

1 COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #203
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6 CHAIRMAN

7 Stephen P. Crosby
8

9 COMMISSIONERS

10 Lloyd Macdonald

11 Bruce W. Stebbins

12 Enrique Zuniga
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19 Thursday, November 10, 2016

20 MASSACHUSETTS GAMING COMMISSION
21 101 Federal Street, 12th Floor
22 Boston, Massachusetts 02110
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P R O C E E D I N G S

CHAIRMAN CROSBY: We are calling to order public meeting No. 203 on the November 10th at our offices on Federal Street. First item is the approval of minutes. Commissioner Macdonald.

COMMISSIONER MACDONALD: Yes. I move that we approve the minutes of October -- of our meeting of October 26, 2016, subject to corrections of typographical errors and other nonmaterial matters -- says, and other nonmaterial matters.

CHAIRMAN CROSBY: Second?

COMMISSIONER ZUNIGA: Second.

CHAIRMAN CROSBY: All in favor?
Aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER ZUNIGA: Aye.

CHAIRMAN CROSBY: Opposed? The ayes have it unanimously. Administrative update, Executive Director Bedrosian.

MR. BEDROSIAN: Good morning,

1 Commissioners. I'm going to turn it over to
2 CFAO Lennon in one second. But I do want to
3 recognize Commissioner Zuniga's and Stebbins
4 celebrating Movember. And I'll just point
5 out, it's always Movember for me.

6 So having said that, the next item,
7 which is Item B, is a de minimus exemption to
8 our procurement policy. This came up in an
9 effort to think about the way in which the
10 commission and staff operates. Are there ways
11 to make things we do more streamlined, yet,
12 stay within the spirit of government
13 regulation?

14 So we thought about this and are
15 presenting, to the commission, an option,
16 which you'll see with different financial
17 levels, which implicate the amount of
18 procurement we do at those levels to deviate,
19 slightly, from what you have adopted in the
20 past. But I'm not the expert on that,
21 Mr. Lennon is so I'll turn it over to him.

22 MR. LENNON: Thank you. Good
23 morning, Mr. Chairman and Commissioners.

24 CHAIRMAN CROSBY: Good morning.

1 COMMISSIONER MACDONALD: Good
2 morning.

3 COMMISSIONER ZUNIGA: Good morning.

4 COMMISSIONER STEBBINS: Good
5 morning.

6 MR. LENNON: We'll be quick today.
7 Agnes and I are here to give an update for
8 your consideration. In 2013, the Commission
9 adopted 801 CMR 21, which is the competitive
10 procurement rule that's required for all
11 executive branch agencies, commissions,
12 boards, departments. We are not an executive
13 branch agency. While we fall under that
14 executive branch organization, we're not an
15 agency, so we did not have to adopt this but
16 the Commission chose to.

17 With that procurement standard,
18 you're required to either buy goods and
19 services off of a statewide contract, which
20 are contracts that are procured by the
21 operational services division for all state
22 agencies to use, or go out and do a
23 competitive RFR. Doing competitive RFR is a
24 lot of time, a lot of labor involved in it,

1 and when it has to do with hard dollar
2 amounts, it makes sense.

3 What we're asking for is a
4 consideration to add a exception into the
5 policy that we've adopted. Under 801 CMR 21
6 there are six exceptions. And the only one
7 that even comes close to considering the
8 burden of -- administrative burden of doing
9 procurements is an incidental purchase.

10 Incidental purchase guidelines under
11 801 CMR 21 require the dollar threshold to be
12 10,000 and a purchase to be one time in
13 nature. And when you -- in order to come to
14 review those one time in nature, it's
15 literally one time over the course of, maybe,
16 two or three years, is what they would look
17 at. It's not one time this month, one time
18 next month, one time -- they same type of
19 service. So even if you're buying a chair and
20 you want a slightly different chair, those are
21 considered the same type of purchase. You
22 should have considered what that first one
23 came up, that you may have additional
24 purchases similar to that.

1 So there's really nothing for we're
2 looking for, which is small, dollar-value
3 purchases, still make it competitive without
4 having to do an RFR, put together a scope of
5 services, send it out quickly to three
6 vendors, and get back three responses.

7 On page two of this memo, I'll try
8 using this -- oh, thank you, Amy. On page two
9 of this memo, we've put together some
10 recommended dollar amounts, just looking at
11 the total number of procurements we did, when
12 you pulled out the things that can't be
13 competitive in nature. So subscriptions,
14 memberships, those part of the organization or
15 not.

16 We did about 518 total documents
17 last year, total procurements. And out of
18 those, if you look at ones that fell a
19 thousand dollars or below, made up about 27
20 percent. \$1500 or below, 31 percent of our
21 procurements. \$2000 or below, 35 percent.
22 \$2500, 38 percent. And we didn't really want
23 to go up there from because now you're
24 starting to get into a substantial number of

1 our procurements. Not saying you can't, but
2 anything above that threshold you're starting
3 to get into a substantial number. And what
4 we're also saying to this is, we're not going
5 to throw away statewide contracts. It's just
6 where they don't make sense.

7 So we can give a very specific
8 example, where we wanted to get a table for
9 out in the conference -- out in the entryway
10 to put the slot machine that the Commission
11 approved. There are four different contracts,
12 statewide contracts, with about 20 different
13 vendors that have tables on it.

14 We -- my team, as well as the chief
15 of staff, as well as, I think, the commission
16 executive assistant spent close to two weeks
17 trying to finds the right table off of those
18 contracts. The total cost of the table, I
19 think, was \$400, \$300. Staff time was,
20 probably, four or five times that amount,
21 where we could have just gone out, looked on
22 on-line search engines, picked out the right
23 type of table, three different price points,
24 and it would have cost us, maybe, \$50 in time.

1 This happened to our food and beverage
2 contracts as well. There was one time where
3 we actually, I think, shipped food from Boston
4 out to Springfield because it wasn't --

5 MS. GRIFFIN: We didn't do it.

6 MR. LENNON: We didn't do that, but
7 it was one of the recommendations. So this --
8 this eliminates a lot of those administrative
9 burdens, but still sticks with the intent of
10 being competitive but takes out that red tape
11 that just becomes bureaucratic at times.

12 COMMISSIONER ZUNIGA: Can you, for
13 the record also, point out -- I want to point
14 out some of the things that we do as well,
15 which is a good practice. You know, to
16 increase awareness and, you know, competition,
17 and contracts that may go to minority or, you
18 know, small business, et cetera. You continue
19 to meet with Jill Griffin, when you do
20 procurement, on a regular basis? Is that...
21 is that...

22 MR. LENNON: We do. Agnes -- Agnes
23 does, yes.

24 COMMISSIONER ZUNIGA: And could

1 we -- could we make a point to post, or could
2 we -- if we did this, could we make it a point
3 to post on our Web site, Twitter, whatever,
4 whatever it may be, what we have as a way to
5 request some of these bids, or are you
6 envisioning more of a know-how at the
7 procurement desk of, you know, where to look?

