



Massachusetts Gaming Commission Meeting Minutes

Date/Time: August 10, 2017– 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th 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 pages 2-3

[10:03 a.m.](#) Chairman Crosby called to order the 223rd Commission meeting. Chairman Crosby noted that there was a technical problem with the meeting video but it was resolved in a few minutes.

Approval of Minutes

See transcript pages 3-4

[10:05 a.m.](#) *Commissioner Macdonald moved for the approval of the Commission meeting minutes of June 28, 2017 and July 13, 2017, subject to corrections for typographical errors and other nonmaterial matters. Motion seconded by Commissioner Stebbins. Chairman Crosby noted that the acronym SRPEDD was spelled incorrectly at time entry 1:58 p.m. for the meeting held on June 28th. Motion passed unanimously.*

Research and Responsible Gaming

See transcript pages 5-74

[10:06 a.m.](#) Director Mark Vander Linden introduced Lindsey Tucker and Victor Ortiz from the Department of Public Health (“DPH”). He stated that they will provide an update on problem gambling services at DPH.

10:09 a.m. Lindsey Tucker, Associate Commissioner at DPH, provided an overview of DPH. She noted that they have about 3000 employees and they provide services from birth to death. She also provided an overview of their mission and vision which included three pillars that drive their work: data, social determinates of health, and disparities and health equity. She stated that with expanded gaming they want to think broadly and involve multiple stakeholders from a public health perspective.

10:15 a.m. Victor Ortiz, Director of the Office of Problem Gambling Services at DPH, provided an overview of the work that DPH does for problem gambling which included outpatient treatment services, statewide capacity building contracts, and work with the Massachusetts Council on Compulsive Gambling. He also provided an overview of their strategic plan which included the following: priority areas, continuum of services, and eco-system map. He also provided an overview of their initiatives which included: prevention for youth, parents and at-risk populations (men of color with a history of substance abuse); workforce development for community health workers, and workforce development for treatment providers. He stated that in FY18 they plan to advance these three initiatives in Regions A and B. He also introduced three new initiatives which included suicide prevention, program assessments, and a communication campaign.

11:03 a.m. Director Vander Linden and Program Manager Teresa Fiore provided an overview of Responsible Gaming Education Week that took place from July 31 through August 4th. Ms. Fiore spearheaded the activities in collaboration with the GameSense Advisors and Plainridge Park Casino (“PPC”). Ms. Fiore stated that the concept for Responsible Gaming Education Week was created in 1998 to promote responsible gaming to casino patrons and staff. She reported that this is the second year that the Commission supported Responsible Gaming Education Week. She stated that they developed communication strategies to promote the week, increase awareness of the GameSense program, and educate the public with tips. She provided an overview of the “Get to Know GameSense” campaign which included new digital signage at PPC with daily tips, fun activities at PPC, and social media. She stated that there were over 140 patron interactions and an in-house survey revealed high satisfaction rates with the GameSense experience. She stated that the communications campaign resulted in increases in online engagements. She concluded her presentation with a video, produced by Digital Communications Coordinator Mike Sangalang, that highlighted the weeks activities. [video shown].

11:16 a.m. The Commission took a brief recess.

11:20 a.m. The meeting resumed.

Racing Division

See transcript pages 74-87

11:20 a.m. Director Alexandra Lightbown reported that Suffolk Downs is requesting two additional racing days to their schedule (September 30th and October 1st) and purse money from the Race Horse Development Fund.

Bruce Barnett, Attorney for Suffolk Downs, stated that this request came together quickly. He also stated that they will have a number of horses to support the days and they will use the outs money for additional expenses.

[11:30 a.m.](#) *Commissioner Cameron moved that the Commission approve the request of Suffolk Downs for two additional days of racing, September 30th and October 1st. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

Commissioner Cameron also moved that the Commission approve the additional \$800,000 from the Race Horse Development Fund for purses for these two days. Motion seconded by Commissioner Stebbins. Motion passed unanimously.

Ombudsman

See transcript pages 88-159

[11:33 a.m.](#) Ombudsman John Ziemba reported that Wynn Boston Harbor and MGM Springfield will present on their quarterly reports for the second quarter of this year ending on June 30th.

