussed among the authority members, we should know sooner or later if there are additional services that we would want. Once the G&C is up and running we will be able to on a much quicker basis go back and get authority to expend additional funds if need be. At this point we are well within the appropriations that we have been authorized to expend.

Discussion on documents to be submitted. The items that would be submitted is the final version of the governor and council action item, the standard P37 state contract, and usually a couple of addendums that articulate what the scope of service is. In addition, there is some standard paperwork that is required, relative to corporate status, insuring the individual signing for the company has the authority to sign, etc. If this is going through the Lottery Commission it would be the Lottery point person working with the Attorney General's office. Alternatively, if this is going to go under Safety, we would work through the staff at safety that routinely submit these matters.

Chair Ferrini seems to believe that on Attorney Stocker's proposal there is a limit of \$5,000.00. Chair Ferrini is going to contact Attorney Stocker to confirm his hourly rate. Estimate that this is approximately 2 days of Attorney fees. We may want to look at increasing the contract to \$10,000.00. Attorney Stocker will review the recommendations that we receive from Spectrum Gaming. General Delaney intentionally drafted this item to give us a broad scope of consulting with legal counsel, however we determine we may need to solicit his input his legal or regulatory advice.

Debra Douglas questioned whether Spectrum is going to recommend a structure for us, or are they going to compare all five states models and then give us the comparison. Chair Ferrini replied that what's reasonable to expect back from them is options on organization as opposed to one particular recommendation. Looking at page 6 of their presentation they indicate organization of one agency or dual agency approach, division of duties, etc. Chair Ferrini interprets that to mean that they would offer us options and then we will then consider that as to how that would apply to our own state circumstances, taking into consideration testimony from Delaware, etc.

General Delaney proposed at the last meeting to put together some presentations in January. At this time there is no agenda lined up yet for Jan 25. General Delaney is reluctant to put names on the table until he receives commitments that he can actually get people here. The presentation he is hoping to offer would be to elicit some presentation from an Assistant Attorney General that has had some experience from prosecuting some corruption associated with a regulatory expansion of gambling in a state as well as some testimony from another governmental regulator from a state that had less positive experiences in the roll out of gambling in that state. That will provide us some insight on lessons learned and things we may want to avoid. General Delaney's goal would be to get them there for the 25th. He will report back to Chair Ferrini as promptly as possible. If the speakers cannot be secured for the 25th, we will find a time that is convenient for both our speakers and the Authority.

Discussed future meeting calendar. Hoping that the 19th will allow us to go forward in front of the Governor and Council and hoping that we are approved, that day would give Spectrum a starting date. We can schedule for the 25th. If we have a scheduling problem we will have to consider cancelling and renoting that meeting. What might make sense would be to schedule 2 or 3 meetings out. The second meeting would be Feb 15 at 1:00. Chair Ferrini will contact Steve Ingis and ask him if we were to have an approval on or about the 19th how quickly could we expect some work product that we can start to work on. Chair Ferrini will have the same conversation with Attorney Stocker.

Debra Douglas questioned what will be expecting from Attorney Stocker on the date that we are expecting Spectrum to be coming back to us. Chair Ferrini clarified what do we want from Stocker and when are we going to get it. Envision us looking at Attorney Stocker as another set of ears and eyes. Invite him to join us on a date when

we are going to be reviewing Spectrum's report in detail. Have him available to solicit feedback and questions on Spectrum's report. Attorney Stocker will serve as overall counsel to us. We are hoping for approval on the 19th and hoping for a product from Spectrum the week of Feb 15 – 22.

We are ready for our two proposals. We have a meeting scheduled for Jan 25 and Feb 15.

Meeting Adjourned