

Chair:

All right, we'll give folks just another minute or two to come back. I see vice-chair Patterson. It appears that the commissioner Levy and commissioner Reeves are also with us. So let's go ahead and start back in. So the next item on our agenda is rules up for discussion only, the sports wagering rules. So Brian Considine, our Legal and Legislative Manager, will be presenting. Brian?

Brian Considine:

Thank you, Mr Chair. Members of the commission, for the record, Brian Considine Legal Legislative Manager for the commission. Tab four in your packet is a sports wagering proposed rules. As you have indicated, Mr Chair, this is just for discussion. There's no final action that can be taken today and I'll go over kind of that a little bit. I have prepared a PowerPoint. I know, I think it might be... Has been distributed to the commissioners. It's been a interesting week for Workload, so sorry we did not get that to you sooner. But I just want to kind of indicate what was in the packet first before we kind of get... Before I get to that. First in your packet is a summary sheet. What is bolded is what is different from the summary sheet that you received previously. As you remember last month that you approved filing of draft language, you had draft rules that went before you, you gave a little wiggle room for staff to make what I'll just call more technical changes.

And we did that. We did a little additional work based off of some comments. And as I said, we hit on some changes from your version versus what was filed. What is in your packet is what was filed in what was published yesterday. So that's what is the draft rules as the starting point and I'll recap kind of the rulemaking process here in a minute, if that's okay. Because we did just for... So you have those proposed rules, you have the summary sheet, you have all the comments in your packet, I believe from the June 10th meeting, but also there have been additional comments that the agency has received since our June 10th meeting. And those are in your packet. They're from the Spokane Tribal Business Council, the Tulalip Tribes and the Washington Indian Gaming Association. And additionally, if you don't have it, you'll be getting it today.

I think it came in last night, but I did not see it this morning. We received comments from American Wagering Incorporated doing business as William Hill. So they submitted some comments and we will get that. If you haven't received them yet today, we'll try and get that to you a little later today. Personally, I haven't had the opportunity to take a look at them yet, but that's okay because we're still... Basically, we're on day kind of two of it being published in the public comment period. So the fact that something came in today and we don't have a chance to look at it or discuss it until the special meeting on the 28th, is perfectly okay.

With the comments that have come in, and the concern that's being raised on some levels, staff felt it was probably good or staff felt, and I am going to present to you a PowerPoint and give you some options moving forward today. Again, no final action can be taken, but we can clearly have a discussion and discuss possible options and direction for our July 28th special meeting. And with your permission, Mr Chair, I'll just go to my PowerPoint now, if that works for you.

Chair:

Sounds great. Thank you.

Brian Considine:

Awesome. Thank you. And let's make sure I can do this appropriately.

Yeah. So hopefully it's up on your screen. If you can give me a yes or no, that'd be great.

Chair:

Yes.

Brian Considine:

Thank you, sir. And so just as a quick recap, the State Administrative Procedure Act requires draft rules to be published 20 days before final action can be taken. It doesn't mean that the agency has to take final action right away after 20 days. Typically we wait till the next period, but we'll kind of discuss why we're in the timeframe that we're in. But based off of that, that's why proposed draft rules were brought to you at the June 10th meeting and that you approved. The rules were filed, like I said, with those technical changes relating some to contracts, substantial interest holders, other specific portions of, I think, 03-506. The general intent and focus of the rules as staff had intended, remained the same along with some changes to 230-19.

Commissioners can improve final rules after July 27th, that's the 20th day. That's why we set the special meeting on July 28th. Changes can be made from now and even before until the final rules are approved. What the Administrative Procedure Act indicates is that changes cannot be substantially different from what was approved on June 10th or the rules must be re-filed. And so that would be... Substantial change is a bit ill-defined in the Administrative Procedures Act. Generally, we kind of talk about if somebody these rules would apply to were unaware of something or would be unexpected by a change. And so we look for, right now, changes that do not change where kind of current rules lie or that would not additionally impact a potential licensee. At the July 28th Special Meetings, again, you can take final action and you have full control as to how things are going to work or how you would like things to work at the July 28th meeting. You can approve or hold all rules in their current form.

You can approve some rules for filing and an effective date, you can hold some rules for further development. You can make non-substantive changes to current proposed rules that are up for final action as well. So you could take all of them and make some non-substantive changes. You could take some and make some non-substantive changes. All of that is okay. And all of that is something that you can consider for final action, our July 28th or today. And we're going to go into those options. You can make a decision to maybe take a different path and we'll talk about that here in a second.

So option one, I'm just going to call it option one, is no change. The rule package has been filed. It can be up for final action at the special meeting on July 28th. And then if you were to approve some or all of the rules as they are, they'd be effective, we'd recommend 31 days after filing with the Code Reviser, approximately end of August.

As a reminder, I just forgot. I forgot to say this. We've tried being very transparent. We know that there's a desire to try and have a launch date by tribal operators for the beginning of the NFL season, which is, I think, approximately September 8th or 9th. And before he left, director Trujillo, and I know this, commissioners, we've tried to hit that in order for the agency to do that in their rulemaking. That means certain rules needed to be effective by the end of August to give a little space for that. So that is then the timeline that we've been trying to keep to and why things have been happening the way that they have been going. And so that's why we had to do a July 28th meeting because if we did... If we just kept it, took it to the August 12th meeting, that throws off the timeline. That throws off the timeline for at least a few weeks.

So option one would be to, like I said, take the current rules. You can make some changes and I'll talk to what kind of staff recommends on changes no matter what.

Option two, specially based on some of the comments that are coming forward. You can move forward with the licensing rules needed to implement Sports Wagering. It's a really in chapters, 230-03,

230-05, 230-06. Those you could take final action on at the July 28th meeting. Those would go into effect and still allow for a launch after their effective dates, essentially beginning of September. And as a second part, essentially, we'd separated into two packages. You kind of have package A, which would be the 03, 05, 06. And then you can hold chapter 230-19 rules for further development with additional stakeholder input. We know there's a lot of concern that some of those rules, if not all of them, are... We know that some of them mirrored some compacts and there's concern as to how those work with compacts or if they're interfering with compacts, which was never the intent. And so that would give additional time to develop those.

And like I said, 230-03, 05 and 06 would be up for final approval at July 28th Special Meeting. The 230-19 WAC rules, excuse me, would not be up for final approval at the July 28th Special Meeting. I think it'd be up to the commissioners if they'd want to discuss it or wait to a future commission meeting. But ultimately I think it would be my recommendation if we're not going to take final action on 230-19, it's best to let staff kind of work on things and figure out at which future public meeting. Whether it's August, September, what that looks like when we can come back around. And it gives us additional time to work with everyone on it. And it does not impact the timeline for licensing rules. And we do think it is possible to separate this out into two packages and not really cause... There's going to be some... It's not perfect, but it's something that is doable for staff.

No matter what you do, I think there's two areas of non-substantive changes to either option. The first is something that staff needs to work on. The other one is something that has been identified in numerous comments and staff would like some direction from commissioners on. That's licensing fees, but if it's okay, I'd like to hit Gambling Equipment first. So ultimately, and I know I said this at the last meeting, based off of the uniqueness of how these negotiations went, we have to go through the rules because our rules are kind of standardized with everything. All the activity go through and if things are different or if we're going to treat certain things different now in the sports wager environment, which is okay, we have to make sure that we're not kind of unintentionally doing things in our rules. So, for example, if we say all licensees, which would include new sports wagering vendors, then we have to make sure that it's the... That we really need to capture them, or we have to exclude them.

Same goes with gambling equipment. When we originally kind of went in with gambling equipment, trying to modify and mirror up things for the trade show rule. As we've looked at it some more, gambling equipment and just kind of putting sports wagering in there is problematic. We're trying to do it more functional, change less rules, create less changes where we could and mirror what we felt we needed to mirror, but it looks like we need to go back into it. But I do not believe that we need to go into it to a point where we have to make significant changes. I think there's some cross-references between some of these rules in 230-19.

I think the goal is to see, can we just kind of remove those cross-references, can we essentially create a category where we have gambling equipment as defined in how it works, right? Because a lot of our gambling equipment and the reason why we talk about it has very specific protocols for how our state agency is going to deal with that type of equipment and then essentially sports wagering equipment, or however we're going to term it is going to operate functionally a bit different.

And that's okay. And we just need to build that into things, especially Tradeshow rules because Tradeshow rules just talks about gambling equipment. So I don't think it really changes where our intent is. We don't think it's significant. And so we're hoping that it sounds okay to commissioners to see if we can both make the changes, remove some cross-references to 230-19, clean these up a little bit. And then if for some reason it seems like what we're trying to do is substantive, and you want to go with kind of the two package model, I think we just put it into the second package and we'll figure that out. And if

we can't just kind of clean it up. So that's the first thing for the non-substantive changes that we'd like... Trying to do.