8 MR. LENNON: So if we were to use
9 this -- you're kind of crossing over two
10 things. And the tangential benefit that we
11 could get from this policy is, we could
12 actually go to vendors who aren't on statewide
13 contract, that provides some of the services,
14 if you wanted to do this, for example, you
15 would obviously come forward and ask for this,
16 and just put out bids to people for low dollar
17 amount to entities that are either veteran,
18 minority or women-owned.

19 We could go to Jill, get the list of
20 vendors so we're not working off the statewide
21 contract of approved vendors. Once again,
22 your threshold is lower so, you know, the
23 impact that you're going to make over three,
24 six, seven, 13 percent of your discretionary

1 budget, wouldn't be that substantial. But as
2 was pointed out to me, every -- every single
3 one of these dollars is important to those
4 businesses. So you're crossing over.

5 The main impetus of this was to
6 alleviate the administrative burden, but there
7 is that additional benefit of being able to
8 provide opportunities to vendors that wouldn't
9 otherwise have that benefit because they
10 aren't on the statewide contract.

11 CHAIRMAN CROSBY: What was the --
12 you said the definition of incidental was --
13 is that what you were referring to; is there a
14 written guideline?

15 MR. LENNON: There is. It actually
16 comes up on OSD's Web site?

17 CHAIRMAN CROSBY: And what does
18 it -- what does it say?

19 MR. LENNON: It has to be a true one
20 time in nature. It has to be within -- you
21 know, that one type of procurement within two
22 to three years.

23 CHAIRMAN CROSBY: That's in
24 writing --

1 MR. LENNON: Yeah.

2 CHAIRMAN CROSBY: -- those
3 standards?

4 MR. LENNON: Yeah. And the main
5 point of that is, just because you failed to
6 plan for that, and they go through this very
7 -- each one of these exceptions has a very
8 clear definition in how to -- like an
9 emergency contract goes into -- you deal with
10 just that emergency that's being dealt with
11 right now, nothing else. It's not while
12 you're in there, you can deal with it. It's
13 failure to plan, when you see this one thing
14 come up shouldn't be considered an incidental
15 for the next time around that happens two
16 months later. And being on the executive
17 branch side, that's one of the places you get
18 hit hard, when OSD comes out to do quality
19 insurance checks, how you use your incidental
20 purchase and policy.

21 COMMISSIONER MACDONALD: Do you have
22 a specific dollar amount, as a threshold,
23 which you're proposing?

24 MR. LENNON: So we wanted to give

1 you options. But if you looked at when we met
2 internally, we wanted to stay below the
3 one-third, so the 33 percent level. So, you
4 know, 1,500 would probably be what we would
5 recommend to start with, see how it goes from
6 there. But we wanted to give you a menu of
7 options to choose from. If you didn't like
8 the 1,500, or you thought it should be a
9 little higher, or if you thought it should be
10 lower. But we thought 1,500 would be a good
11 place to start.

12 MR. BEDROSIAN: And, Commissioners,
13 we did put this on for vote today, but that
14 does not obligate you, obviously, to vote
15 today. If you say, thank you for introducing
16 the subject, we want to think about it,
17 that's, obviously, totally appropriate also.

18 CHAIRMAN CROSBY: No, I think it's
19 great that it's on the -- the difficulty in
20 your business is walking the line between on
21 the one hand keeping us on the rules, and on
22 the other being a customer service agent to
23 people who are trying to get our business
24 done, and I appreciate that that is a hard

1 line to walk sometimes. But this is a step in
2 the direction of trying to figure out how can
3 you make life easy for the people here, who
4 are trying to do business from day to day.
5 And I think it's really important and really
6 helpful. And, you know, there's both the
7 practical rules we have to follow, and there's
8 also a cultural mindset. You need to be --
9 not being a commanding control agency, even
10 though that is part of what you have to do,
11 but, you know, you have to be a commanding
12 control agency, breaking every bone in your
13 body to try to facilitate life with people who
14 work here, within the rules. And there is a
15 tension there, no question about it. But this
16 is a step in the right direction, so I'm glad
17 it's on the agenda and I'm glad you came up
18 with it.

19 COMMISSIONER MACDONALD: Just if I
20 could follow-up. I mean, looking at this
21 chart here that you have on page 10 of two, do
22 we have, in terms of the number of
23 procurements in the past that have been less
24 than \$1500, do you add the 31 percent and the

1 27 percent to get 58 percent?

2 COMMISSIONER ZUNIGA: No.

3 MR. LENNON: No. So that's where I
4 have the incremental column. So you've got
5 the total number of documents is 518. Under
6 1,000 is 141. Under 1,500 is 153, with an
7 additional 21 documents. That way, you could
8 see that it's 31 percent of the total, or
9 27 percent of total is 1,000. So 1,000, 141
10 documents out of 518 is 27 percent; 163 out of
11 518 is 31 percent. So you have the thousand
12 included in this 1,500.

13 COMMISSIONER ZUNIGA: So it's just
14 a cumulative.

15 MR. LENNON: Yep, it's a cumulative.

16 COMMISSIONER MACDONALD: So if we
17 did this, that -- it would -- 31 percent of
18 the procurements could be facilitated --

19 MR. LENNON: Correct.

20 COMMISSIONER MACDONALD: -- by this
21 -- by this change.

22 MR. LENNON: Correct.

23 CHAIRMAN CROSBY: So how -- go
24 ahead.

1 MR. LENNON: I'm not saying
2 31 percent would fall under this. Obviously,
3 within this is some office supply purchases
4 that we -- you're not going to change from the
5 office supply catalog, unless there's
6 something that's not in there. So it's just
7 showing you a total number of documents that
8 could potentially fall under this.

9 COMMISSIONER ZUNIGA: Well, I was
10 just going to say that I think it's very --
11 it's a very good recommendation. I think
12 it's -- I'm in favor of making things more
13 efficient in your shop and guarding with, you
14 know, the safeguards of best practices that
15 are embedded in the rest of the regulations.

16 I would only suggest that, if we did
17 this, that we come back periodically, maybe
18 once a year in your annual report, let's say,
19 and have a bit of a breakdown of the
20 analytics, how we ended up with -- with some
21 of these -- what were -- you know, those
22 instances where we use this and, you know,
23 what did we end up buying. Whether -- did it
24 turn out to be repeat purchases that can help

1 us plan better, or did it turn out to be that
2 we really are getting a number of different
3 vendors by virtue of using this -- this tool
4 or, you know, this approach.

5 MR. BEDROSIAN: Whether it ends up
6 being a bunch of tables?

7 COMMISSIONER ZUNIGA: Yeah.
8 Whether, you know, whether there's a trend
9 that records detect that say, maybe going
10 forward, this is something that we really
11 should be looking back at the statewide
12 contracts, just -- you know, just to say to
13 anyone as a narrative, or, you know, wherever
14 the case may be. Just a good look back as a
15 best practice, is my suggestion.

