



Massachusetts Gaming Commission Meeting Minutes

Date/Time: May 25, 2017 – 11:00 a.m.

Place: Massachusetts Gaming Commission
MassMutual Center
1277 Main Street, Rooms 1 and 2
Springfield, MA

Present: Chairman Stephen P. Crosby
Commissioner Gayle Cameron
Commissioner Lloyd Macdonald
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

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

Call to Order

See transcript page 2

[11:00 a.m.](#) Chairman Crosby called to order the 217th Commission meeting.

Approval of Minutes

See transcript pages 2-3

[11:00 a.m.](#) *Commissioner Macdonald moved for the approval of the May 10, 2017, Commission meeting minutes subject to any corrections, typographical errors, or nonmaterial matters. Motion seconded by Commissioner Stebbins. Chairman Crosby abstained from the vote as he was only present, via telephone, for part of the meeting. Commissioner Cameron abstained from the vote as she was not present for the meeting. Motion passed 3 to 0.*

Ombudsman

See transcript page 3-72

[11:01 a.m.](#) Ombudsman John Ziemba introduced members of the MGM Springfield team that will present on their first quarter report and provide an update on the residential units that are part of the project commitments. He also noted correspondence received pertaining to a study on signage and traffic.

[11:02 a.m.](#) Seth Stratton, MGM Springfield Vice President and General Counsel, noted that progress on the site is generating excitement and energy.

Brian Packer, MGM Springfield Vice President – Construction/Development, provided a construction update for the first quarter which included slides showing construction progress on the overall site, podium, hotel, garage, and topping off ceremony. He also provided a design update which included a 50 percent design review with the City of Springfield, design work on the childcare center, garage addendums, and permits. He reported an opening date of September 2018. He stated that they hope to complete enclosure this fall before the weather becomes a factor. He also stated that the construction market is busy and he worries about the availability of qualified bidders and laborers. He stated that he is in constant dialogue with the unions and they can bring in labor from other regions if staffing becomes a problem.

Courtney Wenleder, MGM Springfield Vice President and CFO, presented on the budget and reported the following: they incurred \$35 million in capital costs which is 30 percent of the budget, they incurred \$8 million in noncapital expenditures, they added several new team members, and for their total project of \$395 million – they are at 40 percent of the total spend. She also reported that they have spent \$43.5 million this quarter.

[11:20 a.m.](#) Brian Packer provided a diversity update which included data for women, minority, and veteran business enterprises in the following categories: design and construction commitments, design and consulting commitments, and construction commitments. They exceed their commitment goals in all categories. The Commissioners noted that they were impressed with the numbers. Mr. Packer also reported on diverse construction companies and workforce diversity statistics. He noted their collaboration with the Community Partner's Network and their assistance with keeping the numbers strong.

Mr. Packer also provided a brief update on the current quarter site progress.

[11:34 a.m.](#) Seth Stratton provided an update on the residential program. He stated that the goal is to bring enhanced housing opportunities to downtown Springfield. He stated that the City of Springfield asked for the development of 195 State Street to be held so that they could look at another investment in 31 Elm/Court Square. He stated that the City of Springfield is formalizing discussions with another developer and it's out of their hands. He also stated that they will draft an amendment to the Host Community Agreement if a proposal for the development isn't complete prior to the deadline. He stated that this development would be transformative for the city, they are in discussions with the city about their commitments, and they appreciate the patience of the Commission. He stated that they understand that the development will be a mixed-use project with 60 residential units (20% affordable housing), which is more than the promised 54 units.

Chairman Crosby stated that this (residential program) is a critical element to the project, the Commission will be watchful to make sure it happens, and at some point a deadline has to be made.

[11:55 a.m.](#) Ombudsman John Ziemba presented on a request for an amendment to the City of Medford's 2016 Community Mitigation Fund. The Commission authorized the hiring of a municipal employee planner for FY17. The City was not able to move forward with the grant. Ombudsman Ziemba requested authority to allow Medford to use the funds instead for a contract employee through FY18.

[11:56 a.m.](#) *Commissioner Stebbins moved that the Commission approve the authorization of the designated Medford planning grant and extend it into fiscal year 2018, to allow the City of Medford to use the funds for a contract employee or a consultant for traffic. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[11:59 a.m.](#) Ombudsman Ziemba provided a legislative update on the Race Horse Development Fund which included two legislative proposals that may impact the fund – (1) a proposal to transfer funds to the Department of Agricultural Resources and the Department of Conservation and Recreation, and (2) a proposal to transfer funds to a human trafficking trust fund.

