



Meeting Minutes

Date/Time: November 22, 2016 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts

Present: Chairman Stephen P. Crosby
Commissioner Gayle Cameron
Commissioner Lloyd Macdonald (present by telephone)
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

[10:01 a.m.](#) Chairman Crosby called to order the 204th Commission meeting. The Chairman explained that Commissioner Macdonald will be joining us remotely by phone today. We have a physical quorum. The Chairman asked Commissioner Macdonald if he could hear and Commissioner Macdonald indicated that he could. The Chairman stated that he could hear Commissioner Macdonald.

Approval of Minutes

See transcript pages 3-5

[10:02 a.m.](#) *Commissioner Macdonald moved for the approval of the November 10, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Stebbins. By roll call vote: Commissioner Macdonald-aye; Commissioner Stebbins-aye; Commissioner Zuniga-aye; Chairman Crosby-aye. Commissioner Cameron abstained since she did not attend the meeting. Motion passed 4 to 0.*

Administrative Update

See transcript pages 5-6

10:03 a.m. Executive Director Edward Bedrosian, Jr. stated that we are near the end of the year. The staff get-together is being scheduled. The next Commission meeting is on December 1 in Springfield. Executive Director Bedrosian stated that the racing season at Plainridge Park Casino ends on December 2nd. Chairman Crosby remarked that there has been wonderful press coverage on racing.

Ombudsman Report

See transcript pages 6-53

10:04 a.m. Plainridge Park Casino (PPC) Quarterly Report (see presentation in Commission packet). The PPC quarterly report was presented by Lance George, Eli Huard and Lisa McKenney from PPC. PPC reported on its quarterly employment and indicated that its diversity hiring was good. PPC continues to work aggressively on its local hiring goals. They stated that they start locally to look for employees and then move outward. A 90% local hiring goal in a town with 2.6% unemployment makes this a challenge. PPC stated that 70% of its employees reside in MA.

Chairman Crosby commented that the goal of 90% local hiring exists and continues over time and PPC is continuing to work on it.

PPC described its gaming revenues and taxes for the quarter. PPC's win per unit is \$346 and is the highest in the country. Chairman Crosby commented that it is going well at PPC. Mr. George stated that on Friday and Saturday nights PPC is 90% full.

PPC described its quarterly procurement activities. Mr. George stated that PPC put \$1 million into the MA economy through its procurement.

PPC provided a breakdown on local spending in Plainville, N. Attleboro, Mansfield, Foxboro and Wrentham.

PPC provided a breakdown of its vendor diversity by WBE/MBE and VBE.

PPC presented on its compliance with the regulations regarding underage gaming and drinking. Mr. George stated that PPC checks between 8500-10000 ids every month. The report provided only shows those between the ages of 18-21 who presented an id. It doesn't include those under 18 or those who presented an invalid id or no id. The Commission requested that at the next quarterly report PPC include the total number of those who present and the total number of people who are turned away.

PPC presented on lottery sales at PPC. Lottery sales were up 25%.

PPC presented a list of local community activities in which it participated such as the Relay for Life and the Plainville Athletic League. PPC further presented a list of its marketing initiatives, such as the Xfinity Concert Series, Bass Pro Shop and car giveaway programs. In the 4th quarter, PPC had a Veteran's day giveaway and

will be rolling out a Dunkin Donuts on December 9th. PPC also rolled out a racing rewards program and will have a free slot play for toys donated to Toys for Tots.

10:19 a.m.

Springfield Community Mitigation Fund Application. Ombudsman John Ziemba presented on the funding for the valet parking program and the implementation of the valet parking program. Ombudsman Ziemba recommended that the Commission increase the annual funding amount to \$200,000 and allow some administrative expenses incurred by the Springfield Parking Authority to be paid out of the grant.

Commissioner Cameron asked if the payment of administrative costs is appropriate since the City of Springfield did not come up with a parking program. Ombudsman Ziemba believes that it is appropriate.

Chairman Crosby asked what are the implications for other future grants. Ombudsman Ziemba said that we will consider this as part of the 2017 grant program.

Commissioner Zuniga stated that he is okay with administrative costs here but skeptical about administrative costs in general. The question for him is whether these costs are incremental costs and are they related to the casino. Ombudsman Ziemba responded that this is a good differentiation. In this grant, Springfield Parking Authority took on a whole new program.

Chairman Crosby would like to discuss this more when Ombudsman Ziemba gets more feedback. Chairman Crosby further asked what is the problem being fixed and what is the period? Ombudsman Ziemba responded that the problem is parking issues between now and the time that the MGM garage opens which is generally during the construction period up to December 2017.