The second one are Licensing Fees, and this really is the purview of the commissioners. Right now, we think there's really kind of the two options. There's the keep the current fees set at 85,000, 10 and five. And you've heard our explanation. Chris Stanley went over his PowerPoint before. We have costs of approximately 900,000 that we think we're going to incur. And this is what gets us with what we think we're on the projected. And right now we're kind of hitting the mark, at least in the major, it's a little unclear. We might be under what our account was for the other two. The other thing that can be considered because it's been asked is to reduce the major vendor fee. Of course, while we still try and attempt to cover projected costs. The goal is we want to cover our costs. We won't want to be in a deficit and deal with that at the end of the year, if at all possible. After discussion within, we propose to you if you would want to reduce it, the furthest that we believe it can be reduced while still covering things.

As you see, we evaluated our estimated costs first year. We've looked at the projections. We think that we may be able to adjust the base license fee on the costs that may not be incurred the first year. Just based off of kind of where this may set off. If actual costs are not covered in the first licensing year, we will build that back into licensing fees in the second licensing year.

And then of course, no matter what, we're going to reassess the licensing fees prior to the end of the first licensing year. But I imagine we're going to be doing that year over year until we feel like we have a good set of data where we can have a consistency, both in what we expect revenue coming in and expenditures going out. And if the costs that we think may not be incurred in the first year is incurred in the second year, then that means our costs in the second year, it gets transfers to that. But with that, we think we believe we can go down to 65,000 as the base licensing fee and I think I have a daughter who's trying to get my attention. I'm sorry. One moment.

Chair:

You're still... You're muted, Brian. Brian, you're muted.

Brian Considine:

No, I muted myself and then the Teams thing went away. So I had to get out of... Sorry about that.

Chair:

Daughters are acceptable reasons to mute.

Brian Considine:

Yes. My four-year-old is always an acceptable reason. I will go to the [inaudible 00:17:28] any day on that one. And so anyways, we're at 65,000. I think this is the decision for the commissioners as what you would like to do moving forward. I think it would be helpful for staff to have some direction on that, but just kind of hitting the decision points for final action for July 28th. And direction, you can give us. Again, we have option one - final review and possible approval of all the rules currently filed with. Again, we'd like to work on the non-substantive changes related to gambling equipment, and then also a decision on whether or not licensing fees should go, remain the same, or go down to no lower than 65,000. Or option two - final review of rules in 230-03, 05, 06 including those non-substantive changes related to gambling equipment and a decision on the licensing fees. If you choose to bring it down and then we

would continue to... We'd hold 230-19, and kind of a separate package and work on that later. So that wouldn't go before you on July 28th.

And so I think I've captured. Yep. I think I've captured it, but I don't know how clear it was to commissioners. So I'm happy to answer any questions or to try and provide any clarity as needed.

Chair:

Okay. Thank you for that presentation, Brian. So I will open it for questions, comments from commissioners. I'm not seeing anyone raise their hand or unmute, so maybe I'll kick us off here. Can we use slide... Go, let's see. If you can go to slide nine, which is gambling equipment.

Brian Considine:

Yeah. Can you see it? I'm not going to put it into the PowerPoint presentation mode because my computer is doing some silly things at the moment. I pressed the button five seconds ago. I don't know what's going on.

Chair:

And I just want a little clarity on this. So I just checked, make sure I'm viewing this right. So gambling equipment. Well, the initial approach was that we would have sports wagering equipment would reside within this gambling equipment. Does that... Maybe explain this-

Brian Considine:

Yeah. Sorry about that, Mr Chair. So. Yeah, the approach that we took was to mirror what we've done with everything else. Is to gambling equipment, it's the definition. So whenever you say gambling equipment right now, essentially it's a very long, possibly a little unwieldy definition, but it is what it is. But it covers everything. It covers everything from nonprofit activities to card-room activity... To equipment, sorry. Nonprofit equipment [inaudible 00:20:49] pull tab, commercial also TLS. It covers it all. And so the initial thought was we would add sports wagering and just kind of mirror it. And really the, I think, the impetus for that was first, but wasn't the only thing was the Tradeshow rule just talks about gambling equipment. And so, hey, let's just use the definition that we have. See if we can amend the definition that we have and just go from there.

And so as we've kind of looked into it, it creates some more unintended consequences because gambling equipment's used in a variety of different places. And we would just have to monkey around with the definition, I think a little bit more. And so what I think we need to do, but we need a little time between now and the 28th to go into it, is probably just pull things out of the sport... Pull the sports wagering out of the definition of gambling equipment and then deal with sports wagering equipment. I'm just using that term generically separately.

So in the Tradeshow rule, for example, where it says gambling equipment, we would just say and sports wagering equipment, and then we'd have to determine, does that need to be defined in some way, shape or form? Is that a definition that would go into 03, 05, 06 or would that be a definition that goes into 230-19? It doesn't need to be fined at all, but also because as you can see in 050 and 045, things we were trying to get to that are similar to what we're dealing with with manufacturers, distributors and service suppliers. But because gambling equipment is just used a bit differently and it functions a bit differently, then how we negotiated sports wagering equipment, then we just... It's just right now, it's not functionally working.

And so I think we just pull out of the definition possibly, and then we add sports wagering equipment, or we figure it out. So ultimately it's taking a look and some of these, we just tried to cross-reference 230-19 where kind of the sports wagering systems were being addressed. The goal wasn't to do anything other than we're trying to figure out when you say gambling equipment, and if it's not going to mean sports wagering equipment, or for it does mean sports wagering equipment, it's not going to function the same, right?

We're not testing, we're not approving, we're not reviewing sports wagering equipment. It works functionally different as our TGAs understandably are the primary regulators and it's going through an independent test lab. So there's just, it's just, growing things a little bit in trying to look at these rules that all deal with gambling equipment and figure out how does sports wagering equipment fit into it, if it should fit into it at all. And the belief is that any changes like such I said for Tradeshow, instead of saying gambling equipment, saying sports wagering equipment, the whole purpose of us getting to the Tradeshow was to make sure that Tradeshows could have sports wagering equipment. It still needs to be moved. So the 230-06-116 is still going to exist. It still needs to move because right now it's just really in manual. It's just in 230-16 from manufacturers, distributors and service suppliers, and sports wagering vendors exist outside of that.

So 230-06-116 Tradeshows is going to have to move. These other ones, they may still need to be amended, but how they're going to be amended, I would argue, is a non-substantive change because what we're trying to get at is just how do we work with sports wagering equipment in the buying, selling and transferring of it like Tradeshows. If somebody loses a license or they're no longer licensed, we just have some rules as to how that's supposed to work. And we have to figure out where this may fit in. And, if the decision is we don't need to address it, well, that's not a substantive change because then we're deciding we're not going to address it. We're not adding something onto it.

If we decide that we just need to add a term like sports wagering equipment, then that's not really changing anything. Instead of using gambling equipment definition to get to the idea that gambling equipment is sports wagering equipment. We're just going to say sports wagering equipment and deal with it separately. I know that was a long explanation, but I figured it was good to put that on the record. And sorry, I did not provide that background beforehand, Mr Chair. It happened. Let me know if that was clear as mud or if that was better, I'm happy to try and-

Chair:

Nope. I... Provided some clarity for me, so I appreciate that. And I think that I'm seeing the rationale of the staff and it makes perfect sense to me and I'm supportive of that. So, and then I guess before we kind of talk about option one, option two, and I'll just put this out there so folks can prepare if they would like to. I'll provide an opportunity for some public comment here after any questions or comments of commissioners are handled here.

But so talking about the major vendor fee. So I know that that has been a bit of a moving target over the past, whatever six months or so, that we've kind of started contemplating it. And it looks like based on the estimates for vendors coming in and scope of work and trying to recoup our costs, 65,000 could work for that. And just being very clear that that's something that we're going to have to reevaluate as the year goes on. But so I guess I'll just throw out there that it seems reasonable to me to maybe lower that to 65 with the recognition that we have. We have to, and it would be prudent and reasonable for us to reevaluate that rate going forward based on real experience.

And then, I guess I'm supportive of doing that. I could understand the rationale of sticking with 85 because I guess with that 85, a thousand major vendor license probably gives us the most, I guess, cushion for the unknown. But I mean, I guess I trust the staff's work that 65,000 is probably going to get

us there and we should know in hopefully six months or so of operating whether we hit it or not, and then make adjustments as necessary. Who knows if we get way more vendors than we anticipate, 65 might be too high. That'd be a good problem to have, I guess. I guess there's no... And there's not a comment necessary. I'm going to provide any commissioner comments, questions. I see you by commissioner Patterson and you're muted. So there you go.

Commissioner Patterson:

Thank you, Mr Chair. Just a quick question about the idea of reducing it from 85 to 65. Just so, I mean, I haven't been a part of all of those conversations and just so it doesn't seem like it's an arbitrary reduction. I'm curious what changed. I mean, 85,000 was based on some pretty significant, a very significant analysis that I think could be defended. I don't know. I'm just curious if staff could explain what changed that makes us think that 65,000 probably will get us to where we need to go.

