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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** July 13, 2017– 10:00 a.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, 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

[10:00 a.m.](#) Chairman Crosby called to order the 222<sup>nd</sup> Commission meeting.

### Approval of Minutes

See transcript pages 2-4

[10:00 a.m.](#) Commissioner Macdonald noted that he was not present at the Commission meeting on June 14, 2017.

*Commissioner Zuniga moved for the approval of the Commission meeting minutes of June 14, 2017, subject to corrections for typographical errors and other nonmaterial matters. Motion seconded by Commissioner Stebbins. Chairman Crosby requested a change in the second paragraph at time entry 1:02 p.m. – with regard to comments about Senator Rosenberg, it should be “but he is reluctant to amend the statute.” Commissioner Macdonald abstained from the vote. Motion passed 4 to 0 with 1 abstention.*

*Commissioner Macdonald moved for the approval of the Commission meeting minutes of June 22, 2017, subject to corrections for typographical errors and other nonmaterial matters. He noted a typo at time entry 1:36 p.m. – it should be rationale not rational. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Executive Director Bedrosian, Jr. noted that the next set of minutes on the agenda [June 28<sup>th</sup>] will be voted on at the next Commission meeting.

### **Administrative Update**

See transcript pages 5-14

[10:02 a.m.](#) Executive Director Bedrosian reported on horse racing at Suffolk Downs. He stated that the races were well attended, licensing went smoothly, he thanked Director Alexandra Lightbown and the seasonal racing staff for a successful operation, and he noted that there will be two more racing events in August and September.

[10:03 a.m.](#) CFAO Derek Lennon reported on the close out of the fiscal year 2017 budget. He provided an overview of the following areas: initial projections, approved adjustments, expenses, open encumbrances, remaining contracts, accrued expenses, remaining encumbrances, and revenues. He stated that they projected to bring in \$27.17 million and they brought in \$27.19 million. He stated that the additional money came from investigation collections. Executive Director Bedrosian suggested that a potential option for some of the remaining money could be the MGM Gaming School presentation in agenda item 5B.

### **Investigations and Enforcement Bureau (“IEB”)**

See transcript pages 15-30

[10:13 a.m.](#) Director Karen Wells presented on the suitability determination for a new entity qualifier for MGM – MGM Finance Corp. She stated that MGM Finance Corp. is a new subsidiary created for the purposes of lending money to Blue Tarp Redevelopment for the casino construction in Springfield. She stated that the State Police conducted an investigation and no negative information was revealed. She also noted that this entity will be subject to ongoing suitability. She recommended that the Commission find the new entity qualifier suitable.

[10:28 a.m.](#) *Commissioner Stebbins moved that the Commission approve the suitability for MGM Finance Corporation as a qualifier. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

### **Workforce, Supplier, and Diversity Development**

See transcript pages 31-144

[10:29 a.m.](#) Director Jill Griffin stated that our licensees have been working hard to exceed their workforce diversity goals. She noted that one challenge for our licensees, and all developers in the state, is the supply of women in the building trades. She stated that two strategies were identified to address this challenge and they included advertising to women and assisting women with navigating through the union trades.

Director Griffin stated that the Commission issued an RFP to focus on a communication’s advertising campaign. She reported that the marketing firm KHJ Brand Activation will develop a brand and a communication’s plan. She also reported on a second RFP for a Pipeline Navigator. She reported that the Commission awarded a grant to the Northeast Center for Tradeswomen’s Equity (NCTE) to increase women’s participation and retention into the building trades.

The following members of the NCTE introduced themselves: Susan Moir, Director of Research for the Labor Resource Center at UMass Boston; Mary Vogel, member of the Board of Directors of NCTE and Executive Director of the Building Pathways Building Trades Pre-Apprenticeship Program; Kate Harrison, Pipeline Navigator for NCTE; and Lisa Clauson, with the Carpenters Labor Management Program.

Ms. Moir stated that the goal of the NCTE program is to crush barriers for women's entry into the construction trades and they hope to obtain 20% tradeswomen by 2020. She stated that they are a collaboration of three organizations: Building Pathways, Policy Group on Tradeswomen's Issues, and NCTE. She provided an overview of benchmarks, apprentice data, voc-tech data, funding, and accomplishments. She reported that they hired a pipeline navigator – Kate Harrison, and they will conduct monthly open-houses, outreach sessions, a speaker's bureau, intake and referrals, and outreach strategies. Ms. Vogel noted that there is a huge demand for construction jobs due to a retiring workforce.

[11:25 a.m.](#) Director Jill Griffin reported that in the spring a general update was provided to the Commission on the Massachusetts Casino Careers Training Institute ("MCCTI") and their workforce efforts. She stated that today the Commission will receive an update on the launch of the gaming training school and a request for assistance with filling a funding gap.