Joe Delaney stated that the garage should be done by the end of December 2017 and that the anticipated date is January 2018. The issue was loss of parking lots due to construction and the parking program is designed to address this. The utility work is done and those spaces closed due to the utility work are open. 20 spaces are now open on Main Street; they were formerly closed for construction deliveries. Davenport leased a parking lot to Caring Health for Caring Health's employees and the valet parking program will use this lot and 15 other spaces in the neighborhood for the valet program. Springfield Parking Authority will adjust the number of spaces to meet demand.

Ombudsman Ziemba stated that the grant is only for 1 year. Chairman Crosby stated that we need to be specific about this and make a clear statement as to when it ends. An email laying this out to the Springfield Parking Authority is sufficient.

Commissioner Zuniga asked how do we prevent adverse selection – people who would park elsewhere but use the valet program instead. Ombudsman Ziemba responded that we don't know that but will monitor this during the first 90 day period. This program is for patients and patrons and not for employees of the area businesses. We will rely on the Springfield Parking Authority to monitor this.

Ombudsman Ziemba presented on the 3 remaining items from the Springfield community mitigation fund grant request in July. Those items were administrative costs, which the Commission addresses as part of the valet program; increased cost of employee parking incurred by Caring Health and consultant and staff costs. Ombudsman Ziemba stated that staff has no further recommendation on the last 2 items and recommends as it did in July that these costs not be covered under the grant.

Chairman Crosby stated that the commission is not going to compensate for increased costs that arise out of increased economic development due to the casino.

10:44 a.m. *Commissioner Cameron moved that the Commission provide staff with the authorization to exceed the \$50,000 previously authorized for the first 90 days of the valet pilot program, and that such funding can cover reasonable administrative expenses. Commissioner Cameron further moved that the Commission authorize an increase for the annual cost of the valet program to \$200,000 from the current \$150,000 authorization, and the staff will be required to report back to the Commission on the effectiveness of the program within 90 days. Commissioner Zuniga asked to clarify when the program would start and end. Ombudsman Ziemba responded that it will start the first week of December and end next December. Motion seconded by Commissioner Stebbins. By roll call vote: Commissioner Macdonald-aye; Commissioner Stebbins-aye; Commissioner Zuniga-aye; Commissioner Cameron-aye; and Chairman Crosby-aye. Motion passed unanimously.*

Commissioner Stebbins thanked Ombudsman Ziemba and Joe Delaney for their diligence in working on this project.

10:46 a.m. *Commissioner Stebbins moved that the Commission vote to deny the original requested amounts of \$47,983 that was presented to us in the original Community Mitigation Fund package and a \$66,050 request for increased parking costs. Motion seconded by Commissioner Zuniga. By roll call vote: Commissioner Macdonald-aye; Commissioner Stebbins-aye; Commissioner Zuniga-aye; Commissioner Cameron-aye; and Chairman Crosby-aye. Motion passed unanimously.*

Executive Director Bedrosian advised the Commission that item #6 (hearing process regulations discussion) should be taken off the agenda as staff is still working on that item.

Research and Responsible Gaming

See transcript pages 54-123

10:49 a.m. Host Community Real Estate Analysis. Director Mark Vander Linden introduced Dr. Henry Renski, from Landscape Architecture and Regional Planning at UMass Amherst, and Dr. Rachel Volberg, from the UMass Amherst School of Public Health and Health Sciences. Dr. Renski will be presenting base line reports on real estate in the host communities. There are 3 reports, one for each host community – Springfield, Plainville and Everett. The idea is to establish the base line conditions for each host community.

Dr. Renski presented the baseline property report and focused predominately on Everett as an example. He stated that going forward the research team will use the baseline report to focus on impacts from the casino.

Commissioner Zuniga asked about the value of permits and whether Dr. Renski could explain that. Dr. Renski stated that he uses building permits as a leading indicator of what is happening in a community. This shows the estimated value of construction.

Commissioner Macdonald asked how you would compare the 3 host communities. Dr. Renski said that the research team didn't do that. The host communities are very different real estate markets. Plainville is rural and suburban and mostly single family. Everett and Springfield are somewhat alike but Everett is impacted by the hot Boston real estate market. Springfield is an improving real estate market. Dr. Renski stated that the focus going forward is to develop metrics that separate casino impacts from other influences in the market. This is easier to do for Plainville and Springfield and harder for Everett due to its proximity to Boston.