Brian Considine:

Thank you, commissioner Patterson. Nothing has changed what we looked at and I know what interim director Griffin looked at was the fact that some of the costs that are outlined in CFO Stanley's calculations or costs that we may not actually incur in the first year. We very well could.

PART 1 OF 4 ENDS [00:30:04]

Brian Considine:

We may not actually incur in the first year. We very well could. This is a very fluid situation. Every week is a new unique week as we try and get into this.

Commissioner Patterson:

Can you give me one example Brian?

Brian Considine:

I'm going to phone a friend on this one.

Commissioner Patterson:

Well that is not, okay.

Brian Considine:

Ask Interim Director Griffin to identify that, please.

Chair:

The estimated attorney general costs are one example.

Brian Considine:

Thank you.

Jerry:

Okay, that cover your question there, Mrs. Patterson?

Commissioner Patterson:

I think so, it's just there's concern that the original amount was too much. And then, I had the impression that we did a very careful, a very tempered analysis of what it is that we would need. There was concern expressed that it was too much. And then we come back into a public session like this and we can now reduce it from 85,000, to 65,000. And I just don't want to give the impression that we were padding this, or that the original amount was arbitrary, I'd like to be able to say, hey, or initially it was 85,000, but we think that this line item and this line item and this light line item are questionable. And so therefore, because of this, we probably can get by with 65,000. Instead of just saying, well, we can get by the 65. I'd like, I personally and we can do this offline, but I personally would like to know where the slack was.

Brian Considine:

I'm not indicating there is slack Commissioner Patterson, we're trying to provide you options. And what we think we can stomach is going down to 65, without exposing us to something risky. Whether it's an eight, so salaries and benefits are something that we need to cover, period. And so we're not going to go below that. There's other items as you, we would expect any chief financial officer to factor in. Being a state agency, just like any other place, you're going to have different costs that you have to deal with.

So whether it's AAG costs, whether it's one time equipment costs, there are one time costs that were put into, and I just don't have Chris' slides that we think, though clearly, because this is a fluid situation, we do not know. But if the certain costs, one time costs or implementation costs, that's actually not the correct word. The staffing costs, thank you. The staffing costs, somehow go into not the first year, the second year, because that is possible, then we could have a lower fee.

That's why on the back end, we said if our projected costs are accurate, and we receive them all in that first licensing year, and the 65,000 doesn't cover it, then we will come back around in that second licensing year and we would add that into whatever it is. So if that's bringing it from 65,000 up to 85,000. The problem is we don't know where all the licensees. This is a cost that gets the fray around mostly the majors but we also have med and ancillary. And it's going to really depend on two things. It's going to depend on what are the numbers of licensees that are licensed, that are paid the fee, and then also how...

We can also look at the revenue numbers because then we can be trying, we'll have more information to determine what is an appropriate cost. So, staff field 85 is still a solid number. We think though, that there is, I shouldn't say no risk, I should say less of a risk. If you brought it down to 65 and this is a choice of the commissioners. We are providing options. I'll let interim director Griffin speak if I'm speaking out, this is really a decision that you want to make based off of the comments. We wanted to give you that option. And 65,000 is the lowest we believe we can go and still feel comfortable.

Not great, not 100%, but feel comfortable that we can cover the baseline salary and benefit costs. For the five FT's that we believe are going to be needed for this activity for the vendors.

Commissioner Patterson:

So Mr. Chair, just to follow up, there's no way to know exactly at this point how much it's going to be, we're just doing the best job we can to estimate it at this point. So for me, it feels like we have a choice between erring on the side of collecting too much at 85, versus erring on the side of collecting too little at 65. And even that is not a certainty for us.

Brian Considine:

Correct.

Commissioner Patterson:

So, that's how I'm going to choose to think about it, on which side do I want to air? And in the end, it doesn't matter too much because we can make an adjustment at the end of the year. Would we make an adjustment in six months, is that possible?

Brian Considine:

I'm not going to say nothing's possible. Anything's possible, Commissioner Patterson. Personally, I think it'd be difficult in six months to do that. But in six months, we got to start looking at the data from day one. How many vendors do we have? What money is coming in? What's being reported by them? So yes, yes. You could set at 85 and that still may not be enough. You could set at 65, it may be sufficient. Because if we get 15 major vendors in, which is highly unlikely regardless of what we set it at.

But if for some reason that market would show up, then that changes everything. Having spot four or five vendors to start out, and then getting three or four 1/2, or at the end of the first year, that does change the numbers too. So this is, just looking at the major category, the target was we think we'll have at most eight major vendors. And that's all, and I'm just focusing on the major vendors, because we're not recommending changing anything at the other two levels.

So right now we may be there, we'll have to see. And we really won't know for a couple months, but these rates have to, these fees have to be set, essentially, by the 28th if we want to meet the timeline. But they certainly do not have to either.

Chair:

Okay, any further questions for Brian? And I'd like to at least provide an opportunity for public comment. We'll see if any comes in. So not seeing hands up right now. So yeah, I'll go ahead and open it up for public comment. And so rules of engagement, if you're participating in public comment, please identify yourself and the organization you represent. If you are going to speak and you'll have to bring yourself on camera if you can and unmute yourself. So I have Jerry, with his hand up.

Jerry:

Yeah. Bird, can you hear me?

Chair:

I can hear you, identify yourself please.

Jerry:

I think that a Jerry Allen with seven sitters can sit on Jamestown Tribe. And Brian a couple of questions. As I was hearing your questions about the equipment and sale and all the other things. First and foremost, it seems to me that that has been worked over, endlessly down in Nevada. Did you check with them to see what they do with some of those same questions that I was hearing you are having on sports betting equipment? Or just something to try and [crosstalk 00:38:50] come from ground level?

Chair:

So I will allow this. So what I'm going to suggest is that it's public comment period. So our staff is not necessarily going to be able to answer every question or be put on the spot for these things. So I'll leave it to Brian, whether he's able to answer it. So what I'm suggesting in this public comment period is certainly, if there's an issue that the public would like to go over, our travel partners would like to bring forward for our staff to be able to get back to you, that's maybe how we probably to manage this rather than necessarily putting our staff on the hot seat.

So I'll leave it to you Brian, if you can and wish to answer or whether we want to accumulate the questions and then provide the answers.

Brian Considine:

However you want to do it Mr. Chair. I am not quite sure I completely understand the question but I will say this. At least personally, I'm not confused. This is something that we're trying to mirror what we do in our manufacturer, distributor and service supplier licensees, where we can and make it match up. I don't think this is something significant or out of the ordinary. It's just trying to align what we do now with what the how it's going to work with sports wagering to be consistent with what was negotiated and compact.

So I don't see it being anything other than it is. To me, this is a legal thing. This is a terminology thing. This is what terms are we using and how are we using them? And, if a sports wagering vendor goes out of business, just like any other licensee of ours, there's a rule that says how they need to transfer equipment. And how are we going to refer to that equipment? Are we going to refer to it as gambling equipment, or we're going to refer to it as sports wagering equipment? And we tried to refer to it as gambling equipment, that doesn't seem to be the best approach. So we'll see if we can refer to it as something else. But it's as simple as just trying to utilize how we currently deal with things. And but in every other world, including the TLS world.

Chair:

Okay, and thanks for that explanation. So Jerry and again, I didn't mean to put you on the spot there. But yeah, I want to make sure that we provide for the opportunity for public input. But I don't want our staff to have to answer a bunch of questions that they may or may not be able to answer right now. So with that, any further desire to provide public comments. Ryan Ramirez, I see your hand up. Hi, Ryan.

Ryan Ramirez:

How you doing Chairman? I would just like to chime in on.

Chair:

I'm sorry, you have to identify yourself for the record, please.

Ryan Ramirez:

Sorry. I'm Ryan Ramirez, I'm the CEO for Port Madison Enterprises, which is the economic development arm of the Suquamish Tribe. Home of chief Seattle and happy to talk to you today. So what I would just say, is on the reduction of the fees, the fees we in any country see, as very large in comparison to 25,000. I think a reduction down to 65 is better, it's not the 25 that we advocated for, for the simple fact that you do have the ability, unlike any other situation, to draw upon the existing loan that was part of the bill.

So there's money there, if there were to be any shortfall, those monies would get required to be paid back by the tribes. The tribes are in a position of paying their actual and reasonable costs. So we in Indian country, and in my letter that I submitted in terms of comments, asked to have those fees reduced. So, I just would in response to Commissioner Patterson's questions in that way, I would just say commissioner, that this is a unique situation in terms of you do have that loan to draw upon. And ultimately, the commission can only charge the actual and reasonable costs associated with the regulation of the industry.

And we an Indian country would say it's still too high. But it's definitely a step in the right direction, and feel free to keep going down.