16 CHAIRMAN CROSBY: So if, using your
17 example of table, if this were in place, how
18 would that now work?

19 MR. LENNON: Right now, it would
20 work that --

21 CHAIRMAN CROSBY: No, no. If this
22 is in place.

23 MR. LENNON: Yeah, I'm sorry. If
24 this were in place, if the person had come

1 down to us and said, here's the table. I want
2 it -- I want to get, I would have my staff do
3 a quick search on one of the statewide
4 contracts, see if it's on there, the same
5 exact table. If it's not, then I'd say, okay,
6 do we have three competitive prices for
7 similar tables? If it is, let's go ahead and
8 order it.

9 So you're cutting the two-to-three
10 week process. Because before, I had my staff
11 work on four separate contracts, sent e-mails
12 out of the four separate contracts, look at
13 all their catalogs to see if they're a similar
14 table, get pricing from their catalogs on the
15 tables.

16 CHAIRMAN CROSBY: So -- so what
17 would -- so how would you do it; what would
18 you do now?

19 MR. LENNON: Now, I would take a
20 look at the main contract that we look -- use,
21 which is --

22 CHAIRMAN CROSBY: Assume it's not on
23 the -- if it's not statewide, you would then
24 do what?

1 COMMISSIONER ZUNIGA: Ask for three
2 bids.

3 MR. LENNON: Ask for the three bids.

4 CHAIRMAN CROSBY: Three bids from --

5 MR. LENNON: From what were provided
6 to us.

7 CHAIRMAN CROSBY: From whom, though?

8 MR. LENNON: From the staff person.

9 MR. BEDROSIAN: You go do -- you can
10 do a Google search.

11 CHAIRMAN CROSBY: Yeah, Google
12 search to see if that table was offered by
13 different companies?

14 MR. LENNON: Yep, yep.

15 CHAIRMAN CROSBY: Okay.

16 MR. LENNON: And that's what was
17 presented to us, a Google search from three
18 companies that said, here's the cheapest one.

19 CHAIRMAN CROSBY: Right, right. And
20 we ended up paying more for that for a...

21 MR. LENNON: For a different
22 product.

23 CHAIRMAN CROSBY: Right.

24 MR. LENNON: That didn't exactly

1 meet the needs.

2 COMMISSIONER ZUNIGA: Since we're
3 talking detail, you know, what that could end
4 up causing is a gravitation towards the same
5 number or vendors because there's -- you know,
6 familiarity. And, you know, from a
7 procurement standpoint, I think -- this is why
8 I'm suggesting let's look back, you know,
9 let's say after a year, to see if we're
10 gravitating towards the same vendors, or we're
11 really trying to spread around a little bit,
12 or there's total randomness. And, you know,
13 because we are really using it for, you know,
14 things that come up every once in awhile in
15 very different ways.

16 CHAIRMAN CROSBY: I'm fine with
17 that, yeah.

18 COMMISSIONER STEBBINS: I spoke with
19 Derek on Wednesday, and a little overwhelmed
20 by the story that we're sharing as why the
21 solution's necessary. But I think to the
22 issue that Agnes faces, when we're looking at
23 what our diversity spend is, even if this
24 could help out in some small way, reflects

1 well on us.

2 CHAIRMAN CROSBY: Anymore
3 discussion? Do I have a motion?

4 COMMISSIONER ZUNIGA: I can move
5 that the Commission approve the exception to
6 the procurement regulations, as discussed here
7 today and included in the packet, and set a
8 guideline number of -- to apply to
9 procurements under \$1,500, as discussed today.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER MACDONALD: Did you
12 want to add the requirement that there'd be an
13 annual --

14 COMMISSIONER ZUNIGA: I sure can.
15 And that the finance team come back to and
16 report on the results of implementing this
17 approach one year after its implementation.

18 COMMISSIONER MACDONALD: Second.

19 CHAIRMAN CROSBY: Further
20 discussion? All in favor? Aye.

21 COMMISSIONER MACDONALD: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

1 have it unanimously.

2 MR. LENNON: Thank you.

3 MR. BEDROSIAN: Thank you,
4 Mr. Chairman. That, I think, takes care of
5 Item No. 3.

6 CHAIRMAN CROSBY: All right.
7 Director Griffin, Item No. 4.

8 MS. GRIFFIN: Good morning.

9 MR. LENNON: Jill.

10 COMMISSIONER STEBBINS: Good
11 morning.

12 MS. GRIFFIN: Ah, good morning.

13 COMMISSIONER STEBBINS: Good
14 morning.

15 MS. GRIFFIN: So first on the
16 agenda, I am here to request Commission
17 authorization for a grant award to this
18 Association of Black Business Professionals in
19 Springfield. And let me give you a little bit
20 of background.

21 In March of 2016, we posted an RFR
22 for diversity goal and business technical
23 assistance grants. And we, ultimately, were
24 able to award a total of 63,000, in order to

1 build a capacity of small businesses and
2 increase, potentially, their success of
3 working with the casino. And MGC's staff had
4 planned on dedicating funds to target grass
5 roots, small and promising programs, such as
6 the Association of Black Business and
7 Professionals' request for funding, but was
8 not able to award this grant. The lead
9 partner did not have a federal ID number, and
10 application process for this number took
11 longer than expected.

12 So for that reason, we are here
13 before you today -- I should say, I am here
14 before you today, and requesting a vote to
15 authorize a grant award of \$20,000 from this
16 fiscal year's budget to the Association of
17 Black Business and Professionals for their
18 effort to help Springfield and Springfield's
19 established small business owners grow and
20 expand their businesses.

21 And this is specifically to launch a
22 program with Interise, a nonprofit that has a
23 proven track record of success in
24 Massachusetts, specifically, in Boston,

1 Worcester and actually across the country.
2 They have what they call a streetwise MBA,
3 where they bring small business owners
4 together and help them in a cohort model
5 establish growth plans for the business.

6 You'll see in your packet that there
7 are two letters of support for this program.
8 One from Richard Griffin from the Springfield
9 Office of Planning and Economic Development.
10 They have indicated that they are going to
11 match our grant with a \$20,000 award on their
12 own.

13 MGM Springfield, Shalon Brown,
14 construction diversity manager, has also
15 endorsed this program. She indicates that
16 they are in support of -- support of the
17 project and excited about the partnership.
18 They're eager to refer potential program
19 participants to this effort. So why don't I
20 stop talking and see if you have any
21 questions?

22 COMMISSIONER STEBBINS: Thanks,
23 Jill. The one question I had coming in, but I
24 think it's answered with the letter of support

1 we got from MGM, was some kind of line of
2 relationship for these small businesses and
3 how they would connect to MGM at the end of
4 their training or during their training. But,
5 you know, I remain a big fan of the grant
6 application that came in. I was encouraged by
7 the number of other organizations that they're
8 leveraging, including the cities. Except for
9 the federal ID snafu before they became back
10 on track and get the program up and off the
11 ground.

