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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** September 14, 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 pages 2-3

[10:00 a.m.](#) Chairman Crosby called to order the 224<sup>th</sup> Commission meeting.

### **Approval of Minutes**

See transcript page 3

[10:00 a.m.](#) *Commissioner Macdonald moved for the approval of the Commission meeting minutes of August 10, 2017, subject to corrections for typographical errors and other nonmaterial matters. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### **Administrative Update**

See transcript pages 3-57

[10:01a.m.](#) Mr. Bedrosian reported on racing at Suffolk Downs over the Labor Day weekend and further reported that there is one more weekend of racing this year, September 30 and October 1. Mr. Bedrosian thanked the racing staff for all of their hard work at the Suffolk weekends this year.

Mr. Bedrosian advised the Commission that there is about 1 year until the opening of MGM Springfield. He reported that there are now monthly meetings between Commission staff and MGM staff in preparation for opening and that those meetings will become more frequent as we get closer to the actual opening. Mr. Bedrosian

reported that staff will be in training on September 21 and 22 on an internal tracking tool that staff will be using to manage the opening process.

As part of the Administrative Update, Deputy General Counsel Grossman presented on the changes to the MGC Mission and Values Statement. Commissioner Macdonald raised a question as to what it means when the statement refers to “partners”. Commissioner Zuniga stated that it referred to, for example, other agencies and municipalities. The Commission discussed whether to change “partners” to “participants” but the consensus was that “partners” is the appropriate term.

*Commissioner Cameron moved that the Commission adopt the revised core values for the Massachusetts Gaming Commission and to include the mission statement. Motion was seconded by Commissioner Stebbins. Commissioner Crosby noted that when he met with the Chair of the Cannabis Commission, the Chair noted the MGC Mission and Values Statement displayed in the lobby. Motion passed unanimously.*

Executive Director Bedrosian described the process by which staff reviewed the Commission’s Enhanced Ethics Code and created the recommendations found in the Commission packet. Mr. Bedrosian stated that this is the beginning of the discussion regarding the review. Chairman Crosby asked for the statutory basis for the Enhanced Ethics Code. General Counsel Blue read the applicable provisions of 23K to the Commission.

Deputy General Counsel Grossman explained that he would go over the highlights of the recommendations and referred the Commission to several points for their consideration such as the definition of “licensee” and the definition of “immediate family” and what type of due diligence is required. Executive Director Bedrosian suggested a tiering of this discussion and Mr. Grossman agreed that a quadrant might be helpful.

The Commission discussed the issue of how consultants are addressed under the Enhanced Ethics Code, when the relationship with a consultant ends, staff staying at a licensee hotel during pre-opening or in an emergency; staff and commissioners’ ability to go to a gaming establishment and the requirement to check in with State Police; and conversations with Commissioners regarding a matter before them.

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

See transcript pages 57-86

[10:54 a.m.](#) Director, Workforce Supplier Diversity Development Jill Griffin and Construction Oversight Project Manager Joe Delaney presented on the vendor diversity exemption process. Director Griffin stated that the basis for the policy is found in section 21(e) of chapter 23K. Director Griffin stated that the Commission approved a diversity plan for each licensee and that this policy was part of each plan. The policy will create a process for a licensee to request an exemption from the diversity requirement when there is a product or service and it can be shown that there is no diverse vendor available to provide the product or service. Mr. Delaney advised that the licensees

have reviewed the proposed policy and are comfortable with it. The Commission discussed whether this policy should be incorporated into the Commission's regulations and it was determined that inclusion in regulations was unnecessary since the need for the policy will end once construction is complete. The Commission determined that the policy will be implemented by the Executive Director and requested that staff return with feedback on how the policy was working.