Chair:

All right. Thank you, Ryan. Any other desire to make public comments? Again, use the functionality. You can either raise your hand or go on camera, raise your hand. All right. I am, Commissioner Reeves.

Commissioner Reeves:

Thank you, Mr. Chair. And I'm not sure if this is the right place to interject it. But I would be interested in hearing public comment, particularly from our tribal partners on the three options currently being discussed in order to move these rules forward. If now is an appropriate time to make that request.

Chair:

Okay. Yeah. And public comment is still open. So yeah, and actually, I'll go to Ryan and then Jerry, since you both already spoken. If you're willing or wish to address the option one, option two question.

Ryan Ramirez:

In the abundance of caution, I would say that I would need a little bit more time to look at the two options that were presented today. Obviously, the later portion of things are things that we have incredible frustration with and objected vehemently to. And I appreciate the commission's and the staffs desire to continue want to move things forward, that makes a lot of sense to us. But in totality I'd need to look at it more, but it's definitely a creative solution and something worth considering.

Chair:

Thank you, Ryan. Jerry, if you'd like to come back on camera, and if you have an opinion, be welcome.

Jerry:

I got to be honest with you guys, I was multitasking. So I missed it, have y'all summarized?

Chair:

So Commissioner Reeves asked for public comments. If you wish, to make any public comments on moving forward with the whole package, the way it is. Or the option of moving forward with the 230, 03, 05 and 06, which is the licensing portion, and leaving the 23019 that sports wagering chapter for further work.

Jerry:

Well, I definitely think it needs further work. So I assume that's what is consistent with Ryan's message as well.

Chair:

But Ryan didn't even want to commit that much. But, yes, so honored.

Jerry:

Yeah, there's definitely work that needs to be involved in. And so I know it takes time, I know that time is always becoming more of a factor for everybody. But these rules in particular, we live with for such a long time. We have to get them right. The history has shown that in other agreements we've done and we've had to come back and make amendments. And that is really a difficult process for all the right reasons. But to get it right, the first time is critical for everybody, in my opinion. Yeah. And as we heard in the GDG, there was certainly some objections to the rules that we were reading, that I was reading. So yeah, I think it needs work.

Chair:

Okay. Thank you. All right. So public comment is still open. If there's anyone else that would like to address the commission and ex officials on the sports wagering rules. All right. I am not seeing anyone else come on camera or raise your hand or unmute anything in the chat. Nothing there. So commissioners, if Brian and staff is certainly looking for direction from us, and maybe I'll just lead off and then we can go from there. I would support that option two, which is moving forward in making the minor technical changes to 23003, 23005, 23006, for the July 28th special meeting, and reserve the conversation on 23019 for a future meeting, so that staff can do some more work in that area.

Something I failed to mention, but is a consideration of mine in 23019 section of the rules or proposed rules are several restatements of compact language. And I really think that I'm very interested in trying to figure out a way to accomplish what it is that we need to do in 23019. I think that having some specific sport wagering rules are critically important for us, for the industry, for all citizens in the state of Washington. Those can be delayed a couple of months as we get the industry stood up.

But it certainly doesn't feel to me like it is ready for adoption. So, that's where I am. As far as the major vendor license fee, I feel confident that if we chose to move forward with a \$65,000 level, that we know that we have our work cut out for us in the future, in evaluating that level. And doing the work that's required to validate that number. Or if it's not valid, that we do the work to find the right number and move forward with that once we have real data. So, that's where I stand on these. That's what I would recommend. But I'm completely open to alternative opinions. Okay, well doesn't seem to be, Commissioner Reeves. And then Vice Chair Patterson.

Commissioner Reeves:

Go ahead Vice Chair Patterson.

Commissioner Patterson:

Okay. I just simply would support you Bird. In your conclusion on how to move forward. We should separate these packages. I think that we should do what we can to embrace our excellent working relationship with the tribes. I don't want to alienate them, this might be a way that we can move forward timely, which is something that they want. And also give us more time to work out the issues in 19. So it's a good compromise. So you're on the right track and I support that.

Chair:

All right, Commission Reeves.

Commissioner Reeves:

Well, not to become an echo chamber, but equally supportive of ensuring that given the external timelines and pressures that we're trying to meet to ensure that our tribal partners can have a robust economic opportunity this fall, want to make sure that we're delivering on that, but at the same time, recognize that we don't need to be duplicating good faith negotiations and writing that aren't meeting the needs of our mission. But want to make sure as Brian has highlighted for us in previous conversations that we get to that regulatory requirement that we have.

And so if that means bifurcating these two packages, so that we can get to that goal, great. The one caveat that I would add to both Commissioner Patterson and Commissioner Sizemore is just because there's an external pressure for the package as it currently exists, I would want to make sure that we don't bifurcate 23019 and then draw it out, for a hyper long time. I'd want to make sure that we continue to be diligent in resolving that and moving that agenda forward and getting it done.

And this no, offense to my former legislative colleagues, but the sooner we get it done before a legislative session is always an ideal situation. So I would just encourage us to keep that in the back of our minds.

Chair:

Well stated. All right, seeing no one else unmute or raise the hand. Brian, do you need any further direction from us?

Brian Considine:

No, I've heard what a majority of Commissioners would like to do. And of course, you can take final action and quite frankly, they'll want you voting or coming up with it like you've taken final action today. So ultimately, what I've heard is you would like the option. And just so that we keep things consistent the APA, I'm going to have both options for you on the 28th, just so that, that goes. That not that, that's your intent to just do something. But that shows that you didn't make a final decision today, only on the second day of period.

There's still lots of opportunity for public comment and final decision. So I'll have a package A and a package B. Package A will be what we had, or what is currently filed with the understanding of that's not where at least the majority of commissioners individually have said that they are at. And then your package B, will just have that 03, 05, 06 with looking at what we can do around the gambling equipment. And I also heard a majority are wanting the ability to drop it to 65,000. So that will be a part of package B.

And of course you can change your mind. Just because you've indicated that today I can give you a package that says you know 65 and you can make it higher or lower, depending on whatever the conversation is on that day. I would actually, because we set it at 85. The substantive change happens if somehow you go above 85. But if it's between 85 and 65, or lower than 65 we're good. Yes, sorry, yes Commissioner Reeves.

Commissioner Reeves:

No, you're spot on, Brian. The one ask that I would have is along the lines that Commissioner Patterson articulated. And if this package is in front of me and I just missed it, I apologize. But it is still not clear to

me on how we got to a differential of between 85 and 65. And then I heard Mr. Ramirez bring up the number of 25. So for me, what has been presented to me today is a spectrum of financing and I just am not clear on why the deltas are so big in trying to meet that requirement. And so would love when we come back for an actual vote on that piece, to understand why we thought it was 85, why we're willing to go to 65? And why, from the agency's perspective, 25 isn't an option?

Brian Considine:

Certainly. Didn't know that very, very good Commissioner Reeves, we'll make sure we have that information, I agree. That's very good to have for the record, for full consideration. So you're fully informed on that final vote. Thank you.

Chair:

Great. And I guess Brian, the only thing I'll ask is, and I don't know if you're able to articulate it right now is whether stakeholders, interested parties, where will they be able to see these proposals before the July 28th meeting? So, as the minor changes are made to try to resolve the gambling equipment issue per se, where will that language live? Or how are we going to be able to put that out for consumption as early as possible?

Brian Considine:

Well, we'll do our best as you know, we're down staff and this every, every day that we're spinning our wheels makes things more difficult, The goal will be, we'll try and get language out as soon as we can, in anticipation of that meeting of our July 28th meeting. I personally or today can't tell you the date that we have, because ultimately, I'm not going to get to this personally, until next week. I'm going to take a much needed day off tomorrow with my family. So what we would always do on this, is we send it out to the email, we post it to everyone who's been receiving the rules already.

At this point, I'm pretty sure everyone knows how to get a hold of me. But if they don't, I'm sure they'll figure it out. brian.considine@wsgc.wa.gov. It's public, you can find it pretty much anywhere, if you Google it. And you can get on the list if you're not getting it. I know Julie Lee sends it out to all tribal leaders. And then we also post it to the website. So we will try and get it out as early as possible. And before the commission meeting, but a specific date, I can't give you that date today. But, my goal is that it'll be at least several days before the July 28th meeting. You know that there'll be a reduction from 85,000 to 65,000. We've indicated that most of all 30506 is, we think ready and changes will go to related to that gambling equipment piece, for sure.

Chair:

Okay, thank you, Brian.

Ryan Ramirez:

And I believe we'll go ahead and post if this PowerPoint is not already posted on the website, we'll get this posted. And then you can already find the rules are in the packet right now and available on the website for the rules that were already filed with the code advisors. So you would be able to marry the two up in terms of seeing what rules have been filed, seeing this PowerPoint. And hopefully that gives you enough information to move forward until Brian is able to post the remainder of the changes.