Chairman Crosby asked how often we will see these reports. Dr. Volberg stated that she is starting this conversation with the research team and will have one with Director Vander Linden. Dr. Volberg also stated that the reports will be going live on the SEIGMA (Social and Economic Impacts of Gambling in Massachusetts) website in about half an hour.

11:42 a.m. The Commission took a brief recess.

11:48 a.m. The meeting resumed.

[11:48 a.m.](#) Revised Baseline Survey Weighting. Director Mark Vander Linden described the peer review process that resulted in a revised base line survey weighting of data. Chairman Crosby emphasized the importance of the peer review process and the willingness of the research team to consider a modified research methodology. He further stated that all of the data will be put online and will be available for use by others.

Dr. Rachel Volberg discussed the reweighting and its implication. The data was provided by NORC (at the University of Chicago) with weights assigned to it. The report currently posted on the SEIGMA website uses the original weighting. In December 2014, the research team met with the peer review group to discuss the results of the baseline survey. As part of the review process questions were raised regarding the inclusion of participants with lower educational levels in the survey. The peer review group suggested that the education weighting be added and also discussed using raking instead of post-stratification. The research team started the new weighting and raking in June 2015. It took about a year to complete. The revised weighting resulted in a closer match to the Massachusetts data. The revised report will replace the prior report on the SEIGMA website. The revised weighting resulted in some minor differences throughout the report but will not impact problem gaming strategies. The most prominent change is a change in the percentage of adults in the at-risk and problem gaming categories. The percentage of adults in the at-risk category changed under the revised weighting from 7.5% to 8.4% and the percentage of adults in the problem gaming category went from 1.7% to 2.0%.

Chairman Crosby explained that this is a 10,000 person sample with a high confidence level. These percentages are within the national norms. These numbers reflect that percentage of the number of adults in the population. The percentage of the number of adults who gamble would be higher. Commissioner Zuniga emphasized how much work the research team does and the qualifications and engagement by the RDASC (Research Design and Analysis Sub-Committee) and that the commission appreciates their hard work.

[12:16 p.m.](#) The Commission took a brief recess to allow Commissioner Macdonald to switch phones and call back into the meeting. The meeting resumed. Chairman Crosby did a check to make sure that Commissioner Macdonald could hear and that the Commission could hear him. Commissioner Macdonald stated that he could hear.

Commissioner's Updates

See transcript pages 124-174

[12:18 p.m.](#) Commissioner Zuniga presented the MGC 2016 annual report. He stated that there is a new section on policy considerations relating to legislative changes. Commissioner Zuniga thanked the directors for their assistance in creating the report and in particular Elaine Driscoll, Mike Sangalang and Mary Thurlow for their editing and quality control review of the report. The Commission will file the report with the legislature and required constitutional officers.

Chairman Crosby presented on the Executive Director Performance evaluation. Chairman Crosby explained that the Executive Director is hired by the Commission and that the Commission must do his performance evaluation. Each Commissioner individually gave their comments to the General Counsel who assembled the comments into one document. Executive Director Edward Bedrosian met one on one with each commissioner. Chairman Crosby stated it is safe to say that Executive Director Bedrosian has been here for 11 months and made a great transition. He was knowledgeable about the Commission from his time in the Attorney General's Office. The consolidated evaluation report will be posted on the Commission's website.

The Commissioners discussed the various comments. The consensus is that the Executive Director does an exceptional job. His approach to budgeting and spending is terrific; the freedom to assess the licensees must be used judiciously. The Commissioners were impressed with his ability to manage to the Commissioners and the staff. The role of the Executive Director is to interface with staff and to protect the Commissioner's role as policymakers. The Commissioners arrived at a consensus that Executive Director Bedrosian's overall performance rating would be "exceeds expectations" following the same rating process as applied to staff.

The Commissioners agreed that in terms of compensation, the Executive Director will be treated in the same manner as staff is treated. The Commission requested that the General Counsel work with Chairman Crosby to finalize this. Executive Director Bedrosian will not be involved in setting his compensation so that there is no appearance of a conflict.

Executive Director Bedrosian thanked the Commission and stated that he appreciates the dialogue with the Commission and the work of the staff. He stated that it was an honor to be chosen for the Executive Director position.

Chairman Crosby presented on the agenda planning meetings and described the history of the Commission's adherence to the open meeting law. Chairman Crosby suggested that the agenda planning meetings become a public meeting. The Commission will run through the list of upcoming agenda items. There will be no votes and no substantive deliberation. Minutes will be taken but the meetings will not be live streamed and there will be no transcript. Commissioner Zuniga stated that he believes that this change is within Chairman Crosby's statutory discretion. A concern was raised that this will create additional work for staff and that there will be reservations about the nature of the discussions. This process will start in 2-4 weeks and the agenda will be posted on the Commission's website. Executive Director Bedrosian stated that we will start this and see how it goes. The agenda setting meeting on November 23 will not be covered by this change.