Robert DeSalvio, President of Wynn Boston Harbor, reported that significant progress has been made on the site. He invited the Commissioners and their staff for a site tour in October. Chairman Crosby suggested hosting a Commission meeting in Everett in October.

Jacqui Krum, Senior Vice President and General Counsel of Wynn Resorts Development, presented an update on permitting which included off-site infrastructure improvements and sediment remediation.

Peter Campot, Director of Construction for Wynn Design and Development, provided an update on construction which included an overview of progress in the following areas: concrete, steel structure, design team, podium, convention area, living shore line, and utilities. He also went over photographs of the construction site which included the tower, retaining walls, foundation, and marine bulkhead. Mr. Campot also provided an overview of the project schedule. He reported that they are on schedule and they are hitting all the milestones. He also reported that there is a daily average of about 700 workers on the site.

Ms. Krum provide an update on off-site infrastructure improvements which included Wellington Circle, Sullivan Square, Cambridge Street, Santilli Circle, Sweetser Circle, and Lower Broadway. She also reported that bid packages have gone out.

[11:51 a.m.](#) Mr. DeSalvio provided a diversity update which included statistics for MBE, WBE, and VBE contract awards for design, construction, and construction workforce. He reported that they exceeded their goals. He also highlighted some of their numerous events and outreach activities. He noted that there was a good response to the event they held for Suffolk Downs employees.

[12:01 p.m.](#) Ombudsman Ziemba stated that MGM Springfield will present on their quarterly report, their 10-Q filing, and an update on the residential units. He also noted that MGM Springfield is one year out from their opening date and he suggested that the Commission schedule a status update in September on this issue.

[12:06 p.m.](#) Seth Stratton, Vice President and Legal Counsel for MGM Springfield, provided an update on the residential housing program. He stated that they amended the host community agreement to extend the time line for the residential unit development.

He stated that the development of the residential units will be pushed out to 18 months post-opening of the casino to allow the City of Springfield to pursue development of 31Elm. He stated that everyone agrees that this will be transformative for the City. He also noted that this was supported by the City Council and various stakeholders.

[12:10 p.m.](#) Brian Packer, Vice President of Construction and Development for MGM, provided a construction update which included a slide summary of progress in the following areas: overall site progress, garage, armory, convention deck, plaza, roof work, hotel, podium, and 73 State Street façade. Mr. Packer also provided a design and schedule update.

[12:27 p.m.](#) Courtney Wenleder, the Vice President and CFO of MGM Springfield, provided a budget update which included spend to date in project costs and an increase in pre-opening costs and capitalized interest. She reported on the second quarter 10-Q which represents a \$95 million increase to the budget since the last filing. She also reported that they will come back to the Commission in September with a revised budget reflecting the project increase.

Brian Packer provided an update on diversity and he reported that they exceeded their goals for design and construction commitments, design and consulting commitments, construction commitments, and workforce diversity.

Alex Dixon, General Manager for MGM Springfield, reported that they are building their executive team and the gaming school. He also noted that they took over the responsibilities of the MassMutual Center and they look forward to bringing great entertainment to Springfield.

12:45 p.m. The Commission took a recess for lunch.

1:18 p.m. The meeting resumed.

Workforce, Supplier and Diversity Development

See transcript pages 160-213

[1:18 p.m.](#) Director Jill Griffin stated that she is pleased to see that our licensees are doing so well on their diversity goals. She stated that Bill McAvoy will provide an update on the certification program for Veteran-owned businesses and he will ask the Commission to consider relying solely on the Commonwealth's Veteran certification system. She also provided a background on the Commission's diversity certification for Veteran-owned businesses.