Chair:

Okay.

Brian Considine:

And we'll send out a redline version. At this point, when sending out a draft like this, I would anticipate we'd send out a red line version showing where the changes were made. Because ultimately, that's going to be the important part, both before as we get things out to folks but also for you as commissioners so you aren't sitting there with two pieces of paper trying to mirror it up. You can just see the red line version.

Chair:

Perfect. All right. Thank you, everyone for that robust discussion and public comments. And you can't leave quite yet, Brian, because tab five is our 2022 agency requests legislation.

Brian Considine:

Yep, thank you, Mr. Chair. I thought I heard one of my kids stalking behind me. So yes, next tab is agency request legislation. We are in part of that process, in your packet, there are two possible areas that staff wanted to explore and I'm going to explain to you why we're going to remove one of those and really just the first one, the one that at least three out of four commissioners heard last year and approved with related to the nonprofit bingo.

PART 2 OF 4 ENDS [01:00:04]

Brian Considine:

The nonprofit bingo. And I did follow up with one of the primary stakeholders, which was the Sustainable Housing for Ageless Generations organization. SHAG is kind of how they normally go by. They have multiple senior facilities and have worked with them on some senior bingo stuff. And last year, as you remember, we needed a change in order for them to allow them to kind of do low stakes bingo at their properties. And there were some community centers as well that wished to do it.

So they got back to me and they said they very much would like to try it again this year. Last year, the only reason why we pulled it was because the governor's office asked us to do it because of COVID and it didn't really hit, understandably, the kind of big priorities. And so they're trying to kind of minimize that, but they would like the [inaudible 01:00:55] I think, to summarize. Seniors have been living in isolation and this is just one more way they can provide an opportunity now that restrictions are kind of being reduced, that they can bring people together and help them with that.

So they would like it to move forward, and so that's one part. The financial exploitation of vulnerable adults, we've explored that some more because of timing, I put that on the list because I didn't quite have a final answer. We think it's important. It's a area that continues to come from adult protective services and that we continue to work on, but it appears after conversations. I think specifically with the King County prosecutor's office who were very familiar with both this statute and a statute that came into place in 2017, theft from vulnerable adults, that it's really might be a prosecutorial training issue. And it may not be what we thought was potentially a legal barrier.

So we're going to pull back on that one and we're not asking you to consider that one because we want to get into this training and see what else is there. Other than that, I know there was some discussion at the last commission meeting around kind of general topics, but there was nothing specific. So I don't have anything more specific to try and bring you. It seems that because SHAG and it's not

actually a lot of work, we've already have it done, it makes sense to move forward. At least continuing down the path to have you decide, either in August or September, but it appears, I know you're going to have that conversation here in a little bit, but it appears you may or may not have a September meeting if we don't have a quorum of commissioners.

So, especially if we don't have a September meeting, which is when the governor's office, usually, we need to file it with, then it's going to be hard to prepare something between now and the August meeting. Honestly, we've never done it. And quite frankly, I don't think I could do it appropriately, especially the stakeholder work that's required both by our standards, but also by the governor's standards on anything other than the nonprofit, senior bing, if we're not going to have a September meeting in order to give us a couple months to work something out. So that's the only thing that I have for you. And I'm happy to answer any questions or hear what other topics you may want to explore in the session.

Chair:

All right. Thank you for the presentation, Brian. Any questions on the proposal for bingo or any other issues that commissioners would like to be considered for agency requests legislation? All right. I'm not seeing any raised hands. So Brian, I think you can be assured that going forward, we'll just bring forward that single issue.

Brian Considine:

Okay. Sounds good.

Chair:

All right. I'm sure once session gets rolling, there'll be plenty of things that we care about.

Brian Considine:

Right. Yep. I'll bring a more formalized package for you in August. Thank you.

Chair:

Perfect. Thank you. All right. Next item. There are no materials in our packet, but we will have an update on our director hiring process. And I believe I saw Lisa Benevidez on the meeting. Lisa?

Lisa:

Good afternoon, chair. Yes, I am in the room.

Chair:

Welcome.

Lisa:

Good afternoon, chairman, commissioners and ex officios. I am Lisa Benevidez, the HR director for the gambling commission. I'm here to provide an update on the director hiring process. So as you know, we hired a new non-permanent HR consultant, Phyllis Gallegos. She began working for the agency on June 16th, which wasn't that long ago, but she's been able to accomplish a lot since she's come on board. Since that time she's been busy with creating a job posting and other recruitment activities for the

director position. Thanks to the hard work put in by not only Phyllis, but the rest of the HR team, on July 1st, we were able to post the job announcement to the Washington jobs page.

And for those of you interested in employment with the agency, that can be found at careers.law.gov. And she's also posted it, made sure that it's been posted to our social media pages. Once that job was posted, Phyllis began sourcing and outreach activities, and those activities include reaching out to passive candidates, and those are people who may not be actively looking for another job, but who we've identified may have the skillset that we're looking for. She has been contacting professional organizations to seek their assistance in spreading the word about this vacancy. Also contacting gaming regulators in other states for the same.

And we've posted the job announcement on other job boards, like Monster and those types of things. And then she's been doing some outreach to diversity organizations, associations, commissions, and business resource groups to ensure sure that our job posting is seen by a wide variety of potential candidates for the position. So again, the job was posted on July 1st and these activities have been happening since then. And that has been one week. So as of this morning, all of those efforts have resulted in our job posting being viewed more than 1100 times. So the word is definitely getting out about the position being available.

And even though we have lived through a quite busy and probably people being on vacation, holiday weekend, we have received nine applications so far for the position. So I am encouraged that we will see quite a bit of activity and interest in this position. The job posting currently indicates that we will begin review of applications on July 26th. That gives us about three weeks of applications coming in for us to determine if we have a candidate pool that would be sufficient enough to begin doing interviews. So with this in mind, we may be able to schedule interviews beginning no earlier than mid August, that would give us time to evaluate the applications that have come in.

And obviously we'll need to take commissioner schedules into consideration, other interview panelists, and also candidate's schedules, and keep those in mind, specifically because, A, it's the summer months when people are typically going to be on vacation and B, because we have been unable to travel for so long that I believe many people are trying to get out and about. So we will be cognizant of people's schedules and trying to make sure that we can be as accommodating as we can, and still not kind of hold up our process. So I will be working with each of the commissioners to make sure that we can get scheduled interview dates so that we can hold them on your calendars.

And so the interviewing and the discussion of the candidates as we evaluate who it is that we would like to interview, both of those activities can take place in executive session. So they will not be happening in the public meeting. And also, currently we're in the midst of developing interview questions and finalizing our interview panels. So that is where we are to date. And please let me know if you have any questions.

Chair:

All right. Any questions for Lisa? Vice-chair Patterson.

Commissioner Patterson:

So Lisa, you said that you're going to be reviewing the applications. What will you be reviewing them for?

Lisa:

We will be reviewing them to pare down the applications that come in and only passing along applications to commissioners for consideration of those applicants who meet the job minimum qualifications. So that we'll do the first round of kind of paring through that. So if we get 100 applications in and maybe 25 people meet the minimum qualifications, you won't have to sift through all 100 applications.

Speaker 1:

What if we want to sift through them, is that something that we can be part of?

Lisa:

You can, if you would like.

Speaker 1:

I would like to, yes.

Lisa:

Okay.

Chair:

Okay. Do you have a follow-up, vice-chair Patterson?

Commissioner Patterson:

No, I'd like to hear from my colleagues.

Chair:

Okay. Commissioner Reeves.

Commissioner Reeves:

I won't go so far as to echo Commissioner Levy, but was curious if, as part of the process, you all will provide the commissioners with an Excel spreadsheet with a list of everybody's name who applies. So, let's say you get 100, I want to see all 100 names, but then maybe you highlight in yellow the top 10 or the 20 or whatever that meet the qualifications that you all are providing. Is that possible?

Lisa:

So, Phyllis has put together a matrix and what that matrix includes is, so far, all nine applications on there and then kind of checkbox of do they meet the minimum qualifications outlined? So what we can do is group those that meet the minimum qualifications towards the top of the list, and then the others we can put later on. So, if you choose to go further, then those folks that meet the minimum qualifications, you can have that opportunity.

Commissioner Reeves:

Thank you.

Lisa:

You're welcome.

Chair:

Any further questions? Go ahead, Kristine.

Commissioner Reeves:

Sorry, I just have a follow on. And the reason that I say that is because I think particularly when we look at state hiring practices, and this is not a statement about you or Phyllis, I just think wanting to be hyper-conscious that, and it sounds like you guys are, that diversity, equity, and inclusion in our hiring practices is really important to me, and making sure that... I know that the state... Having been a state employee for 12 years, that we have a very kind of strict and structured set of sideboards to how we recruit candidates, select candidates, et cetera. And sometimes that process unintentionally leaves out candidates who might have the non-traditional qualifications that we might be looking for. And so I just want to make sure that we have a mechanism or a way to have a conversation about that as we move forward.