12 MS. GRIFFIN: Right. And I have
13 talked to many of those partners, and they
14 remain in support of the program. I was
15 concerned about that too. And everyone's
16 still seems very excited.

17 COMMISSIONER ZUNIGA: Jill, remind
18 me, we've budgeted this year, a figure for
19 these kinds of grants. Is this the first one
20 that we're awarding --

21 MS. GRIFFIN: Yes.

22 COMMISSIONER ZUNIGA: -- out of
23 those monies?

24 MS. GRIFFIN: Yes. So this would

1 come out of this fiscal year's budget, and
2 this would be the first grant. And a little
3 bit later on the agenda, we'll be talking
4 about the second grant.

5 COMMISSIONER ZUNIGA: And that was,
6 roughly, 200 and...

7 MS. GRIFFIN: Yeah, two -- I think
8 it was about 200,000.

9 COMMISSIONER ZUNIGA: 200,000.
10 Okay. And -- you know, roughly. And so, and
11 the original grant must have already been, you
12 know, netted out of our budget, because it was
13 in the prior fiscal year; is that correct, or
14 did we end up spending it elsewhere?

15 MS. GRIFFIN: I think the
16 Commission, perhaps, spent it elsewhere.

17 COMMISSIONER ZUNIGA: Yeah. But not
18 your division, not your --

19 MS. GRIFFIN: That's correct.

20 CHAIRMAN CROSBY: Anything else?
21 Commissioner Stebbins?

22 COMMISSIONER STEBBINS: Sure.
23 Mr. Chairman, I move that the Commission
24 authorize a grant award of \$20,000 from the

1 FY'17 budget to the Association of Black
2 Businesses and Professionals to help
3 Springfield establish small business owners
4 grow and expand their business, and,
5 hopefully, increase their opportunities to do
6 business with our licensees.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER MACDONALD: Second.

9 CHAIRMAN CROSBY: Further
10 discussion? All in favor? Aye.

11 COMMISSIONER MACDONALD: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 CHAIRMAN CROSBY: Opposed? The ayes
15 have it unanimously. Thank you.

16 MS. GRIFFIN: Great. Thank you,
17 Commissioners.

18 COMMISSIONER ZUNIGA: Thank you.

19 MS. GRIFFIN: And next, I'd like to
20 bring up Christopher King, who's formerly with
21 the Department of Veterans' Services.

22 So, as I know all of you are well
23 aware, but I'll spend just a moment talking
24 about veterans and why we have Chris King up

1 here. But I'll remind our viewers and our
2 audience that each of our licensees have set
3 diversity goals that includes opportunities
4 for veterans in the workforce, and as vendors
5 of the casino and the design construction and
6 operations of the casino.

7 And one of the -- I guess, since the
8 very beginning, Chris King has been
9 instrumental in helping the Commission reach
10 out to veterans. Making connections, being a
11 thought partner. He has stepped down recently
12 from the Department of Veteran Services for
13 the Commonwealth, but we did not want to be
14 remiss in thanking him for all that he has
15 done to help and guide us on this journey.
16 And I know Commissioner Stebbins has some
17 comments.

18 COMMISSIONER STEBBINS: Yeah. Just
19 to pick up on Jill's comments, you know, the
20 Expanded Gaming statute, as we all know, kind
21 of placed in new language with the focus on
22 veterans for employment opportunities, as well
23 as veteran businesses for business
24 relationships with our licensees.

1 Kind of not knowing where to start,
2 we stumbled upon Chris, or he stumbled upon us
3 and was very quick to, kind of, immerse
4 himself, not -- one, not only in our statute,
5 but often guidance, building relationships for
6 us with his colleagues over at the Department
7 of Veteran Services, a great group of people.
8 And Chris has been there giving us ideas,
9 giving us suggestions, giving us strategies.
10 Again, helping us build the relationships that
11 not only we use, but that our licensees use.

12 Chris is, in fact, himself a
13 veteran. A graduate of the U.S. Naval Academy
14 and the Harvard Kennedy School. He has
15 routinely shared stories with me about his
16 special assignment over in Iraq in 2004, I
17 think, to 2006, where he was working with U.S.
18 agencies, NGOs, the Iraqi government to kind
19 of root out where money was probably not being
20 spent correctly. But when he came back to the
21 United States and started working for DVS, he
22 has certainly pulled his weight, jumped in on
23 several initiatives related to veteran-owned
24 businesses, as well as the mental health of

1 his fellow veterans. And we were a little
2 saddened, when he called us one day and said
3 that he was leaving the Department of Veteran
4 Services to return to the private sector and
5 to teach. But we felt, on this Veterans' Day
6 week, it was appropriate to thank him for his
7 support of the Commission. And we have a
8 very, very small token, even though we just
9 gave away \$20,000, we have a smaller token for
10 you. Chris, thanks very much.

11 MR. KING: Thank you so much. I
12 appreciate it. Thank you.

13
14 (Applause)

15
16 MR. KING: It's been such a pleasure
17 working with the Commission, and I have been
18 so impressed with the work of Bruce and Jill
19 and their team, and the integrity of the
20 Gaming Commission process has been remarkable.
21 The level of professionalism and the work that
22 they did, and their focus on making sure the
23 veteran piece of this Gaming Commission
24 process worked. And their professionalism's

1 just been a complete pleasure to work with
2 them, and I really appreciate it. Thank you
3 very much.

4 COMMISSIONER STEBBINS: Thank you,
5 Chris. You know, he's said he's moved on, but
6 he's also said, you know, he's only a phone
7 call away if we ever need him so...

8 CHAIRMAN CROSBY: Yeah, be careful
9 what you ask for, Chris.

10 COMMISSIONER ZUNIGA: Thank you.

11 CHAIRMAN CROSBY: Yeah. On behalf
12 of all of us, thank you. You know, this
13 veterans' dimension has been a tough one to
14 address for a lot of reasons. And, you know,
15 partly because it's new, as everybody has
16 pointed out. And so, having -- having your
17 help has been great. We really appreciate it.
18 And good luck in your next round.

19 MR. KING: Thank you.

20 COMMISSIONER MACDONALD: Thank you.

21 CHAIRMAN CROSBY: Thank you.

22 COMMISSIONER STEBBINS: As part of
23 our recognition -- we're not going to let
24 Chris get away, because the next thing we want

1 to share with the members of the commission
2 and the public directly relates to the work
3 Chris has helped us with.

4 Mike Sangalang has worked with Jill
5 and worked with Elaine to pull together a
6 quick video to talk about the impact that the
7 gaming statute has had on veterans in
8 Massachusetts already to this point. So,
9 Mr. Chairman, with your permission, we'll just
10 show this quick video.

11 CHAIRMAN CROSBY: Yeah, please.

12 MS. GRIFFIN: Before we watch the
13 video, I just want to say that Chris has not
14 seen this, and this is -- really represents
15 the fruits of all of our labor. So I think
16 this will have special meaning to him and his
17 work. Thank you.

