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## Meeting Minutes

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**Date/Time:** August 18, 2016 – 10:00 a.m.

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

**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 198<sup>th</sup> Commission meeting.

### Approval of Minutes

See transcript pages 2-3

10:00 a.m. *Commissioner Macdonald moved for the approval of the August 1, 2016, Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Chairman Crosby noted that a correction was needed at 12:36 p.m. in the minutes and to change the reference of a West Virginia conference to a West Virginia court decision. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### Commissioner's Update

See transcript pages 3-4

10:03 a.m. Chairman Crosby noted that the Commission meetings in September will be held on the 8<sup>th</sup> and the 22<sup>nd</sup>. Commissioner Stebbins noted that the next Access and Opportunity Committee meeting will be held in Springfield.

## **Racing Division**

See transcript pages 4-31

10:04 a.m. Commissioner Cameron, representing the Commission on the Horse Racing Committee, reported that the harness horsemen requested a reevaluation of the split of the funds in the Race Horse Development Fund between the standardbreds and the thoroughbreds. She also reported on the recommendation of the Horse Racing Committee. She stated that each industry was asked to submit a report and state their needs. The Horse Racing Commission decided to change the split to 55% for the standardbreds and 45% for the thoroughbreds. The previous split was 25% for the standardbreds and 75% for the thoroughbreds. Commissioner Cameron stated that the Horse Racing Committee also recommended that the split be retroactive to January 1, 2016, because the committee was not able to meet for over a year due to a delay in reappointment of committee members.

10:08 a.m. Peter Goldberg, representing the standardbreds on the Horse Racing Committee, noted that the split should be reviewed annually, at the end of the racing season in October, to consider any landscape changes. He stated that in 2015 the thoroughbreds were not going to race 90 days and that is why a split review was requested. He stated that the Horse Racing Committee should have met in 2015 but was unable to meet because they lost two members, which were not reappointed until 2016. He stated that the Horse Racing Committee thought that making the split retroactive to January 1<sup>st</sup> was fair and equitable.

The Commissioners discussed the retroactivity of funds.

10:29 a.m. *Commissioner Zuniga moved that the Commission accept the Horse Racing Committee recommendation to change the split, as presented in the recommendation – 55% to the Standardbreds and 45% to the thoroughbreds, retroactive to January 1, as the committee recommended. Motion seconded by Commissioner Cameron. Motion opposed by Commissioners Macdonald and Stebbins. Motion passed 3 to 2.*

Commissioner Macdonald noted that his opposition was not to the split but to the retroactivity of funds. Commissioner Stebbins concurred.

10:30 a.m. The Commission took a short recess.

10:34 a.m. The meeting resumed.

## **Ombudsman Report**

See transcript pages 32-168

10:34 a.m. Ombudsman John Ziemba provided an update which included work with MGM and Wynn as construction increases, notification of community fund application determinations, drafting grant contracts, and monitoring permitting approvals.

10:36 a.m. Robert DeSalvio, President of Wynn MA, LLC, reported that Wynn Boston Harbor is now under construction! He also stated that the Wynn Quarterly report will include permitting, construction, and an enhanced version of their diversity update.