Lisa:

Understandable. And just for your information commissioners, we have posted and advertise the job at the many state commissions that we have. So the Hispanic Affairs commission, African-American commission, LGBTQ, Blacks United in Leadership and Diversity, veterans groups. So we are very aware of trying to make sure that our candidate pool contains a lot of diversity and that we are not inadvertently kind of leaving folks out that is causing some disparity impact on protected groups.

Commissioner Reeves:

Thank you.

Lisa:

You're welcome.

Chair:

Any further questions, comments? All right. Thank you, Lisa.

Lisa:

Thank you.

Chair:

All right. We will now move on to commissioned meetings, post pandemic. So are we doing a PowerPoint on this? We have a little PowerPoint here. I don't know if we're getting to this as quick as everyone wants, but I would think that we're not that far away from being able to hold in-person meetings. So I think our staff wants us to have this discussion so that we can provide guidance. Standby.

Speaker 2:

Right? I can't [inaudible 01:13:10] do this. I can't find it.

Julie:

So I'll go ahead and start while we're waiting for the presentation to come on the screen. Well, there we go. Perfect. So obviously we've heard the, Hey everything's back to normal on July 1st. And things aren't quite back to normal for state employees, we still have a number of guidelines that we have to follow, and as we get ready to get to that place, next slide, please. It's going to take some time for us to pivot. And right now the state of emergency is still in effect, which allows us to, there you go, which allows us to go ahead and continue to have these meetings on the teams format.

So we've come up with three potential meeting format options for you. Of course, we're open to any other options that you come up with or that you have in mind, or like us to explore. One option is the in-person option at various locations throughout the state, basically our pre pandemic format. The virtual meeting option, which is our pandemic format. Or we can do some sort of hybrid where we're in person around the state. And then it's streamed via Teams. To dive into this just a little bit more, for those of you who have not participated in public meetings prior to this time, we had in-person meetings at various locations around the state, usually.

So we don't have... Gambling Commission does not have any conference rooms that are big enough to hold a public meeting, so what we used to do, pre-pandemic time, we would rent various conference rooms at hotels throughout the state. Usually during the legislative session time, we would have meetings in the Olympia Tumwater area and then travel periodically to visit various cities across the state. There was no virtual option for participation periodically. If commissioners needed to attend and the travel wasn't conducive to the timelines, then they would call in via conference call and sometimes a bit challenging to hear, et cetera.

So a few things to keep in mind, Julie has reached out and not all hotels are accepting bookings at this time. So if this is a format you wish to go back to, once we get to that point, we just need to know, and there needs to potentially be some patience while we try to find hotels that do have the conference space available and is available for booking. Also costs, we're using 2019, approximately 12,500 just for the meeting cost, that doesn't include the travel, staff expense, et cetera, which I think it was about 65,000 for those 70 meetings or seven meetings, excuse me.

We have the pandemic format, which is everything's via Teams. Now, obviously once the state of emergency is lifted, we do, in the open public meetings act, it goes back into play. Then we would have to provide a meeting location for the public to attend. And what we could do, if we just stick with the Teams format, then what we would do is open our small conference room on the first floor to the public and make the appropriate equipment available for them to participate. And we can have the commissioners then attend via Teams, either as you're doing now, or we could have them all in our, either our Olympia office, which is where a chair is at currently, or our Federal Way office.

So there's some options. We could all be in one office. I think we could stream from potentially, Federal Way. It's quite large. So the commissioners would all be together, and then we can have the public attend via Teams at their location of their choice, with the public having an opportunity to come to the Lacey office and participate that way if they have no other means to participate. The last... We've already... Sorry about that slide. So the third option would be somewhat of a hybrid where we go back to in-person meetings, traveling throughout the state and streaming live via Teams.

With this option. Next slide please. Well, we have had very high participation and attendance rate higher than what we've had for in-person meetings. The costs obviously are something to consider. We would incur the same cost for meeting rooms and travel that we did pre pandemic. We would have to have additional staff to set up and run the equipment that would be required for us to purchase,

which is about \$30,000, which would include cameras and additional recording equipment, microphones, et cetera, so that we could all be in the location.

In a hotel conference room, we'd have to buy a hotspot so that we could have enough bandwidth to go ahead and run the Teams meeting from those locations. And so there would be a little bit more costs involved with that. We also need a little bit of leeway with that because there is a technology chip shortage, and we were told it will take about 10 weeks of time before we can get the needed equipment. So these are the options that we've come up with and just would like to get some ideas in terms of how you would like to potentially move forward so that we can begin planning. And because it will take some time to pivot.

Chair:

Okay. Can you get me back to... All right. So, thoughts?

Alicia Levy:

Yes, Commissioner [inaudible 01:19:57]. I would really like to go back to in-person meetings, again sometime as soon as we can, I just think it's a lot more effective that way. I don't know how I feel about having to spend a bunch of money to try and get the Google Teams and the different equipment and stuff like that together. But I also don't want to exclude people from the meetings who want to be there, but still don't want to travel. So I'm a little bit torn on the options. If anybody else has anything that could help.

Chair:

Okay. Thank you for that. Senator Conway? If you're talking, you're not on camera and not unmuted yet. There you are.

Ryan Ramirez:

I just urge you to include the ex officios in this conversation. I think that we would like to see greater participation by the ex officios. I do believe that this is going to be a challenge for all the commissions. So I would urge you to see what other commissions are going to be doing. I think we all know that the virtual world has allowed for a greater participation and that we can't probably lose that virtual participation option. Now, the question is in person meetings, by ex officios and by commissioners, I hope you'll consider that as a question mark, because if we can get more participation from our ex officios because we're virtual, I hope we consider that. And I think the commissioners need to decide themselves whether they need to be in person at all these meetings. I think that that's a open question and I just would urge us to include the ex officios in this conversation, because I think that it may be that the virtual will lead to greater participation. I don't know. And, so that's my comment.

Chair:

Thank you. Representative Clover, and then Vice-chair Patterson.

Kloba:

Well, thank you, Mr. Chair, for the opportunity to lend some commentary to this. I do feel that the increased opportunity for public participation has been one of the silver linings of this whole horrible pandemic. And we saw it both on the legislative side, and I think perhaps we could do some analysis to figure out if that's actually the case with our virtual participation with these meetings. But I also feel like

in agreement with Commissioner Levy, that there is something to be gained by meeting in person and when it's possible to overcome the time constraints and the distance constraints and the expense constraints of people traveling to an in-person meeting, I think that there's value there when you can do it. So I really would encourage us to do some form of blending of the in-person and the opportunity to join.

It was helpful to look at the figures, the \$12,500 is what we previously have spent on just the rooms to meet in. And I think that there may be a way to proceed forward carefully, and maybe have half of our meetings in one of the headquarters, one of the buildings that the gambling commission has access to, just the state owned buildings, and then maybe half of them are out in other places around the state. And that could help to diminish, a little bit, the cost of the meetings and the travel to the meetings, which might give us a little bit of the room in the budget to do some of the equipment acquisition and the additional staffing to help to run, make the Teams software work on the backside. It all looks very smooth and everything, and it's all the magic technicians behind the scenes are invisible to us. So I think a blending of some sort would be, if I were to get a vote on it, would be my preference.

Chair:

Thank you for that. Vice-chair Patterson?

Commissioner Patterson:

Yeah. I just completely agree with Representative Kloba. I landed in the exact same place I know from experience how important that personal contact is, the establishment of relationships with your colleagues. I served on this commission with Lauren King for what was it close to a year? I never met her. There's something very different about that kind of a collegial relationship versus actually being able to see somebody in person. And it's valuable. So I'm in agreement with Representative Kloba. I think the hybrid, if it's possible to do that, and maybe think of ways to save money, like she said. And also I was wondering, for Steve Conway, Steve is your main concern that you wouldn't be able to attend during session, or would you be able to travel during the rest of the year?

Ryan Ramirez:

No, I don't have... I agree with some core of sort of blended, and I think that's where the legislature's going to lie onto actually. But my most important issue here is ensuring that we have this option for the public to participate virtually. I mean, as far as the commissioner meetings themselves and the ex officios, I agree that some kind of hybrid might be the best way. I'm not against that. I agree with Representative Kloba on that. But my concern is that we have, already, the virtual in front of us. We've been doing this virtually right now. The commissioners are all over the...they're all participating virtually.

And we're going to...we have the equipment to do that, right? It's not an expense for us because we've already had the expense. So what I think we need to do is to figure out how we use this equipment that we currently have put together and how we bring back a little bit of the in-person relationships. So that's kind of where I'm at, so it's... I think we got to remember though, that we have already invested in this virtual technology. It's with us now. So how do we move now back to a more in-person interaction opportunity as well is the challenge. So...

Chair:

Thank you, Senator. Almost said representative. Commissioner Reeves.