18
19 (Video playing)

20
21 CHAIRMAN CROSBY: Are we going to
22 send that out -- send the link, maybe out to
23 our entire distribution list, and maybe send
24 us a link too, because I would like to send it

1 around.

2 MS. DRISCOLL: Sure.

3 COMMISSIONER STEBBINS: Mr. Chair,
4 not only did Mike do a great job putting that
5 video together, but, you know, Elaine kind of
6 reached out, compiled all of the facts and
7 figures and statistics as to what our
8 licensees have done to this point, as well as
9 some of the special programs that our
10 licensees are doing in recognition of
11 tomorrow. MGM is having a specific
12 Skill Smart session just for veterans. They
13 have over 40 preregistered for tomorrow's
14 event. MGM -- I mean, Wynn obviously operates
15 their walk-up opportunities at the
16 construction site trailer, as well as they're
17 going to do a lot to recognize the veterans
18 that are -- that are working on the site,
19 currently.

20 One of those pictures you saw, a
21 red, white and blue construction helmet, Wynn
22 is handing out one of those to every veteran
23 on their construction site so you'll know,
24 just walking around the construction area,

1 who's a veteran. But all the licensees have
2 been great. They came with me to the VSO
3 training with Jill and I in Leominster, and
4 they just continue to do great work.

5 CHAIRMAN CROSBY: Great.

6 COMMISSIONER MACDONALD: Wonderful.

7 CHAIRMAN CROSBY: Great.

8 COMMISSIONER ZUNIGA: Okay.

9 MS. GRIFFIN: And thanks again to
10 Mike Sangalang, who put in so much work for
11 that video. We appreciate it. He went to all
12 three licensees, so thanks again, Mike.

13 COMMISSIONER STEBBINS: I think he
14 had fun.

15 MS. GRIFFIN: And next,
16 Elaine Driscoll, director of communications,
17 and I, are going to present diversity
18 marketing update.

19 So, Commissioners, we're here to
20 present a new effort that we've been working
21 on. And I wanted to give you a little bit of
22 background, and then I'll turn it over to --
23 to Elaine. So in coordination -- oh, and
24 Commissioner Stebbins also has been involved.

1 So if you want to add if we miss anything,
2 please let us know.

3 But the Commission, in coordination
4 with representatives from the Access and
5 Opportunity Committee and other strategic
6 partners, is working on developing a
7 strategic, comprehensive recruitment
8 initiative to enhance diversity participation,
9 specifically, during the construction period.

10 The recruitment initiative will also
11 be supported by a comprehensive advertising
12 and marketing campaign. And in addition to
13 increasing diversity, creating a single point
14 of contact to direct under representative
15 groups, through the admissions and enrollment
16 procedures of the various union building
17 trades, including the timing of orientations,
18 application deadlines and prerequisite
19 requirements. Those are some of the key
20 objectives.

21 The group felt strongly that a focus
22 on, specifically, the challenge that our
23 licensees seem to face, in terms of the supply
24 of women in construction, and -- and then, in

1 particular, women of color would be something
2 that this effort should focus on. And so,
3 we're actually talking about two separate
4 efforts.

5 The funding of a program
6 administrator, or what we call a pipeline
7 navigator, and the funding of an advertising
8 campaign, or an advertising firm. So I'll
9 talk for a few minutes about the program
10 administrator, and then I'm going to turn it
11 over to Elaine to talk about the marketing
12 piece and some of the background and work that
13 she's done.

14 So the pipeline administrator would
15 be the point of contact between union
16 apprentice programs and residents of the host
17 and surrounding communities of the resort
18 casinos, with a particular focus on increasing
19 women of color as applicants into the building
20 trades.

21 As you remember, even during the
22 construction of Plainridge Park Casino, where
23 they exceeded all goals with exception of
24 women. They came very close, but that has

1 been a challenge, not just for the casino
2 licensees, but for other projects in the
3 Commonwealth.

4 So this contact organization or
5 person would be equipped to receive contacts,
6 make preapprentice and apprentice referrals,
7 direct referral to a union job site or
8 employer, or direct referral to a GED or
9 service program. If the individual who
10 responds does not have a high school diploma,
11 which is a requirement, I think, of almost
12 every single union, they could refer them to
13 those entities to get ready. So I'm going to
14 save some more detailed comments and turn it
15 over to Elaine for a few minutes.

16 MS. DRISCOLL: Good afternoon. So,
17 essentially, as Jill had mentioned, she had
18 been meeting with the group from the Access
19 and Opportunity Committee that have -- that
20 were expressing concern about this particular
21 piece of it. At that point, Jill came to me
22 and -- with the idea of potentially putting
23 together some sort of strategic, comprehensive
24 campaign to address this issue.

1 After having a meeting with this
2 group, I went back and did some research with
3 the thought of coming up with a concept paper
4 that outlined a series of things. And really
5 sort of wanting to provide a road map of, if
6 we were going to do this, what it would look
7 like.

8 In doing the research, I came across
9 some really interesting things, which is that
10 a number of states have implemented efforts
11 like this before. One of the most successful
12 ones would be something called Go Build
13 Alabama. Many of whom are facing similar
14 challenges to what Massachusetts is right now.
15 Challenge/opportunity, which is that it's been
16 well-documented that Massachusetts is facing a
17 building boom right now, which is really
18 exciting. And I would argue that Expanded
19 Gaming is really at the forefront of that
20 building boom. So I think it would be a
21 really exciting thing for the gaming industry
22 to be a catalyst for this important effort.

23 So I won't get into all the details
24 in the concept paper. Obviously, you're --

1 feel free to go through it in detail, if you
2 have the time. But a couple of things, again,
3 that I found in the research, and I know from
4 past experience because we had actually
5 orchestrated something similar to this at the
6 Boston Police Department in '07, and it had
7 real tangible results. And I think that was
8 the thing that was exciting, about some of the
9 other case studies that I reviewed, which
10 you'll find at the end of this concept paper,
11 which is that, when it's done well, and it's
12 executed in the right way, the truth is, is
13 that the impact is almost always very
14 tangible. So it's an effort that's well worth
15 doing. Go Build Alabama had great results.
16 It was, really, a remarkable campaign, and 14
17 states replicated it afterwards.

18 And so, it's interesting that
19 Massachusetts hasn't embarked on this yet.
20 But as we have more and more conversations,
21 everyone's just really excited about it
22 because there's been a need for some time.
23 And I think that one of the comments that we
24 heard at our last meeting was just how excited

1 they were to see this starting to take shape.
2 Like just -- it being one of -- they're seeing
3 it -- the possibility of this further along
4 than they ever have. And it's been something
5 that they've been talking about as a group for
6 a very long time.