Dr. Alexander Lightbown, Director of Racing, stated these proposals would adversely affect racing in Massachusetts and the money that goes to standardbreds, thoroughbreds, purses, breeders, and horsemen benefits would be less. She noted that the breeders, which operate a three year breeding program, are counting on this money down the road. She noted that \$13 million is currently in the fund, but money will come in and out of this fund. She also noted that Suffolk Downs has put in their request for purse money which is \$2.4 million. She reported that the standardbreds have benefited from this fund and it has been a boon to their program. She stated that she has seen an increase in licenses, breeding and purses.

Commissioner Cameron stated that we have an obligation to protect the racing industry. She stated she would like to see the standardbreds continue with their success and the thoroughbreds have an opportunity to have a place to race and utilize the fund for what it was intended. She recommended designating the Chairman to work with staff to be able to respond to the legislation on behalf of the Commission. Chairman Crosby suggested writing a letter to the legislature. All of the Commissioners were in agreement with Chairman Crosby writing a letter to the legislature.

Workforce, Supplier and Diversity Development

See transcript pages 73-145

[12:16 p.m.](#) Jill Griffin, Director of Workforce, Supplier and Diversity Development, stated that the Commission received a presentation in March on the MGM Springfield Workforce Development Plan ("Plan"). The Plan was put out for public comment and two comments were received. She stated that the Plan is before the Commission today for a vote.

[12:18 p.m.](#) Marikate Murren, Director of Human Resources at MGM Springfield, noted the successful relationship with Holyoke Community College ("HCC") and Springfield Technical Community College ("STCC") in establishing a training school. Commissioner Zuniga inquired about the timeline in the Plan. Ms. Murren reported that the HCC Center for Hospitality and Culinary Arts will open in the summer of

2017, and the Massachusetts Casino Careers Training Institute (“MCCTI”) gaming school will open in January 2018. She stated that it is critical for folks that need a HiSET (GED) or ESOL to work with their education partners (HCC or STCC) to build that capacity. She noted that there will be a few job opportunities that will not require a HiSET. She noted that they are encouraged that most people enrolled in SkillsSmart have a HiSET or GED. She stated that they will be encouraging people to get into supportive programs and they will be advertising for the gaming school. Commissioner Zuniga inquired about plan specifics for the 35% employment target for the City of Springfield. Ms. Murren stated that they will be ready within the timeframe to report on specifics and they will be conducting targeted events for the residents. Commissioner Cameron inquired about the opening of the gaming school in January 2018 and if that was a late start. Ms. Murren stated that based upon their experience at National Harbor, it is not a late start. She also noted a partnership with an area college for a casino management program.

[12:35 p.m.](#) *Commissioner Stebbins moved that the Commission approve the MGM Springfield Operational Workforce Development Plan with the provision that within 90 days further details be presented back to the Commission with respect to a specific plan for targeting the 35 percent employment target for the City of Springfield. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

12:36 p.m. The Commission recessed for lunch.

1:08 p.m. The meeting resumed.

[1:08 p.m.](#) Director Jill Griffin stated that the Commission will get an update on the community colleges in Western MA. She introduced Dr. Christina Royal and Jeffrey Hayden from Holyoke Community College, and Dr. John Cook from Springfield Technical Community College.

[1:09 p.m.](#) Dr. Christina Royal, President of Holyoke Community College, stated that she started in January and she looks forward to transforming the economy of Western Massachusetts. She noted her partnership with Springfield Technical Community College and the TWO program – a training and workforce options initiative.

[1:12 p.m.](#) Dr. John Cook, President of Springfield Technical Community College, reported that 85% of their students live within 8 miles of the college, half are their students are graduates of Springfield Public Schools, and they are in a position to contribute to the local economic system. He stated that they are well-positioned, with an array of programs, to meet the needs of MGM. He stated that the scale of job applications will be 14-15,000 and they have about 12,000 students between the two institutions, and more from area colleges. Dr. Royal noted that they can also connect with the unemployed and underemployed for college and career change opportunities. Commissioner Cameron spoke about her experience in Atlantic City and she stated that she hopes to see the same casino/college partnership here in Massachusetts.