Commissioner Reeves:

Well, first I want to clarify. Senator Conway, I don't think we actually have the equipment we need. We have equipment in a stationary office, but if we're going to do a hybrid model, I think we'll need equipment. A mobile equipment set is my understanding, that will also include some other key broad bands, amplification tools, et cetera. So I just want to, Tina feel free to yell at me if that's not accurate, but that's my understanding is that's what that \$30,000 number was for.

So Mr. Chairman, and in no way, shape, or form am I interested in dragging out this meeting, but one, I want to really shout out the 50 plus people who have hung on this long today. At one point I saw 86 names on the list of people participating. If you would be so kind, Mr. Chair, and indulge me, I'd love to just allocate five to 10 minutes of our time right now to ask the folks on this call, how they think we can best serve them, right? Of the three options that have been presented, what they might most be interested in, in terms of either a hybrid model.

Chair:

[crosstalk 01:29:27].

Commissioner Reeves:

Did you guys hear me?

Speaker 2:

Uh-huh (affirmative).

Chair:

We can now.

Commissioner Reeves:

I promise I'm not running for Congress. So if that's helpful.

Speaker 2:

I don't know [inaudible 01:29:48].

Chair:

All right. I'm sorry.

Commissioner Reeves:

But that was my question, sir, is I just love to hear from two or three people who are on this call, who are not commissioners who have been attending these meetings, particularly during COVID on whether or not they have a strong opinion one way or the other. And if now is not the appropriate time to do that, I'd love

PART 3 OF 4 ENDS [01:30:04]

Commissioner Reeves:

Sure. If now is not the appropriate time to do that, I'd love for staff to help us figure out how to ask people who have been attending this meeting over the last year, whether or not they'd like to continue attending this meeting. If a virtual option, if that \$30,000 one time investment to maintain virtual options would be advantageous for them.

Chair:

Okay. Then I will certainly provide an opportunity for public comment when we finish our conversation. My thoughts on this are that I think we were probably the fastest from normal to virtual. It seems like we had whenever it was, that March meeting, and then we were moved right over and we did virtual and we haven't missed a step since then. This is probably 15, 16, 17th meeting that we've had and maybe even more than that, we may be up to 20 virtual meetings considering the special public commission meetings.

One thing that I think that can't be overstated is the importance I think of getting back in person being able to have that interpersonal dynamics. Again, I had missed the opportunity to work and be in person at meetings with commissioner King and certainly it is definitely troubling.

The one thing that I find kind of interesting is, and I don't know whether it's accurate or not or just the way it feels, is that while we have way more people participating or viewing our meetings, it seems like when we were in person and out in the public, it feels to me like we had as much or more interaction or more people offering public comments and folks being able to actually are stepping up to a microphone and making their case. The other piece that I'm very interested in is making sure that we as a commission go where the people are. If we can go into communities around the state, into Vancouver, into Spokane, into Tri-Cities, up to Everett, I am interested in being able to bring the commission to the licensees and to the folks that are interested in problem gambling, to the people that are interested in participating in person.

The hybrid, I know sure feels like there's a lot of support for the hybrid. I think it's going to be harder on the staff. I think that there is going to be additional cost and it's probably worth it. I think in my mind, it's almost a two-part question, do we want to launch staff in pursuing the equipment and the spaces to be able to do hybrid meetings right now? Or do we want to just be prepared to go into an in-person meeting as soon as that's possible and have staff work on getting equipment later? I'm open to either certainly, but I'm a proponent of getting back in person as soon as we can. I love the opportunity to go around the state or be here in the Olympia area either way. I think we just have to recognize that the hybrid model seems to be very popular.

I guess the only question I'd ask staff is I have participated in some zoom meetings that I wasn't a participant, it was just, and I can't remember the terminology that zoom uses, but it seems the vast majority of folks that view our meetings never need to unmute and go to a microphone or go on camera. Is there some version of a virtual meeting that folks can dial in and become a participant if they have to, but generally people can just view the meeting?

Tina:

Ex Commissioner Stern had a comment.

Chair:

Okay. Any more discussion before we go to public comment on this topic? Oh, go ahead, Commissioner Patterson.

Commissioner Patterson:

Yeah. I personally would like to encourage staff as one commissioner to begin the process of investigating how to put into place the hybrid model, but that's just me. I don't know if there's a majority of us that feel that way. It'll take a while is why I'm saying that.

What do you think Alicia?

Alicia Levy:

I would say you use the term in investigating and maybe I misheard, but it sounded more like he said start purchasing. I'm more with investigating and getting the actual cost and seeing what it would take a little bit more of hard numbers. I get nervous if we talk about purchasing or starting moving forward, because after this year, I don't really trust anything, who knows when we're going to open what it's going to look like, what we're going to be allowed to do. I would want to take it a little bit easy going in that direction, but yeah.

Chair:

I see Senator Connaway has his hand up and he's muted.

Ryan Ramirez:

I just want to reinforce what Christine suggested too, is that staff includes some of our public participants in this conversation to get their input on it. I've heard too many people say recently that when we have legislative meetings the opportunity to testify in a legislative hearing virtually was so valuable. It seems for the people, they don't have to take the hour and a half to drive down or two hours, if we're in Vancouver or if we're going over to Spokane, four hours. The virtual participation is so valuable for folks and I don't think we can not look at. I think for decision makers, it's important to have the relationships, the personal relationships and I agree with that.

I hope that we include Christine's ideas staff of talking to some of these names that keep popping up on our screens and asking them what they would prefer as well. I also think that this decision is not going to be unique to the gambling commission, I think every commission in the state is going to be faced with this same question as to how do they move back to the old world and maintain the virtual participation as well? I hope that staff is and connecting with some of the other commissions around us to figure out how they're going to do it too. Thank you.

Chair:

Thank you, Senator. Did I see that there was a chat that was pertaining to this conversation?

Tina:

I got something on the chat from Chris Sterns. You had something right?

Chair:

What's the chat? Let's see. Okay. Yeah. Let's go ahead and open it for public comment. I see Chris Sterns. Chris, former commissioner, welcome. If you'd like to make public comment, identify yourself for the record, please.

Chris Sterns:

My name is Chris Sterns. Yes. It's good to see everyone there. Yeah, my public comment was just simply that you're going to have a much broader and a more diverse public and attendance and that serves the people of Washington better. I also probably should note that as the commission deals with integrating new technology into the gambling ecosystem, it makes total sense to integrate new technology, it's how you conduct your own business. Best of luck to you guys and great work.

Chair:

Okay, great. Thank you. Anyone else that has a public comment on going forward as far as post pandemic?

Tina:

I have some hard numbers for you if you want.

Chair:

Oh, okay. Sounds like we got some more hard numbers.

Tina:

Commissioner Levy you asked about exploring some hard numbers. I've done all the research on what it's going to take for us to get the equipment that I had two years ago up to par and that number is \$21,667.59, give or take. To update that equipment, we'll also need to purchase a hotspot to give us enough bandwidth, to have everybody able to join the meeting successfully. That hotspot would cost us \$983.51, roughly with a \$39.99 monthly service cost, like a phone, you have enough data subscription. Thank you.

When Tina was talking about the chip shortage, in order to get my equipment up to par, it's going to take at least 10 weeks to get the chips, to fix the equipment that I already have. We don't want to build something from scratch. We want to use the stuff that we already have, to utilize the equipment that we've already been using and we have the mic's that we just need to add some stuff to it. That's the cameras and the mixers, and to get a good quality meeting. Those are your numbers.

Alicia Levy:

Ah, thank you. That all make sense then to me and yeah I would be ready to move forward, probably so we could do a hybrid model, as soon as we're able.

Tina:

Would you be interested in possibly doing the virtual set up for legislative session and then exploring traveling at the second part of the year, next year? I'm putting the meetings together next month or the month after.

Chair:

Okay.

Tina:

Just a thought.

Chair:

It seems like we should plan, leg session should either be all virtual or Olympia center, right? In case-

Tina:

We don't have an Olympia location.

Chair:

Yet.

Tina:

Yet.

Julie:

Not the commissioners could all go to federal way.

Tina:

Sure.

Julie:

And we would open the conference room downstairs for the public and anybody can participate via teams or commissioners can be throughout the state. There are options for at least the commissioners to be in the same room, but virtually, or make that available through teams for the public during lunch sessions. Basically nobody would recognize a difference.

Alicia Levy:

Yeah. I mean, I think it would be great to be able to come in person.

Tina:

You can still come here.

Chair:

Okay. Do you have enough information? Okay.

Julie:

It sounds like that would be the first part the year, travel with the hybrid, the rest of 2022. What about the rest of 2021? Kind of do the virtual model where you guys get together?

Tina:

If it's 10 weeks away from the equipment being ready at camp travel until October.

Julie:

Right. Or do you want us to look for rooms and just do a travel option and no virtual option? Sorry.