7 CHAIRMAN CROSBY: "They" being?

8 MS. DRISCOLL: Meaning, the
9 representatives from the AOC.

10 CHAIRMAN CROSBY: Yeah.

11 MS. DRISCOLL: So, essentially, we
12 would approach this the same way we do many
13 comprehensive communications campaigns with --
14 we would first issue an RFP, which is just
15 about complete, actually. It should be
16 complete today. We're hoping to issue it on
17 Monday, where we would seek to identify a
18 marketing/advertising firm that can help us put
19 the pieces in place. Those pieces that I
20 think that we need are all very detailed here
21 in this plan.

22 It would start with just a branding
23 concept, essentially. And then, once we
24 establish that, developing things like a Web

1 site, marketing materials, advertising
2 materials, what the advertising buy would be,
3 and then supported by our media relations
4 campaign. I think that -- let's see here.
5 There would also be an aggressive social media
6 component to it as well. Again, I sort of
7 flushed out what the various details of that
8 would be. And let's see. And, also, a
9 potential timeline for what that would look
10 like.

11 So the other piece of it is, is that
12 we think this is the type of effort that there
13 would be partners that might be very
14 interested, because the positive impacts on
15 this would certainly expand beyond the gaming
16 industry. It would be something that would
17 really be to the benefit of the entire
18 Commonwealth. And we're hopeful that we'll be
19 able to bring this project to others and that
20 they'll really see the value in it and want to
21 participate. And, again, with gaming, you
22 know, being a catalyst for it all is a pretty
23 exciting thing.

24 CHAIRMAN CROSBY: Comments?

1 Questions?

2 COMMISSIONER ZUNIGA: Same question
3 I had before. What -- I know we've talked a
4 little bit about this in the past, in terms of
5 concept, but, budgetwise, did we carve out
6 anything this year? Do you also have a order
7 of magnitude of what this effort might entail.
8 You know, we, of course, would like to see
9 those proposals come back and see what -- you
10 know, what is competitive and everything. Can
11 you speak a little bit about that?

12 MS. GRIFFIN: Sure. So,
13 approximately, we're allocating,
14 approximately, \$40,000 for the pipeline
15 administrator side of the RFP.

16 CHAIRMAN CROSBY: For what period of
17 time's that?

18 MS. GRIFFIN: For a one-year grant.

19 CHAIRMAN CROSBY: So that's a
20 full-time person.

21 MS. GRIFFIN: Not necessarily.
22 We'll wait and see what comes forward, but not
23 necessarily a full-time person.

24 CHAIRMAN CROSBY: Okay.

1 MS. GRIFFIN: And as Elaine
2 indicated, will -- we will begin looking for
3 partners for the -- specifically, for the
4 advertising campaign piece, but we have
5 allocated funds for that as well.

6 COMMISSIONER ZUNIGA: In the current
7 budget?

8 MS. GRIFFIN: In the current budget.

9 COMMISSIONER ZUNIGA: Okay. Now,
10 something like this, Go Build Alabama, or, you
11 know -- also has many benefits to many other
12 projects going on in the state. Are there --
13 have you thought about, or are there
14 opportunities to partner with other agencies
15 or the like?

16 MS. GRIFFIN: So -- so we think so.
17 Honestly, we wanted to bring this to the
18 Commission first before we approached external
19 partners, but we do think that there would be
20 opportunities.

21 MS. DRISCOLL: And, for example, so
22 right now, one of the challenges, and I think
23 it's been the long-standing challenge, is,
24 you've got 17 unions that have 17 different

1 programs, in terms of enrollment times, what
2 the process is, open enrollment, how many
3 times a year, et cetera, et cetera.

4 On the state Web site for Labor and
5 Workforce Development, during the course of
6 the research for the concept paper, I found
7 like a -- something like a 35-, 40-page PDF
8 that attempted to consolidate all that
9 information in one place.

10 But if you think about individuals
11 that are contemplating the possibility of
12 pursuing this and -- you know, a lot like the
13 stories that we heard, actually in the veteran
14 video, about the female, for example, who
15 said, somebody told me about this opportunity
16 so I thought I'd pursue it, basically,
17 developing something that's mobile-friendly
18 and creates a one-stop shopping that doesn't
19 include looking for a -- pouring through a
20 40-page PDF, and basically turning that
21 document into something that's mobile-friendly
22 and easy for someone to access.

23 So, in other words, if somebody's
24 sitting on the orange line, see the ad that

1 promotes all the important things about wages,
2 benefits, the ability to -- free training, all
3 these wonderful things that some of these
4 apprenticeship opportunities have to offer,
5 and then having that Web site right there and
6 you can go through and there's that 1(800) go
7 build number and there's this, sort of,
8 central location to help people to access
9 this, and just the difference that that's
10 going to make. But, like I said, it's on the
11 state Web site, so the information is there,
12 but in a way that might be cumbersome and/or
13 daunting for someone to really get through it.

14 COMMISSIONER STEBBINS: Yeah,
15 there's been a lot of discussion around the
16 table about the fiscal infrastructure, or the
17 infrastructure to make this work. I'm always
18 reminded that Mass Council of Compulsive
19 Gaming, when somebody calls in you've got to
20 have somebody to answer the phone to get back
21 to that person, or else the opportunity's
22 lost.

23 So there's been a significant amount
24 of discussion of finding that pipeline

1 navigator, because, as Elaine points out, for
2 anybody who's just out there even thinking
3 about pursuing their career in one of the
4 trades, it's -- it's a confusing morass of
5 information that we got to try to weed
6 through.

7 MS. GRIFFIN: One thing I just want
8 to add that, perhaps, I was amiss in not
9 starting with this, is that the building
10 trades have been an integral partner in this
11 discussion. Brian Doherty has come to many of
12 our meetings, and we also have a
13 representative from the carpenters' union, and
14 they've been extremely helpful in thinking
15 through this and strong partners.

16 CHAIRMAN CROSBY: Are there others
17 that are -- besides Brian and the carpenters?
18 I mean, those are always the usual suspects,
19 to their credit, but what about the rest of
20 the unions?

21 MS. GRIFFIN: Well, Brian, you
22 know --

23 CHAIRMAN CROSBY: Theoretically,
24 represents them, I know, but...

1 MS. GRIFFIN: Right. We will start
2 conversations, I think, individually, but it's
3 my understanding that he's had conversations.
4 We will follow-up with that as well.

5 CHAIRMAN CROSBY: Just to reinforce
6 what -- what Commissioner Stebbins said, and
7 I've know you've said it too, and Elaine said
8 right from the beginning, the infrastructure
9 to make this work has got to be bulletproof.
10 And it's going to be hard because there are so
11 many loose ends. The 17 different unions, all
12 the different rules, each phone call that
13 comes in, each Web contact that comes in, it
14 can't be dropped. You know, the organizing
15 the tracking systems, the paperwork, the paper
16 flow. It's got to be a really -- a really
17 good person with a really good system, because
18 it would be a catastrophe if stuff gets lost
19 and dropped.