Jeff Hayden, from Holyoke Community College, stated that we need to be concerned about two issues for the development of training for casino jobs – recruitment and funding for recruitment. He stated that they need to get more people in the pipeline for education and training. He provided an overview of the

following areas that they are working on: SkillSmart program, hospitality and culinary center, new programs, and grant activity.

Mr. Hayden also provided an overview of the gaming school planning which included key dates, recruitment period, and required classes. He noted that there will be mass hiring events in the summer of 2018 for the casino opening in the fall.

Mr. Hayden reported that MGM will provide equipment and materials needed for the gaming school lab, which will be located in the MGM facility. He also reported on direct training, indirect costs, revenue sources, and student contributions. He reported that next steps will include: finalizing a recruitment strategy and schedule for trainings, identifying new financing sources for training, and working on partnerships with other institutions. He stated that they want to help people get a job, get a better job, and do their job better. Mr. Hayden also stated that they looked at other jurisdictions for educational models and they are open to what will work best for their customers.

[2:04 p.m.](#) Chairman Crosby stated that Executive Director Bedrosian suggested moving up the discussion on Gaming Service Employee Registration – agenda item 5b.

Administrative Update

See transcript pages 145-235

2:04 p.m. The Commission took a brief recess.

2:13 p.m. The meeting resumed.

[2:13 p.m.](#) Executive Director Edward Bedrosian Jr. recognized Guy Michael and Robert Carroll who have been with the Commission since the beginning. He stated that they have been instrumental as consultants to the Commission and to him during his first year as Executive Director. He thanked them for their professional service. Chairman Crosby stated that Michael and Carroll were extremely knowledgeable and helpful during the startup of the Commission. Mr. Carroll stated that it was a privilege to help and they will treasure the experience.

[2:16 p.m.](#) Executive Director Bedrosian stated that the Commission started this important topic on Gaming Service Employee Registration a few meetings ago. He stated that staff has met with MGM Springfield on their interpretation of the gaming statute. He stated that while everyone recognizes the underlying policy concerns, they did not come to an agreement. He noted that we received public comments on this issue and we are open to receive more.

[2:20 p.m.](#) Domenic Sarno, Mayor of Springfield, stated that he appreciates the relationship with the Commission. He stated that he is a law-and-order type Mayor. He stated that there are three things needed for poverty reform – family, education, and jobs. He stated that there are many success stories in the building trades on people who have turned their life around. He respects the integrity of the Commission and he appreciates that they have taken a lead on this matter. He stated that it is common sense and fairness to give someone an opportunity if they have earned it. He believes that there is some latitude. He stated that if you give someone an opportunity to bring themselves up, they will bring up their family, their community, and the surrounding area.

- [2:27 p.m.](#) Mike Mathis, President of MGM Springfield, stated that the impact of a criminal background on the licensing and registration process is an important issue. He stated that the amount of time spent on this issue is a testament to the quality of the Commission and staff. He stated that MGM cares about the community and wants to get this issue right. Mr. Mathis recognized public officials at the meeting and introduced the panel of speakers who will be presenting their concerns on this issue. He stated that MGM, the City of Springfield, and stakeholders are asking the Commission to – (1) change its existing practice of imposing the Gaming Act’s section 16b automatic criminal disqualification provisions to non-gaming employees and (2) recognize that it has broad authority to create a registration process. He stated that if the Commission continues with its current practice, MGM will likely give conditional offers of employment to applicants who will be rejected by the Commission. He stated that they have submitted a legal analysis for consideration.
- [2:36 p.m.](#) Hilary Muckleroy, Vice President & Legal Counsel at MGM Resorts International, stated that we all want to maintain the integrity of gaming and provide a safe and secure environment for both patrons and employees. She provided an overview of the state and federal employment law, including the EEOC guidelines for employer’s use of criminal history. She also provided an overview of MGM’s policies around criminal background checks and its hiring process. She stated that they will continue to follow federal and state rules, they will not issue blanket rules such as no felons, and they will conduct individualize assessments. She stated they will look at factors such as the nexus of the crime to the job sought, level of offense, number of incidents, age at time of offense, work history, and rehabilitative efforts. She noted that academic studies have shown that post-conviction employment is a key factor in reducing recidivism rates.
- [2:47 p.m.](#) Richard Devine, Director of Employment and Community Outreach with the Hampden County Sheriff’s Office, stated that for the last 28 years he has worked with returning citizens to help them get jobs. He stated that if someone has a living wage they are less likely to go back to jail. He stated that MGM has living wage jobs with an opportunity to advance. He stated that returning citizens are motivated and appreciate a second chance. He provided an overview of their culinary program, partnerships, and employment tools. He noted that their program is nationally recognized. He stated that people make mistakes and we shouldn’t hold it against them. He stated that MGM is offering hope and living wage jobs and that is what a lot of our folks need. He also stated that he will provide data that was requested by Commissioners pertaining to the number of folks that would be automatically disqualified.
- [2:59 p.m.](#) Chris Judd, Director of Roca, stated that the Roca organization has been in Springfield for seven years and they have served approximately 436 young men ages 17-24. She stated that the young men are in the program because they want to change their lives. She stated that most of the young men have violent crimes on their records and they will be further marginalized without a change to this law. She provided an overview of Roca’s services and stated that their model includes behavioral change, life skills, workforce readiness, and employment.
- [3:03 p.m.](#) Daniel Almadovar stated that he participated in the Roca program and is a member of the local carpenters union. He stated that he has learned many things. He stated