[11:27 a.m.](#) Jeff Hayden, Vice President of Business and Community Services at Holyoke Community College, stated that approximately 2,800 people will go through the gaming school and receive occupation specific training such as dealing. They will also receive training on problem gaming, gaming law, customer service, and job readiness. He stated that they are following the regulations closely. The cost for the build-out of the gaming school and first year of operation is \$1.8 million. He stated that the support received to date is \$1.1 million from MGM. He suggested two sources to fill the funding gap – student fees and additional money from the Commission and other state sources. He presented on what the student costs would be with and without funding sources. The Commissioners inquired about the expenses and funding sources. Commissioner Stebbins noted that the budget figures reported earlier by CFAO Lennon include a reversion of approximately \$487,000, and he suggested that the Commission set aside \$200,000 to go towards the operation of the gaming school.

[12:03 p.m.](#) *Commissioner Stebbins moved that the Commission set aside \$200,000 for the gaming school. Motion seconded by Commissioner Cameron. Commissioner Zuniga inquired about federal grants. CFAO Derek Lennon stated that the Commission would need to be a direct recipient, not a co-recipient. Commissioner Macdonald stated that he was supportive of the concept in spirit, but was surprised by the vote and he thinks further internal discussions with finance are needed. Chairman Crosby stated that this motion is not to commit \$200,000 but to set aside \$200,000. Chairman Crosby clarified that the motion on the table is to reserve \$200,000 of the projected excess for the possibility for support of the training program in Springfield. Chairman Crosby and Commissioners Zuniga, Cameron and Stebbins approved the Motion. Commissioner Macdonald opposed the motion as to the process. He feels that there should be more consultation with staff and consideration of repercussions for the other licensees. He also noted that he is supportive of the principle. The motion passed 4 to 1.*

[12:16 p.m.](#) Director Griffin presented on the licensee diversity audit. She stated that the licensees established construction diversity goals and they report the status of their goals at the monthly Access and Opportunity Committee meetings. She stated that the Commission is developing a protocol to conduct evaluations of the information that is reported from the licensees and to verify the accuracy of the data.

Construction Project Oversight Manager Joseph Delaney stated that the Commission is developing written procedures to formalize and standardize oversight activities. He stated that the goal is to understand the licensee management systems that track the diversity numbers and to develop a method to verify the data. He stated that they met with the licensees to obtain an understanding of their management system. He stated that we have a good understanding of their systems and they are robust. He also stated that we have a high level of confidence in the systems and the data we are receiving. He also reported that we are coming up with systems to test the management systems.

12:28 p.m. The Commission took a brief recess.

12:35 p.m. The meeting resumed.

### **Ombudsman**

See transcript pages 145-152

[12:35 p.m.](#) Ombudsman John Ziemba stated that he is joined by Jacqui Krum, Wynn Senior Vice President and General Counsel, to present on the Wynn pedestrian-bicycle bridge study. He stated that there will be a minor modification to the Wynn Boston Harbor Section 61 Findings to reflect that Wynn is planning to conduct and complete a Mystic River pedestrian-bicycle bridge study. He noted that numerous stakeholders are supportive of this connection as an alternative transportation option. He noted that the motion in the packet refers to Commissioners Cameron, Zuniga and Stebbins because they were the ones that approved the original Section 61 Findings.

Jacqui Krum reported that DCR (Department of Conservation and Recreation) is excited about the study and they would like Wynn to take the lead on this effort because they are short-staffed.

[12:40 p.m.](#) *Commissioner Zuniga moved that the Commission vote to approve the first amendment to the Section 61 Findings and incorporate into Region A Category 1 gaming license concerning the minor modification to the condition regarding the Mystic River pedestrian-bicycle bridge feasibility study as outlined here in the packet and described in detail relative to its fulfillment. Motion seconded by Commissioner Stebbins. Motion approved by Commissioners Cameron, Zuniga, and Stebbins. Motion passed unanimously. [See motion in Commission packet]*

### **Racing Division**

See transcript pages 152-164

[12:43 p.m.](#) Executive Director Bedrosian noted again for the record that Director Alexandra Lightbown and her staff were instrumental in the successful days of racing at Suffolk Downs. Director Lightbown also noted that it was a great day of racing,

there was great communication with Suffolk staff and racing officials, and there were approximately 10,000 people in attendance at the races on Saturday.

[12:45 p.m.](#) Senior Financial Analyst Douglas O'Donnell presented on the local aid distributions in the amount of \$185,798.54. He noted that the money is distributed to the local cities and towns where racing takes place.

*Commissioner Stebbins moved that the Commission approve the local aid quarterly payment dated June 30, 2017 as broken up in the packet. Motion seconded by Commissioner Cameron. Commissioner Zuniga amended the motion to include the amount in the packet [\$185,798.54]. Motion passed unanimously.*

[12:49 p.m.](#) Mr. O'Donnell presented on a request for consideration of Suffolk Downs Capital Improvement Trust Fund. He noted that the projects, totaling \$150,998.18, are completed and have been approved by the architect.