20 That's why I raise the issue about
21 the 40,000. You know, that's not a lot of
22 money, depending on what you're expecting this
23 person to do. And I wouldn't scrimp on that
24 person, because everything stands or falls on

1 that person's thoroughness, rigor, you know,
2 et cetera. So I totally reinforce that point.

3 My second observation, you used the
4 word catalyst twice. I think that's really
5 important, that the Gaming Commission can and
6 should, and I love, that we're taking a
7 leadership position. But the need is, at
8 least regionwide, and our construction is
9 going to stop in another 24 months or whatever
10 it is. And the pipeline to get into that
11 part -- to get into that, our construction, is
12 relatively short now, the window. So this has
13 got to be something that other state agencies,
14 other developers, other contracting, the
15 unions, this has got to be something that a
16 whole lot of other folks are behind, because
17 it's not -- you know, this is right for us to
18 galvanize, but it isn't right for us to run it
19 for the long haul.

20 MS. GRIFFIN: Right. Yeah, point
21 well-taken.

22 CHAIRMAN CROSBY: Any other
23 thoughts?

24 COMMISSIONER ZUNIGA: Well, just to

1 dovetail on that point, and at this point I
2 know I'm not that familiar with the approach
3 we took with the marketing campaign of
4 GameSense, which, in my opinion, was very
5 efficient, a very good, strategic use of
6 social media, combined with, you know,
7 understanding the target audience and that
8 sort of thing. You know, has great
9 opportunities so I -- I'm sure we'll replicate
10 the approach, and I'm encouraged by all that.

11 MS. DRISCOLL: Yeah. And like Jill
12 was saying, I mean, there are still pieces
13 that need to come together for this, I think,
14 without a doubt. But we just keep putting one
15 foot in front of the other on it. There's
16 definitely a need. There's a lot of
17 excitement around it.

18 And I think that if we can -- even
19 some of those potential partners that are out
20 there that will see the value in this, I
21 think, like the feedback we've been getting
22 all along everyone's been saying, we've been
23 talking about this for a long time. But the
24 beauty of this is, I think we've gotten so far

1 down the pike at this point, we're able to
2 say, good news. Here's the plan. Join.

3 And so, I think that being able to
4 take hold of it that way and bring it to
5 somebody in a way that's almost complete,
6 we're really hopeful that people will jump on
7 and participate with us.

8 CHAIRMAN CROSBY: Is it formally
9 part of the AOC. I know it was, sort of, a
10 subgroup at first, but is this now an AOC
11 topic, AOC agenda item?

12 MS. GRIFFIN: I updated folks at the
13 last Access and Opportunity briefly, but this
14 is really a subcommittee that has been working
15 -- really rolling up their sleeves and working
16 on this effort. We will --

17 CHAIRMAN CROSBY: Does it stay at
18 the subcommittee, or does it go to the AOC?

19 MS. GRIFFIN: No. We'll bring it to
20 the full AOC for a more-detailed presentation.

21 CHAIRMAN CROSBY: And is -- I think
22 we talked about this, but is this eastern
23 Mass, or is this statewide, or how you going
24 to deal with that?

1 MS. GRIFFIN: You know, that's a
2 really good question. Initially, my thoughts
3 were that this is an eastern Mass project.
4 However, I talked to others in western Mass,
5 and there does seem to be some interest. I've
6 reached out to some of the unions there, and
7 there is an election coming up in December, so
8 the leadership will likely change.

9 CHAIRMAN CROSBY: Election of what?

10 MS. GRIFFIN: The head of the
11 building trades out there, Dan D'Alma, has
12 indicated that he's not running for
13 re-election. And so, we will proceed when we
14 know who -- who is the elected leader, and
15 likely reach out to the individual unions in
16 the meantime.

17 CHAIRMAN CROSBY: Great.

18 COMMISSIONER MACDONALD: Just a
19 couple of comments. Number one, I think that
20 there is a compelling rationale that's for
21 this office, if you will, of pipeline
22 navigator. I have to say, that when I first
23 read it and read the phrase "pipeline
24 navigator," my mind was going in all kinds of

1 imaginable directions about what makes a
2 pipeline navigator. But I now understand it,
3 and I think it's a compelling, as I said,
4 rationale for it.

5 The second thing I want to say is,
6 that this concept paper that is part of the --
7 part of the materials that is -- has been
8 distributed to the public, I think this is
9 just a spectacular piece of work that -- it
10 lays out the elements and the different
11 components of the strategy of this -- of this
12 concept in a way that is very comprehensible
13 and comprehensive. And I would think it would
14 serve as a textbook, as a document for how to
15 conceptualize a plan, and to articulate the
16 elements for its implementation. I think it's
17 really great work.

18 MS. GRIFFIN: And I'd like to thank
19 my colleague, Elaine, for much of that work.

20 CHAIRMAN CROSBY: No, I agree.
21 She's been -- you did a great job. I totally
22 agree with what Commissioner Macdonald said.
23 The one piece that's missing, obviously, is a
24 budget. If you're going to go shopping it out

1 to people, it's going to have to have a
2 budget. So -- anything else? We don't
3 need -- We're not doing anything formal on
4 this right; you're just updating us?

5 MS. GRIFFIN: Right. Just an
6 update.

7 CHAIRMAN CROSBY: Okay. This is
8 great. It's really exciting. You know, I
9 mean, it's the kind of thing that we'll take
10 tremendous pride. I mean, that if we actually
11 pull this off, make this happen, do, in fact,
12 act as the catalyst for something like this,
13 you know, I think it -- I think it reflects
14 well on the Gaming Commission. You know,
15 let's make sure our -- our name is prominent.
16 We don't own it, but we're making this happen.
17 You we deserve -- you all, and it reflects
18 well on us. It's great.

19 MS. GRIFFIN: So, Commissioners, I'd
20 like to just indicate that we will be posting
21 the RFPs on our Web site. So if folks are
22 interested, they should check by Monday, I
23 would say, and we'll have those RFPs up and
24 listed.