that when he was young he didn't have a plan and wasn't worried about consequences. He stated that he made a mistake and now he is trying to make better decisions. He now has a purpose. He stated that his past actions do not dictate the man that he is today or the man that he wants to be.

[3:07 p.m.](#) Jafet Robles, a lead organizer for Neighbor to Neighbor, stated that he is a son, father, friend and voice of the community. He thanked the Commission, MGM, and officials for their efforts. He stated that he was born in Puerto Rico and moved to the north end of Springfield, the poorest district in the state. He stated that he struggled with school and ADHD. Social problems plagued his neighborhood and he went down the wrong path. He stated that everyone has intentions to go out and do good things, but hopes are dashed when they can't get jobs. He stated that life is difficult after a conviction and finding work is the most important step to avoiding recidivism, but it is a difficult challenge. He stated that it is like going from a physical cell to a social cell. We made errors in judgment and it continues to follow us. He cited a study that found workers with a criminal record are more productive than workers without a record. He stated that an automatic ban on felons at the casino would hurt Springfield. There is a need for meaningful jobs. He asked the Commission to not force MGM to look at criminal histories before looking at qualifications— if people paid their debt to society, we should give them a second chance.

[3:21 p.m.](#) Mike Mathis stated that Daniel and Jafet represent thousands of individuals in the community and to the extent that this law creates ambiguity, this is a jump ball for the Commission to provide an opportunity for these folks.

[3:23 p.m.](#) Attorney Seth Stratton provided a summary of MGM's legal argument, which is included in the Commission's packet. He noted the different concepts in M.G.L. c. 23K between an applicant and a registrant. He stated that their argument is that section 16 applies to applicants for Key Gaming and Gaming employees and registrants are Gaming Service Employees under section 30. He stated that the criteria are different for applicants and registrants and a chart included in the Commission's packet lays out the differences. He stated that applicants are subject to suitability and investigation. He stated that today we are talking about the provision for automatic disqualification and he doesn't believe registrants are subject to this. He noted that the word registration is used in section 16 and registration could include criteria that is set by the Commission which may or may not include criminal history. He stated that they think there is a path to address this matter within the statute.

[3:30 p.m.](#) Executive Director Bedrosian stated that it's hard to listen to folks and not feel like you want to do something. He stated we disagree on the interpretation of the law and unfortunately, it's not a jump ball, this would require a legislative solution.

[3:32 p.m.](#) General Counsel Catherine Blue thanked MGM for a good discussion and stated that their points of view have been carefully considered. She stated that staff has looked at this issue for a pathway. She stated that we don't believe that the statute supports MGM's arguments that registrants aren't applicants and that there is an additional category of employees. She agreed with Executive Director Bedrosian that this matter requires a legislative fix that will give guidance to the Commission on what they can and can't do.

[3:36 p.m.](#) There was a discussion on the interpretation of the statute. Commissioner Macdonald stated that he is troubled that our interpretation may cause our licensees to violate employment law. He also stated that he is not convinced by Attorney Stratton's interpretation. He stated that there is ambiguity in the statute and as an administrative agency we have discretion to resolve that ambiguity. He stated that he accepts the recommendation of the staff. Staff is divided but the conclusion is staff recommends seeking a legislative fix. Chairman Crosby stated that we will bring this matter back in two weeks. He thanked the speakers for their contribution to this process.