This transcript was exported on Jul 23, 2021 - view latest version [here](#).

Chair:

No.

Julie:

Thank you for planning 2022 though. That's very helpful.

Chair:

Right. I guess a question I have is this room sufficient for the commissioners to convene if we wished?

Tina:

If we don't have to social distance.

Chair:

Yeah. If the state rules change, we're able to not use social distancing.

Julie:

We can probably get you all social distance and the federal way.

Chair:

Okay.

Julie:

We can verify that.

Tina:

Either one.

Chair:

But we don't have a public option for the federal way?

Julie:

It doesn't matter that they can be in different places.

Chair:

Right.

Julie:

Because you would be virtual.

Tina:

We'll just have somebody in the downstairs.

Commissioner Reeves:

Okay. Can I ask a question about that Director?

Chair:

Yes.

Commissioner Reeves:

Has not the public schedule for 2021 been disclosed that all of our meetings through 2021 are virtual?

Tina:

Mm-hmm (affirmative).

Commissioner Reeves:

Really is the question you're asking about, not about how the public will access for meetings, but how commissioners will access the meetings, is that correct?

Tina:

Well, we scheduled our meetings virtual based on the governor's directive. If he lifts that, do we have to change them?

Chair:

You have to change the public access.

Julie:

We have to give the public access.

Tina:

The date would stay the same.

Julie:

The date would stay the same, but how we conduct the business or meeting might change.

Tina:

Right. I would have to ask Suzanne if we could change location for the remainder of 2021.

Julie:

We have the AG on the phone.

Commissioner Reeves:

For the question to get answered is, are we legally allowed given that we've published notice to the public that this is how our meetings are going to be taking place? What does that look like before we get too far down the are we going to be here or are we going to be there question.

Chair:

I don't know if Suzanne's available to pop back on, my guess is that we could notice a change from virtual to in-person. To the extent that if the governor lifts the order, we have to do a public available location.

Suzanne:

This is Suzanne. Yes, generally there can be unnoticed change, I'd have to look at the exact how long it would need to be, but before regular meeting, I want to say it would be noticed 20 days in the register of any changes to the meeting, but we can double check that and provide that to staff.

Chair:

Okay. If tomorrow, the governor lifts emergency order, does that mean that the 28th meeting has to have a public location?

Suzanne:

Yes, because at that point we will no longer be under state of emergency, which means that you will need to have an in-person option for the public. Now, all commissioners could still be virtual. The regular OPMA still provides for that combined model, but you will need an in-person.

Tina:

Which we're prepared to do any point in time. We just open the room downstairs.

Chair:

Okay. Vice-chair Patterson. I see your hand.

Commissioner Patterson:

I apologize. I lost track of the conversation a little bit. I had the impression we were going to make our way toward the hybrid option and now you're discussing what to do in the interim before that happens. Is that correct?

Chair:

Yeah. We're trying to figure out the remainder of this calendar year.

Commissioner Patterson:

Yeah. In my opinion, whatever we choose to do, we should still make it possible for the public to attend virtually. I don't want to cut the public off from their virtual attendance while we're trying to get the hybrid model up and running.

Julie:

20 days notice.

Commissioner Patterson:

What was that Julie?

Julie:

Ashley just put up a notice that said, we need 20 days notice for the code reviser to change a meeting.

Commissioner Patterson:

I don't completely understand what we're discussing here. I would prefer just to continue on the way we're doing things until we get to the hybrid model. If it means that if we don't do this, we lose the opportunity for the public to weigh in virtually. Let's make the hybrid model our goal, but in the meantime, let people join us this way. That's my thinking. Is there anything problematic associated with that?

Chair:

No, I don't think so. I guess the only thing to contemplate in the near term is whether commissioners and ex officio's would meet in person all in one room to be able to hold a meeting and then it would still be an on teams meeting.

Commissioner Patterson:

Sure. As long as the public can participate virtually while we're waiting for the hybrid model to be up and running, I'm happy, whatever that looks like. Thank you. That's all I need to say.

Chair:

All right. It feels to me like allow the director to manage, if the emergency orders lifted, allow the director to manage how to provide the public a place. We as a commission for the next few months at least be able to meet in either the federal way or Lacey office altogether or participate from home either one. Does that work for everyone?

Okay. All right. Right. I think that takes care of the main thing. The other issue that's become apparent is that the September 9th, I think it was whatever that September regularly scheduled commission meeting date doesn't work for anyone. The staff, is it the ninth? Okay. Yeah.

We know now two months in advance that we can't have a quorum on that day. The staff is, I think, awfully nervous that there's a lot of work that's stacking up so we shouldn't short a meeting. We will have our work on the 28th that's defined, we can only do the work that's defined for that meeting. We'll have an August 12th meeting, which is scheduled already and then I guess what I would maybe propose is August 27th, two weeks time. We could potentially meet on August 27th. I don't know if others are... I see one thumbs up as somebody's available. Okay.

Alicia Levy:

Works for me.

Chair:

Okay. Commissioner Patterson.

Commissioner Patterson:

I gave staff the dates that worked for me that week, I believe didn't I, Tina?

Tina:

Yes, you did. You gave me a week in September, but unfortunately we still don't have a quorum that week.

Commissioner Patterson:

I gave you the previous week didn't I?

Tina:

In September, yes. But we don't have three commissioners that are also available that next week.

Commissioner Patterson:

Okay. I'll have to get back to you, but it looks like you have a quorum.

Chair:

On the 27th?

Commissioner Patterson:

I don't know if I'm...

Tina:

It's a Friday.

Commissioner Patterson:

You said the 24th didn't you?

Chair:

I said 27th.

Alicia Levy:

Of August.

Chair:

Yes of August as a replacement for September 9th.

Commissioner Patterson:

I'll get back to you all. I don't know right now, but it looks like you have three commissioners that can do that, right? I'll get back to when I get home today, I'll send a text.

Chair:

Okay. To staff. That'd be great. Okay. Yeah. I'm not crazy about it, but feels in order to kind of honor the work that staff's doing, that we should probably do that.

Commissioner Patterson:

There'd be no meeting in September if that date flies, right?

Chair:

Right. We would shift the September 9th meeting to August 27th. And based on the chat from Ashley, we would need to do that at least 20 days in advance. Actually, I guess I'll just check since we do have a quorum identified that kind of 10, let's just do it. If Commissioner Patterson could make it. That's great.

Commissioner Patterson:

Well, let me ask you all, is August 26th a possibility for you?

Chair:

I am flying in from Helena that day. I don't think it works for me.

Commissioner Patterson:

Okay. Well you guys we'll make it work without me and I'll get back to you as to whether or not I'll be there.

Chair:

Okay. Based on this conversation, just an update, I guess, on the meetings. Our next meeting will be July 28th, 1:00 to 3:00, keep an eye on the website for agenda, or however you normally get that. We have a regularly scheduled meeting the 12th, probably a one day on the 12th, all day on the 12th, long meeting. Then August 27th rescheduling the September 9th meeting so that we can pick up as much as we can.

Tina:

You do have some staff that are out that day, it's going to be a shorter meeting.

Chair:

Okay, but we'll be able to pick up a couple of things. Okay.

If the 27th doesn't work for staff, then we'll regroup and figure it out. All right. Okay. All right. As is our normal practice, we will now open the meeting up for general public comments. Is there that would like to make a public comment for the commission? Okay. I'm not seeing anyone rise or come to the microphone, any good welfare from commissioners or ex-officio's? Okay, not seeing anyone. Executive session or no executive session, we're able to push that?

Tina:

We're going to push that to July 28th.

Chair:

Okay. The topics we were unable to finish this morning for our executive session, we will push to the July 28th meeting. A day that we're all already obligated. Commissioner Reeves?

Commissioner Reeves:

Sorry, Mr. Chairman sounds great. One question, do we need to expand the amount of time that we should hold on our calendar? Because right now it's 1:00 to 3:00, but my understanding was that 1:00 to 3:00 was to cover the actual action items that we needed to accomplish. Do we need to either expand

This transcript was exported on Jul 23, 2021 - view latest version [here](#).

our time on the front end to hold executive session or on the back end? Just to make sure that we're holding space on our calendar to get everything done that we need to get done.

Chair:

Okay. Yeah. Hold on just a second.

All right. I suppose we maybe should anticipate maybe an extra hour on the backside of it. Maybe it may end up going until 4:00, but I think the meeting's already noticed for 1:00 to 3:00. If we finish our work sooner than 3:00 there, then we can go directly into executive session as soon as we're done with the regular meeting.

All right?

Tina:

I just sent the updated meeting maker.

Chair:

Okay. Anything else before us? Okay. Seeing no one raised their hand. Thank you all. We'll go ahead and adjourn and thank you for your good work. We will see everyone in a few weeks. Bye. Have a good day.

Commissioner Reeves:

Bye friends. Have a good day. Stay safe.

PART 4 OF 4 ENDS [01:59:53]