[1:24 p.m.](#) Bill McAvoy, General Counsel for the Operational Services Division and Executive Director of the Supplier Diversity Office, requested that the Commission consider accepting the Supplier Diversity Office's definition and certification for Veteran Business Enterprises in the operational phase of the casinos. He stated that they have streamlined their application and upgraded the online application process. He stated that they look at the following four components in their certification process: 51percent ownership, operational and financial control, independence, and ongoing review. He proposed that the Commission promulgate changes to their regulations to rely on the Supplier Diversity Office for certification of Veteran Business Enterprises. Director Griffin stated that no vote is required by the Commission

today but she will be back before the Commission with a proposed regulation revision. General Counsel McAvoy and the Commissioners discussed the application process and Chairman Crosby offered suggestions.

[2:00 p.m.](#) Director Jill Griffin provided an update on the Portuguese Business Enterprise matter and reminded the Commission of a policy change that impacted the results of our licensee's diversity goals. She stated that our licensees can no longer consider Portuguese Business Enterprises as a minority business. She noted that \$8.8 million in commitments can no longer be counted by MGM and \$118 million cannot be counted by Wynn.

[2:02 p.m.](#) General Counsel McAvoy stated that he is limited in what he can say about this topic because there is pending litigation. He stated that a court order, issued in April 2016, required that the Supplier Diversity Office remove businesses owned by individuals of Portuguese origin from the definition of minority business enterprises. Executive Director Edward Bedrosian, Jr. stated that a preliminary injunction was issued and a final determination has not been made. Director Griffin stated that we will recommend to our licensees that they continue to collect Portuguese data as a separate footnote in their reports and not include the Portuguese data in their minority business enterprise data. She also stated that we will continue to monitor developments in this matter.

Investigations and Enforcement Bureau ("IEB")

See transcript pages 213-242

[2:10 p.m.](#) Loretta Lillios, Deputy Director/Chief Enforcement Counsel of the IEB, presented on the results of an MGM qualifier suitability investigation for John Forelli. Mr. Forelli is the Regional Vice President of Information Technology at MGM Resorts Regional Operations. She provided a summary of his professional and educational background. She stated that investigators conducted a background review and he has demonstrated suitability. She stated that the IEB recommends that the Commission find him suitable as a qualifier for MGM Springfield.

Commissioner Cameron moved that the Commission find Mr. Forelli suitable for licensure. Motion seconded by Commissioner Macdonald. Motion passed unanimously.

[2:14 p.m.](#) Todd Grossman, Deputy General Counsel, presented on the suitability requirements for outside directors of our gaming entities. He noted that concern was expressed regarding challenges finding directors due to the suitability process. He provided a legal review of this issue. Commissioner Cameron summarized that we do not have the ability to exempt directors from this process but we do have the ability to streamline or limit the process. Deputy General Counsel Grossman provided an overview of options including reciprocity. Commissioner Zuniga inquired about criminal background disclosures. Deputy General Counsel Grossman explained that certain legal proceedings, such as criminal conduct, have to be disclosed. Deputy Director Lillios stated that to date, all directors have submitted to this process and this is not a resource burden for the IEB. She stated that the IEB does not object to looking at different standards for directors, they would just ask that they keep the existing standard background categories. Commissioner Macdonald inquired why the Commission was spending time on this matter if the IEB has stated that this isn't

a resource burden and if directors would expect this level of background investigation. Commissioner Zuniga suggested streamlining the process and using information that is available. Commissioner Stebbins inquired about how much of the investigation drew on information that is shared with the SEC. Deputy Director Lillios stated that she hadn't done a side-by-side comparison. Commissioner Cameron stated that she believes that directors filling out this information have it readily available because they have been through this scrutiny in other jurisdictions. Chairman Crosby noted that this issue was initially raised by the CEO of Penn National. He stated that he would like the Commission to be at the forefront of best practices and if we contribute to the rethinking of the multi-jurisdictional form, that would be a good thing. Deputy Director Lillios stated that they are always looking for efficiencies in the way they conduct their background investigations. Commissioner Zuniga summarized that we are not going to change the form, we are still required to do some kind of investigation, and we will continue to look for efficiencies. Commissioner Macdonald stated that he is comfortable with the current practices and Commissioner Cameron agreed with him.

Bruce Band introduced a new staff member – Bill Pangoris. Bill will serve as the Compliance Manager for the IEB. He stated that Bill comes to the Commission with 30 years of accounting experience.

Legal Division

See transcript pages 242-244

[2:42 p.m.](#) General Counsel Catherine Blue presented on the final draft and amended small business impact statement for amendments to 205 CMR 134. She reported that the amendments take the administrative closure period from 30 days to 21 days. She also reported that the amendments make it easier for the applicant to refile because it removes the 30-day waiting period. She stated that a public hearing was held on these amendments and we are ready for final promulgation.

Commissioner Stebbins moved that the Commission approve the amended small business impact statement for 205 CMR 134 as provided in the packet and requested that staff take the final draft and [amended] small business impact statement through the final steps of promulgation. Motion seconded by Commissioner Cameron. Motion passed unanimously.

Administrative Update

See transcript pages 244-260

[2:44 p.m.](#) Executive Director Bedrosian reported that the new Compliance Manager, Bill Pangoris, has a lot of expertise in the casino industry and he looks forward to working with him.

Deputy General Counsel Grossman presented on revisions to the Commission's core values and mission statement. He noted that input was received from the Commissioners. The Commissioners discussed possible changes. Executive Director Bedrosian stated that they will make the suggested changes and bring it back to the Commission.

[2:53 p.m.](#) Executive Director Bedrosian reported on the monthly reward card statements. He stated that pursuant to Chapter 23K Section 29, a monthly reward card statement needs to be sent to patrons. He stated that we mistakenly informed our licensees that this was an opt in option for patrons. He stated that we have since determined that this is an opt out option for patrons. He stated that we have discussed this matter with our licensees and he asked Deputy General Counsel Grossman to work on adding clarity to our regulations. The Commissioners and staff discussed statement mailing methods – physical mail and email.

[2:59 p.m.](#) *Commissioner Stebbins moved that the Commission approve the proposed 205 CMR 138.13 monthly rewards and card statements and requested that staff begin the formal promulgation process. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

Executive Director Bedrosian expressed birthday wishes to Commissioner Cameron.

Commissioner's Updates

See transcript 260-267

[3:01 p.m.](#) Commissioner Macdonald reported that he will be attending the grand opening of the casino management program at Bristol Community College in Taunton. Commissioner Cameron stated that she attended the groundbreaking ceremony for the new Plainville town hall and public safety building. She noted that money is coming in from the Host Community Agreement and that a number of local officials and residents attended the event. Commissioner Stebbins reported that he went to the Spirit of Massachusetts horse racing event held at Plainridge Park. He stated that it was an exciting day and the event was well attended. Commissioner Zuniga stated that he attended the annual conference of the National Council on Problem Gambling in Portland. He noted that Massachusetts is recognized as a leader in this area. He also noted that Mark Vander Linden had a great plenary session that was attended by over 500 people. Chairman Crosby reported that we are moving towards a regional (New England) voluntary self-exclusion list and a standardized form has been drafted. He also reported that New York and Pennsylvania requested to join the regional group.

Other Business Not Reasonably Anticipated

See transcript page 267

[3:08 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Zuniga. 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 August 10, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes, June 28, 2017
3. Massachusetts Gaming Commission, Draft Meeting Minutes, July 13, 2017
4. Massachusetts Department of Public Health, Problem Gambling and Public Health: A Year in Review, dated August 10, 2017

5. Massachusetts Gaming Commission, GameSense Press Release, Responsible Gaming Education Week
6. Massachusetts Gaming Commission, Memorandum from Director of Racing Alexandra Lightbown to the Commission, dated August 7, 2017, regarding Suffolk Downs Additional Race Days Request, with attachment
7. Wynn Boston Harbor Quarterly Report dated August 10, 2017
8. MGM Springfield Quarterly Report dated August 10, 2017
9. Massachusetts Gaming Commission, Request for Veteran's Business Enterprise Form
10. Operational Services Division, Supplier Diversity Division, Veteran business documents
11. Final Draft and Amended Small Business Impact Statement for 205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations
12. Massachusetts Gaming Commission, Core Values and Mission Statement
13. Draft Amendments to 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls

/s/ Catherine Blue

Catherine Blue, Assistant Secretary