3:38 p.m. The Commission took a brief recess.

3:57 p.m. The meeting resumed.

Workforce, Supplier and Diversity Development

See transcript pages 235-240

[3:58 p.m.](#) Commissioner Bruce Stebbins provided a summary of the Gaming Economic Development Fund. He stated that it is a fund to be created upon the opening of the Category 1 casino facilities. There is an outline in the packet on what the fund can be used for. He stated that they will look at developing strategies that will build off the economic momentum created by the casinos. He stated that a draft invitation letter, also included in the packet, will go out to various entities so that they can think about how they may use the fund. He stated that they plan to send the letter in June and will plan for strategy sessions in September. He noted that money will start flowing into the fund in FY19 and they want to have strategies in place for the legislature to consider. Director Jill Griffin stated that 9.5 percent of the operational casino revenues will go into the fund.

Administrative Update

See transcript pages 241-243

[4:03 p.m.](#) Executive Director Bedrosian stated that he has been focusing on the budget and that he should have an update at the next Commission meeting.

Executive Director Bedrosian reported on a provision in the statute that requires our licensees to send out monthly win/loss statements to player reward card members. He stated that the issue is whether a player has to opt in or opt out of receipt of statements. He stated that statements should be going out unless a player has opted out. The Commission was informed that these statements have not been going out. He stated that we will work with Penn to correct this matter.

Commissioner's Update

See transcript pages 243-247

[4:06 p.m.](#) Chairman Crosby reported that he will be going to the IAGA (International Association of Gaming Advisors) conference and he will present on two panels – technology and responsible gaming. Commissioner Cameron stated that she is going to the IAGA conference and she will present on illegal gambling. She also reported that she attended a conference last week and served on a technology panel. She stated that there was an interesting discussion on racing from the Stronach

Group and they will be contacting the Commission with options to consider. Commissioner Zuniga commented on the MGM Springfield tour and noted that there is tremendous progress on the site. Commissioner Macdonald stated that he was impressed by the openness of the facility to the street along with the marketplace.

Other Business Not Reasonably Anticipated

See transcript page 247

4:09 p.m. *Having no further business, a motion to adjourn was made by Commissioner Macdonald. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated May 25, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated May 10, 2017
3. MGM Springfield Quarterly Report – 1st Quarter 2017
4. Letter from Frank Fitzgerald to the City of Springfield, dated May 17, 2017 regarding Signage and Specialty Lighting Concept Traffic Study, with attachment (report)
5. Massachusetts Gaming Commission, Memorandum dated May 23, 2017 regarding City of Medford – 2016 Community Mitigation Fund Amendment
6. Race Horse Development Fund Legislative Update
7. Massachusetts Gaming Commission, Memorandum dated May 25, 2017 regarding Summary of the MGM Workforce Development Plan
8. MGM Springfield Workforce Development Plan with public comments
9. Massachusetts Casino Careers Training Institute Update, presentation to the Commission dated May 25, 2017
10. Massachusetts Gaming Commission, Memorandum dated May 22, 2017 regarding Gaming Economic Development Fund, with attachments
11. Massachusetts Gaming Commission, Memorandum dated May 22, 2017 regarding Nongaming Employees
12. Letter from Mike Mathis, President of MGM Springfield, to the Massachusetts Gaming Commission, dated May 22, 2017 regarding automatic criminal background disqualification, with attachments
13. Letter from the Springfield City Council to the Massachusetts Gaming Commission, dated May 24, 2017 regarding automatic criminal background disqualification
14. Letter from Dress for Success to the Massachusetts Gaming Commission, dated May 22, 2017 regarding automatic criminal background disqualification
15. Greater Boston Legal Services CORI and Re-Entry Project, Comments on Gaming Service Employee Registration, dated May 19, 2017
16. Letter from Springfield Technical Community College and Holyoke Community College to the Massachusetts Gaming Commission, dated May 18, 2017 regarding automatic criminal background disqualification
17. Letter from the Urban League of Springfield to the Massachusetts Gaming Commission, Dated May 9, 2017 regarding automatic criminal background disqualification

/s/ Catherine Blue
Catherine Blue, Assistant Secretary