Chairman Crosby raised the subject of the recent marijuana referendum and its impacts on casinos. Chairman Crosby stated that the Commission will ask for public comments from licensees and the general public. The referendum does not allow consumption in public places and the casinos are non-smoking by statute. Commissioner Zuniga stated that he reached out to the Treasurer to offer assistance as her office sets up the program. Staff will follow up to see how other jurisdictions handle this issue. Executive Director Bedrosian stated that he talked with Penn National. They are starting to review this internally and invited Executive Director Bedrosian to follow up with them.

Commissioner Stebbins discussed the community partnership network kick off meeting in Springfield that he attended with Director Griffin.

Commissioner Zuniga discussed the release of the auditor's report on its audit of the Commission. He stated that he was involved in the audit and in the response to the audit. The auditors spent a lot of time reviewing and there were at least 2 auditors here, sometimes 4, for 9 months. They reviewed operations, the open meeting law and finance, among other areas. It was a very thorough review. One of the recommendations is to verify the diversity numbers that the Commission receives from the licensees. The Commission will develop its own audit program. In the past, the Commission has focused on auditing licensee cash protection but we will add auditing diversity numbers to the Commission's list. Commissioner Zuniga thanked the auditor for their review.

Chairman Crosby discussed the proposed creation of a regional VSE (Voluntary Self-Exclusion) list and meeting regarding that proposal.

Other Business Not Reasonably Anticipated

See transcript pages 174-175

1:12 p.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. By roll call vote: Commissioner Cameron-aye; Commissioner Macdonald-aye; Commissioner*

Stebbins-aye; Commissioner Zuniga-aye; and Chairman Crosby-aye. Motion passed unanimously.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated November 22, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated November 10, 2016
3. Plainridge Park Casino Quarterly Report to the Massachusetts Gaming Commission – Q3 2016
4. Massachusetts Gaming Commission, Memorandum dated November 18, 2016 regarding Springfield Parking Pilot Program/Grant Requests
5. Massachusetts Gaming Commission, Memorandum dated July 21, 2016 regarding 2016 Community Mitigation Fund Application Review
6. Letter from Ombudsman John Ziemba to Springfield Department of Health and Human Services and Caring Health Center, dated June 23, 2016 regarding 2016 Community Mitigation Fund – Reserve and Specific Application
7. Letter from the Bureau of Municipal Finance Law to the Marlborough City Auditor, dated March 10, 2006 regarding Grants to Non-Profit Organizations
8. Office of the Massachusetts Comptroller, Procurement/Contracts MMARS Policy dated September 8, 2014 (revised)
9. Letter from City Solicitor Edward Pikula, City of Springfield, to Ombudsman John Ziemba, dated July 7, 2016 regarding Response to Questions Raised in June 23, 2016 Letter on the City of Springfield's Community Mitigation Fund Application, with attachments
10. Real Estate Impacts: Baseline Conditions, Dr. Henry Renski (UMass Amherst) and Thomas Peake (UMass Donohue Institute), SEIGMA, UMass School of Public Health and Health Sciences
11. Baseline Real Estate Conditions, Host Community Profile: Plainville, dated August 30, 2016, Dr. Henry Renski (UMass Amherst) and Thomas Peake (UMass Donohue Institute), SEIGMA, UMass School of Public Health and Health Sciences
12. Baseline Real Estate Conditions, Host Community Profile: Everett, dated August 30, 2016, Dr. Henry Renski (UMass Amherst) and Thomas Peake (UMass Donohue Institute), SEIGMA, UMass School of Public Health and Health Sciences
13. Baseline Real Estate Conditions, Host Community Profile: Springfield, dated August 30, 2016, Dr. Henry Renski (UMass Amherst) and Thomas Peake (UMass Donohue Institute), SEIGMA, UMass School of Public Health and Health Sciences
14. SEIGMA Memorandum from Rachel Volberg to Mark Vander Linden, dated October 31, 2016 regarding Revision of SEIGMA Weights and Update of BGPS (Baseline General Population Survey) Report
15. Massachusetts Gaming Commission 2016 Annual Report
16. Massachusetts Gaming Commission, FY 2016 Performance Summary, Executive Director Edward Bedrosian

/s/ Catherine Blue
Catherine Blue, Assistant Secretary