- [10:38 a.m.](#) Chris Gordon, President for Wynn Design and Development Massachusetts, provided an update on the following: permitting (state, federal, local); design (foundation, tower and podium); construction (bids, aerial photos, access road, utilities, foundation, railroad track, construction workers event, tours, and labor logistics); off-site infrastructure; and project schedule (project snapshots, steel erection, excavation, pouring slab, hotel structure, garage, finishes, and façade).
- [10:55 a.m.](#) Jennie Peterson, Manager of Development at Wynn MA, LLC; Brian McPherson, Director of Diversity with Suffolk Construction; and Shelley Webster, Suffolk Construction's Compliance Officer for Wynn Boston Harbor, reported on their engagement with the trades and their efforts to build a diverse and local workforce. They also reported on the following community engagement initiatives: Massachusetts Girls in Trades event designed to develop contacts and offer opportunities for careers after high school; work with one-stop career centers for trade information, trainings, and application assistance; establishment of walk-on application process; application notifications; collaboration with community groups for pre-apprenticeship programs; small business opportunities; tracking methods; and recognition programs.
- Robert DeSalvio also noted attendance at numerous community events and meetings listed in the packet for the Commissioner's review.
- [11:41 a.m.](#) Ombudsman John Ziemba requested to reverse the agenda order and present on the Springfield grant before taking up the Plainridge Park Casino quarterly report. Ombudsman Ziemba provided an update on the Springfield Community Mitigation Grant and Caring Health Center parking matter. He stated that the Commission authorized up to \$150,000 for a pilot valet parking program. He also stated that the Commission staff worked with the City of Springfield and MGM to determine the best method to address parking and they decided to pursue the option of a shuttle service. The community mitigation funding team recommended that the Commission provide additional authority for the Springfield grant to be used for a shuttle service. They will continue dialogues and evaluate parking.
- [11:56 a.m.](#) Tania Barber, President and CEO of Caring Health Center, expressed concerns about the shuttle program and stated that it may be appropriate for surrounding businesses and employees, but not for the sick, aging patients, or large families. She also noted that due to construction there are problems with handicap access to the building. She stated that the valet parking program is in the best interest of Caring Health Center and she asked that the Commission keep an open mind. She also noted that she would like to be part of the conversations to express areas not being looked at.
- [12:17 p.m.](#) *Commissioner Stebbins moved that the Commission direct the Ombudsman and MGC staff to enact a program, as has been discussed, for a three-month basis, at a total cost of \$50,000 for the first 90 days, and instruct staff to continue to work with the city, applicant parties, and other stakeholders to monitor and come back to us in 90 days with any potential recommendations, or earlier if there's significant changes that need to be made. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

12:18 p.m. The Commission took a short recess.

12:24 p.m. The meeting resumed.

[12:24 p.m.](#) Mike Thoma, Slots Director with Plainridge Park Casino, presented on the Plainridge Park Casino Quarterly Report and provided an update on employment status, diversity hiring, promotions, transfers, revenue and taxes. Purchasing Manager Eli Huard presented on spend by state, local spend, and vendor diversity spend. Compliance Manager Lisa McKenney reported on compliance with regulations pertaining to underage guests.

[12:37 p.m.](#) Michele Collins, Vice President of Marketing at Plainridge Park Casino, reported on lottery sales. She also reported on local charitable contributions (Relay for Life and Doug Flutie Jr Foundation for Autism); partnerships and sponsorships (Xfinity concert series, Wrentham Outlet road trip expo, and MA Coalition of Police event at Patriot Place); and events and promotions (partnership with Bass Pro Shops, Wizard of Oz necklace giveaway, Marquee Rewards Universal Benefits, live derby and stake races, and motorcycle and Mustang giveaway). She also reported on the third quarter marketing which included the following: charter bus run, Responsible Gaming Education Week, the Flutie Brothers Band, VIP events at local businesses, and giveaways (Tiffany gift, Brad Paisley meet-and-greet, and large vehicles).

[12:47 p.m.](#) Eli Hurd reported on second quarter highlights which included: a video poker sign installation, capital improvements to the paddock and barn, and installation of a high-definition video tote board for the racecourse. He noted that in the third quarter they will upgrade the garage lighting.

12:50 p.m. The Commission recessed for lunch.

1:30 p.m. The meeting resumed.

### **Investigation and Enforcement Bureau (IEB)**

See transcript pages 169-309

[1:30 p.m.](#) Loretta Lillios, Chief Enforcement Counsel and Deputy Director, presented on the applications for Wynn key gaming executive licenses. She provided a summary of the educational and professional backgrounds of the following individuals hired by Wynn MA: Douglas Neithold, Director of Casino Finance; Gregory Dauenhauer, Vice President and Chief Information Officer of Information Technology; and Michael Carrazza, Director of Compliance and Corporate Investigations. She reported that the required forms and documents were submitted, background checks were conducted, and the IEB found the individuals suitable and recommended approval for licensure.