Commission took a short recess  
Commission reconvened

Commission Stebbins provided the Commission with an update on his work on strategies for use of the Economic Development Fund. He reported that he is working on a white paper on possible recommendations on use of the Economic Development Fund. He described the letter he sent to various stakeholders requesting their ideas and possible presentations to the Commission at an upcoming Commission meeting. Commissioner Stebbins stated that all stakeholders were requested to submit draft strategies by close of business tomorrow, September 15. Chairman Crosby congratulated Commissioner Stebbins on his efforts on this project and asked if Commission Stebbins was in touch with legislators. Commissioner Stebbins stated that he would reach out to legislative staffers to see if they would like to come to the presentations at the Commission meetings.

### **Racing Division**

See transcript pages 86-112

[11:25 a.m.](#) Racing Director Alex Lightbown presented Suffolk Downs' request for additional purse money from the Race Horse Development Fund for the last weekend of racing in the amount of \$288,000. Director Lightbown stated that this request will allow Suffolk Downs to maintain the same level of purse money that it had for the prior 3 weekends of racing this year. Bruce Barnett, Esq. attended as a representative of Suffolk Downs. In response to a question from Commissioner Stebbins regarding whether there would be more races as was the case at the third weekend of racing, Mr. Barnett explained that the third weekend represented the perfect storm of other tracks not racing that weekend and additional available horses.

*Commissioner Stebbins moved that the Commission approve the request by Suffolk Downs for an additional \$288,000 from the Race Horse Development Fund for purses. Motion seconded by Commissioner Cameron. Motion approved unanimously.*

Doug O'Donnell, Racing Senior Financial Analyst presented on the Suffolk Downs request for reimbursement from the capital improvement fund and the Suffolk Downs request for consideration.

*Commissioner Stebbins moved that the Commission approve the request for consideration for the Suffolk Downs Capital Improvement Trust Fund for \$88,951.28. Motion seconded by Commissioner Zuniga. Motion approved unanimously.*

*Commissioner Stebbins moved that the Commission approve the four items for reimbursement for the Suffolk Downs Capital Improvement Trust Fund as outlined in the memo and included in the packet. Motion seconded by Commissioner Cameron. Motion approved unanimously.*

Mr. O'Donnell presented a Plainridge Racecourse request for reimbursement from the capital improvement fund and a Plainridge Racecourse request for consideration.

*Commissioner Zuniga moved that the Commission approve the request for consideration from Plainridge Racecourse in the amount of \$90,120.59 for the projects outlined in the packet. Motion seconded by Commissioner Stebbins. Motion approved unanimously. Commissioner Stebbins moved that the Commission approve the request for reimbursement for Plainridge Racecourse Capital Improvement Fund the two projects totaling \$243,950.68. Motion seconded by Commissioner Macdonald. Motion approved unanimously.*

### **Ombudsman**

See transcript pages 112-150

[11:47 a.m.](#) Ombudsman Ziemba introduced the staff from Plainridge Park Casino (“PPC”) and stated that PPC is here to present their quarterly report. PPC presented on net gaming revenues; win per unit metrics; number of employees; workforce diversity numbers; total spend by state and municipality; vendor diversity; lottery sales and compliance.

PPC presented on its support of various community groups. PPC described cross-marketing with other organizations like the Patriots and Wrentham Outlets. PPC also described the special events held on-site such as boxing and comedy performances.

12:15 p.m. The Commission took a recess for lunch.

12:45 p.m. The meeting resumed

[12:45 p.m.](#) Ombudsman Ziemba presented the names of members for re-appointment to Gaming Policy Advisory Committee subcommittees.

*Commissioner Zuniga moved that the Commission reappoint to the regional and diverse several subcommittees here of community mitigation, as articulated in the packet, to their current positions. Motion seconded by Commissioner Macdonald. Motion approved unanimously.*

Ombudsman Ziemba presented the proposed 2018 Community Mitigation Fund guidelines and the timeline for approval of the guidelines. Ombudsman Ziemba stated that this is the beginning of the process of preparing for the receipt of the 2018 applications. Ombudsman Ziemba stated that he hoped to have the guidelines finalized in December, 2017. He requested Commission input on the questions listed in the guidelines memorandum included in the Commission packet. Commissioner Zuniga asked if staff can incorporate a look back at what we've done so far under the Community Mitigation Fund and ask our advisory committee for input. Ombudsman Ziemba advised the Commission that the Community Mitigation subcommittee does review past grants and that we will

forward a report to the sub-committee for its review. Chairman Crosby asked for the thought process behind allowing only municipalities to apply for grants and Mr. Ziembra advised that the statute allows only municipalities and governmental entities to apply.

Ombudsman Ziembra presented on the City of Medford's request to amend its Community Mitigation Grant. Ombudsman Ziembra explained the amendment and requested the Commission's approval

*Commission Macdonald moved that the Commission approve the request for the City of Medford to utilize \$5400 of its \$60,000 mitigation award for purposes of continuing the Mystic River Watershed Association to develop bid specifications in connection with that grant. Motion seconded by Commission Cameron. Motion approved unanimously.*

### **Legal Division**

See transcript pages 150-223

1:00 p.m.

General Counsel Blue presented on the revised hearing regulations. She stated that the purpose of the revisions is to clarify what matters are heard in the first instance by the Commission; what matters are heard by the hearing officer; and to incorporate what staff has learned from the hearing process over the last several years. This is just the Commission's first look at these revisions and staff will circulate these regulations for informal comment and come back to the Commission for further review.

General Counsel Blue presented to the Commission on the Commission's authority to assess fines in the event of a breach of license condition or failure to comply with the statute or regulations by a commission licensee. General Counsel Blue referred to the memorandum in the Commission packet which described the statutory structure under which the Investigation and Enforcement Bureau ("IEB") investigates and determines whether a violation occurred and determines the appropriate fine or penalty. The IEB's determination can then come before the Commission for further review. IEB Director Karen Wells described the process followed by the IEB when it investigates a possible violation of the statute or regulations.

Attorney Justin Stempeck and Director Bruce Band presented to the Commission on the Amendments to 205 CMR 141. Attorney Stempeck asked the Commission to approve the revisions to 205 CMR 141 and the Amended Small Business Impact Statement and to allow staff to complete the regulation promulgation process.

*Commissioner Cameron moved that the Commission approve the amended small business impact statement and the final version of 205 CMR 141 as included in the packet and authorize the staff to take all steps necessary to file the regulation with the Secretary of the Commonwealth and complete the regulatory promulgation process. Motion seconded by Commissioner Stebbins. Motion approved unanimously.*

Attorney Stempeck and Gaming Technology Manager Floyd Barroga presented on the amendments to 205 CMR 143.02. After discussion by the Commission, the

Commission requested that staff determine if there are further public comments and to bring this revised regulation back at a later date for Commission review and possible approval.

IEB Director Wells presented to the Commission on the amendments to 205 CMR 115.01. She described the comments received on the amendments and indicated that MGM Springfield General Counsel Seth Stratton was here to answer any questions about MGM's comments. After discussion, the Commission agreed that staff should incorporate the changes proposed by staff and MGM.

*Commissioner Macdonald moved that the Commission approve the amended small business impact statement and the final version of 205 CMR 115.01 as included in the packet and as amended by Deputy General Counsel Grossman and authorize the staff to take all steps necessary to file a regulation with the Secretary of the Commonwealth and complete the promulgation process. Motion seconded by Commissioner Cameron. Motion approved unanimously.*

Chief Enforcement Counsel Loretta Lillios presented on the amendments to 205 CMR 134.04. Chief Enforcement Counsel Lillios explained the amendments and that they were shared with vendor representatives who were supportive of the amendments.

*Commissioner Macdonald moved that the Commission approve the amended small business impact statement and final version of 205 CMR 134.04 as included in the packet and authorize the staff to take all steps necessary to file the regulation with the Secretary of the Commonwealth and complete the regulation promulgation process. Motion seconded by Commissioner Stebbins. Motion approved unanimously.*

General Counsel Blue stated to the Commission that the amendments to the racing medication regulations found in the commission packet have had a hearing and that the next step is to send the amended regulations to the legislature for their review. General Counsel Blue requested the Commission authorize staff to forward the amended regulations to the legislature.

*Commissioner Stebbins moved that the Commission authorize staff to send 205 CMR 3 and 205 CMR 4 as included in the packet to the legislature as required by M.G.L. chapter 128A. Motion seconded by Commissioner Cameron. Motion approved unanimously.*

Executive Director Bedrosian and General Counsel Blue presented to the Commission on 205 CMR 138.13 which deals with monthly reward card statements. General Counsel Blue advised the Commission that if it is ready, it can vote to authorize staff to begin the formal promulgation process for this regulation.

*Commissioner Cameron moved that the Commission start the promulgation process for 205 CMR 138.13, complimentary services of items and promotional game credits. Motion seconded by Commissioner Macdonald. Motion approved unanimously.*

## **Commissioner's Updates**

See transcript 223-231

[2:08 p.m.](#) Chairman Crosby updated the Commission on activity on the legislative changes relating to gaming service employees. He stated that the legislative leadership was supportive and that legislation may be included as an outside section to the next supplemental budget.

Chairman Crosby updated the Commission on the upcoming hearing before the Joint Committee on Consumer Protection and Professional Licensure regarding HB 9, the Commission's filed racing bill. Chairman Crosby stated that he will take the lead on this and requested that staff put together some bullet points on the highlights of the bill.

Executive Director Bedrosian stated that he wanted to remind the public that the Commission's next meeting will be on September 28, 2017 and will be held in Springfield.

Commissioner Stebbins described his visit to Plainridge Park Casino with staff from the Massachusetts Office of Travel and Tourism. Commissioner Stebbins also stated that he attended the last AOC meeting and that it was a good meeting.

Commissioner Stebbins paid tribute to Mr. Jafet Robles. He was a community activist in Springfield who previously testified before the Commission. Mr. Robles died this week and Commissioner Stebbins asked that we keep Mr. Robles' family and friends in our prayers.

## **Other Business Not Reasonably Anticipated**

See transcript page 231

[2:16 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Zuniga. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

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

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated September 14, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes, August 10, 2017
3. Massachusetts Gaming Commission Core Values and Mission Statement
4. Massachusetts Gaming Commission Proposed Revisions to the Enhanced Ethics Code
5. Massachusetts Gaming Commission Memorandum from Jill Griffin and Joseph Delaney, Vendor Diversity Exemption Process
6. Massachusetts Gaming Commission Memorandum from Director of Racing Alexandra Lightbown dated September 11, 2017 regarding Suffolk Downs Request for Additional Purse Money from the Race Horse Development Fund

7. Massachusetts Gaming Commission Memorandum from Doug O'Donnell Senior Financial Analyst regarding Suffolk Downs and Plainridge Racecourse requests for consideration and requests for reimbursement from the capital improvement fund.
8. Plainridge Park Casino Quarterly Report dated September 14 2017.
9. Massachusetts Gaming Commission Memorandum from Ombudsman Ziemba regarding reappointment of members to the Gaming Policy Advisory Committee
10. Massachusetts Gaming Commission Memorandum from Ombudsman Ziemba regarding proposed 2018 Community Mitigation Fund guidelines
11. City of Medford request to amend its Community Mitigation Fund Grant
12. Proposed amendments to 205 CMR 101
13. Massachusetts Gaming Commission Memorandum from General Counsel Catherine Blue regarding Commission authority to issue fines
14. Final Draft and Amended Small Business Statement 205 CMR 141
15. Final Draft and Amended Small Business Statement 205 CMR 143.02
16. Final Draft and Amended Small Business Statement 205 CMR 115.01
17. Final Draft and Amended Small Business Statement 205 CMR 134.04
18. Final Draft 205 CMR 3
19. Final Draft 205 CMR 4
20. Draft and Small Business Impact Statement 205 CMR 138.13

/s/ Catherine Blue

Catherine Blue, Assistant Secretary