*Commissioner Cameron moved that the Commission approve the Suffolk Downs Capital Improvement Trust Fund request dated July 13, 2017. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[12:51 p.m.](#) Mr. O'Donnell presented on a request for reimbursement from the Suffolk Downs Capital Improvement Trust Funds in the amount of \$116,658.43.

*Commissioner Cameron moved that the Commission approve the request for Suffolk Downs Capital Improvement Trust Fund for the reimbursement dated July 13, 2017. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

### **Licensing Division**

See transcript pages 164-172

[12:53 p.m.](#) Director Paul Connelly presented on the Licensing quarterly report. He stated that the report demonstrates activity in the Licensing Division. He noted that there were 126 vendors licensed in the last quarter, which is a decline from the first quarter. He stated that he expects the number to increase in the next two quarters as they get more primary vendors and renewals. He also reported that on the employee side, it was not a busy quarter. However, they do expect to see an increase in the next few quarters with MGM employees. Director Connelly also reported that they went live with the LMS (Licensing Management System) casino portal this week.

### **Legal Division**

See transcript pages 172-173

[1:01 p.m.](#) General Counsel Catherine Blue presented on the Small Business Impact Statement for amendments to 205 CMR 134. She noted that the amendments to this regulation were previously approved by emergency. She stated that the amendments took outside directors and sales representatives out as automatic qualifiers.

*Commissioner Stebbins moved that the Commission approve the Small Business Impact Statement for 205 CMR 134 as included in the packet and authorize the staff to take necessary steps to file it with the Secretary of the Commonwealth and*

*proceed with the formal regulation promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### **Commissioner's Update**

See transcript pages 174-177

[1:03 p.m.](#) Commissioner Stebbins reported on the AOC (Access and Opportunity) meeting held in Springfield. He stated that great information came out of the meeting, including the following: the current workforce on the Wynn construction site is 7% from Everett, 28% from the host and surrounding communities, and 82% are Massachusetts residents; and MGM Springfield currently has 92 diverse companies, 103 union members, and 50 eligible union members working on the construction project. He noted that a young man at the meeting, who owns a diverse family painting business, stated that “these projects are changing the financial fabric of our family tree.”

Commissioner Stebbins also reported that he, along with Directors Griffin and Connelly, will attend the MGM vendor event in Springfield next week. This event seeks to find and identify local businesses. He noted that they had a great turnout at the last event and they anticipate a higher turnout as they approach the opening date.

### **Other Business Not Reasonably Anticipated**

See transcript pages 177-181

[1:06 p.m.](#) Chairman Crosby noted that we are now in the process of becoming a big grant making agency and we don't yet have an audit process in place to make sure that the grant money is doing what we think it's supposed to do. He suggested that staff think about this and place it on the pending agenda list. He also suggested that we look at best practices from other state agencies. Commissioner Zuniga stated that we do track money and expenditures but it is appropriate to look at the effectiveness of the programs.

[1:09 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

### **List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated July 13, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes, June 14, 2017
3. Massachusetts Gaming Commission, Draft Meeting Minutes, June 22, 2017
4. Massachusetts Gaming Commission, FY 2017 Preliminary Closeout Estimates
5. NCTE (Northeast Center for Tradeswomen's Equity) Presentation to the Massachusetts Gaming Commission, dated July 13, 2017
6. Massachusetts Casino Careers Training Institute Funding Model
7. Massachusetts Gaming Commission, Memorandum from Director Jill Griffin and Construction Project Oversight Manager Joseph Delaney to the Commissioners, dated July 10, 2017, regarding Compliance with Contractor and Workforce Diversity Goals – Construction Phase

8. Massachusetts Gaming Commission, Memorandum from Senior Financial Analyst Douglas O'Donnell to the Commission, dated July 13, 2017, regarding Local Aid Distribution, with attachments
9. Massachusetts Gaming Commission, Memorandum from Senior Financial Analyst Douglas O'Donnell to the Commission, dated July 13, 2017, regarding Request for Consideration, Suffolk Downs Capital Improvement Trust Fund, with attachments
10. Massachusetts Gaming Commission, Memorandum from Senior Financial Analyst Douglas O'Donnell to the Commission, dated July 13, 2017, regarding Request for Reimbursement, Suffolk Downs Capital Improvement Trust Fund, with attachments
11. Massachusetts Gaming Commission, Licensing Quarterly Report, dated April – June 2017
12. Small Business Impact Statement for 205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations
13. Massachusetts Gaming Commission Vote to Adopt First Amendment to Section 61 Findings and Incorporate into Region A Category 1 Gaming License Concerning Minor Modification to Condition Regarding Mystic River Pedestrian-Bicycle Bridge Feasibility Study

/s/ Catherine Blue

Catherine Blue, Assistant Secretary