[1:37 p.m.](#) *Commissioner Cameron moved that the Commission approve all three Wynn employees [Douglas Neithold, Gregory Dauenhauer, and Michael Carazza]. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[1:37 p.m.](#) Loretta Lillios, Chief Enforcement Counsel and Deputy Director, presented on the suitability of two MGM qualifiers – Jorge Perez and Theodore Whiting. She provided a summary of their educational and professional backgrounds. The IEB conducted background reviews and recommended a finding of suitability.

[1:42 p.m.](#) *Commissioner Stebbins moved that the Commission approve Theodore Whiting and Jorge Perez as individual qualifiers for MGM Resorts. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[1:42 p.m.](#) Director Karen Wells presented on proposed changes to the licensing regulation - 205 CMR 134. She reported that the changes are based upon internal experiences with the opening of a casino, review of best practices in other jurisdictions, and input from licensees and stakeholders. She stated that the changes will help make them more efficient with the opening of larger casinos. Director Wells stated that the changes fall into the following categories: efficiencies and best allocation of resources, process, and clarification. She also noted that they made minor technical corrections throughout the regulation.

Karen Wells, Loretta Lillios, and Director of Licensing Paul Connelly went through the changes which included the following: a requirement that a casino confirm that there's a potential business relationship with a vendor registrant before they register; a provision for an efficient formal process to close out a license application; discretion to designate a nongaming vendor as a gaming vendor secondary to conduct a more in-depth investigation (Commissioners discussed factors for consideration and Commissioner Zuniga proposed including Director Jill Griffin to look at impact on diverse vendors); scoping requirements for gaming vendors; streamline forms; creation of a de minimus exemption (nongaming vendors who do not hit a minimum threshold, do not have to register with the Commission); direct the IEB to approve or deny applications for key gaming executives and primary vendor applicants; and provide the opportunity for an applicant with prior convictions to demonstrate rehabilitation.

3:16 p.m. The Commission took a short recess.

3:22 p.m. The meeting resumed.

[3:22 p.m.](#) Paul Connelly continued his presentation on proposed changes to 205 CMR 134, which included clarifications on timing of licensure, removal of references to gaming establishments and replace with gaming licensees, removal of word professional and insert lobbying, consolidation of required union organization forms, and correction to references. Loretta Lillios reported on a change to include reference to hearing regulations in 205 CMR 101.

General Counsel Blue suggested posting the regulation amendments for informal public comment.

### **Legal Division**

See transcript pages 309-312

[3:51 p.m.](#) General Counsel Blue presented on the Small Business Impact Statement for regulations 205 CMR 134 (fingerprinting amendment), and 205 CMR 138, 144, and 145 (slot machine amendments); and requested approval to take the regulations through the promulgation process.

[3:53 p.m.](#) *Commissioner Stebbins moved that the Commission approve the Small Business Impact Statement ("SBIS") for the amendment to 205 CMR 134: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and*

*Labor Organizations as included in the packet; and authorize staff to take all necessary steps to file the SBIS with the Secretary of the Commonwealth and proceed with the regulation promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

*Commissioner Stebbins moved that the Commission approve the Small Business Impact Statement for 205 CMR 138: Uniform Standards of Accounting Procedures and Internal Controls, 205 CMR 144: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories, and 205 CMR 145: Possession of Slot Machines, as included in the packet; and authorize staff to take all necessary steps to file the SBIS with the Secretary of the Commonwealth and proceed with the regulation promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

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

See transcript page 313

[3:54 p.m.](#)     *Having no further business, a motion to adjourn was made passed unanimously.*

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

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated August 18, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated August 1, 2016
3. Wynn Boston Harbor Quarterly Report - PowerPoint Presentation
4. Plainridge Park Casino Quarterly Report - PowerPoint Presentation
5. *Draft* 2016 Community Mitigation Fund Reserve/Specific Impact Grant (City of Springfield)
6. Massachusetts Gaming Commission, Memorandum dated August 18, 2016 regarding Recommendations of the Horse Racing Committee, with attachments
7. Draft amendments to 205 CMR 134:00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations
8. Small Business Impact Statement for 205 CMR 134: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations
9. Small Business Impact Statement for 205 CMR 138: Uniform Standards of Accounting Procedures and Internal Controls, 205 CMR 144: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories, and 205 CMR 145: Possession of Slot Machines

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary