

1 COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #227  
4  
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6

7 COMMISSIONERS

8 Lloyd Macdonald

9 Enrique Zuniga

10 Bruce Stebbins

11 Gayle Cameron  
12 -----  
13  
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15 MASSACHUSETTS GAMING COMMISSION

16 101 Federal Street, 12th Floor

17 Boston, Massachusetts

18 October 26, 2017

19 10:00 a.m. - 1:30 p.m.  
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## P R O C E E D I N G S

1  
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3 COMMISSIONER ZUNIGA: Good morning,  
4 everybody. I'm Enrique Zuniga. I'm  
5 calling to order this meeting of the  
6 Massachusetts Gaming Commission at our  
7 offices at ten a.m. on today, October 26th.  
8 Chairman Crosby is on vacation, on a much  
9 deserved vacation. He's asked me to chair  
10 the meeting on his behalf. We'll start  
11 with Item No. 2 on the agenda, the approval  
12 of the minutes. Commissioner Macdonald.

13 COMMISSIONER MACDONALD: Thank you,  
14 Mr. Acting Chairman. I move that we  
15 approve the minutes of the meeting of  
16 October 12, 2017 as appears in the packet  
17 subject to correction for typographical  
18 errors and other nonmaterial matters.

19 COMMISSIONER CAMERON: Second.

20 COMMISSIONER STEBBINS: I just have  
21 two quick edits. First of all, under  
22 the -- it looked like prior to the  
23 ombudsman report on page five, second  
24 paragraph from the top I talk -- I suggest

1 that MGM could have a check-in call, and  
2 make sure that the call and not a meeting  
3 or a word is inserted after checking. And  
4 then over on page two, I just noticed under  
5 the fiscal year 2017 budget closeout, we  
6 mentioned our esteemed Maria by her first  
7 name. Consistently we put gaming  
8 commission staff's title in front of their  
9 names, so if you could just add that to  
10 Maria's title. I think it's revenue  
11 manager.

12 COMMISSIONER ZUNIGA: All right,  
13 with those amendments --

14 COMMISSIONER MACDONALD: I second  
15 those amendments.

16 COMMISSIONER ZUNIGA: With those  
17 amendments, any other comments? All those  
18 in favor?

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER ZUNIGA: Aye. The ayes  
23 have it unanimously. Okay, No. 3 in our  
24 agenda, our administrative update, Mr.

1 Bedrosian.

2 MR. BEDROSIAN: Good morning,  
3 Commissioners.

4 COMMISSIONER MACDONALD: Good  
5 morning.

6 COMMISSIONER CAMERON: Good morning.

7 COMMISSIONER ZUNIGA: Good morning.

8 COMMISSIONER STEBBINS: Good  
9 morning.

10 MR. BEDROSIAN: Two updates for you  
11 this morning. The first is, which I  
12 suspect you know, the state's supplemental  
13 budget is still in procedure up at the  
14 State House. As you know, the gaming  
15 service employee amendment attached to that  
16 will depend upon the final approval of that  
17 budget. So we are obviously watching that  
18 very closely. As I understand, press  
19 reports say the State needs to close their  
20 books by the end of the month, so we hope  
21 that means that it will be passed by the  
22 end of the month.

23 COMMISSIONER ZUNIGA: The end of  
24 this month, October.

1                   MR. BEDROSIAN: Exactly, correct.  
2                   The second one is a personnel matter. I'm  
3                   going to do something that's rarely done.  
4                   Commissioner Cameron will appreciate this.  
5                   I'm going to ask a state trooper to come  
6                   from the back of the room to the front of  
7                   the room. If you know the state police  
8                   protocol, the back of the room is obviously  
9                   the prepared place where they like to be.  
10                  Trooper Dean Cerullo, as you may know, is  
11                  leaving us after five years of service at  
12                  the MGC in 22 years on the state police.

13                  Dean and I actually met because he  
14                  was at the AG's office at the same time I  
15                  was, so we've worked before coming here. I  
16                  have a lot admiration for the way Dean  
17                  holds himself out as a state trooper. He  
18                  did in the AGO, how he represented the  
19                  Commission here, you know, police -- the  
20                  public perception of police had been flow  
21                  with the tide of how things go, I think  
22                  when people meet people with Dean, who  
23                  usually comes at you with a big smile,  
24                  they're really impressed.

1                   And we just want to thank Dean for  
2                   all his work with the state police at the  
3                   attorney general's office, here at the MGC  
4                   and he is moving on to what he calls  
5                   chapter two of his life, and we suspect  
6                   he'll be as successful in chapter two as he  
7                   was in chapter one. So, Dean, thank you  
8                   very much.

9                   MR. CERULLO: Thank you.

10  
11                   (Round of applause)

12  
13                   COMMISSIONER CAMERON: I'd just like  
14                   to add to that. Coming here from another  
15                   state police organization and knowing how  
16                   investigations should be conducted, I can't  
17                   be more proud of the way the state police,  
18                   and in particular Dean, one of our original  
19                   five, came in, learned the subject matter  
20                   in a hurry under lots of, you know, I'd say  
21                   some kind of pressure about some very high  
22                   level folks looking hard to get a license,  
23                   how professional the team was, how they  
24                   went about their business. Didn't matter

1           how many times they had to go back to  
2           Macaw, they were going to get the right  
3           information before we made our licensing  
4           decisions and watching them perform,  
5           watching the professionalism.

6                         Again, very proud and served us  
7           really, really well. And, Dean, I want to  
8           thank you and just comment on, again, on  
9           how well you served us and how well you  
10          served the state police, tremendous career.  
11          And I know there is a life after, so good  
12          luck to you.

13                       MR. CERULLO: Thank you.

14                       COMMISSIONER MACDONALD: I would  
15          like to say, number one, that I would  
16          second and incorporate that everything that  
17          Commissioner Cameron just said and that  
18          there was one experience I had with Dean in  
19          which I fell far short. I saw him one day  
20          with a canister of water in his hand, and I  
21          asked him how many bottles of water he  
22          drank a day. I can't remember. It was  
23          something like five or six. And he  
24          explained that that was the key to his

1 extraordinary physical health. So I  
2 started buying multiple bottles of water,  
3 and I couldn't possibly keep up with it.  
4 In any event, that's the least significant  
5 thing. But, Dean, thank you very, very  
6 much.

7 MR. CERULLO: Thank you.

8 COMMISSIONER ZUNIGA: Other  
9 comments? I have comments.

10 COMMISSIONER STEBBINS: Sadly, Dean,  
11 everybody that goes through public service  
12 always has that one incident in their  
13 career that they'll be remembered by. For  
14 you it was probably misplacing Judge McHugh  
15 at a hearing but now I --

16 MR. CERULLO: Correction, he  
17 misplaced me.

18 COMMISSIONER STEBBINS: Now, I  
19 thoroughly enjoyed the opportunity to work  
20 with you and the original fab five, so  
21 appreciate your service. I can't believe  
22 you are ready to retire and must have  
23 started at the state police when you were  
24 like nine, but you will be missed. Best of



1 luck in chapter two. Let us know how it  
2 goes.

3 COMMISSIONER ZUNIGA: The only thing  
4 I would add is that Steve would say the  
5 same thing that everybody is basically  
6 saying here. We will miss you. We will  
7 miss your humor. And not only the  
8 professionalism you bring to your work but  
9 you bring it with a real elegance with your  
10 humor and good spirits, so we wish you a  
11 lot of luck.

12 MR. CERULLO: Thank you.

13  
14 (Round of applause)

15  
16 MR. BEDROSIAN: Thank you,  
17 Commission. That's all I have for today.

18 COMMISSIONER ZUNIGA: The next item  
19 on the agenda, as they start getting  
20 settled, is the finance report. We have a  
21 quarterly budget update from the finance  
22 team. Director Lennon.

23 MR. LENNON: Thank you. Good  
24 morning, Commissioners.

1                   COMMISSIONER MACDONALD: Good  
2 morning.

3                   COMMISSIONER CAMERON: Good morning.

4                   COMMISSIONER ZUNIGA: Good morning.

5                   COMMISSIONER STEBBINS: Good  
6 morning.

7                   MR. LENNON: Before we get into the  
8 budget report, we'd also like to share  
9 the --

10                  COMMISSIONER ZUNIGA: Is that mic  
11 on?

12                  MR. LENNON: I think it is. We  
13 share the Commissioners and Executive  
14 Director Bedrosian's comments regarding  
15 Trooper Cerullo. I know that dealing with  
16 Dean and the rest of the Massachusetts team  
17 that has been assigned to the MGC, frankly,  
18 is truly a pleasure. They do conduct  
19 themselves in a professional manner. They  
20 represent the agency very well, and we will  
21 miss dealing with Dean's sense of humor on  
22 a daily basis.

23                  With that said, we are here to  
24 present to you the first fiscal year 2018

1 budget update, and then subsequently we  
2 will be providing some diversity reports  
3 for you. At the public meeting two weeks  
4 ago, we presented to you the closeout of  
5 the fiscal year 2017 budget reference to  
6 the carry forward revenue from that  
7 presentation will appear multiple times in  
8 the memorandum in front of you.

9 In June of 2017, the Massachusetts  
10 Gaming Commission approved a fiscal year  
11 '18 budget for the gaming control fund of  
12 29.15 million, which required an assessment  
13 of 24.45 million on licensees. Balance  
14 forward of the FY '17 surplus revenue and  
15 first quarter activity has resulted in the  
16 anticipated FY '18 budget decreasing by  
17 24,600, and the assessment on licensees  
18 decreasing by approximately \$872,500.

19 The gaming control funds spending is  
20 composed of five areas and the MGC's  
21 regulatory cost, which we always break out  
22 and want to distinguish, are only about  
23 18.75 million of the total 29.15 total.  
24 Through the first quarter, the divisions

1 have requested amendments to the initial  
2 budget that resulted in a 24,600 decrease.  
3 That's why you don't see them as requests  
4 in front of you, because they are all  
5 within the total amounted budget, so I just  
6 put them through as approved on the sheet.

7 At this point, the MGC Office of  
8 Finance and Administration is not  
9 recommending for reductions to the  
10 assessment. We will wait until the midyear  
11 budget discussion to get a better picture  
12 of what the MGC's operational needs are to  
13 be ready to regulate the MGM Springfield  
14 facility, which is opening in the first  
15 quarter of fiscal year 2019.

16 If you recall during the budget  
17 debate, we said we would be coming back to  
18 you as the time frame firms up. It looks  
19 like we will need to add some costs here.  
20 We're still developing that.

21 The bottom of page two of the  
22 memorandum illustrates how the fiscal year  
23 '17 balance forward will be distributed to  
24 offset licensee FY '18 assessments. We

1 will be sending out our second billing on  
2 the assessment following this meeting. And  
3 as is usual, there are three appendices to  
4 this memo. Appendix A is a listing of  
5 revenues and spending by account for the  
6 MGC for the first quarter of FY '18.

7 Appendix B is the detailed adjustments that  
8 have been made to the MGC's budget in the  
9 first quarter, and Appendix C is a snapshot  
10 view from the state accounting system of  
11 each division of budget to act over Q1 of  
12 FY '18.

13 At this point, I'd like to ask if  
14 you have any questions as I've concluded my  
15 brief update.

16 COMMISSIONER STEBBINS: Derek, one  
17 quick question. The savings so far in the  
18 first quarter is 24.6,000, is that just  
19 delay in filling positions or what accounts  
20 for that?

21 MR. LENNON: That's the majority  
22 of -- it's a delay in filling positions and  
23 the associated fringe benefits with that.

24 COMMISSIONER ZUNIGA: On that note,

1           there is a debit of 125,000 to the ISA, the  
2           second to last item.

3                   MR. LENNON:   Correct.

4                   COMMISSIONER ZUNIGA:   And a credit  
5           of 145,000 to non-payroll expenses.   Can  
6           you describe those a little bit?

7                   MR. LENNON:   Yes.   So the ISA  
8           fingerprint each year we carried it around  
9           175,000.   We spent maybe 23 is the most one  
10          year.   So we went back to the state police.  
11          They said they will probably need about 50  
12          this year based on all the hiring that  
13          we're anticipating.   The next year they'll  
14          need 175 probably when we have a big crush  
15          between the two facilities opening.

16                   And we needed a firewall, the  
17          130,000 that you're talking about to  
18          crossover our licensing management system  
19          with the SEGIS network, which took a lot of  
20          work through our Mass IT, a lot of work  
21          through EOPS, and a lot of work with our IT  
22          team to build out this structure that  
23          allows us to have one system up and running  
24          for our investigators to be able to do both

1 the fingerprint background check and the  
2 CORI polls, as well as them working in the  
3 licensing management system. So I put that  
4 two things are pretty much stayed within  
5 the same area.

6 COMMISSIONER ZUNIGA: Right. And I  
7 mentioned this to Director Bedrosian but I  
8 would like to, as the treasurer, to be  
9 involved in the decision-making of items  
10 like this going forward. I think it's a  
11 great recommendation. It's a great offset.  
12 It's very relevant in terms of the items,  
13 but we never really spoke about these kinds  
14 of things relative to the delegation of the  
15 amount of money that we're effectively  
16 delegating you to make these kinds of  
17 changes, Director. And I don't think we  
18 need to establish one necessarily. I just  
19 would like to be involved going forward.

20 MR. LENNON: Yes, I completely  
21 understand that. And I think Agnes and I  
22 can do a better job in keeping you in the  
23 loop on that.

24 COMMISSIONER ZUNIGA: Thank you.

1                   COMMISSIONER CAMERON: That's the  
2 first I've heard of the integration with  
3 the SEGIS network, so it took a lot of  
4 work, both parties.

5                   MR. LENNON: A lot of work. It's  
6 been ongoing for four or five months now.

7                   COMMISSIONER CAMERON: Part of it  
8 propriety information or was it just the  
9 systems were very different?

10                  MR. LENNON: So, it's setting up a  
11 framework so that information doesn't pass  
12 between the federal system and then the  
13 state systems. So it's really the  
14 requirements that the FEDs have, because  
15 this is very secure data. It exceeds any  
16 of our thresholds. The only person that  
17 really had that ability in the past was  
18 EOPS. We then had to work with EOPS,  
19 because we're not just crossing over the  
20 federal system. We're crossing over onto  
21 their network.

22                  So we have -- I can't explain the  
23 diagrams. I've seen them 20 times and all  
24 of our IT team, the State's IT team and



1 EOPS IT team got together, and there's a  
2 lot of components and switches and  
3 firewalls that had to be built to allow  
4 this to happen. And it took a lot of minds  
5 to make this work out, and operationally it  
6 makes sense.

7 COMMISSIONER CAMERON: Yes, it does.

8 MR. LENNON: Because what we have  
9 were troopers sitting out back or part of  
10 the IEB sitting out back with literally two  
11 systems open at once and they'd turn over  
12 here to do one piece of information, and  
13 turn over to this one to do another piece  
14 of information because they require  
15 separate log-ins. They're on completely  
16 separate networks. So it's not just like  
17 having a separate window open on your  
18 computer.

19 COMMISSIONER CAMERON: Great  
20 accomplishment.

21 MR. BEDROSIAN: In an unrelated  
22 meeting with another state regulator this  
23 past week, now we're talking about a  
24 private matter, I mentioned that we had

1           this capability and the other state  
2           regulator was very jealous because they had  
3           said, you know, for what they do, and I  
4           won't mention them, this would have been  
5           very helpful too. But they have recognized  
6           exactly what CFAO Lennon talked about is  
7           the process to do this was a monstrous  
8           process.

9                         So we're very fortunate that we got  
10           through this. But I appreciate obviously  
11           the comment on the delegation, the spending  
12           authority and making sure it's done. So we  
13           will absolutely keep that in mind also.

14                        COMMISSIONER CAMERON: Great work.

15                        MR. LENNON: Thank you. But I can't  
16           take credit. Like I said, it was the IT  
17           team that did the work on this and the IEB  
18           helping to spec it out. I just get to come  
19           forward and explain it.

20                        COMMISSIONER ZUNIGA: I love when we  
21           find efficiencies and in anticipation to  
22           the big workload that we're going to have  
23           on the opening of -- we're already starting  
24           to see in the workload of the opening of

1           MGM. I think the timing is superb. I just  
2           wanted to make --

3           MR. LENNON: And as you and I have  
4           talked about this, it does make sense.  
5           It's consistent with what we've done with  
6           the rest of our teams how with the Central  
7           Management System, we purchased an in  
8           between system to allow us to kind of  
9           interface with IGT's network. So it's  
10          nothing abnormal from what we've done from  
11          other divisions to here.

12          COMMISSIONER ZUNIGA: Other  
13          questions from Commissioners or another --  
14          I had jotted down here some notes, but I  
15          think we addressed them. I made a note  
16          here just for clarification. On the racing  
17          side front 03, we have a current budget  
18          that's similar to the projections of  
19          2,591,000. But if I'm not mistaken either  
20          from the memo or elsewhere, there is a  
21          figure of 2,142,000 that relates to the  
22          racing spending.

23          MR. LENNON: So what you're looking  
24          at is the racing division. You're probably

1 looking at the expense budget form or  
2 revenue to date. Revenue to date is 2.14.

3 COMMISSIONER ZUNIGA: Right.

4 MR. LENNON: That's actual.

5 COMMISSIONER ZUNIGA: Okay. So are  
6 we projecting that we're going to spend  
7 more or is that the current balance, 2,142?

8 MR. LENNON: That's the current  
9 balance through the first quarter as we  
10 roll forward 1.6 I'm pretty sure. Yes, we  
11 rolled forward 1.6 million. So current  
12 balance is 2.1.

13 COMMISSIONER ZUNIGA: But it will  
14 continue to come as needed.

15 MR. LENNON: It will continue to  
16 grow through assessments, if you remember,  
17 licensing fees.

18 COMMISSIONER ZUNIGA: Yes. And then  
19 any balance gets rolled back to the --

20 MR. LENNON: The purses.

21 COMMISSIONER ZUNIGA: Purses.

22 MR. LENNON: Correct.

23 COMMISSIONER ZUNIGA: Okay, thank  
24 you. Other questions from Commissioners?

1 I know you have an update on diversity; is  
2 that --

3 MR. LENNON: We have two updates on  
4 diversity. We have both the vender spend  
5 as well as our employees. So I'll turn it  
6 over to Agnes at this point and then Trupti  
7 will follow-up. Thank you, Commissioners.

8 COMMISSIONER ZUNIGA: Thank you.

9 MS. BEAULIEU: Good morning,  
10 Commissioners.

11 COMMISSIONER MACDONALD: Good  
12 morning.

13 COMMISSIONER CAMERON: Good morning.

14 COMMISSIONER ZUNIGA: Good morning.

15 COMMISSIONER STEBBINS: Good  
16 morning.

17 MS. BEAULIEU: I'm here today to  
18 update you on our FY '17 supplier diversity  
19 benchmarks as well as our FY '18 projected  
20 spending and diversity benchmarks. You  
21 have in your packets a copy of the supplier  
22 diversity program benchmarks, and the MGC  
23 total spent for FY '17.

24 As you can see, the MGC projections

1 in total spend were quite a bit higher than  
2 the supplier diversity program benchmarks  
3 in direct spending. The reason for the  
4 difference in these amounts is that in FY  
5 '17, supplier diversity office changed its  
6 methodology for calculating the  
7 discretionary spend dollar amount.

8 What they have done is to look at  
9 the historical spending and apply a  
10 percentage, currently 65 percent to that  
11 number. While there is a change in the  
12 methodology, it had very little effect on  
13 our ability to reach the benchmarks. We  
14 were able to obtain the benchmarks in both  
15 the minority business enterprises, and the  
16 small business categories for SDO as well  
17 as our own benchmarks.

18 We were not able to obtain the  
19 benchmark for the woman-owned business in  
20 either calculation. This is a category  
21 that we continue to seek out new vendors in  
22 all of our purchases, and you will notice  
23 that there is a difference in the amounts  
24 of the actual spend for the SDO numbers

1           versus the MGC.

2                   I've researched this further and  
3           discovered that I had been including  
4           venders whose certifications have expired.  
5           We will be contacting those venders to get  
6           their certifications renewed so that we can  
7           continue to include them in our  
8           calculations.

9                   This spending amount do not include  
10          any indirect spending from the statewide  
11          contracts, and we do not anticipate that it  
12          will have a significant affect on our  
13          overall achievement of the benchmarks.

14                   Now for our FY '18 benchmarks, the  
15          SDO has yet to put out their benchmarks,  
16          and I'll update you that on the next  
17          meeting when we get those numbers from  
18          them. But our discretionary spending  
19          number comes in a \$3,888,712 that I've  
20          calculated, which is more in line with the  
21          SDO spending methodology.

22                   For the first quarter of spending in  
23          FY '18, we've already reached the goal for  
24          the small business benchmark. And to date,

1 we have encumbrances for about a half of  
2 what our goals are for both the minority  
3 and women-owned businesses. There are a  
4 few RFRs that we will be posting in the  
5 next few weeks. That should bring us  
6 closer to those benchmarks.

7 COMMISSIONER STEBBINS: Agnes,  
8 remind me again, this is only for direct  
9 spending.

10 MS. BEAULEAU: Correct.

11 COMMISSIONER STEBBINS: So we don't  
12 get any benefit of any of our venders using  
13 a subcontractor or anything.

14 MS. BEAULEAU: We have not had any  
15 significant increase in vender spending for  
16 their subcontractors.

17 MR. LENNON: So, if anything, we are  
18 far directly Agnes would include it in  
19 there because we would be able to get that  
20 report from our direct venders. We've had  
21 a lot of discussions with our RFR venders,  
22 and they haven't really resulted in great  
23 production as far as additional spend.

24 We continue to have these



1 discussions. A lot of times they become  
2 uncomfortable, because we are pushing this  
3 program very hard. We emphasize how  
4 important it is to the Commission as well  
5 as to the State as a whole, and we will  
6 continue to do that.

7 I'm not making any excuses for us  
8 missing that benchmark. I don't anticipate  
9 or see us missing it again. We're going to  
10 continue to push. It may cost us a little  
11 extra money, but we're going to continue to  
12 push. We're going to continue looking for  
13 vendors. We're going to continue calling  
14 the vendors that dropped off their  
15 certifications to get recertified.

16 We are going to continue pushing our  
17 direct RFR people to give us some diversity  
18 spend to branch out and spend the money the  
19 MGC has given to them, to vendors in the  
20 community. So, I don't want to make light  
21 of us missing this benchmark. We take it  
22 very seriously.

23 COMMISSIONER STEBBINS: No, I know  
24 you do. And, obviously, our discretionary

1 amount has not really changed that much  
2 year-to-year. So, I certainly apply kind  
3 of the due diligence and homework we do to  
4 try to get us to a point that, you know, we  
5 push our licensees on this. And to the  
6 extent that we can kind of walk the walk,  
7 it's helpful. So, certainly applaud and I  
8 know SDO recognized this all already for  
9 our efforts, so it doesn't go unnoticed  
10 that we continue to focus on this.

11 COMMISSIONER ZUNIGA: Remind us in  
12 general, Derek and Agnes, the discretionary  
13 amount, does that include, for example, our  
14 Central Monitoring System?

15 MR. LENNON: Yes, yes, it does. And  
16 that's one of the areas that we pushed hard  
17 to get some --

18 COMMISSIONER ZUNIGA: It's our  
19 biggest spend problem.

20 MR. LENNON: Yes. And we pushed  
21 hard to get spending contracting out of  
22 there. We will continue to make that push.

23 COMMISSIONER ZUNIGA: Right.  
24 Because that's one RFR that I remember when

1           they responded, that was one of the  
2           commitments.

3                   MR. LENNON:   So they did not put an  
4           actual dollar amount, but they said they  
5           would do everything possible to spend in  
6           both Massachusetts in a diverse manner.

7                   COMMISSIONER ZUNIGA:   Okay.   Now,  
8           other items like the lease is not in the  
9           discretionary.

10                   MR. LENNON:   That's not  
11           discretionary because --

12                   COMMISSIONER ZUNIGA:   Because it's,  
13           you know, what are we going to do.

14                   MR. LENNON:   Utilities are not  
15           discretionary, because we use whatever  
16           utility company is available to you.   So  
17           there are certain areas that are not  
18           included.

19                   COMMISSIONER ZUNIGA:   Well, it may  
20           go out without saying but this is such a  
21           large and fixed contract, you know, this is  
22           a contract that is going to be with us for  
23           a number of years.   Any changes that we  
24           can -- any credit that we can get from that

1 contract, I think. And, I believe, some of  
2 the uncomfortable discussions with  
3 reference that you made is directly related  
4 to that one, but that's one thing we need  
5 to continue to push. Other questions,  
6 Commissioners?

7 COMMISSIONER CAMERON: Just one  
8 quick question. Agnes, when you contact  
9 these companies that have let their  
10 certificates expire, are they aware that  
11 they've expired?

12 MS. BEAULEAU: Some of them are not.  
13 I personally didn't even know that that  
14 category existed in the warehouse until I  
15 spoke with our OSD the other day, because I  
16 couldn't understand why our numbers were so  
17 off on the actuals. And then when I looked  
18 at it, it was at every single item. When I  
19 recalculated it, it was exactly that. It  
20 was that OSD didn't have a certificate on  
21 file. So, therefore, they weren't counting  
22 that as spent. So we will be sending out  
23 e-mails and letters to all of these vendors  
24 to get them recertified in that particular

1 category.

2 COMMISSIONER CAMERON: Thank you.

3 COMMISSIONER ZUNIGA: Other items on  
4 the diversity front?

5 MR. LENNON: Now Trupti will give us  
6 an update on our hiring diversities.

7 MS. BANDA: Good morning,  
8 Commissioners.

9 COMMISSIONER MACDONALD: Good  
10 morning.

11 COMMISSIONER CAMERON: Good morning.

12 COMMISSIONER ZUNIGA: Good morning.

13 COMMISSIONER STEBBINS: Good  
14 morning.

15 MS. BANDA: So to update you, our  
16 current headcount is makeup of 67 MGC  
17 employees and 19 seasonal racing employees  
18 for a total of 86 employees. And some of  
19 our recruiting activities since the  
20 beginning of the year, we hired seven new  
21 employees, three in the IEB, one in IT, one  
22 in resources and two seasonal racing hires.  
23 And we had 17 returning seasonal hires.  
24 And this year we had seven folks start with

1 the agency, and we had nine employees  
2 depart.

3 Our diversity goal is 25 percent,  
4 and the greater Boston town is 42 percent  
5 diverse. The area diversity data comes  
6 from the Donahue Institute, and the  
7 Massachusetts diversity is 25 percent.

8 Gender demographics for MGC are  
9 about 50/50 with 49/51 in 2016, and today  
10 we are at 50/50, so we're remaining  
11 consistent there. And since last year, we  
12 were 3.2 percent from goal. This year we  
13 are slightly behind from them at 5.2 points  
14 from goal of 25 percent. And some of the  
15 efforts that we've made last year were  
16 consistently reviewing a larger pool of  
17 candidates for our open positions in terms  
18 of a lot more phone screens, bigger group  
19 folks with transferable skill-sets. Those  
20 are things that we consider to broaden our  
21 pool of candidates.

22 We've also -- the positions were  
23 posted on our job boards connecting to the  
24 Mass. Careers website, MGC, Linkden, just

1 to broaden our reach of candidates. Open  
2 positions are also picked up by other job  
3 search sites, such as Indeed and Simply  
4 Hired to capture additional candidates.  
5 And we had an agency wide diversity  
6 training last year within our fiscal year.

7 Moving forward we're working to  
8 reconnect with several affinity groups to  
9 streamline our process of connecting our  
10 opened positions just to get them out  
11 there. They don't have typically a direct  
12 website that we can post all our positions  
13 to. It's a one-by-one reach. So we're  
14 trying to aggregate the groups, develop a  
15 streamline process to get our open  
16 positions out to them.

17 And then as far as moving forward,  
18 we'll also participate in job fairs and  
19 holding information sessions. We  
20 anticipate hiring a large pool of  
21 candidates within our gaming agent team.  
22 And, I think, that we have a great  
23 opportunity for growth and diversity there  
24 as we move forward, because there's a broad

1 skill-set that would fit within that  
2 background for that particular position.

3 So by holding information sessions,  
4 the candidates can better understand what  
5 the role entails. We can share some  
6 information about the role, and so that way  
7 they can learn and possibly express  
8 interest or apply for the position.

9 COMMISSIONER CAMERON: Are we  
10 looking to hire a mix of new folks and  
11 experienced gaming agents; is that the  
12 plan?

13 MS. BANDA: Yes. We're hoping to  
14 have some positions where we would have  
15 experience, but some of the agents  
16 themselves, we are open to folks without  
17 previous gaming experience and we have a  
18 robust training plan with the investigation  
19 team and Bruce's team to ensure that they  
20 can get up-to-speed by visits to the  
21 casinos, you know, table games training and  
22 various training that we hold, which is  
23 about two months of training before they go  
24 out into the field.



1                   COMMISSIONER CAMERON: A mini  
2 academy.

3                   MS. BANDA: Mini academy, that's  
4 right.

5                   COMMISSIONER STEBBINS: What is our  
6 expected hiring as we ramp up MGM; how many  
7 more positions are we hoping to add?

8                   MR. BEDROSIAN: It's a simple  
9 question, but it's also a loaded question.  
10 We are actually, I think, CFAO Lennon  
11 referred to this, that we are starting that  
12 process literally today to talk and Derek  
13 is going around to talk with staff about  
14 what will be implicated in this potential  
15 budget year. And I could give you a  
16 number, but it's really in the end subject  
17 to the Commission budgeting that number and  
18 approving that number.

19                   So I think we are, you know,  
20 somewhere around potentially ten or so  
21 gaming agents at MGM. But, again, we're  
22 working on refining the number, justifying  
23 that number, doing all those things, and  
24 there may need to be other staff. Derek is

1 going to need someone who knows how to do  
2 table revenue. We're not accounting for  
3 table revenue.

4 Sp as the agency grows, we have to  
5 grow on our peer regulatory side and maybe  
6 slightly on our support side. So we're not  
7 going to grow expedientially, and some of  
8 the challenges of being what I call a small  
9 to midsize agency obviously is if you lose  
10 a few people in the past year -- we did  
11 lose some folks, some diverse staff to  
12 various reasons. Your numbers take a hit,  
13 but we have to be cognizance of that.

14 And from my mind, I'm trying to  
15 figure a way of working with Trupti, and  
16 she's on me all the time about this, in a  
17 fair and reasonable way of trying to get  
18 diversity not only in a place like gaming  
19 agents but up and down, you know, and  
20 senior staff also. So I consider that we  
21 have -- there aren't many senior staff  
22 positions open. But when they are open,  
23 obviously we will consider that also.

24 COMMISSIONER STEBBINS: I mean,

1 obviously I don't want to say we have a  
2 great deal of time but obviously, you know,  
3 a way to kind of close this small gap that  
4 you have between our goal and what we  
5 currently have is obviously take advantage  
6 kind of this next big hiring opportunity,  
7 you know.

8 Also, I would expect keeping in mind  
9 patron-base for Springfield is going to be  
10 a lot more diverse than it probably is for  
11 Plainridge, having gaming agents who are  
12 diversified to interact where appropriate of  
13 certain patrons would help.

14 And I'm happy to hear what you're  
15 saying about training in case we find  
16 people have a core set of skills but  
17 obviously need a little bit more, you know,  
18 be a competitive candidate for a gaming  
19 position.

20 You know, interesting to watch what  
21 MGM is doing with hiring the use of Skill  
22 Smart where somebody can go in, talk about  
23 the skills they have and still understand  
24 what the gap is early enough so that they

1 can have that opportunity to maybe go take  
2 a credit course starting in January at a  
3 community college, or do some things in  
4 advance of all of a sudden then quickly  
5 having to respond when the posting comes  
6 out. So, as much as that as we can do, I  
7 think, also might be helpful.

8 MS. BANDA: We'll be working with  
9 some colleges as well as for folks who are  
10 recently graduating, and taking advantage  
11 of their vast background whether it be  
12 accounting or law enforcement interests  
13 where they may not be aware of this type of  
14 role that crosses a few different sectors  
15 and then training offered from there.

16 I think the information session will  
17 also be helpful, because that's when we are  
18 able to interact with candidates and share  
19 with them what a typical day would look  
20 like and what skill sets are required. So,  
21 I think, that will help broaden our pool.

22 COMMISSIONER ZUNIGA: I want to  
23 emphasize that all the time emphasis that  
24 you made, Director and Trupti, thank you

1           for that. And this is something that  
2           reminded me a recent diversity seminar that  
3           I went to, and that all the time means a  
4           lot of what you're doing in the front by  
5           the funnel and the outreach and the  
6           different groups. It goes through the  
7           hiring process, including critically of  
8           course the decision-making, the hiring  
9           manager process of, you know, presenting  
10          candidates and evaluating them.

11                        But also, importantly, after hire  
12          where we either as senior management checks  
13          in with people, make sure that there is  
14          some kind of mentoring opportunities or  
15          checking in on how people feel, the  
16          culture. And when people leave, when we  
17          lose candidates, to conduct an exit  
18          interview and check in as well as to, you  
19          know, what do you think of the culture,  
20          what do you think of the welcoming  
21          environment. And it's really all the time.  
22          If we do this all the time every time,  
23          we'll likely get good results. But thank  
24          you for all your efforts and all your

1 updates.

2 COMMISSIONER MACDONALD: I just have  
3 a question on this. Trupti, I know how  
4 much effort has gone into this. And, so,  
5 it was concerning that between 2016 and '17  
6 we've lost ground a little bit. Is there  
7 any kind of insight that you can share with  
8 us as to why notwithstanding the effort  
9 that we've lost ground?

10 MS. BANDA: We're a small agency.  
11 And sometimes when you lose one or two  
12 folks, that makes a pretty big impact and  
13 some of the hiring that we've done has been  
14 across various areas. And at the end of  
15 the day, our goal is to hirer the best  
16 qualified candidate who can make an impact  
17 and be an expert within their area to  
18 support the needs of the agency and the  
19 mission.

20 So we may be close and have diverse  
21 candidates in the pooling. In some  
22 instances an offer is declined for personal  
23 reasons. I had a situation where it didn't  
24 work out despite every effort made.

1           Sometimes there is a situation where we  
2           have a candidate who has the exact  
3           skill-set we need. And, you know, as a  
4           manager, that's the decision we have to  
5           make and really allowing them to be  
6           successful as well. If we have a candidate  
7           who presents well, has the skill-sets and  
8           doesn't have to be trained to the level  
9           that maybe someone else might have to, then  
10          it's fair to make that decision to hire the  
11          other candidate.

12                        Again, it's a small number. One or  
13                        two makes a big difference, and that's kind  
14                        of where we are. We do have a couple of  
15                        candidates who we are in the process of  
16                        hiring, but they weren't part of the  
17                        numbers because the background checks are  
18                        not completed, and they haven't come on  
19                        board. We will continue to work.

20                                MR. LENNON: And I do just want to  
21                                add, one of the policies that the  
22                                Commission approved early on was our hiring  
23                                policy and our interview policy, which  
24                                requires our diversity officer to be

1 included in the interviews, and Trupti is  
2 our diversity officer. So what Ed,  
3 Executive Director Bedrosian said to you is  
4 the same thing that every director in the  
5 office here is, too. Trupti will question  
6 why do you think this candidate is better  
7 than a diverse candidate? And she really  
8 works hard on the directors when they make  
9 hirers. So, we do hope, just like with the  
10 women spend, we do not want to be back here  
11 again saying we're below 25 percent next  
12 year.

13 COMMISSIONER MACDONALD: Thank you.

14 COMMISSIONER ZUNIGA: Other  
15 questions? I think, that does it. Thank  
16 you very much for the update. Let's get  
17 into the next item on the agenda. I see  
18 Dr. Volberg and Elissa waiting there  
19 patiently. Please come on forward.  
20 Director Vander Linden.

21 MR. VANDER LINDEN: Good morning,  
22 Commissioners.

23 COMMISSIONER MACDONALD: Good  
24 morning.



1 COMMISSIONER CAMERON: Good morning.

2 COMMISSIONER ZUNIGA: Good morning.

3 COMMISSIONER STEBBINS: Good  
4 morning.

5 MR. VANDER LINDEN: Good to see you  
6 all. I am joined by Dr. Volberg, whom you  
7 are very familiar with and her great  
8 researcher over the past several years.  
9 I'm also joined by Elissa Manzar, who just  
10 recently, I guess, in the spring as it  
11 turns out, joined the SEIGMA team as a  
12 project manager. Elissa moved here  
13 specifically from Montreal to take the  
14 position. Like many of our great ideas for  
15 responsible gaming that come from Canada,  
16 so does Elissa.

17 Elissa is a Ph.D candidate at  
18 McGillian University in the Department of  
19 Sociology and has a very interesting focus  
20 of her research, which is to examine the  
21 use and impact of casinos of socioeconomic  
22 development tool for communities.

23 Obviously, as Trupti was talking about it  
24 really good fits positions at the

1 Commission, I believe, that Elissa seems to  
2 be a very good fit for the type and scope  
3 of research that the Commission is doing as  
4 well. So welcome, Elissa.

5 COMMISSIONER ZUNIGA: Good morning.

6 MS. MAZAR: Thank you.

7 MR. VANDER LINDEN: So during the  
8 last meeting, the UMass Donahue Institute  
9 released an analysis of the impacts of  
10 Plainridge Park Casino's first year of  
11 operation. There were several elements  
12 from that report that used data from the  
13 patron and license plate survey. So today,  
14 Dr. Volberg will present to you a much  
15 deeper description of that patron survey.

16 This is an important part of our  
17 gaming research agenda and provides the  
18 only data collective directly from casino  
19 patrons regarding their geographic origin  
20 and expenditures. There's also a series of  
21 questions that provide interesting and, I  
22 think, very valuable information about the  
23 reach of our GameSense program that Rachel  
24 will also touch on.

1                   That is also a part of our research  
2                   agenda with the Cambridge Health Alliance.  
3                   So while Rachel will touch on it, there  
4                   will be much more information coming in the  
5                   next few months about that piece of it.  
6                   So, without any further ado, I will turn it  
7                   over to Rachel.

8                   MS. VOLBERG: Thank you and good  
9                   morning, everyone.

10                  COMMISSIONER MACDONALD: Welcome  
11                  back.

12                  COMMISSIONER ZUNIGA: Good morning.

13                  COMMISSIONER CAMERON: Good morning.

14                  COMMISSIONER STEBBINS: Good  
15                  morning.

16                  MS. VOLBERG: I actually have an  
17                  enormous amount of material I feel like I  
18                  have to get through. So if I start talking  
19                  very quickly because I'm just trying to  
20                  move things along, somebody slow me down.  
21                  So we actually have three pieces of work  
22                  that we're going to be reporting to you on.  
23                  One is a presentation on the updated  
24                  baseline general population survey.

1                   Hopefully you will recall when we  
2                   did the original weighting for the baseline  
3                   survey back in 2014 and 2015, and then  
4                   started a series of meetings with the  
5                   expert review committee, which ultimately  
6                   led us to conclude that we needed to  
7                   re-weighting the data.

8                   So we came and presented, I believe,  
9                   about a year ago just a very quick overview  
10                  of the results of that re-weighting, but I  
11                  just wanted to sort of take this  
12                  opportunity to give you a little bit of  
13                  information about the results of what we  
14                  actually found to give you a sense of the  
15                  changes that we made as a result of the  
16                  re-weight.

17                  The second piece I'm going to be  
18                  talking about is the patron survey, and the  
19                  third piece is the associated license plate  
20                  survey that we conducted in 2016 at  
21                  Plainridge Park Casino.

22                  So without further ado -- is that  
23                  the clicker? So I'm not going to spend  
24                  very much time on these background slides

1 really. This is just to give you an  
2 overview of how we initially designed the  
3 weights for the baseline general population  
4 survey. The purpose of weighting a survey  
5 sample is to take into account the fact  
6 that a survey is not actually the  
7 population.

8 So you want to -- once you have your  
9 sample that you completed your survey with,  
10 you want to adjust the sample to actually  
11 reflect the characteristics of the  
12 population that you're trying to represent.  
13 So it's a bit of a statistical work-of-art,  
14 if you will. Ed Stanek likes to say  
15 there's a lot more art than science to  
16 weighting, which is why we sort of have  
17 found ourselves in these extended  
18 discussions with the Expert Review  
19 Committee as we sort of do our weighting,  
20 and they have opinions about how it might  
21 be done better and we go oh, yeah, that  
22 could be done better.

23 So this is how we originally did it.  
24 The next slide just gives you some

1 background about the Expert Review  
2 Committee, and the concern that they  
3 expressed was that we had not accounted in  
4 our original weights for the number of  
5 individuals that -- in the general  
6 population that have less than a high  
7 school education. And so we looked at it,  
8 and their recommendation was that we add  
9 education to the weighting formula and also  
10 to use a different strategy, statistical  
11 strategy to adjust the sample to the known  
12 population.

13 So, the construction of the new  
14 weights was completed in May. We made a  
15 couple of additional --

16 COMMISSIONER MACDONALD: Excuse me,  
17 Rachel, just going back. I noticed in the  
18 slides that this term "raking" was used  
19 frequently. What does raking mean?

20 MS. VOLBERG: So raking is a  
21 statistical procedure when -- I'm not a  
22 biostatistician, so I may not explain this  
23 very well. But, essentially, raking is  
24 different from post-stratification in the

1           sense that we use multiple variables at  
2           once. So you -- instead of saying, okay,  
3           now we're going to adjust for gender and  
4           now we're going to adjust for age and now  
5           we're going to adjust for ethnicity and now  
6           we're going to adjust for education, raking  
7           is basically you do all of those  
8           iteratively, which is why it's called  
9           raking, because you go back over and over  
10          again in a statistical program to end up at  
11          the end with everything being adjusted for  
12          simultaneously.

13                    COMMISSIONER ZUNIGA: This is just  
14           one of the two strategies that she's  
15           referring to that we started, if I'm not  
16           mistaken, with a post-stratification  
17           strategy, which is, again, a method of  
18           correcting trying to guess better the total  
19           population based on the sample. And after  
20           those discussions, you migrated to raking,  
21           you'll get into a chart that compares the  
22           two results, which is the one that she just  
23           described. For some reason I think of  
24           those Japanese things, garden things that

1                   you like to move.

2                   MS. VOLBERG: I wish it was that one  
3                   rather than this one.

4                   COMMISSIONER ZUNIGA: But, I  
5                   suppose, you can bring the people that are  
6                   more important. That is how I  
7                   conceptualize it by continuing -- you know,  
8                   because we are trying to determine their  
9                   relevance, their relative relevance and  
10                  weight.

11                  MS. VOLBERG: It's a statistical  
12                  debate about whether post-stratification  
13                  for raking is a preferable technique, and  
14                  we actually consulted -- we went back and  
15                  consulted with our data collection folks at  
16                  NORC to try and understand why they had  
17                  originally recommended the use of  
18                  post-stratification.

19                  And after some additional  
20                  discussions with them and going back and  
21                  forth with the Expert Review Committee  
22                  here, we decided that the use of raking  
23                  would sort of align us better with where  
24                  the field of biostatistics is going in



1 terms of this particular technique. So it  
2 was an improvement based on developments in  
3 biostatistics.

4 And, again, I am not the  
5 biostatistician on my team. If I had known  
6 that we would dive into this particular  
7 matter deeply, I would have forced Ed  
8 Stanek to come back from North Carolina.

9 COMMISSIONER ZUNIGA: But it  
10 mentions, I think, with the review panel  
11 and the people that we have there from  
12 Harvard, from BU and, you know, and their  
13 backgrounds, I'm not going to get them  
14 right but -- and, you know, NORC, your  
15 subcontractor, we really have the most  
16 forward thinking on this topic available.

17 MS. VOLBERG: We try not to get too  
18 far ahead of the envelope, but we try to  
19 push it every time.

20 COMMISSIONER ZUNIGA: The new ones  
21 and the most sophisticated. Let me say it  
22 that way.

23 MR. VANDER LINDEN: If I just may  
24 say, it does highlight the role of our

1 review panel in our research agenda that  
2 we're committed to the highest quality  
3 research and not much gets by that review  
4 panel, and Rachel can attest to that, that  
5 we pay very close attention to it, and this  
6 is a great example of if there's an  
7 alternative way to do it that does a better  
8 job of measuring it, we will go back and we  
9 will present that data.

10 COMMISSIONER MACDONALD: So, I  
11 gather, then the essence of it is it's a  
12 means of adjusting the data to more  
13 faithfully reflect the population that is  
14 being examined.

15 MS. VOLBERG: Yes, to get it closer.  
16 So this next slide will actually show you  
17 that -- so the weights that we used in  
18 post-stratification were gender, race  
19 ethnicity and age. And then in the raked  
20 weighting procedure, we added education.  
21 So you see will that there was relatively  
22 little change in the proportion of males,  
23 for example, and in the proportion of  
24 people who were white. And even in the age

1 categories, there was relatively little  
2 change when we use the raking procedure  
3 rather than the post-stratification.

4 But you'll notice that if you look  
5 at the proportion of people who had less  
6 than a high school or a high school diploma  
7 in the post-stratified approach, we had  
8 only 17 percent of our respondents who were  
9 in that category versus when we did the  
10 raking procedure, it was up to a little  
11 over a -- a little over a third.

12 So that was the impact of the change  
13 in the weighting procedure, the main  
14 impact.

15 COMMISSIONER ZUNIGA: Are these  
16 numbers meant to represent the percent of  
17 the population in each of the categories on  
18 the state?

19 MS. VOLBERG: Yes. So they have  
20 been -- so the raking procedure matches  
21 them to the known characteristics of the  
22 State of Massachusetts.

23 COMMISSIONER ZUNIGA: Which are  
24 close -- not represented in this slide but

1 are close to these figures.

2 MS. VOLBERG: Yes. So we got closer  
3 in terms of the education being  
4 representative, and that's what we were  
5 aiming to do. So that said, every number  
6 in our 300-page report had to be changed,  
7 and then we had to change all the text or  
8 check all the text to make sure that the  
9 text all reflected what the new numbers  
10 were. But you can see that most of the  
11 numbers had relatively small changes.

12 This one shows you some results from  
13 the attitudes towards gambling. You can  
14 see that down at the bottom of the page the  
15 proportion of people who said that gambling  
16 was important as a recreational activity to  
17 them changed from 8.3 percent to  
18 8.1 percent.

19 So, that's a year's worth of work to  
20 achieve a relatively small change but a  
21 better methodological approach. Not all of  
22 them were that small, but many of them  
23 were. And it was a very interesting  
24 exercise to revisit this report and see

1 where some of the changes were.

2 COMMISSIONER ZUNIGA: I think it's  
3 interesting when some of these numbers are  
4 taken together, for example, under  
5 attitudes the number that loses to the  
6 other two is the ones that say -- the one  
7 in the middle, some legal, some illegal  
8 whereas both numbers go up for those, I  
9 think, all should be legal.

10 COMMISSIONER CAMERON: I thought it  
11 was interesting that about the same amount  
12 of people find it harmful as those who find  
13 it beneficial, so it's pretty equal there.

14 MS. VOLBERG: Yes, yes. And, I  
15 mean, the key here is that, you know, the  
16 proportion of folks who think that some  
17 form should be legal and some should be  
18 illegal, really that middle category hasn't  
19 changed. It's more the small adjustments  
20 are sort of one percent increase on the all  
21 should be illegal and one percent increase  
22 on the all should be legal, so you're sort  
23 of seeing, you know, a somewhat different  
24 spread in terms of attitude.

1                   But, again, none of these -- none of  
2                   these changes were actually statistically  
3                   significant in the sense that -- I didn't  
4                   put the confidence intervals in here.  
5                   Martha's going to kill me. Sorry, Martha.  
6                   But, basically, all of the numbers that  
7                   we're showing here were not -- the change  
8                   was not statistically significant, because  
9                   the confidence intervals still overlapped.  
10                  And Steve is not here either so...

11                  COMMISSIONER ZUNIGA: He hates  
12                  confidence intervals, but I tell him it's  
13                  critical.

14                  MS. VOLBERG: Okay. So this is all  
15                  of our past year gambling participation  
16                  activities. You can see, again, the  
17                  changes are relatively small. We saw a  
18                  very slight change -- an increase in the  
19                  proportion of the entire population that  
20                  have gambled in the past year. Again, none  
21                  of these are statistically significant  
22                  because the confidence intervals all still  
23                  overlap.

24                  And then last -- oops, last but not

1 least, this is what we came and presented  
2 in the memo. It was in March of this year  
3 or last year? This year, okay. It's been  
4 a busy year. This basically shows that the  
5 prevalence of problem gambling in  
6 Massachusetts changed from 1.7 percent,  
7 which is the number that we have been using  
8 for quite a long time, to 2.0. And there  
9 was a bit of a jump in the proportion of  
10 people who were classified as at-risk  
11 gamblers.

12 And that was primarily due to  
13 people -- not people -- not a change in the  
14 proportion of people actually endorsing  
15 items in the problem gambling screen, but  
16 actually getting into the at-risk pool  
17 because of how much they spent on gambling,  
18 and that was another way that they could  
19 get into that group.

20 COMMISSIONER CAMERON: Are these  
21 actual -- is this just the difference in  
22 how it's categorized, the different method  
23 of getting to the numbers or do you really  
24 believe those are -- those are increases?

1 MS. VOLBERG: No, those are not  
2 increases.

3 COMMISSIONER CAMERON: So it's just  
4 a different methodology being identified.

5 MS. VOLBERG: Yes. And, again, the  
6 confidence intervals overlap on each of  
7 these categories, so these are not  
8 statistically significant differences, but  
9 we do believe these are more accurate  
10 estimates, you know, because you have a  
11 range of estimates. We think these are  
12 more accurate because of the adjustment  
13 that we made to include education and to do  
14 the raking procedure.

15 COMMISSIONER ZUNIGA: Now, the  
16 important piece when we come to do the  
17 second population survey, you know, in a  
18 couple of years, and they will be here  
19 before we know it, will be to use the  
20 raking procedure, correct? Is that the  
21 assumption or will we try to use both  
22 methods?

23 MS. VOLBERG: No. We definitely  
24 will not go back to post-stratification.



1 We definitely would be using a raking  
2 method. Although, Ed Stanek has proposed  
3 that there might be an even better way to  
4 develop weights in that we have agreed with  
5 Mark and the Expert Review Committee that  
6 it's worth letting him spend some time of  
7 the amount of time that he is able to give  
8 us, it's worth letting him explore this  
9 approach to using a model-based approach  
10 rather than a design-based approach. And I  
11 don't want to dive down into that  
12 particular hole, because I'm not even very  
13 comfortable even peering over the edge. It  
14 makes me nauseous.

15 MR. VANDER LINDEN: But, I think,  
16 the point is that it wouldn't compromise  
17 the ability to compare what a baseline to a  
18 follow-up if there -- so, I think,  
19 Commissioner Zuniga's point is we need to  
20 be able to compare the baseline to the  
21 follow-up and any adjustments in the  
22 weighting method at follow-up would not  
23 compromise our ability to compare the two.

24 MS. VOLBERG: Yes. And the idea is

1 always that the comparability is paramount.  
2 I spend a lot of my time thinking about  
3 making sure that things are going to be  
4 comparable over time.

5 Okay. So that's our update on the  
6 updated baseline report. And Elissa is  
7 going to be posting that right after the  
8 meeting on or SEIGMA website.

9 MR. VANDER LINDEN: And it will be  
10 updated on our MGC website as well.

11 MS. VOLBERG: So let's get into  
12 where, I think, I'm going to need to speed  
13 up, which is a report on our patron and  
14 license plate survey. And I want to just  
15 start by saying that I'm really sorry that  
16 Laurie Salame could not be here. Laurie  
17 has been an integral part of the team  
18 before we even got this project.

19 She came with me on my very first  
20 trip to Boston to visit with the gaming  
21 commission and tell them that I thought  
22 they needed to get started on their  
23 research agenda right away, even though  
24 they had been only appointed for about a

1 month. So Laurie did just an amazing job,  
2 and I really want to express my  
3 appreciation to her for her leadership on  
4 this particular component of the study.  
5 She really did a fantastic job.

6 So, I think, I'm going to skip past  
7 these next several slides. They're just  
8 intended to sort of give you a sense of the  
9 larger SEIGMA project and where the patron  
10 survey kind of fits in. So, you know,  
11 these are the objectives of our social and  
12 economic impact study. We have social and  
13 health impacts, and we have economic and  
14 fiscal impacts. And the tendency with  
15 social and economic impact studies is they  
16 tend to be done separately for the most  
17 part.

18 So, you know, there is a social  
19 impact study and then there's an economic  
20 impact study. And one of the unique  
21 aspects of what we're doing here in  
22 Massachusetts is we are sort of keeping  
23 those two pieces very tightly aligned,  
24 which is probably what I spend a good bit

1 of my time doing, making sure that one  
2 train doesn't get in front of the other.

3 In this particular -- and then we  
4 have the phases of the project. So we were  
5 in baseline for quite a long time. We are  
6 now well into the operations part for the  
7 slot parlor, but we're still doing the  
8 development and construction pieces for the  
9 two big casinos.

10 COMMISSIONER CAMERON: Do you list  
11 the crime analysis separately?

12 MS. VOLBERG: The crime piece is  
13 subsumed under the social and health  
14 impacts. But I'm not really -- I don't  
15 really want to talk about the larger  
16 project. I want to drill down to this  
17 particular piece of work. So these are our  
18 main areas, but this was -- the patron  
19 survey was written into our research plan  
20 from the very beginning. Because we knew  
21 from the beginning that it was going to be  
22 essential to understand how people changed  
23 their spending on gambling. We would need  
24 to actually get information from the

1 patrons at the actual properties.

2 So, I want to just give a deep and  
3 sincere thanks to Plainridge Park Casino.  
4 They were just a pleasure to work with.  
5 They were extremely responsive to all of  
6 the asks that Laurie made to be able to  
7 position survey teams in the casino itself  
8 or at the exits to the gaming floor, and we  
9 just really want to thank them for being a  
10 terrific partner in this particular  
11 enterprise.

12 MR. VANDER LINDEN: And the point  
13 person on that is Lisa McKinney from  
14 yesterday.

15 COMMISSIONER ZUNIGA: Sitting right  
16 behind you. Welcome, Lisa.

17 MS. VOLBERG: So one of the other  
18 unique aspects of the patron survey is that  
19 it was a completely joint effort. It was  
20 Laurie worked with our side of the shop and  
21 with the team at the Donahue Institute in  
22 terms of, you know, how are we going to  
23 sample the patrons, what were we going to  
24 ask them in terms of a questionnaire, you

1 know. Once the data were collected, Laurie  
2 worked in terms of -- across the two teams  
3 in terms of analyzing the data and in  
4 drafting the report. So she really sort of  
5 held the whole thing together across the  
6 two parts of the project.

7 So, these were the main purposes of  
8 the patron survey. We needed to understand  
9 the geographic origin of the patrons so  
10 that we could identify whether the impacts  
11 of the casino were local, statewide or  
12 multistate. We were especially interested  
13 in determining the amount of recapture of  
14 spending that has been going out of state  
15 for a number of years to casinos in other  
16 jurisdictions. That was actually one of  
17 the rationals for the passage of the  
18 legislation in the first place, so this was  
19 utterly key to that, to understanding that.

20 And, then, we also wanted to  
21 understand how casino patron spending on  
22 other -- in other parts of the locality, so  
23 outside of Plainridge Park but still in  
24 Plainville sort of what that kind of

1           spending looked like as well. We took the  
2           opportunity while we were going to be doing  
3           the patron survey to query the Division on  
4           Addiction about whether they wanted to add  
5           some questions about GameSense, which they  
6           did, in which we were able to include in  
7           the survey as well.

8                         This is a little bit about our  
9           logistics. We worked very hard to develop  
10          a method to achieve as representative  
11          sample as possible. So we had eight days  
12          when we drove a van full of UMass  
13          undergraduates to the casino, and they all  
14          got badges, and they all were wearing UMass  
15          vests and we set them up with tables at  
16          each of the exits, and they had a very  
17          specific procedure that they went through  
18          to sample every sixth patron who exited at  
19          each of those three areas.

20                        So we did -- we had eight days when  
21          we were in the field. We did Saturdays and  
22          Mondays. Saturdays were to represent  
23          weekend patronage, and Mondays were to  
24          represent weekday patronage.

1                   We sampled in February, and then  
2                   again in early August. And we varied the  
3                   four-hour time frame so we had for each  
4                   summer and winter we had an afternoon  
5                   period on a Saturday and an afternoon  
6                   period on a Monday, and then an evening  
7                   period on each of those days. So we were  
8                   just trying to get a representative a  
9                   sample as possible based on what we  
10                  understood about the patronage. And we  
11                  achieved a sample of 479, which was  
12                  96 percent of what we had projected we  
13                  needed.

14                 COMMISSIONER STEBBINS: Rachel, on  
15                 that it kind of strikes me that, you know,  
16                 Monday would have been typically be the  
17                 slowest day coming off the weekend and that  
18                 Tuesday, Wednesday and Thursday might have  
19                 had some more activity either sticking with  
20                 the Monday as the weekday day that you  
21                 wanted to look at, how did --

22                 MS. VOLBERG: We actually we were  
23                 looking for the slowest day. We wanted the  
24                 peak highest day, and we wanted the slowest



1 day so we could sort of look at those  
2 differences in patronage.

3 COMMISSIONER ZUNIGA: Your  
4 impression was correct, Commissioner.

5 MS. VOLBERG: So you're correct that  
6 it was purposely selected as the slowest  
7 time.

8 COMMISSIONER STEBBINS: I'm ready to  
9 join the SEIGMA team.

10 MS. VOLBERG: You will be welcomed.  
11 We could use all hands on deck.

12 COMMISSIONER CAMERON: Just one  
13 quick question about the one day, which was  
14 Saturday the 27th, really high number of  
15 folks surveyed. Is that just there were so  
16 many more people every sixth person came  
17 up? I wonder if there was some promotion  
18 that day.

19 MS. VOLBERG: We don't think so.  
20 That was -- yes, we were surprised at the  
21 winter Saturday evening was quite a bit  
22 busier than the summer Saturday evening.  
23 You can see down on line number seven that  
24 we only got 68 completes in that same

1 period for the summer data collection. So  
2 we had actually anticipated the opposite  
3 but, you know, it is what it is.

4 COMMISSIONER ZUNIGA: But on that  
5 note, is the variability explained by the  
6 rate of response or the rate of people?

7 MS. VOLBERG: It's the rate of  
8 people. So that's how many -- I mean, and,  
9 actually, there were a small number of  
10 people particularly on that heaviest day  
11 that we actually missed about 15 people who  
12 should have been the sixth person, but we  
13 didn't have somebody available to go and  
14 ask them if they would like to do the  
15 survey.

16 COMMISSIONER ZUNIGA: Because it was  
17 so busy.

18 COMMISSIONER MACDONALD: Rachel, why  
19 not Sunday?

20 MS. VOLBERG: Because Sunday is,  
21 again, is a weekend day but the busy time  
22 on Sunday ends at about six p.m. So if we  
23 had wanted to do a Sunday doing a six to  
24 ten p.m. on Sunday would actually have been

1 more like a weekday, more like a Monday  
2 than Saturday -- than a weekend.

3 COMMISSIONER MACDONALD: So a  
4 nonrepresentative.

5 MS. VOLBERG: It would have been  
6 less representative, yes. We were looking  
7 for the heaviest and the lightest of  
8 traffic days. I'm getting ahead of myself.  
9 I'm not going to spend any time on this.  
10 This is just we had teams, and they had  
11 different tasks. And we gave them gift  
12 cards if they agreed, and we got  
13 information about them. Even if they  
14 refused, we got some demographic  
15 information that we could use to weight the  
16 survey ultimate the survey data later on.  
17 And we got a response rate, overall  
18 response rate of about 22 percent.

19 COMMISSIONER STEBBINS: Is that  
20 good; is that the number you were hoping to  
21 have?

22 MS. VOLBERG: You know, this is  
23 actually -- it's a good question. We would  
24 have liked to get a higher response rate.

1 But when you look at consumer research,  
2 actually a 22 percent response rate is  
3 quite high. So we were pleased that we got  
4 that high. I think, if this was a general  
5 population survey, we would have been a bit  
6 more dismayed. But, you know, it was what  
7 it was.

8 So you can't force -- you can't like  
9 grab people. If they refuse, then you have  
10 to be polite and let them go on their way.  
11 So, I would say if this was, you know, a  
12 survey about what are your preferences in  
13 shaving cream, if you get a ten percent  
14 response rate, you're lucky.

15 So, these pictures just sort of give  
16 you a sense of what the setups looked like  
17 at each of the three different exit points  
18 from the gaming floor, including at over by  
19 the racing section. The questionnaire had  
20 five main sections. I'm not going to spend  
21 too much time on that. Here we are at  
22 weighting again.

23 We did originally weight the sample  
24 just by the different rates of refusal

1 among demographics groups. So we had  
2 higher rates of refusal among specific  
3 groups of people. Men were more likely to  
4 refuse than women, for example, and younger  
5 people were more likely to refuse than  
6 older people. So we actually had  
7 information about the people who refused on  
8 those observable demographic  
9 characteristics. And our initial weighting  
10 procedure only used that information.

11 And then with the help of the Expert  
12 Review Committee, we recognized that there  
13 would -- there might be a need to develop a  
14 more elaborate set of weights than adjusted  
15 for differences in patron volume by season  
16 and period of the week in addition to the  
17 demographics of the people who  
18 participated.

19 So, again, I want to just call out  
20 Plainridge Park Casino for their great  
21 cooperation. We hadn't even known when we  
22 went into the field that PCP had a system  
23 for counting people entering the casino.  
24 So they actually had averaged hour of the

1 day, day of the week and month of the year  
2 count for people entering the casino.

3 And we were able to -- they were  
4 able to provide that data to us, and Ed  
5 Stanek worked his magic to re-weight the  
6 patient survey data to correct for the  
7 differences in the sampling times as well  
8 as the characteristics of the respondent.

9 Let's see. This is just to note  
10 that in the report, which Elissa is going  
11 to be posting at the end of this meeting.  
12 We actually have a lot of tables in the  
13 appendices where the data are provided  
14 separately by summer, winter and then  
15 combined.

16 So I'm not going to go into any of  
17 the differences here. I'm just going to  
18 try and give you a quick flavor for all of  
19 the data that we collected. Because even  
20 though the economic's teams only needed to  
21 recapture data, we actually got a lot of  
22 interesting information from this survey.

23 COMMISSIONER ZUNIGA: Rachel, you  
24 reminded me just recently the economics

1 team was here presenting the operations  
2 report, which included 100 million-dollar  
3 figure on the recapture.

4 MS. VOLBERG: You will be seeing  
5 that again.

6 COMMISSIONER ZUNIGA: Is that the  
7 same figure; did they get it from this?

8 MS. VOLBERG: Yes. So we kind of  
9 flipped the order of the presentation.

10 COMMISSIONER ZUNIGA: But that's  
11 good to clarify.

12 MS. VOLBERG: Yes. And you will be  
13 seeing that figure again quite shortly. So  
14 this just shows you that the majority of  
15 the patrons at Plainridge Park Casino come  
16 from either Massachusetts generally or  
17 actually from Plainville and the  
18 surrounding communities. We only had about  
19 20 percent of all of the patrons who came  
20 from outside of Massachusetts.

21 In terms of patron demographics,  
22 they were fairly evenly split between male  
23 and female. They were somewhat whiter than  
24 the general population of Massachusetts,

1 and also a little bit older. They tended  
2 to have higher education. You can see over  
3 3-quarters of them had some college or  
4 more. And not too surprisingly, I suppose,  
5 almost a third of them were retired.

6 Again, this slide focuses on  
7 frequency of how often people had visited  
8 Plainridge Park Casino in the past year,  
9 and you'll see that almost 14 percent of  
10 them said that this was their first visit  
11 to Plainridge Park. But on the other end,  
12 we had about 30 percent of them who visited  
13 one to three times a year -- a month,  
14 excuse me, and then almost 40 percent of  
15 the patrons said that they visited once a  
16 week or more often. So, it's quite a loyal  
17 set of customers that we ended up  
18 interviewing.

19 This was information about why  
20 people had chosen to visit Plainville or  
21 Massachusetts, and almost two-thirds of  
22 them said it was actually Plainridge Park  
23 that led them to visit Plainville or to  
24 come to Massachusetts. And with the



1 majority reporting that they had a good  
2 time and, again, a majority saying that  
3 they planned to return.

4 This shows you that gambling was  
5 clearly the motivating factor for people  
6 coming to Plainridge Park. 87 percent of  
7 them played slots while they were there,  
8 and only three and a half percent said that  
9 they did not gamble while they were at the  
10 casino.

11 Probably not too surprising, but  
12 it's interesting to see, for example, the  
13 split between the slots play and the  
14 horseracing. There was -- even though  
15 there's a horseracing track at Plainridge  
16 Park, the patronage -- the in-person  
17 patronage at the horseracing side is lower  
18 than --

19 COMMISSIONER CAMERON: There is no  
20 racing on Saturday, so that may account for  
21 some of that.

22 MS. VOLBERG: Yes. We noticed that  
23 there was a significant difference in the  
24 proportion of people who said they had

1                   gambled on a horse race based on seasons.  
2                   So in the summertime, it was about ten  
3                   percent. And in the wintertime, it was  
4                   about four percent.

5                   COMMISSIONER CAMERON: And if you  
6                   surveyed on a day that they had racing,  
7                   those numbers may have been different as  
8                   well?

9                   MS. VOLBERG: Yes, it's possible.  
10                  But I don't think they would have been much  
11                  higher. The slots parlor is definitely  
12                  seems to be the biggest draw.

13                 COMMISSIONER ZUNIGA: The biggest  
14                 draw. Rachel, can I go back to the prior  
15                 slide for a minute? Where it says, "the  
16                 patrons were much more likely to visit  
17                 because of the casino compared to those not  
18                 from Massachusetts" -- oh, it's the people  
19                 from Massachusetts are more likely to visit  
20                 than those from --

21                 MS. VOLBERG: So if they were from  
22                 Massachusetts, they were much more likely  
23                 to say that they had visited -- that they  
24                 had come to Plainville to go to the casino

1 compared to those who were not from  
2 Massachusetts who might have just been  
3 passing through, and there's a casino and  
4 let's stop and see what it looks like.

5 COMMISSIONER ZUNIGA: Anything on  
6 the smoking or nonsmoking, any questions  
7 relative to --

8 MS. VOLBERG: No. We tried to be  
9 very careful with the questionnaire. We  
10 only wanted to hold people up for about  
11 five to ten minutes. So we felt it was  
12 really important to ask just the exact  
13 questions that we needed with just maybe a  
14 couple of extra ones. So we did not ask  
15 about the smoking issue.

16 COMMISSIONER STEBBINS: I think  
17 that's an interesting question.  
18 Anecdotally, my last trip down there, you  
19 know, I met somebody who comes from Rhode  
20 Island specifically because Massachusetts  
21 prohibits smoking, even though you can  
22 obviously step outside. But, you know,  
23 from a policy perspective, state policy  
24 perspective be interesting to kind of gage

1 that question because a lot of people  
2 thought it might be, you know, kind of the  
3 nail in the coffin in Massachusetts  
4 prohibited. Be nice to maybe --

5 COMMISSIONER ZUNIGA: Well, you  
6 know, not a nail in the coffin but a  
7 disadvantage competitively, which then  
8 anecdotally we hear and also from other  
9 people could pose a question maybe could be  
10 competitive advantage. Because there is 30  
11 people who smoke and 30 percent of people  
12 who smoke, and they like to do it while  
13 gambling. There's 70 percent who don't,  
14 and they like to gamble when they are not  
15 next to one smoking.

16 MS. VOLBERG: I'd have to say as a  
17 person who spends more time than I probably  
18 should in casinos I really like the  
19 nonsmoking policy.

20 MR. VANDER LINDEN: It seems like a  
21 really good question that perhaps in the  
22 future patron surveys we could --

23 MS. VOLBERG: I think we probably as  
24 we, you know, sort of proceed with the

1 planning for the next patron survey, I  
2 think, that's probably a good idea to add  
3 at least one question about, you know,  
4 what's your opinion of the smoking policy  
5 in Massachusetts. We'll figure out a good  
6 way to ask it.

7 Okay, let's see. This slide shows  
8 that most patrons had visited a casino in  
9 the year prior to the casino opening. So  
10 these were people most of them from  
11 Massachusetts who had gambled in the past  
12 year at a casino. You can see that most of  
13 them gambled at a casino in Rhode Island or  
14 in a casino in Connecticut. So this,  
15 again, speaks to the issue of recapture.  
16 It does seem that, in fact, we were  
17 successful or you were successful in what  
18 you were trying to do. I'm just here to  
19 show you the numbers.

20 COMMISSIONER STEBBINS: I think the  
21 bottom number is interesting, ten percent  
22 had not visited a casino before trying out  
23 Plainville.

24 MS. VOLBERG: Yes, that's also an

1 interesting figure. It will be  
2 interesting, again, when we do the  
3 follow-up general population survey to see  
4 what kind of an update has been in past  
5 year casino-gambling with the added of  
6 casino-gambling in Massachusetts. So that  
7 will be another sort of piece of  
8 information that we can fit into this  
9 finding as well.

10 This is a slide showing what people  
11 told us they had done in terms of  
12 non-gambling activities at Plainridge Park  
13 Casino. You can see that about a third or  
14 over a third of the patrons did not  
15 participate in any non-gambling activities,  
16 but almost 60 percent did purchase food or  
17 a beverage.

18 And there was relatively little  
19 other kinds of activity. I think when we  
20 do patron surveys at the Category 1  
21 casinos, this set of responses is going to  
22 look pretty different because there is many  
23 more. There's going to be many more  
24 amenities that people can partake in those

1 properties compared to Plainridge Park.

2 And then we also asked people about  
3 their spending off-site. That is not at  
4 Plainridge Park. And you can see that most  
5 people said they didn't spend anything, but  
6 there was some sort of spillover effects of  
7 people buying gas or doing a little bit of  
8 shopping, buying food and drink at a non --  
9 at a restaurant or fast food outlet that  
10 was not located at Plainridge Park. So  
11 there are some sort of spillover impacts of  
12 the sort.

13 COMMISSIONER MACDONALD: This is  
14 very interesting because at our last  
15 meeting, we had a presentation by a  
16 consortium of Foxborough and Wrentham and  
17 Plainville with regard to trying to expand  
18 the economic activity regionally, and they  
19 were focused, amongst other things, on  
20 extending or widening the activities of the  
21 people that come to the casino to patronize  
22 the Wrentham Mall Outlets and the  
23 Foxborough Gillette Stadium. So this sort  
24 of dramatizes that there is a significant

1 target audience there for it.

2 MS. VOLBERG: Yes, yes, I would say  
3 that's right. There might be some sort of  
4 cross-marketing things that could be done  
5 with the casino. I'm not an expert in that  
6 but I think, you know, there probably are  
7 some relatively easy ways to change this  
8 particular piece of the picture.

9 So these are the average  
10 self-reported expenditures. So, in  
11 addition to asking them what they had spent  
12 their money on, we asked them how much did  
13 you spend. And, so, this is self-reported  
14 information. And what this shows you is  
15 that for all patrons, those are the  
16 averages for what they spent on gambling,  
17 on non-gambling on-site and non-gambling  
18 off-site. But then the next column over is  
19 the proportion of that average spent that's  
20 represented by patrons from Massachusetts.

21 So, it's interesting to see that the  
22 Massachusetts patrons accounted for about  
23 3-quarters of the average spend on gambling  
24 and the average spend on non-gambling



1 off-site amenities. But they actually  
2 accounted for 92 percent of the  
3 non-gambling on-site amenities spent. So,  
4 it was Massachusetts patrons who were most  
5 likely to, for instance, be buying food and  
6 beverage at the casino.

7 COMMISSIONER CAMERON: Is that per  
8 visit; that's an average?

9 MS. VOLBERG: No, we asked them  
10 about this visit.

11 COMMISSIONER CAMERON: Right. So  
12 that one visit, that's the average of every  
13 respondent for this.

14 MS. VOLBERG: Mm-hmm.

15 COMMISSIONER CAMERON: That's a lot  
16 of money on non-gaming. But that's all  
17 non-gaming on-site. So the only thing  
18 could be food or beverage, right?

19 MS. VOLBERG: And the gift store and  
20 the sports bar.

21 COMMISSIONER CAMERON: But that's  
22 food and beverage.

23 MS. VOLBERG: That's food and  
24 beverage, yes. I think it -- Lisa, correct

1 me if I'm wrong, are there entertainment  
2 evenings or events that you have?

3 MS. MCKINNEY: On Saturdays, yes.  
4 On the weekends, we normally have  
5 entertainment.

6 COMMISSIONER CAMERON: But that  
7 would be they would be buying a drink and  
8 watching the entertainment. They wouldn't  
9 be paying extra for the entertainment.

10 MS. MCKINNEY: In most cases, yes.

11 COMMISSIONER MACDONALD: Rachel,  
12 that gambling number, is that a net or is  
13 --

14 MS. VOLBERG: Yes.

15 COMMISSIONER MACDONALD: Is that  
16 what they lost?

17 MS. VOLBERG: Yes, that's typically  
18 what they lost. Yes, that's the average  
19 loss. Boy, you guys got a whole bunch of  
20 information a couple of weeks ago or maybe  
21 four -- no, it was October 12th, about this  
22 piece, so I'm going to walk through it  
23 extremely quickly, because I still want to  
24 get to the license plate survey.

1                   So, basically, the economics team,  
2                   we worked with them to figure out how to  
3                   get this information about recapture and  
4                   then we realized we could get out-of-state  
5                   spending that was new to Massachusetts, and  
6                   we could even ask some questions that would  
7                   allow us to determine money that was  
8                   reallocated from people spending on other  
9                   things in Massachusetts to spending on  
10                  gambling at the casino.

11                  And here's your 100 million-dollar  
12                  figure, Enrique. This was the recaptured  
13                  spending, and it represented about  
14                  58 percent of all of the spending that  
15                  people reported to us. The reallocated  
16                  spending by folks from Massachusetts was  
17                  36.6 million, and then the new spending was  
18                  from out-of-state patrons who came to  
19                  Massachusetts to gamble at our casino.

20                  COMMISSIONER ZUNIGA: Is this for  
21                  calendar year or what is the unit of  
22                  measure here?

23                  THE WITNESS: Yes. What we weighted  
24                  it to was the calendar year, yes.

1                   COMMISSIONER ZUNIGA: Which I  
2 recognize to be very close to the figure I  
3 remember but obtained through the patrons,  
4 so we have a high confidency level.

5                   MS. VOLBERG: Well, the information  
6 that we got from the patrons is actually  
7 from -- is actually the proportionality  
8 information. The information about the  
9 actual spending is based on formal reports  
10 from Plainridge Park.

11                   This was the results of the  
12 questions that we asked about GameSense.  
13 You can see that almost 60 percent of the  
14 patrons said that they were familiar with  
15 GameSense, although only 17 percent of them  
16 had interacted with a GameSense adviser.  
17 But of those that did interact with a  
18 GameSense adviser, almost every single one  
19 of them were satisfied with the information  
20 that they were offered, and over of half  
21 them felt that they had learned something  
22 new. And then about a quarter of the  
23 patrons who reported having an interaction  
24 with a GameSense adviser said that they had

1 changed the way they had gambled, and most  
2 of them said that they had reduced the  
3 amount time and money, both of them, that  
4 they spent gambling.

5 COMMISSIONER CAMERON: You say only  
6 17.4. I thought that was a good number.

7 MS. VOLBERG: Yes, I probably  
8 misspoke. That is a good number. Although  
9 compared to the proportionate that said  
10 they were familiar with the program, it  
11 would be nice if we could have more people  
12 interacting.

13 COMMISSIONER ZUNIGA: Well, I think  
14 that over time that number -- the  
15 familiarity is going to be both, should be  
16 increasing by the work that we know just  
17 because of time, and we have a lot people  
18 returning to this facility we just heard  
19 earlier. They may become familiar with the  
20 program, and may increase the chances of  
21 interacting with a GameSense adviser.

22 MS. VOLBERG: And the question about  
23 interacting with a GameSense adviser was  
24 not restricted to this particular visit.

1           So, I think, that's right that as more  
2           people sort of return and our return  
3           patrons that more and more of them will  
4           have had those interactions, and hopefully  
5           will have found that valuable.

6                       MR. VANDER LINDEN:  And my only  
7           comment to that is we want to make sure we  
8           provide information in a variety of  
9           different ways.  So, the fact that  
10          60 percent of the patrons were familiar  
11          with the program, and that's within the  
12          first year, to me says that we're doing a  
13          great job making sure that information and  
14          resources are provided in a variety of  
15          different ways so that it's building that  
16          type of recognition for the program.  That  
17          17 percent of patrons said that they had  
18          actually interacted with a GameSense  
19          adviser.  That's just one way in which  
20          people may interact with the GameSense  
21          brand and the GameSense information.  And  
22          when I saw that, I agree, I felt that that  
23          was encouraging information about the reach  
24          of the program.

1                   COMMISSIONER ZUNIGA: Agreed.

2                   MS. VOLBERG: Okay, so the license  
3                   plate survey. The reason we decided to do  
4                   a license plate survey was because license  
5                   plate surveys have been done or were done  
6                   every two years in the New England area.  
7                   All the New England casinos had a license  
8                   plate survey that was done every two years  
9                   in 2004 to 2014.

10                   And the license plate surveys were  
11                   actually the basis for the figure that  
12                   Chairman Crosby uses quite often about the  
13                   amount of money that has been leaving  
14                   Massachusetts on a yearly basis and going  
15                   to, you know, people going to casinos out  
16                   of state to gamble.

17                   What we wanted to do was to  
18                   understand the performance of the license  
19                   plate survey in relationship to the patron  
20                   survey. The license plate survey is much  
21                   less costly. And if you can get the same  
22                   information at the same level of detail  
23                   using a much less costly method, I say  
24                   that's a good thing. So we wanted to just

1 sort of test the performance of the two  
2 methods in a face-to-face -- face-to-face.

3 So the survey methods and logistics  
4 we basically when we had our survey teams  
5 go out to Plainridge Park Casino on each  
6 occasion, there was a team of students that  
7 went out and actually counted all of the  
8 license plates on the property except for  
9 the employee parking sections at the same  
10 time that we were on site for the patron  
11 survey.

12 There were some differences in the  
13 methodology that we implemented compared to  
14 the New England gambling -- gaming research  
15 project that Clyde Barrow and David  
16 Bourgeois were running out of UMass  
17 Dartmouth, but these are the results.

18 Basically, this shows you that based  
19 on the patron survey, it appeared that  
20 about 77, 78 percent of the patrons were  
21 from Massachusetts compared to the license  
22 plate survey where 83 percent of the  
23 patrons would have been estimated to be  
24 from Massachusetts just based on what their



1 license plate state was.

2 And then if you estimate the  
3 proportion of revenue from Massachusetts  
4 and non-Massachusetts residents, again,  
5 there's a slight difference but it's quite  
6 small. Less than five percentage points  
7 between the license plate survey and the  
8 patron survey.

9 So what does this mean? We think  
10 what it means is that the license plate  
11 survey probably was a good source of  
12 information for estimating what revenues  
13 might be available for recapture, because  
14 the results are quite close. They're quite  
15 close when you look overall at overall  
16 patronage in Massachusetts and  
17 non-Massachusetts. But when you start  
18 breaking it down into spending on gambling  
19 versus non-gambling amenities on-site and  
20 non-gambling amenities off-site, close.

21 So we felt that this was a good  
22 exercise to enable us to compare the patron  
23 survey data to what had been collected over  
24 the years by other researchers. But we

1 think that particularly in understanding  
2 the extent of non-gambling expenditures on  
3 site and off site, the patron survey  
4 actually is a value added piece that you  
5 can't do when you're just doing a license  
6 plate survey. So we're recommending  
7 continuing with the license plate surveys  
8 just to see if that match continues to  
9 happen.

10 COMMISSIONER ZUNIGA: You mean the  
11 patron survey.

12 MS. VOLBERG: I'm sorry. We are  
13 recommending continuing to do the patron  
14 surveys, because that's the source for  
15 getting this recapture and also  
16 understanding the off-site and on-site  
17 non-gambling expenditures and also the  
18 reallocated.

19 COMMISSIONER ZUNIGA: The  
20 reallocated. Remind me, how is the revenue  
21 estimated from the license plate survey?

22 MS. VOLBERG: So the revenue is  
23 actually not estimated. We take the  
24 proportionality from the patron survey or

1 from the license plate survey, and then we  
2 take the actual revenues that are reported  
3 to the gaming commission, and that's what  
4 we say, okay, we're going to divide it into  
5 these proportions and that's how we get the  
6 numbers, the dollar numbers.

7 COMMISSIONER ZUNIGA: We don't plan  
8 a patron survey on Plainridge next year,  
9 are we?

10 MS. VOLBERG: We are in discussion.

11 COMMISSIONER ZUNIGA: You're in  
12 discussion about that, okay.

13 MR. VANDER LINDEN: Yes. I think  
14 we're trying to weigh out when is the  
15 optimal time to go back out into the field,  
16 and part of that is the volume of  
17 information we get versus the cost of doing  
18 the survey. It's our intent, obviously, to  
19 do this at all three casinos and trying to  
20 figure out how to stage those so that we  
21 don't overwhelm our research team but at  
22 the same time find an efficiency, so we  
23 will continue to work with Rachel and her  
24 team.

1                   COMMISSIONER STEBBINS: You know,  
2                   the license plate survey kind of as you use  
3                   it again in conjunction with the patron  
4                   survey kind of looking ahead to the new  
5                   licensees, you have the dynamics are going  
6                   to change. MGM is going to have an  
7                   exclusive parking garage, but you're also  
8                   going to have people that are parking in  
9                   another hotel, another restaurant who  
10                  aren't just driving as they do right now to  
11                  the Plainridge site. Obviously Everett  
12                  you're going to have people using other  
13                  modes of transportation to get there. But  
14                  it would be interesting if you get to have  
15                  the conversation of thinking how we might  
16                  use the technology that our licensees have  
17                  to expand the use of license plate data as  
18                  they collect it as well.

19                 MS. VOLBERG: One of the questions  
20                 that I didn't report on here but it's in  
21                 the report that's going to be posted online  
22                 is we did have a question asking patrons  
23                 how they got to the property, and we'll  
24                 have that in future patron surveys. So

1 we'll know whether they came in their own  
2 car or if they came by bus or if they, you  
3 know, bicycled or they walked.

4 COMMISSIONER CAMERON: That will be  
5 dramatically different in the city than it  
6 is in Plainridge.

7 MS. VOLBERG: Yes.

8 COMMISSIONER CAMERON: I haven't  
9 seen those bike lanes used yet.

10 COMMISSIONER ZUNIGA: They are  
11 there.

12 COMMISSIONER CAMERON: I know.

13 COMMISSIONER ZUNIGA: Good. Does  
14 that conclude your presentation?

15 MS. VOLBERG: There's the questions.  
16 And I just want to give one final shout-out  
17 to Heidi Stevens, who designed the paper  
18 version of the questionnaire. She did a  
19 great graphic for us, and that's the front  
20 of the patron survey that if people decided  
21 they wanted to do it by paper that they got  
22 a booklet with this cover, but not with the  
23 questions.

24 COMMISSIONER CAMERON: Did they do

1           it right there at the -- they completed it  
2           at that table?

3                   MS. VOLBERG: Yes. They were  
4           offered the ability to complete either on  
5           an iPad or if they preferred a paper  
6           questionnaire, so we had both.

7                   COMMISSIONER ZUNIGA: Other  
8           questions? I know we had some on the way  
9           but any other comments from Commissioners?

10                   COMMISSIONER MACDONALD: Presumably  
11           the license plate survey is considerably  
12           cheaper to perform than the patron survey.

13                   MS. VOLBERG: Yes, considerably.

14                   COMMISSIONER STEBBINS: I volunteer  
15           for the license plate survey.

16                   COMMISSIONER CAMERON: I've had  
17           enough of that for different purposes over  
18           the years.

19                   COMMISSIONER ZUNIGA: It's a very  
20           different survey. You have to punch into a  
21           computer.

22                   COMMISSIONER CAMERON: Very  
23           different.

24                   COMMISSIONER ZUNIGA: Thank you very

1 much.

2 COMMISSIONER CAMERON: Thank you.  
3 Great work, really informative. Thanks.

4 COMMISSIONER STEBBINS: Nice job.

5 COMMISSIONER CAMERON: Welcome, by  
6 the way.

7 COMMISSIONER ZUNIGA: We're running  
8 a little late than anticipated. I think  
9 I'd like to take a break, a five-minute  
10 break.

11 COMMISSIONER CAMERON: Sure.

12 COMMISSIONER ZUNIGA: We will  
13 suspend for five minutes.

14 COMMISSIONER CAMERON: Good job.

15

16 (A recess was taken)

17

18 COMMISSIONER ZUNIGA: We are back  
19 from our break. Our next item on the  
20 agenda is the ombudsman's report, community  
21 mitigation guidelines, Mr. Ziemba.

22 MR. ZIEMBA: Thank you, Mr. Chairman  
23 and Commissioners.

24 COMMISSIONER ZUNIGA: Thank you.

1 MR. ZIEMBA: Today we're contouring  
2 our review of the 2018 Community Mitigation  
3 Fund guidelines for our next funding round,  
4 which begins February 1st of 2018. I'm  
5 joined here by construction project  
6 oversight manager Joe Delaney and fairly  
7 soon, Mary Thurlow, our Community  
8 Mitigation Fund program director.

9 So, Commissioners, as you know, we  
10 met on September 14th to develop a list of  
11 questions to consider in reviewing the fund  
12 guidelines for this upcoming year. Since  
13 that time, we've met with local Community  
14 Mitigation Advisory Committees in Region B  
15 and in Region A. We've also met with the  
16 Public Safety Subcommittee. We didn't  
17 discuss the guidelines in that meeting, but  
18 that's part of our gaming policy advisory  
19 committee structure.

20 What I hope to do today is to  
21 develop a public discussion draft of the  
22 guidelines. This is very similar to what  
23 we did last year. So last year what we did  
24 is we sent out this discussion draft to the



1 public to get comments, and then we  
2 reconvened to consider all of those  
3 comments before we issued the final  
4 guidelines. We aimed for the first week of  
5 December last year. We're trying to do  
6 that as well this year.

7 So what we're trying to do today is  
8 to get some consensus just on a discussion  
9 draft. That doesn't mean that we're making  
10 any final determinations regarding what  
11 will be in the guidelines, but it really is  
12 a draft to solicit more discussion of items  
13 that are outstanding.

14 So after today if we're successful  
15 in getting together a draft with any  
16 additional questions that we want discussed  
17 during our review period, we would then  
18 have a public comment period which we aim  
19 to conclude on the 27th of November, that  
20 Monday after Thanksgiving.

21 And as I mentioned, our goal would  
22 be to reconvene here in that first week of  
23 December on December 7th at the commission  
24 meeting, and hopefully finalize our

1 guidelines at that time.

2 So what we have today in the packet,  
3 as I mentioned, these are not the final  
4 guidelines. We will probably do, you know,  
5 significant more wordsmithing even without  
6 any comments that we receive, but what the  
7 draft is meant to do is to provide some  
8 significant detail regarding all the  
9 concepts that we're entertaining for the  
10 2018 fund.

11 You'll see that the recommendations  
12 are not dramatically different from what we  
13 experienced last year. As you know, the  
14 current status of our licensees we are  
15 still in, all be it, significantly down the  
16 line in the construction curve and  
17 basically the same situation that we were  
18 in last year in regard that we have two  
19 Category 1s in construction and one slots  
20 facility that is in operations. So even  
21 though there's been a lot of construction  
22 progress, we're basically at a similar  
23 point.

24 So in your packets, I think, the

1 best way to do this is in your packets  
2 there is a document that's entitled "policy  
3 recommendations for inclusion in the 2018  
4 Community Mitigation Fund guideline  
5 discussion draft." That's quite a  
6 mouthful. But if you take a look at it, it  
7 is the colorful document -- well, actually,  
8 one of the colorful documents we have in  
9 there, but it's with the light blue. It's  
10 right there on the screen, which is good,  
11 somebody anticipated where I was going to  
12 go.

13 COMMISSIONER ZUNIGA: It's the third  
14 item on in the packet.

15 COMMISSIONER CAMERON: It's what?

16 COMMISSIONER ZUNIGA: It's the third  
17 document.

18 COMMISSIONER CAMERON: Third  
19 document.

20 COMMISSIONER ZUNIGA: Tab six.

21 MR. ZIEMBA: With all the blue  
22 shading.

23 COMMISSIONER ZUNIGA: So you want to  
24 go through each one of these questions and

1 have a discussion?

2 MR. ZIEMBA: So what I was thinking  
3 I would do is I will give a general  
4 overview of everything in the packet. We  
5 can have a big discussion afterwards.  
6 Certainly as we go through, if you have any  
7 questions, I can take those as we go. I  
8 think, it will be hard to hold all  
9 questions to the very end. But the way I  
10 am planning it is I will give you a little  
11 bit of detail on each one of these sections  
12 as we go through, but I'm not trying to  
13 stop any discussion. That's the purpose of  
14 today.

15 COMMISSIONER ZUNIGA: Very good.

16 MR. ZIEMBA: Okay. So the first  
17 item up on number one is: Should the  
18 Commission place an overall limit on grants  
19 for the 2018 CMF? And just as we did last  
20 year, I recommend that we also put a limit  
21 on grants for this upcoming year. Last  
22 year what we said is that we will place a  
23 limit on grants. But, again, these are  
24 guidelines. It's not meant to be a hard

1 and fast limit on grants that we will  
2 award.

3 The Commission will take a look at  
4 what we received for applications. The  
5 Review Team will make recommendation  
6 regarding what we should fund in the  
7 aggregate amount, and what we should take a  
8 look at for each of the individual  
9 categories of grants.

10 So, I do recommend that we establish  
11 an overall limit. But at this stage, even  
12 though we've had some conversations at the  
13 local level, I don't even pretend to be at  
14 a point where I would recommend even an  
15 interim amount of what we should allow for  
16 funding for this year.

17 Overall, we have approximately  
18 \$10 million that is remaining in the fund  
19 from the initial funds that we received  
20 from the gaming licensees, that  
21 17.5 million. And we have approximately  
22 two more years that we have to -- that we  
23 will need that initial pot of money to pay  
24 for any grant awards.

1                   And the reason for that is that MGM  
2                   Springfield is not due to open until later  
3                   in 2018, September at the latest we hope.  
4                   So as a result, we will not experience new  
5                   funding into the fund until at least the  
6                   last quarter of next year.

7                   We have been very conservative in  
8                   how we've approached this, and we have not  
9                   tried to allocate dollars that we don't  
10                  have yet in the bank, and I'd recommend  
11                  that we continue to do so. I don't know,  
12                  Commissioners, if you wanted to talk about  
13                  that one in general.

14                 COMMISSIONER STEBBINS: Just a quick  
15                 question. It says 2017 budgeted -- we  
16                 anticipated authorizing more than  
17                 3.4 million. Our request that we approved  
18                 came in under that. As you thought about  
19                 potentially expanding spending in some  
20                 categories, does that total up to 3.4 if  
21                 everybody was taking advantage of, you  
22                 know, some of the suggestions you're making  
23                 kind of where does that new amount look  
24                 like if we had to budget for this year?

1 MR. ZIEMBA: I don't specifically  
2 say 3.4 for this year, because we don't  
3 know where we are.

4 COMMISSIONER STEBBINS: I understand  
5 that.

6 MR. ZIEMBA: But I do recommend that  
7 we can go above. So the figure that you're  
8 referencing there, that 3.4, that was the  
9 targeted spending after we reviewed them  
10 with all the local Community Mitigation  
11 Advisory Committees, and the Commission  
12 made the determination. We did have  
13 applications over and above 2.2 million,  
14 but this is after The Review Team took a  
15 look at all the applications, so it is  
16 significantly less than the 2.2.

17 My comfort in recommending, even in  
18 the initial sense greater funding under  
19 certain categories is that, you know, we  
20 did have 3.4 million in targeted dollars.  
21 We granted less than that last year. We  
22 have \$10 million that is available between  
23 the next two years.

24 And, so, if it's four and six, six

1 and four, three and seven, three and seven  
2 might be a problem. But even within that,  
3 we would have some -- hopefully, some  
4 ability to have some additional spending in  
5 some of those categories.

6 But the way that we budget all of  
7 these, it's a little bit difficult.  
8 Because even if we say on a target we're  
9 willing to spend a million-dollars for  
10 transportation projects and that we're  
11 going to spend 600,000 for workforce  
12 development projects, the factor that we  
13 don't really put a cap on is the specific  
14 impact grants. And those specific impact  
15 grants could go up and down and all over  
16 the place, but we do put more constraints  
17 over the things that are sort of  
18 anticipatory rather than reacting to  
19 specific events.

20 COMMISSIONER ZUNIGA: But it is fair  
21 to say to Commissioner Stebbins' point is  
22 that there is at least 900,000 from last  
23 year if we just take the 3.4, and there was  
24 a method to that, and we'll continue to



1           have that method for this, but going  
2           forward that there is at least, you know, a  
3           little bit there that we could throw.

4                   MR. ZIEMBA: We think so, yes. And  
5           part of this whole process will be to  
6           determine if the categories of spending  
7           that we have here are adequate, even in the  
8           guidelines are the things that have not  
9           taken into account, potential new spending  
10          areas. And, I think, we will get into that  
11          a little bit today of things that we're  
12          going to have to further discuss with the  
13          local committees, and then bring that back  
14          to the Commission to establish that.

15                   Because there might be, for example,  
16          even with our recommendations on workforce  
17          development, even though we're recommending  
18          an increase -- I'll get into this a little  
19          bit later -- you know, one thing we've  
20          certainly heard at the local level is that  
21          there is a tremendous need out there for  
22          workforce development programs, and perhaps  
23          we will get pushed back in our further  
24          conversations that we need more in that

1 area or transportation, for example, those  
2 are always wildly popular sections.

3 COMMISSIONER ZUNIGA: Well, I do  
4 have some thoughts about the cap, but let's  
5 get through a couple of the other  
6 recommendations, you know, discussion  
7 points that you mentioned, specifically,  
8 the workforce development.

9 MR. ZIEMBA: So, Commissioners,  
10 looking at page two, let me just give you  
11 the sort of 20,000 foot highlights of each  
12 of the categories, and then I'll get into a  
13 little more detail as we get further into  
14 the document. But, first, I just want to  
15 thank all the members of the local  
16 Community Mitigation Advisory Committees  
17 for providing a lot of input, and some of  
18 the comments that we received are baked  
19 into the recommendations even they are  
20 right now. I know we will have further  
21 conversation, but they are reflected in  
22 what we put into this draft.

23 And notably, as I just mentioned,  
24 the workforce we recommended further amount

1 and in transportation we did recommend an  
2 increase in the amount of the grant based  
3 on some of the input that we received.

4 So specific impact grant, so we are  
5 recommending an increase from 400,000 for  
6 specific impact grants to 500,000 for  
7 specific impact grants. And, again, as I  
8 mentioned, we can authorize spending over  
9 and above these thresholds. We  
10 specifically gave our authority in our  
11 guidelines last year, and we have a process  
12 whereby communities can ask for a waiver of  
13 an amount.

14 These are really meant to send a  
15 signal on what we anticipate for spending  
16 to communities but not a very strict limit.  
17 So if there is impacts being experienced in  
18 any one community in excess of that, they  
19 can demonstrate that. They can show how  
20 it's related to the casino. Of course we  
21 want to have a method to review that.

22 Now, the increase from 400,000 to  
23 500,000, that is more as a result of a  
24 little bit more of a stringent application

1 of a rule that, I think, we anticipated  
2 last year but it wasn't very precisely  
3 written in our guidelines from last year.  
4 So when we discussed some of the approaches  
5 to make sure that spending is within reason  
6 in the quote/unquote early years of the  
7 grant program, one thing that we said is,  
8 hey, we're going to try to establish a  
9 grant limit for specific impact grants.  
10 But we didn't specifically state that --  
11 when we established a 400,000 limit on  
12 specific impact grants last year, we didn't  
13 specifically state that communities could  
14 only submit one application.

15 And, so, communities could submit  
16 one application for 400K, another  
17 application for 400K and another  
18 application for 400K, and that wasn't  
19 really, I think, what we intended last  
20 year. And the new language -- there's new  
21 language in this recommendation that would  
22 limit it to that one application. And  
23 because we're limiting it to that one  
24 application, we're recommending increasing

1 the amount by 100,000 to accommodate any  
2 sort of greater local need. And, once  
3 again, if there's a need over and above  
4 that 500,000, there's a waiver process  
5 built into our regulations. But that's the  
6 theory behind increasing that amount to  
7 500,000.

8 COMMISSIONER ZUNIGA: But in that  
9 waiver, does that mean that it will be one  
10 application or can they submit, let's say,  
11 multiple intersections to be dealt with in  
12 a whole corridor as one grant, for example.

13 MR. ZIEMBA: Well, very good  
14 question. Last year when we anticipated  
15 the \$400,000 limit, we didn't say that your  
16 application could not touch upon numerous  
17 areas. So you can have an intersection  
18 here. You can have a parking issue here.  
19 You can have a business impact over here as  
20 long as the total thing impact was 400,000.  
21 So all we're saying is that one application  
22 could not exceed 500, but you could have  
23 multiple areas within that one application.

24 Workforce pilots, we have continued

1 the same program from last year. We  
2 haven't changed what we're seeking from  
3 last year in the pilots. But based on the  
4 demonstrated need and the regions, the fact  
5 that we're even closer to massive hiring in  
6 the west and even closer to massive hiring  
7 in the east, we did recommend increasing  
8 the amount over and above what was included  
9 in the guidelines from last year.

10 I will note here, and forgive me if  
11 I repeat myself later, but when I'm saying  
12 we're increasing the amount from 200 to  
13 300,000 per region, that may not exactly be  
14 entirely accurate based on how awards we  
15 did. In the guidelines last year, we said  
16 we wanted to have 200,000 in the east,  
17 200,000 in the west. But when we came to  
18 the award time, we had very good  
19 applications and we decided to offer two  
20 awards in the west of totaling about  
21 370,000.

22 So if you take a look at the  
23 300,000 in the west, based on the award,  
24 that's actually a decrease versus what we

1 recommended last year. Excuse me, that's  
2 actually a little bit of a decrease looking  
3 at it based on what was awarded. But one  
4 thing that we did note in all of our  
5 conversations, last year in our  
6 conversations with the award winners is  
7 that there may be the availability of host  
8 community agreement funds in this upcoming  
9 year that could enable communities to fund  
10 workforce programs. Specifically, in the  
11 Springfield host community agreement, there  
12 is some community funds, one purpose of  
13 which is workforce that potentially may  
14 become available in this next year.

15 Again, Springfield will face the  
16 same issue that we would whereas MGM  
17 Springfield is not going to be up and  
18 running and generating some of the taxes  
19 until a third quarter of next year. So it  
20 may take a little while to generate the  
21 taxes, but it will be available for  
22 workforce programs. But that's a little  
23 bit of thinking behind the workforce  
24 pilots.

1                   COMMISSIONER STEBBINS: I think  
2                   personally, I think, it's a good  
3                   suggestion. I think what we learned going  
4                   through this process last year when we  
5                   looked at these grants was what workforce  
6                   development professionals were telling us  
7                   about the populations in the numbers they  
8                   could serve on that dollar amount, so that  
9                   was good information for us to learn.

10                  But I also think we realize that  
11                  there is, to your point, an opportunity to  
12                  see what else we can leverage either  
13                  through host communities, and I would even  
14                  argue that, you know, our ongoing  
15                  relationship with the governor skills  
16                  cabinet could also lead us to other state  
17                  resources, which could come into play. So  
18                  in giving us that flexibility, I think,  
19                  could be helpful.

20                  MR. ZIEMBA: The next big category  
21                  is transportation planning. Again, this is  
22                  a popular item. We received a good number  
23                  of applications on this item last year.  
24                  And what we're recommending is to go up



1 slightly in the terms of the amount of the  
2 grant to 200,000. Communities had asked  
3 for a little more flexibility in this  
4 regard. And what we have seen in some of  
5 our awards in the past where we awarded,  
6 for example, \$100,000 for a planning grant,  
7 we have found out that some communities  
8 have actually had to hold that grant while  
9 they cobbled with other resources to fully  
10 pay for a transportation planning project.  
11 And, so, that's why we're recommending a  
12 slight increase in that amount. We will  
13 see if people out there say that we should  
14 increase that amount based on projects that  
15 are out there.

16 The next category is the tribal  
17 impact grant. And, as you know, last year  
18 we awarded \$200,000 for technical  
19 assistance program through the Southeast  
20 Regional Planning and Economical  
21 Development District to help communities in  
22 the area of the potential tribal casino,  
23 understand what impacts there may be from  
24 the facility.

1                   What we specified last year was that  
2                   we would not actually authorize spending  
3                   until there would be a second vote by the  
4                   Commission that would state that the  
5                   commission believes that the tribal  
6                   facility will begin construction. So even  
7                   though we did authorize 200,000 last year,  
8                   we have -- no spending is occurring,  
9                   because we have not had that second vote.

10                   So what we're recommending here is  
11                   that we just keep status quo of that  
12                   program we authorized during this current  
13                   year. And even though it's 200,000 and  
14                   200,000 for 2017 grants, in essence, that  
15                   200,000 spending is already baked into our  
16                   totals. And what we could do is if it's  
17                   not spent this year, we could just transfer  
18                   the availability of funding into the next  
19                   year.

20                   The next item is the  
21                   non-transportation planning grants. I'll  
22                   provide a little more detail on this a  
23                   little bit later. However, what this grant  
24                   reflects is that many communities have

1 already allocated their reserves and have  
2 no funding left for non-transportation  
3 planning. So, I'll get into that a little  
4 bit later.

5 COMMISSIONER STEBBINS: John, remind  
6 me, how many communities got reserves and  
7 how many are fully exhausted?

8 MR. ZIEMBA: So we have 28  
9 communities that have reserves that were  
10 awarded reserves, and out of those  
11 approximately between 10 and 12 have  
12 expended their reserves fully. We're in  
13 the process of trying to determine how two  
14 communities, as you remember, we awarded a  
15 transportation planning grant to Revere and  
16 Saugus this past year, and we asked them to  
17 tell us how they are going to allocate  
18 their reserves between the two communities,  
19 so they're in the calendar. That is why  
20 I'm giving you a little bit of a range.

21 COMMISSIONER CAMERON: John, I had a  
22 question. In reviewing these types of  
23 grants that we have issued and intend to  
24 issue in the future, I had a question. And

1 knowing that this is a draft document,  
2 there's been so much conversation of late  
3 about public safety. And, in particular,  
4 it's a long lead item, meaning police,  
5 thoughts of what we're going to need. I  
6 think of public safety and the safety of  
7 these facilities is going to certainly be  
8 an issue, an important part of mitigation  
9 frankly.

10 And, in particular, I was thinking  
11 about police training costs. Training is  
12 something that has to be done well in  
13 advance of opening these facilities and  
14 just wondered if there was a category or if  
15 there is any thought that we could give to  
16 covering some of these costs with some of  
17 these mitigation funds.

18 Similar to transportation, long lead  
19 item really takes time well before the  
20 opening to get the numbers right. We're in  
21 active negotiations now. I mean, active  
22 conversations about what kind of training,  
23 who will be involved, working the police  
24 departments collaborating their efforts.

1                   But, you know, to the best of my  
2                   knowledge, most police departments in the  
3                   state are -- they have fewer officers than  
4                   they need. And for us to be asking for  
5                   additional state police, additional local  
6                   police is an effort, meaning new officers  
7                   will need to be hired, training costs. And  
8                   I just wondered in reading these categories  
9                   if we could think about a way to mitigate  
10                  some of those expenses with grant money.

11                 MR. ZIEMBA: I think you raised a  
12                 very good point. When we take a look at  
13                 our different categories, as I mentioned at  
14                 the beginning for specific impact grants,  
15                 those are the big grants that people are  
16                 demonstrating an impact, and training costs  
17                 can have an impact on the community, an  
18                 impact on other public safety partners  
19                 during this period.

20                 But when we take a look at the  
21                 actual language of what we had in our  
22                 guidelines from last year, we broke it down  
23                 into, okay, for the slots facility, we can  
24                 pay for operational-related concerns

1           because they're operational. So very  
2           simply we said the Category 1 facilities  
3           are not yet operational, so we're only  
4           going to pay for construction-related  
5           impacts out of that fund, that specific  
6           impact fund.

7                         But as you mentioned, Commissioner,  
8           we did say, well, hold on a second.  
9           Transportation, for example, those are long  
10          lead time items. So if we waited for an  
11          operational impact, we would be two or  
12          three years down the bad side of the  
13          planning curve. So we might need to think  
14          about what we're doing for planning for  
15          transportation projects even in the  
16          construction phase, and workforce  
17          development was another one.

18                        We said, if we don't try to tackle  
19          the workforce needs now, that's when we're  
20          doing all of the hiring. So even though  
21          we're still in a construction phase, there  
22          are certain operational items that might  
23          necessitate a greater look. And, I think,  
24          the draft that is before you may be too

1 restrictive in types of the language on  
2 what is counted under a specific impact  
3 grant. Because the language, even though  
4 it is pretty broadly worded, I think that  
5 there may be some language in there that  
6 just -- it's too restrictive when it says  
7 that this has to be a construction period  
8 impact.

9 And, I guess, probably what I would  
10 recommend is that we should specifically  
11 call that out in our guidelines or in our  
12 solicitation for comment and talk to our  
13 local partners, our advisory committees  
14 about what those needs are locally,  
15 statewide and bring back a lot more comment  
16 to you on how we should include all of  
17 those costs.

18 COMMISSIONER CAMERON: It would be  
19 much appreciated. It was a topic that came  
20 up recently at our public safety  
21 subcommittee meeting, the kinds of planning  
22 that's going on now, but there are costs  
23 affiliated with the planning and the  
24 training in particular, so that would be

1 appreciated.

2 MR. ZIEMBA: Okay. We can do that.

3 COMMISSIONER ZUNIGA: I'll go along  
4 with that. Whether we call it operational  
5 readiness or it's a pilot program or a  
6 specific impact, an addition of the  
7 restrictive nature of the specific impact  
8 language, I think, you're right,  
9 Commissioner. It's something we need to  
10 consider the district attorney's -- the  
11 Suffolk County District Attorneys Office is  
12 a subset of this topic. So that would be  
13 great if you could include that in the  
14 request for comments.

15 MR. ZIEMBA: We can certainly do  
16 that. And, Commissioners, just so you  
17 know, I'm not going to go over every one of  
18 these items on this list. You can read  
19 certainly, but a lot of them are  
20 duplicative when we're coming up with the  
21 questions and sometimes the questions, you  
22 have the same answers for multiple  
23 questions. So I'm going to take you  
24 through this list and just hit on some of



1 the highlights, but let me just proceed on  
2 number three on that page two.

3 And the gist of this is last year we  
4 said how should we evaluate grants and what  
5 we said is that, hey, these grants are  
6 literally all over the place in terms of  
7 different areas. We can't come up with an  
8 exact scoring system that could say, hey,  
9 your transportation planning grant is 87.4  
10 on our evaluation and your workforce  
11 development grant is 79.7, and this one  
12 gets a grant and that one doesn't get a  
13 grant. That would just -- it probably  
14 wouldn't make too much sense.

15 So what we recommend is that we  
16 continue what we did last year where we had  
17 established criteria, all the communities  
18 know what those criteria are that we're  
19 going to weigh all of these applications  
20 against. And then we have very, very  
21 public conversations about all of these  
22 criteria and the documents were rather, you  
23 know, they were rather complete last year.  
24 So I recommend that we continue to do that.

1                   The one thing that I do recommend is  
2                   that we include -- we try to make our  
3                   applications as simple as possible. This  
4                   is a brand-new program. We don't want to  
5                   burden the municipality, so we're putting  
6                   together these applications. They have a  
7                   lot of other things that they need to do.  
8                   But I would recommend that we include a  
9                   very specific question that makes our  
10                  applicants with specificity tell us what is  
11                  the connection between what they're asking  
12                  for and the casino. And we just need to  
13                  have a little more detail.

14                  We cannot grant funds for general  
15                  municipal purposes, even though a lot of  
16                  these projects are tremendous that we see.  
17                  We just can't do it unless we can really  
18                  demonstrate the nexus to the casino. And,  
19                  so, my recommendation is we add another  
20                  question in our review. Commissioner  
21                  Macdonald, you sat on The Review Team last  
22                  year and I think you probably concur with  
23                  that one.

24                  COMMISSIONER MACDONALD: I do concur

1 with that.

2 COMMISSIONER ZUNIGA: And you're  
3 planning on continuing to sit on those  
4 local --

5 COMMISSIONER MACDONALD: I am.

6 COMMISSIONER ZUNIGA: Which is  
7 great. I know we talked about one aspect  
8 of this before and its conversations that  
9 show up at the local community mitigation.  
10 But the notion of measuring or metric and  
11 now we have one more year of our ability to  
12 at least attempt to, you know, to measure  
13 prior grants, prior grant activities.  
14 Planning sometimes might be difficult, but  
15 sometimes it's very concrete because they  
16 study specific intersections and times and  
17 whatnot. But another emphasis in addition  
18 to that relation to the casino to me is the  
19 notion of can we measure the impact that  
20 prior grants are having or that they will  
21 have; can we project the impact that this  
22 grant will have?

23 MR. ZIEMBA: One concrete example of  
24 what you just said, Commissioner, is for

1           our workforce grants. We worked to include  
2           a laundry list. I think it's like 12 or 13  
3           that we're requiring as a report. And even  
4           though we feel a little bit badly for our  
5           grantees that they have to provide such  
6           extensive reports, we know that they are  
7           familiar with all of these reports from the  
8           numerous other grant programs. But it's  
9           something, that given the infancy of this  
10          program, we thought that it was necessary  
11          even though it might be a little bit  
12          burdensome.

13                 So, Commissioner, the bottom of page  
14          two, we recommend a new category for  
15          non-transportation planning grants. When  
16          we were in the context of our reviews last  
17          year and the conversations that we had with  
18          communities, there is a need, there is an  
19          ask for non-transportation planning.

20                 We rejected at least one community  
21          last year for what might have been,  
22          otherwise, a very good project because it  
23          looked to us like it was an economic  
24          development planning project, and they were

1           applying through a transportation planning  
2           category.

3                       So even though there was some  
4           connection to transportation systems, we  
5           felt that the whole purpose of it was  
6           really for economic development planning to  
7           try to take advantage of the opportunities  
8           from a Wynn casino or from an MGM  
9           Springfield casino and to enable  
10          communities to get in a better position to  
11          take advantage of those opportunities.

12                      And, so, what I'm recommending here  
13          is that we establish a new category for  
14          non-transportation planning but a modest  
15          sum of \$50,000, and this would not be a  
16          reserve. What this would be would be a  
17          grant with a maximum of \$50,000, and it  
18          would be upon application of the  
19          commission. So The Review Team would  
20          review the narrative each one of these  
21          applications, and we would approve some,  
22          and we may not approve others. But it  
23          would not be a categorical of \$50,000 times  
24          the X number of communities that is

1 established under new reserve.

2 COMMISSIONER ZUNIGA: Is it fair to  
3 say that we might see a lot of economic  
4 development planning grants requests under  
5 this new category?

6 MR. ZIEMBA: Maybe, yes, probably.  
7 But economic planning was allowable under  
8 the reserves that is still outstanding, as  
9 we just discussed. There is still a good  
10 number of those reserves that are out  
11 there. We have had some instances of  
12 economic development planning just a couple  
13 of weeks ago or a month or so ago. We  
14 authorized the Northampton planning grant.  
15 That was very similar to a Saugus planning  
16 grant basically where they're trying to  
17 prep themselves to see how they can  
18 particularly can take advantage of the  
19 opportunities.

20 Other communities have contacted me  
21 out here in Eastern Mass. about what they  
22 want to do in that regard. So we may, and  
23 I would expect it too, but the history  
24 doesn't bare it out as much as I would

1           expect. But, I think, once you call it out  
2           as a specific category, you might get more  
3           applications.

4                         Page three, number five: How and  
5           when should the mitigation fund guidelines  
6           reflect the work of the Lower Mystic  
7           Regional Working Group? Commissioners,  
8           you're well aware of that group. It's a  
9           group of a number of different agencies,  
10          MassDOT, Central Transportation Planning  
11          staff, a number of different -- the  
12          regional RPA. Who am I missing, Joe?

13                        MR. DELANEY: Us.

14                        MR. ZIEMBA: Us, us, attorney  
15          general's office, Everett, Somerville,  
16          Boston, a number of different entities and  
17          they're taking a look at the regional  
18          efforts that might be necessary, given all  
19          of the growth, all of the growth, not just  
20          the Wynn casino that are expected for those  
21          areas, and they're coming with numerous  
22          recommendations on what to do from a  
23          transportation perspective.

24                        That report probably will not be

1 completed until the middle of January or  
2 maybe even later. So in that regard, even  
3 though there are a number of a great  
4 recommendations, hopefully they will be  
5 coming from that group. It probably won't  
6 be able to fit into our application round  
7 given the lateness, but these are designed  
8 to be projects that will go on for probably  
9 decades. So the fact that we're not  
10 considering that report specifically in the  
11 application cycle, we can certainly look at  
12 all reports and our evaluations. That's  
13 probably okay.

14 Okay, number six: Should the  
15 Commission revisit its guidelines regarding  
16 grants involving private parties?  
17 Commissioners, as you know, this has been a  
18 particularly vexing issue because of  
19 various constitutional limits that we face  
20 whereby agencies are not prohibited from  
21 benefiting or providing funds directly to a  
22 private entity unless there is generally a  
23 public benefit or a public purpose.

24 So what we're recommending here is



1 similar to what we tried to do last year.  
2 Last year we had a requirement that would  
3 require a significant match for projects  
4 that involved private parties, a match or a  
5 significant match. But what we are  
6 recommending here is that we change that up  
7 just a little bit whereby if one is if you  
8 have a host community application, we would  
9 require a dollar-for-dollar match for a  
10 private entity application. And for  
11 surrounding communities and others, it  
12 would be a significant match. And, again,  
13 that's a waivable requirement.

14 COMMISSIONER ZUNIGA: And what do we  
15 mean or how has the significance match  
16 concept meaning received; is it less than  
17 dollar per dollar?

18 MR. ZIEMBA: It has been less than  
19 dollar per dollar in our experience, and  
20 what counts as a match will always be part  
21 of what we review as well. But, again, a  
22 lot of what we're doing here is sending  
23 signals. When we're sitting here in these  
24 meetings, if we're in Springfield or we're

1 in Boston or just sitting in our offices,  
2 it's very difficult to involve that who  
3 receives benefits from any of our grants.  
4 And we want to make sure that we're careful  
5 of the mitigation fund, and that things  
6 that we don't know don't come back to hurt  
7 us.

8 And, so, by making sure that our  
9 local partners and our licensees are  
10 involved in the process to make sure that  
11 all grant applications of this ill are  
12 meritorious, we think that there should be  
13 contributions on all sides, and it would  
14 help us in our reviews.

15 COMMISSIONER ZUNIGA: But it's fair  
16 to say that that significance can be  
17 quantified or we're hoping to?

18 MR. ZIEMBA: No. I didn't specify a  
19 specific percentage for what significant  
20 is.

21 COMMISSIONER ZUNIGA: No, no, but  
22 could be quantified. Here's our  
23 contribution. It's not just my best  
24 efforts, let's say, to do something or

1 other. They're valued at -- you know.

2 MR. ZIEMBA: Yes. We view that very  
3 differently from an in-kind match for which  
4 we have for a lot of our other programs,  
5 like transportation planning grants and the  
6 others versus an actual dollar match,  
7 either dollar for dollar or significant.  
8 All right, so I will skip the rest of the  
9 page on four, and I will go down to number  
10 eleven.

11 So on this one, we had some  
12 discussion a little bit earlier regarding  
13 what we would do 300,000 versus 200,000,  
14 and I just wanted to note that the two  
15 educational programs in Region B we did  
16 award 371,833 for the total grants under  
17 that. So I just wanted to give you a  
18 little more detail on that.

19 On page twelve -- on page six,  
20 number twelve. Now, this was one of the  
21 most heavily debated items in our  
22 conversations with the local Community  
23 Mitigation Advisory Committees, and the  
24 question that we put to them was: Should

1 we base our awards on the revenues that  
2 we've received from the licensees in each  
3 region?

4 So each licensee will pay  
5 6.5 percent of the gross gaming taxes into  
6 the Community Mitigation Fund. But the  
7 Wynn Boston Harbor facility is larger and  
8 it's expected to generate more revenues  
9 than the MGM Springfield site. MGM  
10 Springfield site is obviously going to  
11 generate a very, very significant  
12 resources. But in comparison to the Wynn  
13 facility, the Wynn facility will generate  
14 more in taxes and more in contributions to  
15 the mitigation fund.

16 And, so, the question that we have  
17 received and we have discussed with the  
18 local committees is that: Should there be  
19 a correlation between the amount of funding  
20 that each of these facilities put into the  
21 Community Mitigation Fund with what each of  
22 the regions receive out of the fund?

23 And pretty much overwhelmingly in  
24 both Region A and Region B, they have

1 recommended that we should contemplate a  
2 split in the regions, but that we should  
3 take into account other regional concerns.  
4 For example, the slots facility did put  
5 money into the mitigation fund out of its  
6 licensing fees, but it doesn't have to pay  
7 into the fund every year. The funding out  
8 of the slots facility, as you know, it goes  
9 into the Local Aid and it goes into the  
10 Racehorse Development Fund, but it doesn't  
11 go into the Community Mitigation Fund.

12 And I don't think that there was --  
13 I don't think that that related to the  
14 legislature's feeling that the slots  
15 facility wouldn't have any impacts. I  
16 don't think that that was the case at all.  
17 I think it was the legislature just saying,  
18 okay, here are our expected funds from a  
19 bunch of different resources towards a  
20 bunch of different resources. Local Aid is  
21 a very key item. The slots facility is  
22 going to be up and running first. Let's  
23 dedicate some of the initial dollars  
24 towards the Local Aid fund, and then we'll

1 try to determine where the other funds are  
2 allocated in the rest of the gaming --  
3 excuse me, Category 1 facilities.

4 So what we're recommending here is  
5 that we work over this next year to try to  
6 establish a system that would split up the  
7 fund into these regions. And by split up,  
8 again, similar to what everything else that  
9 we are doing here, it would not be an  
10 absolute concrete wall of spending between  
11 the east and the west.

12 First of all, the mitigation fund  
13 legislation requires the Commission to  
14 award based on need. And what we think is  
15 that within awarding based on need, you can  
16 establish systems that would more correlate  
17 to the size of the facilities in each of  
18 the regions.

19 So if you established a system  
20 whereby if funds are allocated to the  
21 different regions but if year after year or  
22 in any one given year funds are not needed  
23 in one particular area, they can then be  
24 made available to the other region or to

1 the other regions if they're not being  
2 utilized in one area.

3 And, so, what we're recommending  
4 here is not that we set up this system for  
5 this upcoming round since we are in the  
6 midst of just a first license fee  
7 application rounds, but that we split it up  
8 between the regions on a going forth basis  
9 and spend the next year to develop a really  
10 good system for splitting that up.

11 COMMISSIONER ZUNIGA: Do you have  
12 thoughts on that, Commissioner?

13 COMMISSIONER STEBBINS: Yes. I  
14 originally looked at this idea and wasn't  
15 sure how -- what I felt about it. But, you  
16 know, you take some recent past history  
17 into consideration, and you don't really  
18 need to look as far back as the Big Dig  
19 exercise. And Western Mass. when the Big  
20 Dig started to hit budget shortfalls saw a  
21 lot of money reclaimed back from their side  
22 of the state to make sure the Big Dig was  
23 completed and projects kind of got put on  
24 hold. So I can certainly understand the

1 sentiments. I'm actually encouraged to  
2 hear that, you know, Eastern Mass. kind of  
3 has the same viewpoint of what is generated  
4 here should stay here.

5 So, I think, it's a worthwhile  
6 exercise for us to think about. But I  
7 think to the point you made, John, given  
8 some flexibility to address any future  
9 needs in the Plainville area as they may  
10 come up but, you know, make an effort to  
11 try to keep the money locally based as to,  
12 you know, where the local projects are.  
13 So, I encourage it as long as we can come  
14 up with the right mechanisms and the right  
15 system for it.

16 MR. ZIEMBA: I should note we did  
17 receive at least one comment or some  
18 caution in this regard where they said if  
19 you do breaking things into too many  
20 buckets, you might limit your ability to  
21 pay for a major project that everyone  
22 agrees with, et cetera, and that they  
23 experience, especially in NPO planning for  
24 transportation dollars is that they have



1 specifically not adopted breaking things up  
2 into different regions because of that.

3 In some years, western part of the  
4 region might get more funding than the  
5 eastern part. In other years, the eastern  
6 region, a subregion of a region might get  
7 more funds. But I just reference that,  
8 because it was a comment we did hear in our  
9 local committees.

10 COMMISSIONER ZUNIGA: Any comments  
11 on this? Because I do want to just agree  
12 with Commissioner Stebbins that I initially  
13 felt that we shouldn't split. The question  
14 about splitting in my mind came up fairly  
15 quickly, very early, rather, in this  
16 community mitigation program. But as we  
17 have now a little bit of history as to what  
18 we're seeing, granted, there is a lot that  
19 might come up that we haven't yet seen.  
20 And some of the, you know, impact from this  
21 communities, again, with the relative to  
22 the slots parlor and so on, I think there  
23 is really a lot of merit in what you're  
24 proposing here to study it, to, you know,

1 recognize that it's something that we might  
2 want to implement in some cautious way but  
3 one that will allow each community to say,  
4 well, this is what comes from -- what's  
5 available from the casino. It comes from  
6 the casino. It should be towards that  
7 region, and it's all proportional in some  
8 way.

9 COMMISSIONER CAMERON: Makes sense.

10 MR. ZIEMBA: At the bottom of page  
11 six, this is a quick one. As the  
12 Commission is aware, a couple of years ago  
13 we entertained a grant request for lease  
14 assistance for the Hampden County Sheriff.  
15 They were moved out of the footprint of the  
16 MGM Springfield facility and after, I  
17 believe, 26 years to another facility,  
18 which was had lease payments were much more  
19 expensive than what they had been paying  
20 for the previous 26 years.

21 At the time, we stated that we would  
22 entertain no more than \$2 million in total  
23 lease assistance over a good number of  
24 years, but the sheriffs department would

1           have to reapply every single year for the  
2           lease assistance. We'd evaluate it each  
3           year.

4                       Unfortunately, due to some  
5           administrative changes during this past  
6           year, the sheriffs department did not get  
7           their application in by the first. They  
8           contacted us very shortly. We contacted  
9           them very shortly after the first, but it's  
10          a statutory deadline, and we had no  
11          opportunity to receive their application.

12                      So what this would do is enable the  
13          sheriffs department to apply not only for  
14          future lease assistance but for the what  
15          I'm calling the missing year as so far it's  
16          missing. Again, we evaluate each request  
17          by its own merits and take a look at the  
18          budget for the sheriff and what they're  
19          getting in state aid, et cetera, but this  
20          would allow them to have two, in a sense,  
21          two years of lease assistance.

22                      COMMISSIONER ZUNIGA: Sounds good.

23                      MR. ZIEMBA: Number -- also a quick  
24          one. Number -- page seven, number one.

1 Last year we received a joint application  
2 from two communities for grants, and that  
3 was not -- the joint applications were not  
4 baked into our guidelines last year, but we  
5 said because we want to encourage  
6 communities to work together, we like  
7 regional approaches. We accepted that  
8 application.

9 The only difficulty is that a lot of  
10 the rules that would apply to joint  
11 applications weren't built into our  
12 guidelines last year. And, specifically,  
13 the big rule that we are looking at is  
14 that, for example, if you have a  
15 transportation planning grant application,  
16 if you're any one community, you apply for  
17 a \$150,000 planning grant transportation,  
18 we would require you to use the \$100,000  
19 reserve that you have so it doesn't live  
20 fallow for many years. And then we would  
21 take that 100,000, and we'd give you  
22 \$50,000 in new funds.

23 And, so, what we're saying is that  
24 for joint applications, we would apply the

1 same rules but we wouldn't double-dip on  
2 our end. So if you're two communities  
3 applying for \$150,000 application, we  
4 wouldn't require 100,000 out of one reserve  
5 and 100,000 out of another reserve. It  
6 would just be that combined 100,000. And,  
7 so, that's what we're saying here that we  
8 specifically authorize joint applications,  
9 but we subject them to the same rules.

10 Bottom of page seven, number two, I  
11 talked about this a little bit in relation  
12 to the Mystic Valley -- Lower Mystic Valley  
13 Working Group. But one big question that  
14 we put to our regions this year is: Should  
15 we begin to start paying for the actual  
16 construction costs of transportation  
17 projects?

18 To date, we are paying only for the  
19 planning design of those construction  
20 projects, not the actual construction costs  
21 themselves. And, so, in the conversations  
22 within the regions, I think everyone does  
23 recognize that, even though we will have  
24 very significant funds in future years, I

1           wouldn't say in relative terms that we have  
2           very significant funds right now based on  
3           our \$10 million.

4                        But in future years, once we  
5           actually get the contributions from the  
6           gaming taxes from the licensees, there will  
7           be very significant funds each year to pay  
8           for a wide variety of projects, one of them  
9           being transportation projects. But, I  
10          think, as of right now that we don't yet  
11          have those significant dollars because no  
12          matter what we do, even with our  
13          significant dollars, the amount of funding  
14          that is necessary for transportation  
15          projects is obviously astronomical. And  
16          we, with our funds, couldn't possibly pay  
17          for a wide range of transportation projects  
18          that are out there.

19                       It will require other sources,  
20          either the federal funding or state  
21          transportation funding. And one thing that  
22          we will need to continue to work on with  
23          our transportation partners and within the  
24          committees is: How do we use our funds to

1 leverage those other funds? How do we make  
2 the commitments when the funding cycles  
3 begin? When do they end? How does this  
4 fit into the NPO process?

5 There are tons of things that need  
6 to be considered before we actually start  
7 spending transportation dollars out of the  
8 mitigation fund. Any questions on that?

9 COMMISSIONER ZUNIGA: Actually, I  
10 was expecting that the comment would be  
11 different, that there would be people  
12 saying yes, let's start paying for some of  
13 this but I --

14 MR. ZIEMBA: I was surprised, too.  
15 But, I think, people do recognize that no  
16 matter what we do out of the fund, we're  
17 not going to be able to pay for it.

18 COMMISSIONER ZUNIGA: We're not the  
19 only ones.

20 MR. ZIEMBA: And that we need to  
21 figure that out. But, in reality, if you  
22 take a look at a lot of the transportation  
23 projects that are on the board that we've  
24 talked about, a lot of these projects still

1 would require some significant design over  
2 this next year. So even if we're paying  
3 for a design, it might go a long way.

4 And nothing's to say that, you know,  
5 we couldn't entertain conversations with  
6 groups of communities and with agencies on  
7 planning for future dollars, which  
8 inevitably we probably will do that at some  
9 point. We'll have to figure out how that  
10 all works within the grant rounds or these  
11 things come up sometimes in between grant  
12 rounds.

13 COMMISSIONER MACDONALD: I think  
14 it's fair to say on the basis of the  
15 meetings I've participated in is that there  
16 is a unanimity in recognizing the order of  
17 magnitude of the cost of an actual  
18 construction project goes so far beyond the  
19 kind of planning grants and other grants  
20 that we've given in the past. It's just  
21 not something that's realistic at this  
22 point in time.

23 MR. ZIEMBA: Okay. Top of page  
24 eight, number three, this relates to the



1 conversation that we had earlier. But, in  
2 general, what I was trying to do with this  
3 question is that the Category 1 facilities,  
4 MGM Springfield and Wynn Boston Harbor,  
5 will soon be up and running and we will be  
6 experiencing a range of new impacts or we  
7 may experience a range of new impacts.

8 The statute under the mitigation  
9 fund calls for us to take a look at a  
10 number of different potential impacts,  
11 including educational impacts, housing  
12 impacts, other impacts. Maybe there will  
13 be business impacts, other impacts that  
14 could occur. And we're not there. The  
15 facilities are not operational. We have  
16 not experienced widespread impacts from our  
17 Plainridge Park facility. So we're just  
18 not in the situation where we may be in  
19 future years.

20 So what I'm recommending here is  
21 that we continue to work with all of our  
22 partners and with the research team and  
23 Mark Vander Linden and UMass to try to  
24 figure out what data we need, what policy

1 modules out there do we need to try to  
2 figure out some of these other larger  
3 issues of what happens if there are -- this  
4 gentrification in neighborhoods as a result  
5 of the economic development from our  
6 facilities, and what concerns might be out  
7 there. What do we do about that, if  
8 anything? What do we do?

9 And, so, a lot of work will need to  
10 be brought into this next year, and this is  
11 putting folks on notice. But thinking of  
12 Commissioner Cameron's point earlier where  
13 specifically we said public safety. There  
14 will be public safety impacts in the  
15 future. What should we do about those in  
16 the future? I guess, sort of what  
17 Commissioner Cameron was saying is maybe  
18 that future is now when it's coming to the  
19 public safety training. So we have the  
20 luxury of talking about things in the  
21 future, but we might have to talk about  
22 things now.

23 All right. Number four, one impact,  
24 specific impact grant. I mentioned this

1           before. The recommendation is that we  
2           should, but it would be waivable. Page  
3           nine, one thing that we're recommending is  
4           under the mitigation statute under Section  
5           68, there are two groups of eligible  
6           entities. Communities can apply for  
7           grants, and then governmental entities can  
8           also apply for grants if there is a  
9           regional impact.

10                   What we're specifying here is that  
11           if there is an impact with an A community  
12           itself, we would like the application to go  
13           through the community itself. So if you're  
14           a redevelopment authority, you would not  
15           necessarily submit an application on your  
16           own. If you're a public school, you would  
17           submit it through the community itself.  
18           And that would help promote greater  
19           planning within the communities. And there  
20           are some nuances that we would need to  
21           think about in regard to how the statute is  
22           written. Water districts and other types  
23           of issues that we'll have to think about  
24           but, in general, we're hoping that that's

1 the goal going forward.

2 Hopefully number eight is an easy  
3 one. Should we continue to extend our  
4 previously authorized reserves? I think  
5 that has been a very successful aspect of  
6 our mitigation fund, and I think we should  
7 continue to recommend that.

8 So with that, I think that is the  
9 range of the issues that we will continue  
10 to review with all of our local partners  
11 and our advisory committees.

12 COMMISSIONER ZUNIGA: Thank you.  
13 General comments for Mr. Ziemba? I have a  
14 couple.

15 COMMISSIONER CAMERON: Just thanks  
16 for really being thoughtful about what  
17 could happen, and these recommendations are  
18 very sound. It's a working progress,  
19 right, these grants and every year there  
20 will be new things, and I think you  
21 accurately reflected changes from last year  
22 to this year and gave us a lot to think  
23 about.

24 So that's really helpful to have

1 that documented like this and give us a  
2 chance to really focus on some of the  
3 changes.

4 COMMISSIONER STEBBINS: Yes. I  
5 would echo that and just say that the  
6 maturing of this process has been  
7 interesting as we've watched what we've  
8 experienced so far. But I also would give  
9 you more due credit to how you're engaging  
10 the local Community Mitigation Advisory  
11 Committees, and they're obviously providing  
12 some really sound feedback and ideas and  
13 thoughts to the program, you know, and  
14 we're utilizing the committees, I think, as  
15 everybody intended.

16 COMMISSIONER ZUNIGA: You know, I  
17 wanted to mention and go back to an early  
18 point and that is the one of the cap, the  
19 cap for grant and the cap total. And I  
20 come at it with a bit of dilemma or an  
21 ambivalence, if you will. Because on the  
22 one hand, there is a little bit more money  
23 in the horizon with the opening of MGM.  
24 So, our initial approach of, you know,

1           being cautious was to let a lot of this  
2           money sort of last through, you know, a  
3           period between the initial funding from the  
4           licensing fee to the next time.

5                        So I like the idea of being  
6           conservative and incremental, you know,  
7           approach to each of those and a per grant  
8           or a total. But my impression is that the  
9           flip side of that is that it creates this  
10          small requests times, you know, 28, right,  
11          because there is all these communities that  
12          want a -- they want to do their own  
13          planning. They want to do their own  
14          preparing for to benefit from the casino,  
15          et cetera, et cetera.

16                       And I think, in general, this  
17          mitigation fund that you had let's grab the  
18          biggest packets, and I know there is a lot  
19          of construction consideration relative to  
20          those big projects. We're not going to do  
21          any of that through one fund, but I do  
22          think that, you know, that's what happens  
23          with this approach.

24                        So I'm sort of thinking we should

1 really increase that cap, the overall cap  
2 and communicate the waiver and, you know,  
3 you are recommending -- I'm all for the  
4 increase per grant to the workforce  
5 development and the specific impacts. And  
6 perhaps a way to incentivize this  
7 addressing the highest, the biggest sort of  
8 projects, maybe we can think of providing a  
9 bonus for original approach.

10 What if somebody, you know, three  
11 communities saw a similar impact, one in  
12 which each of them got made use of their  
13 own ability to apply. But if they did  
14 apply times three, we could kick in an  
15 additional 50 or 100,000 to allow them to  
16 coordinate efforts to plan jointly. And,  
17 therefore, maybe we will get into those  
18 bigger impacts. If we want now that three  
19 or however many communities think this is  
20 something that we should all address and  
21 we're willing to work together, then we can  
22 incentivize a regional bonus.

23 So the one thought I have relative  
24 to all of this is that if we can fit some

1 money there for a bonus, create it,  
2 whatever we want to call it, approach, I  
3 will be all for that.

4 COMMISSIONER CAMERON: You're  
5 thinking transportation, I suspect.

6 COMMISSIONER ZUNIGA: Well, if there  
7 is really a regional impact, that's the  
8 biggest one. The construct with which we  
9 deal with in Massachusetts, this is true,  
10 by the way, in the scope of authority and  
11 many other state agencies is that we have a  
12 number of small communities. There is not  
13 really a county form of government. And  
14 some of these impacts, you know, I think  
15 are regional or the bigger ones. And  
16 because this is a region. The casino came  
17 to a region. It didn't come to  
18 necessarily -- its effect, rather, it goes  
19 to a region, not just one community.

20 But I think given timing, we now  
21 have a couple of years of experience and  
22 we've seen some very creative and we  
23 haven't funded everyone's requests, but  
24 maybe we can further incentivize the



1 regional collaboration as a way to try to  
2 address regional problems.

3 MR. ZIEMBA: I think that's a great  
4 idea. Why don't we include that in our  
5 questions for deliberation and get some  
6 comment on that and how it could be done,  
7 what category should it be done and I think  
8 that's a great idea.

9 COMMISSIONER ZUNIGA: I may be done  
10 for the day on good ideas. Any other  
11 questions for Mr. Ziemba?

12 COMMISSIONER MACDONALD: Well, just  
13 on that last point on the basis of the last  
14 two years of my participating in the local  
15 advisory committees and also on the  
16 subcommittee, the subcommittee has not met  
17 yet, but it's already apparent to me that  
18 there is a well of experience that is now  
19 beginning to be acted out on by the  
20 individual members of the advisory  
21 committees, and the guidelines have always  
22 included reference to waivers on any caps  
23 that are placed. And we have exceeded the  
24 caps in the past where particular -- where

1 the merits of a particular application have  
2 justified it.

3 And I would anticipate that with  
4 this cumulative experience that the local  
5 communities will see the opportunity to go  
6 beyond a particular cap with the  
7 understanding that by our very own  
8 guidelines that we invite implicitly a  
9 well-thought out proposal that goes beyond  
10 it provided that it can be justified.

11 COMMISSIONER ZUNIGA: Okay. I think  
12 that more than covers this section. How  
13 are we doing on time? Shall we go to the  
14 next -- do we need any breaks? Thank you,  
15 John and Joe.

16 COMMISSIONER CAMERON: Thank you  
17 both.

18 COMMISSIONER ZUNIGA: Let's go to  
19 the legal division, Counsel Blue.

20 MS. BLUE: Good afternoon,  
21 Commissioners. We have a number of  
22 regulations or a couple of regulations,  
23 actually, and a non-disclosure vote in this  
24 section. So the first thing I'd like to

1 bring your attention to is the small  
2 business impact statement for 205 CMR 146.

3 This is the table game's equipment.  
4 You had this regulation before you, I  
5 think, at our last meeting. And we what we  
6 would like today is your approval of the  
7 small business impact statement and the  
8 ability to move this regulation forward  
9 through the process.

10 COMMISSIONER MACDONALD: I move that  
11 the Commission approve the small business  
12 impact statement for 205 CMR 146 as  
13 included in the packet and authorize the  
14 staff to take the steps necessary to file  
15 the regulation with the Secretary of the  
16 Commonwealth and to proceed with the  
17 regulation promulgation process.

18 COMMISSIONER CAMERON: Second.

19 COMMISSIONER ZUNIGA: Thank you.  
20 There is -- just for the record, these have  
21 been already through the process?

22 MS. BLUE: No, we're going to start  
23 it.

24 COMMISSIONER ZUNIGA: We're going to

1 start the process.

2 MS. BLUE: Yes. I believe we are  
3 going to start it, because this is the  
4 small business impact statement.

5 COMMISSIONER ZUNIGA: We've seen the  
6 draft in prior --

7 MS. BLUE: Yes, we have.

8 COMMISSIONER ZUNIGA: All right. So  
9 all those in favor?

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER ZUNIGA: Aye. The ayes  
14 have it unanimously.

15 MS. BLUE: The second regulation we  
16 have is 205 CMR 143, and I have Deputy  
17 General Counsel Grossman and Attorney  
18 Stempeck and Gaming Manager Floyd Barroga  
19 here to talk to you about that.

20 MR. STEMPECK: Commissioners might  
21 remember this was previously before you  
22 back in September. At that point, I had  
23 started the process. We had changed some  
24 language at the end of this particular

1 regulation that dealt with simultaneous  
2 wide area progressive jackpots if people  
3 both hit at the same time. We kept this  
4 out for further comment after we made that  
5 slight change. We wanted to make sure we  
6 heard from anyone that wanted to be heard  
7 on the matter. We did not receive any  
8 public comment. So at this point, it's  
9 right for a vote by everyone.

10 COMMISSIONER ZUNIGA: And that  
11 was -- what was the fraction of a second  
12 that this event could happen if I remember  
13 correctly?

14 MR. STEMPECK: There wasn't a  
15 delineated fraction of a second. It was  
16 that in the event they are unable -- the  
17 licensees or whoever is keeping track was  
18 unable to calculate who had the prior  
19 jackpot win. So if there are literally  
20 identical jackpots at the same exact time,  
21 then each person who spun would be entitled  
22 to the full value of the jackpot.

23 So, I think, what we emphasized last  
24 time, not to speak for my colleagues here,

1 but was that an extremely, extremely rare  
2 chance that could ever even happen, but we  
3 wanted to be covering all of our basis, so  
4 to speak, and have that set forth in the  
5 regs.

6 COMMISSIONER STEBBINS: Justin,  
7 quick question, you have some changes in  
8 green, which look like they're new. Is  
9 there anything for especially in 143021F.

10 MR. STEMPECK: These changes were  
11 all in place last time, Commissioner.  
12 These were all in front of you last time  
13 with the green as well. Nothing has been  
14 changed since then. We discussed all these  
15 various changes last time. The only  
16 difference between then and today is we  
17 kept this out because there was one tweak  
18 made to a typo with respect to the  
19 simultaneous jackpot issue, so we wanted to  
20 leave that out so that we could get -- if  
21 we hear from anybody who wants to be heard.  
22 We haven't heard from anyone. So now we  
23 are really just ready for a vote.

24 COMMISSIONER STEBBINS: Mr. Chair, I

1           move that the Commission approve the  
2           amendments to 205 CMR 143 as included in  
3           the packet and authorize staff to take the  
4           necessary steps to file the regulations  
5           with the Secretary of the Commonwealth and  
6           proceed with the regulation promulgation  
7           process.

8                        COMMISSIONER CAMERON:    Second.

9                        COMMISSIONER ZUNIGA:    Second?  So  
10           for the record, this begins the formal  
11           promulgation process.  We already had --

12                       MR. STEMPECK:    We already had a  
13           pubic hearing on it.  We've gone through  
14           these procedures.

15                       COMMISSIONER ZUNIGA:    So this  
16           concludes this.

17                       MR. STEMPECK:    That's right.

18                       COMMISSIONER ZUNIGA:    All right.  
19           All those in favor?

20                       COMMISSIONER MACDONALD:    Aye.

21                       COMMISSIONER CAMERON:    Aye.

22                       COMMISSIONER STEBBINS:    Aye.

23                       COMMISSIONER ZUNIGA:    Aye.  Against?

24           The ayes have it unanimously.

1 MS. BLUE: And just for the record,  
2 I want to note that Director Band was here  
3 to help with that regulation. I looked  
4 over quickly and thought it was Deputy  
5 General Grossman, but I was wrong. Our  
6 next item will be presented by Deputy  
7 Counsel Grossman.

8 COMMISSIONER CAMERON: Just the  
9 black shirt. That's the only difference.

10 MR. GROSSMAN: Couple of handsome  
11 guys. We have before you an addendum to  
12 the Plainridge Park Casino non-disclosure  
13 agreement. You'll recall we reviewed this  
14 at your prior meeting. This is merely a  
15 reflection of the approvals you issued at  
16 your last meeting. If this is  
17 satisfactory, it will become attached to  
18 the existing non-disclosure agreement.  
19 We'll ask Executive Director Bedrosian to  
20 sign on behalf of the Commission and a  
21 representative from Plainridge to execute  
22 it as well.

23 COMMISSIONER MACDONALD: So moved.

24 COMMISSIONER CAMERON: Second.



1                   COMMISSIONER ZUNIGA: All right.  
2                   And just for the record, these are all -- I  
3                   remember this. We submitted this request.  
4                   We agreed with essentially other requests,  
5                   other points.

6                   MS. BLUE: That's correct.

7                   COMMISSIONER ZUNIGA: With one tweak  
8                   on one of them.

9                   MS. BLUE: That's correct.

10                  COMMISSIONER ZUNIGA: Just a  
11                  partial.

12                  MS. BLUE: On the floor plan, yes.

13                  COMMISSIONER ZUNIGA: On the floor  
14                  plan, right. Okay. So all those in favor?

15                  COMMISSIONER MACDONALD: Aye.

16                  COMMISSIONER CAMERON: Aye.

17                  COMMISSIONER STEBBINS: Aye.

18                  COMMISSIONER ZUNIGA: Aye. Against?  
19                  The ayes have it unanimously.

20                  COMMISSIONER CAMERON: Thank you.

21                  MS. BLUE: And that's all we have  
22                  for legal today.

23                  COMMISSIONER ZUNIGA: Thank you,  
24                  Counsel Blue. We come to our Item No. 8,

1 the Investigations and Enforcement Bureau.  
2 Director Wells and Director Lillios.

3 MS. WELLS: Good afternoon,  
4 Commissioners. So I asked this item to be  
5 put on the agenda. You know, under Statute  
6 23K Section 45 and under the Commission's  
7 regulations 205 CMR 152, we have a what we  
8 call the involuntary exclusion list. So  
9 that's the list of folks -- not to be  
10 different from the voluntary self-exclusion  
11 where someone can put themselves on the  
12 list. This is where the Commission has the  
13 authority to put people on the list to ban  
14 them from the casinos.

15 So now that we've begun the  
16 implementation process of that exclusion  
17 list, you know, a few questions have  
18 arisen, and it would be helpful to the IEB  
19 and the hearing officer just to have some  
20 clarification from the Commission as to the  
21 Commission's direction what we want to do  
22 with this authority that the Commission has  
23 under the statute. Different jurisdictions  
24 have taken different approaches to the

1 types of things that would trigger the  
2 placement of an individual on the State's  
3 involuntary exclusion list.

4 So you have the Nevada model, which  
5 is very restrictive in their authority and  
6 they only put a few people for extremely  
7 egregious offenses or some connection to  
8 organized crime, things like that versus,  
9 you know, Pennsylvania, Ohio, New Jersey  
10 model where there is more of an expansive  
11 approach to who the Commission has the  
12 authority to put on the list.

13 So given the broad authority under  
14 the statute, it would be helpful to frame  
15 the issue for today just with asking the  
16 Commission to give some thought as to  
17 whether you want Massachusetts to take more  
18 of a restrictive or more of an expansive  
19 view of, in particular, certain statutory  
20 language.

21 And what I'm particularly interested  
22 in is the statutory language talks about  
23 one of the criteria for being put on the  
24 list is there's a potential of injurious

1 threat to the interest of the Commonwealth  
2 in the gaming establishment. And also in  
3 the reg., it kind of mirrors that statute.  
4 The Commission modified that similar  
5 language a bit and said there exist the  
6 potential of injurious threat to the  
7 interest of the Commonwealth if the  
8 individual is permitted in a gaming  
9 establishment.

10 So that's where the IEB is just  
11 looking for a little guidance in that area  
12 given that this is a new process that we  
13 are in the beginning stages of  
14 implementing. We only have 21 people on  
15 the list at this point.

16 The Massachusetts Gaming  
17 Commission's exclusion list is different  
18 from a casino no trespass order. So the  
19 casino does have the authority to issue a  
20 no trespass order for an individual. It's  
21 slightly different. The exclusion list is  
22 a permanent band with an ability to  
23 petition that for five years.

24 So that's a different -- usually the

1 casino may give a 30 day, 60 day. There  
2 may be more of a limited time on the no  
3 trespass order. And probably more  
4 significant would be the exclusion list is  
5 under the Massachusetts Gaming Commission's  
6 control whereas the no trespass order is  
7 under the casino's control. We don't  
8 control what the casino does with respect  
9 to their issuance of no trespass orders.

10 MS. LILLIOS: And, Karen, if I could  
11 just interrupt you on that particular  
12 point. Under the regulation that you did  
13 pass under the criterion of whether there  
14 is potential injurious threat to the  
15 Commonwealth's interest, one of the factors  
16 that you promulgated and you said that we  
17 may consider is whether a no trespass order  
18 has issued by the casino, and the casinos  
19 are required to notify us of no trespass  
20 orders, so we do consider those.

21 COMMISSIONER CAMERON: When you say  
22 "consider," does that sway you in one way  
23 or the other or it's just additional  
24 information?

1 MS. LILLIOS: Standing alone the  
2 trespass order doesn't speak very much.  
3 It's really the underlying facts of why the  
4 no trespass order was issued. So all of  
5 these get a case specific analysis, but the  
6 no trespass order is one factor. But  
7 standing alone it doesn't say too much  
8 about what interests of the Commonwealth  
9 are potentially injurious.

10 MS. WELLS: So one particular -- did  
11 you have a question?

12 COMMISSIONER ZUNIGA: Will you  
13 continue making comparisons between the  
14 lists? Because, I think, there is another  
15 important distinction between the no  
16 trespassing and the exclusion -- on the  
17 list of excluded persons, if I remember  
18 correctly the exact name of the statute.  
19 The list of excluded persons is public.

20 MS. WELLS: Correct. So the  
21 Commission has made a determination to put  
22 that on the website.

23 COMMISSIONER ZUNIGA: Because it's a  
24 public document.

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MS. WELLS: Correct.

COMMISSIONER ZUNIGA: We are supposed to.

MS. WELLS: Yes, right. So just to frame the issue a little bit. So one particular example that I'm curious about, and I think it would be helpful to clarify that larger issue of what's the Commission's position on this topic, you know, is individuals who leave children alone in cars where they go in to use the gaming facility.

So under the statute -- the statute gives broad authority. So under the statute, the MGC would be authorized to consider placing those individuals on the involuntary exclusion list. Other states, some states do it. Nevada does not. There's a range. There is options for the Commission where they come down on that.

But under the potential of injurious threat to the interest of the Commonwealth and the gaming establishment, it would be under the Commonwealth's interest in the

1 protection of minors. The statute does  
2 have multiple provisions directed at the  
3 safety of children. It would also fall  
4 under the reputational and what occurs on  
5 site at the facility under the jurisdiction  
6 and the MGC.

7 So this is just an interesting issue  
8 for discussion. The IEB's recommendation  
9 would be this is something that should be  
10 an option for the exclusion list. It has  
11 an important public safety concern.  
12 Children are most vulnerable within the  
13 population.

14 It's notable the gaming environment  
15 frequently is designed to make patrons lose  
16 track of time. So you leave your kids in  
17 the car, go into the gaming establishment,  
18 you get caught up in the game the way it's  
19 designed in the establishment. There is a  
20 risk for the child, and the problem in this  
21 area could potentially be a great  
22 reputational harm to the MGC and to the  
23 casino industry.

24 So this is an example -- I'm curious



1 as to the Commission's feedback on that.  
2 So it's an example of the bigger question  
3 of how restrictive or expansive do you want  
4 to read that injurious threat language? Is  
5 this issue important enough to you, as a  
6 Commission, that you'd want to use every  
7 tool available to try to keep this from  
8 happening or is there a different approach  
9 the Commission would want to take?

10 I think that, you know, for the  
11 exclusion list from looking at other  
12 jurisdictions and even just from common  
13 sense, we do want to -- you need to keep  
14 the list manageable so that you can  
15 understand who's on the list. And folks at  
16 the casinos who are trying to identify  
17 these people, if you have thousands of  
18 people on the list, you're not going to  
19 know necessarily who is on the list if  
20 someone comes in. So you have to have  
21 some -- you have to utilize some good  
22 judgment as to who is on the list and who  
23 is not on the list even if you have that  
24 broad authority.

1                   You know, for an example, in the  
2                   statute it talks about you have the  
3                   authority if the person has been convicted  
4                   of a criminal offense of any law of any  
5                   state in the United States is punishable  
6                   with more than six months in state prison,  
7                   House of Correction or any comparable  
8                   incarceration, et cetera.

9                   So if we were to put everyone in  
10                  Massachusetts who fell under that category  
11                  under the exclusion list, it would be  
12                  enwheeled. So there is that sort of common  
13                  sense approach as to what makes sense to be  
14                  on the list. But that injurious threat to  
15                  the interest to the Commonwealth is an  
16                  interesting concept and would be helpful to  
17                  understand. By way of example, leaving  
18                  your kids in the car and going into the  
19                  gaming establishment gambling, I would  
20                  suggest that would fall under that  
21                  category. But I would like some feedback  
22                  as to what the Commission's position is on  
23                  that.

24                   COMMISSIONER ZUNIGA: Can I just

1 provide something for context here that I  
2 think is important and I'll -- first of  
3 all, in these types of matters, and  
4 Chairman Crosby does this often, he likes  
5 to have everybody present when we make  
6 these kind of comments. So I don't want us  
7 to necessarily decide. I think it's  
8 important to have a good discussion and  
9 perhaps tee up the discussion and come back  
10 to a future meeting when all of us are here  
11 to provide more input or more definitive  
12 input in this that, I think, is a very  
13 policy-driven question. Did you have a  
14 question on that?

15 COMMISSIONER CAMERON: I had some  
16 thoughts on the matter, but I'll wait until  
17 you finish.

18 COMMISSIONER ZUNIGA: Let me also  
19 add, this doesn't come in a vacuum,  
20 Director, right; you had a recent event?

21 MS. WELLS: Correct.

22 COMMISSIONER ZUNIGA: And you have  
23 other ideas as to what to do relative to  
24 this regulation?

1 MS. WELLS: Well, we had a case and  
2 it took up on appeal. And between the  
3 hearing officer and the IEB, there was a  
4 little confusion about the granted  
5 authority on the reg. So based on what the  
6 bigger picture is what does the Commission  
7 want to do? And then based on what the  
8 Commission wants to do, we may recommend  
9 some tweaks to the reg. one way or the  
10 other so it's very clear one way or the  
11 other what the position is and what the  
12 authority is in order to put somebody on  
13 the list. So we just want to do what the  
14 Commission is directing us to do.

15 COMMISSIONER ZUNIGA: I think, I  
16 learned through a conversation that this  
17 was from based on a decision, a recent  
18 decision from the hearing officer on this  
19 matter that I would, as one commission,  
20 would like to read. I would like to read  
21 that decision. I would like to read the  
22 transcript actually, because we also  
23 transcribe all of those hearings to better  
24 understand the situation.

1                   I also -- I have some reactions that  
2                   I want to mention. In this policy question  
3                   that you pose, I think you outline very  
4                   good, you know, very important  
5                   considerations. I think there is an  
6                   additional one, and that is placing  
7                   somebody on the list of excluded people,  
8                   which is a public list we have on our  
9                   website.

10                   I would argue some kind of risk,  
11                   some kind of real damage to that person. I  
12                   might argue that somebody might lose an  
13                   occupational license if a professional  
14                   agency or an employer or perspective  
15                   employer searches the internet and lands in  
16                   our website with what is currently in our  
17                   website. And I would like to eventually  
18                   just read in the record that what -- it's a  
19                   lot of what is here in the criteria that,  
20                   you know, without additional context,  
21                   somebody may get the wrong impression.

22                   For example, I was curious about  
23                   this list. I went and searched the people  
24                   that we have on our list, and there is a

1 couple that you very quickly, very quickly  
2 know and can ascertain why they are on this  
3 list, because there is news -- because we  
4 actually already know some of the names or,  
5 because there has been a lot of news  
6 coverage about them. But there is others  
7 that you cannot tell. And if you just go  
8 by what's in the blurb, it might lead you  
9 to believe they are in the same company.

10 MS. WELLS: We did -- different  
11 states have different laws as to their  
12 information that can be public regarding  
13 criminal history. So we don't put sort of  
14 a summary of the facts on the website given  
15 the restrictions by deciduous, so Loretta  
16 --

17 MS. LILLIOS: And the decision to  
18 put the list on the website is a regulatory  
19 decision that initially -- the initial  
20 regulation was to include detailed  
21 information on the website, including  
22 photographs, summaries and so forth for as  
23 we got nearer to implementing the list for  
24 both legal and privacy reasons, the

1 regulation was amended for much more  
2 restricted information. But the posting on  
3 the website is not a statutory requirement.  
4 It's something --

5 COMMISSIONER ZUNIGA: It's  
6 regulatory.

7 MS. LILLIOS: -- the Commission has  
8 decided by regulation to do.

9 COMMISSIONER ZUNIGA: Let me just  
10 ask on the topic you ask. I believe  
11 somebody leaves a minor in the car, which I  
12 think is pretty sad and really, really bad  
13 by any parent, anywhere, right, even if  
14 you're going to the supermarket. Is the  
15 idea of placing them on the exclusion list  
16 the notion that is it a problem-gambling  
17 type of question or a really poor judgment  
18 type of question? Because are we assuming  
19 that the only way they're going to come  
20 back is with their children and they are  
21 going to leave them in the car; is that  
22 sort of part of the thinking?

23 MS. WELLS: I think the sort of the  
24 overarching theory is that if you use such

1 bad judgment either because you have a  
2 gambling problem and you can't help  
3 yourself or you've just really got bad  
4 judgment that you would put your children  
5 at risk to go to that casino, that this  
6 casino is not the place for you.

7 And I understand there is some  
8 compassion for an individual that may have  
9 a gambling problem but weighing the  
10 interest of the child versus the adult to  
11 the analysis just from my perspective, and  
12 other people may have a different  
13 prospective, is that you put the interest  
14 of the child first and you use the tool  
15 that may be available to deter this  
16 conduct.

17 COMMISSIONER ZUNIGA: We have other  
18 choices, right?

19 MS. WELLS: Correct.

20 COMMISSIONER ZUNIGA: The licensees  
21 are required by statute to monitor the  
22 facility regularly, specifically for  
23 children, is that correct? And they, in  
24 fact, do it.



1 MS. WELLS: Yes.

2 COMMISSIONER ZUNIGA: Is there  
3 signage relative to that effect that the  
4 facility is actually monitored?

5 MR. BAND: Just when you come on the  
6 casino floor, it says you can't have minors  
7 anywhere on the floor.

8 COMMISSIONER ZUNIGA: How about the  
9 facility; would that be another tool, for  
10 example, that we could use, you know, that  
11 this facility is monitored 24/7, because it  
12 is, please report unattended children to  
13 the following number? Is that something --

14 MS. WELLS: I would be open to any  
15 suggestions like that because, I think,  
16 that's so important, yes.

17 COMMISSIONER ZUNIGA: Maybe that's  
18 one more of the tools that you reference.  
19 Do we administer a problem-gambling  
20 assessment tool when somebody leaves their  
21 kid in their car to make -- to try to make  
22 an assessment?

23 MS. WELLS: That I have not heard  
24 of.

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MR. BAND: No, we don't.

COMMISSIONER ZUNIGA: There is a few of them that there's either four questions, the PGTS or it's 11 questions that DSM-5, I believe, that is very easily administered to tell somebody that you may have a problem. That's how all these tools end up, and one of the questions has to do with your relationships with family members.

MS. WELLS: Yes.

COMMISSIONER CAMERON: You asked us two things. One was, do we think that you have the authority? And in reading this and listening to your assessment, I think we do. But the more important thing I heard from you was that these are individual cases and all of the information is taken into consideration before a decision is made.

For example, I think it makes a huge difference if the kid is three years old or 14 years old. Do you know what I'm saying? Weather conditions. There's a number of issues that would, to me, be very important

1 factors not just you're definitely going on  
2 the list if you have what is considered a  
3 minor in the vehicle. And to hear you say  
4 that all of those things, including a no  
5 trespass, is one of the items considered.

6 So to me the bigger issue here is  
7 that to me it's, yes, I like the idea of  
8 keeping the tool but I would like it used  
9 very wisely. And the fact that all of  
10 the -- all of the factors are taken into  
11 consideration makes a huge difference to me  
12 on whether or not we are using this  
13 correctly.

14 I like the idea of maybe including  
15 an assessment, but I also -- if it's a  
16 really significant case, I can't imagine  
17 that we'd want that person there knowing  
18 what they've just done and another factor  
19 would be time of course. So if all of the  
20 factors are taken into consideration and  
21 all of those determinations are made on a  
22 case by case basis, I have no problem using  
23 the tool but using it wisely.

24 COMMISSIONER ZUNIGA: Can I -- I'm

1                   sorry, please go ahead.

2                   COMMISSIONER STEBBINS: I would  
3                   agree with Colonel Cameron. I think what's  
4                   interesting is that once an incident -- and  
5                   I harken back to when in the early days of  
6                   the commission, this was one of the most  
7                   egregious acts that opponents of legalized  
8                   gaming were pointing. Like this should be  
9                   one of the biggest concerns we have. I  
10                  think it's I am interested in reading the  
11                  recent ruling.

12                  I think it's also interesting we  
13                  will look at what the quota inventory of  
14                  tools we have. There is -- I would hope  
15                  there would be immediate trespass order  
16                  issued against this individual. I mean,  
17                  right off the bat, we have the ability to,  
18                  you know, preclude this person from  
19                  stepping on the grounds for a period of  
20                  time. I'm not as familiar with kind of the  
21                  child endangerment or reporting that has to  
22                  also happen to the state division of Child  
23                  and Family Services. It's nice to see  
24                  there are kind of instant action steps that

1                   happen when you find some.

2                   MR. BAND: I think that happens, but  
3                   the problem is is that trespass order is  
4                   only good on one property where we will  
5                   have three in the state. The exclusion  
6                   gets you out of all three properties.

7                   COMMISSIONER STEBBINS: Right, okay.

8                   COMMISSIONER ZUNIGA: So we're  
9                   assuming they are going to come back in  
10                  their car and leave their kids again.

11                  MR. BAND: I can't say yes or no.  
12                  But, unfortunately, in my tenure in this  
13                  industry, I have seen it.

14                  COMMISSIONER MACDONALD: I'm a  
15                  little unclear, Karen, what the setting of  
16                  this is. Is it -- I gather we've had this  
17                  proceeding that there was a hearing.

18                  MS. WELLS: Correct.

19                  COMMISSIONER MACDONALD: On the  
20                  basis of the experience of that hearing, is  
21                  it your judgment that the text of the  
22                  current regulation is insufficient to  
23                  implement the policy?

24                  MS. WELLS: I actually don't think

1           it is, but I think the hearing officer  
2           thinks it is. So given that there is that  
3           tension, I think, ultimately the Commission  
4           makes that call, not the IEB or necessarily  
5           the hearing officer. I think that the  
6           issue becomes in the language -- the  
7           regulation where it talks about 152032, it  
8           talks about the Commission may consider the  
9           following.

10                   The question would be: Is it may  
11                   only consider or is it you may consider  
12                   these but you're not limited to these. So  
13                   that is sort of the question as I  
14                   understand it. I think Attorney Lillios  
15                   can explain it a little bit better than I  
16                   can. She handled the hearing.

17                   COMMISSIONER MACDONALD: Is that  
18                   what the hearing officer decided?

19                   MS. LILLIOS: He decided a number of  
20                   things. But one thing he said in his  
21                   opinion was that absent any other  
22                   information from the Commission about what  
23                   they really wanted, he was compelled to  
24                   come to certain conclusions. So one thing

1 we would like to do for the future is have  
2 something in the record on, you know,  
3 through the discourse about what you want,  
4 and that will be exceedingly helpful.

5 In terms of the provision that Karen  
6 was talking about in the 152.03, the first  
7 part of that regulation, the 031, is  
8 designed to track the statutory factors.  
9 Two of the factors are tracked verbatim  
10 from the statute or two of the criteria, I  
11 should say, are tracked verbatim. There is  
12 one additional criteria given in the  
13 regulation that if you're an associate, if  
14 the person is an associate of someone who  
15 does these bad things, you can also be  
16 considered for exclusion.

17 And as Karen mentioned, one of the  
18 criteria, the one we're talking about here,  
19 the one about the potential of injurious  
20 threat, the wording of that the Commission  
21 determined is a little bit different in the  
22 reg. than in the statute. And in the reg.,  
23 the criterion is whether there is a  
24 potential of injurious threat to the

1 interest of the Commonwealth if the  
2 individual is permitted in the gaming  
3 establishment.

4 Then the next part of the reg., the  
5 Subsection 2 of the reg. says -- gives  
6 meaning to potential of injurious threat.  
7 Attempts to give direction to the IEB and  
8 the Commission of what do you mean by  
9 potential of injurious threat. And that  
10 reg. says in determining whether there's  
11 this potential, the Commission may consider  
12 the following, and then there are a list of  
13 factors.

14 Now, when the IEB put these  
15 individuals, and we've had three of them  
16 with unattended minor situations on this  
17 list, we were interpreting the word "may"  
18 in this part of the regulation consistently  
19 with the way that word interpreted in  
20 Massachusetts case law, which is a  
21 permissive rather than a command. Case law  
22 it's a word of discretion, and we read the  
23 list as a non-exhaustive list. The hearing  
24 officer did not agree with that.



1                   So depending on where you want to go  
2                   with the larger questions, we will have the  
3                   transcript of this discussion, but also may  
4                   probably want to improve the regulation in  
5                   that regard.

6                   COMMISSIONER ZUNIGA: The more  
7                   reason to postpone this discussion.  
8                   Actually, continue this discussion given  
9                   the absence of Chairman Crosby to let him  
10                  weigh in. Something that, you know, will  
11                  be very helpful is, you know, reading what  
12                  you just described orally, Director, side  
13                  by side with the regulation and the statute  
14                  and have the benefit of his opinion,  
15                  because it's Hearing Officer Murray. Were  
16                  you done asking questions?

17                  COMMISSIONER MACDONALD: I saw a lot  
18                  of nods around that this was the first cut,  
19                  and then we'll come back at a later time  
20                  and also a reference to our reviewing the  
21                  transcript of the hearing.

22                  COMMISSIONER ZUNIGA: Right. There  
23                  is -- I mean, I read the criteria -- it all  
24                  begins with the criteria is that the

1 person's presence, regardless of what they  
2 did, poses the injurious threat to the  
3 interest of the Commonwealth in the gaming  
4 establishment. It's not just at the  
5 interest of the Commonwealth, which has  
6 many interests, including the safety of  
7 children, but it's in the gaming  
8 establishment.

9 And that taken together with a lot  
10 of other language, in my view, it's clearly  
11 designed for people whose very presence  
12 puts into question the operation, the  
13 fairness of the games because they are  
14 known cheats, like there's specific  
15 language. So, I think, it's very relevant  
16 that we examine how further we want to take  
17 that.

18 I happen to think there is a lot  
19 more effective tools to deal with  
20 responsible gaming questions. Like the  
21 voluntary self-exclusion, which includes a  
22 number of different terms much in the way  
23 that a DUI does not mean you are an  
24 alcoholic. It could mean that you made a

1 really bad decision or have done several  
2 times. Leaving somebody unattended means  
3 that they may have done a really bad  
4 decision, but there is something further  
5 that may need to be explored.

6 And on that account, I'd love to do  
7 some research. You mentioned what other  
8 jurisdictions do in the context of  
9 responsible gaming and protection of  
10 minors. It's not just the regulatory side  
11 that I know you have. We have at our  
12 disposal and under contract, Dr. Jack  
13 Morrata, who does this annual survey of  
14 jurisdictions and the realm of responsible  
15 gaming. I would love to get his take as to  
16 how are these other protections to minors  
17 dealt with, including the casino floor, the  
18 parking lot and whatnot.

19 So maybe we can sort of leave it at  
20 that, unless there is other questions in  
21 this regard, and say that we will come back  
22 to this topic with some of that additional  
23 information and benefit of having read  
24 additional materials.

1 COMMISSIONER MACDONALD: Fair.

2 COMMISSIONER STEBBINS: I think  
3 that's fair. I would just hope we don't  
4 want to wait too long.

5 MS. WELLS: See, that's part of the  
6 issue is the guidance is helpful to me.  
7 Because as things happen, things come in, I  
8 need to make decisions about what to do and  
9 recognizing these peoples' lives.

10 COMMISSIONER CAMERON: This  
11 shouldn't take too long. We could schedule  
12 it for the near future, right?

13 COMMISSIONER MACDONALD: Next  
14 meeting.

15 COMMISSIONER CAMERON: Yes, I agree.  
16 We would want that.

17 MS. WELLS: Okay.

18 COMMISSIONER ZUNIGA: All right. Is  
19 that it for that item? We've reached the  
20 time of are there any Commissioner updates?

21 COMMISSIONER CAMERON: No.

22 COMMISSIONER MACDONALD: Move to  
23 adjourn.

24 COMMISSIONER ZUNIGA: Motion is

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made. Any second?

COMMISSIONER CAMERON: Second.

COMMISSIONER ZUNIGA: All those in favor?

COMMISSIONER MACDONALD: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER ZUNIGA: Aye. We're adjourned.

(Meeting adjourned at 1:30 p.m.)

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APPEARANCES:

MASSACHUSETTS GAMING COMMISSION STAFF:

- Catherine Blue, General Counsel
- Edward Bedrosian, Executive Director
- John Ziemba, Ombudsman
- Michael Sangalang, Digital Communications  
Coordinator
- Mark Vander Linden, Director of Research and  
Responsible Gaming
- Karen Wells, Director, IEB
- Derek Lennon, CFAO
- Todd Grossman, Deputy General Counsel
- Bruce Band, Deputy Director, IEB
- Joseph Delaney, Project Manager
- Justin Stempeck, Staff Attorney
- Trupti Banda, Human Resource Manager
- Agnes Beaulieu, Finance and Budget Office Manager
- Loretta Lillios, Staff Attorney
- Floyd Barroga, Gaming Technology Manager
- Dean Cerullo, Massachusetts State Police

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GUEST SPEAKERS:  
Rachel Volberg, SEIGMA  
Elissa Mazar, SEIGMA  
Lisa McKinney

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COMMONWEALTH OF MASSACHUSETTS

I, KRISTEN M. EDWARDS, COURT REPORTER,  
do hereby certify that the foregoing is a true and  
accurate transcription of my stenographic notes,  
to the best of my knowledge and ability.

WITNESS MY HAND, this 31st day of  
October, 2017.

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Kristen M. Edwards