1 CHAIRMAN CROSBY: Okay. Great.

2 MS. GRIFFIN: Thank you.

3 COMMISSIONER ZUNIGA: Thank you.

4 COMMISSIONER MACDONALD: Thank you.

5 COMMISSIONER STEBBINS: Great work.

6 CHAIRMAN CROSBY: Yeah. We'll take
7 a quick break and then we'll have the racing
8 division.

9

10 (A recess was taken)

11

12 CHAIRMAN CROSBY: Okay. We are
13 reconvening, and we are going to the racing
14 division. Director Lightbown.

15 MS. LIGHTBOWN: Good afternoon,
16 Commissioners.

17 CHAIRMAN CROSBY: Good afternoon --
18 no, actually, good morning.

19 MS. LIGHTBOWN: Good morning, yep.
20 We may need to go out of order. Chip Tuttle
21 was having community trouble, but --

22 CHAIRMAN CROSBY: Was having what
23 trouble?

24 MS. LIGHTBOWN: Community trouble.

1 CHAIRMAN CROSBY: Oh, community
2 trouble.

3 MS. LIGHTBOWN: Yes. But, in the
4 meantime, we -- Steve O'Toole could not be
5 here, so we have Lenny Calderone, the
6 announcer for Plainridge with us, and he does
7 need to go, to get down to the races this
8 afternoon to call the races. So I'd like to
9 go ahead with the Plainridge application, and
10 then we'll -- if it's okay, we'll go with --

11 CHAIRMAN CROSBY: Sure.

12 MS. LIGHTBOWN: -- Doug O'Donnell on
13 the financial end of the cap improvements.

14 CHAIRMAN CROSBY: Sure. Right.

15 MS. LIGHTBOWN: And then, maybe by
16 then, Chip will be here.

17 CHAIRMAN CROSBY: Okay.

18 MS. LIGHTBOWN: So this year the
19 Commission received two applications to
20 conduct live horseracing in Massachusetts in
21 2017. One was Plainville Gaming and
22 Redevelopment, LLC, Plainridge Racecourse, to
23 conduct 125 days of harness racing from April
24 10th through November 24th.

1 The other one was Sterling Suffolk
2 Racecourse, LLC, Suffolk Downs, to conduct six
3 days of running horseracing on July 8th and
4 9th, August 5th and 6th, and September 2nd and
5 3rd, with the possibility of adding six more
6 days. We've already held the public hearings
7 on these applications, and today we're here
8 for the Commission to vote.

9 In order to grant a racing license,
10 the Commission must take into consideration
11 the criteria provided in 128A, Section 3(i).
12 And, also, any additional, appropriate or
13 pertinent factors. Those criteria, I'll go
14 quickly through them. Financial ability,
15 maximization of state revenues, suitability of
16 the racing facilities for operation at the
17 time of year in which the days are assigned,
18 the large groups of spectators require safe
19 and convenient facilities, having and
20 maintaining proper physical facilities for
21 racing meetings, and affording fair treatment
22 to the economic interests and investments of
23 those who, in good faith, have provided to
24 maintain these facilities.

1 In order to -- for the Commission to
2 determine if this criteria's met, they
3 consider the application materials that the
4 applicants provided and the testimony and
5 comments received from the public.

6 Plainville Gaming & Redevelopment,
7 LLC as Plainridge Racecourse, meets these
8 requirements of 128A, Section 3(i), and it's
9 the only facility to apply for a harness
10 horseracing meet. With 125 days of live
11 racing that they've asked for, they will also
12 meet the requirements of Mass General Laws,
13 Chapter 23K, Section 24, which is the gaming
14 laws, as far as in order to keep their gaming
15 license. And then, also, Chapter 128A C--
16 Chapter 128C, Section 2, which deals with
17 simulcasting, the requirements for that are
18 different. The hundred days with an average
19 of 900 races, which, obviously, will be met
20 with the 125 days of racing.

21 As I mentioned, Lenny Calderone, the
22 announcer for Plainridge is here today, if you
23 have any questions, and then I can give you my
24 recommendation.

1 COMMISSIONER STEBBINS: Anything you
2 wants to add, Lenny, in your announcer voice?

3 MR. CALDERONE: Good afternoon. Not
4 really. I mean, you know, we've been having a
5 tremendous season. You know, I think the
6 increase in purses have helped tremendously.
7 And I really do believe that we're well on our
8 way to being one of the premier racetracks in
9 the country. I mean, it's just been
10 phenomenal. Record number of track records
11 this year. The racing's been phenomenal. So,
12 you know, I've got a birdseye view from up top
13 and it's just very -- it's been great.

14 CHAIRMAN CROSBY: Are the live -- is
15 the live audience materially different?

16 MR. CALDERONE: We have noticed a
17 significant increase in new people, you know,
18 that haven't been here before. So I think the
19 casino, in that respect, is bringing in new
20 blood so to speak. And, you know, we see
21 the -- new people and, you know, we work with
22 them doing some handicapping seminars,
23 introducing them to different things. So, you
24 know, it's definitely brought in a lot of new

1 people for us.

2 CHAIRMAN CROSBY: Great. Others?
3 Go ahead.

4 COMMISSIONER ZUNIGA: Well, this may
5 be part of the motion, but I have a question
6 on the Virginia Equine Alliance to Exhibit 28.
7 What is that reference to?

8 MR. CALDERONE: That's a new export
9 entity that's come on board. It consists of
10 two locations. It's the Breaker's Sports Bar
11 and Grill and Pints and Ponies in Virginia.
12 And that's, basically, where we send our --
13 our signal out to that location for people to
14 wager on our live signal.

15 COMMISSIONER ZUNIGA: So this is a
16 new out --

17 MR. CALDERONE: Export.

18 COMMISSIONER ZUNIGA: A new export
19 entity?

20 MR. CALDERONE: Correct.

21 COMMISSIONER ZUNIGA: Have you lost
22 other exports, or this is a net increase?

23 MR. CALDERONE: This is a increase.

24 COMMISSIONER ZUNIGA: Great.

1 MS. LIGHTBOWN: As part of the
2 application, the applicants include their
3 facilities they want to export to and from on
4 their signals. And that's -- when the
5 Commission approves a license, that's
6 automatically included in that. And this was
7 one that hadn't been put on that list.

8 COMMISSIONER ZUNIGA: But it's
9 really good to hear that, you know, we're
10 sending -- there's an increase in signals --

11 MS. LIGHTBOWN: Exactly.

12 COMMISSIONER ZUNIGA: -- which is a
13 good...

14 MR. CALDERONE: Correct.

15 COMMISSIONER ZUNIGA: Good thing.

16 CHAIRMAN CROSBY: The 125 days is
17 mandated in the statute, right?

18 MS. LIGHTBOWN: Right, in the gaming
19 statute.

20 CHAIRMAN CROSBY: And then that
21 is -- this year's the last year there's a
22 mandate?

23 MS. LIGHTBOWN: Correct.

24 CHAIRMAN CROSBY: Next year it's up

1 to the Gaming Commission --

2 MS. LIGHTBOWN: Yes.

3 CHAIRMAN CROSBY: -- and the track
4 to work this out, the number of days out?
5 Anything else? Do we have a motion?

6 COMMISSIONER STEBBINS: Mr. Chair, I
7 move the Commission approve the application of
8 Plainville Gaming & Redevelopment, LLC,
9 Plainridge Racecourse for live harness
10 horseracing in 2017, with the addition of
11 Virginia Equine Alliance to Exhibit 28, and
12 with the condition that they have an
13 independent expert review the track surface
14 prior to racing for safety purposes.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER MACDONALD: Second.

17 CHAIRMAN CROSBY: Further
18 discussion? All in favor? Aye.

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: The ayes have it
23 unanimously.

24 MS. LIGHTBOWN: Thank you. And

1 that'll turn it over to Doug O'Donnell for the
2 Suffolk Downs.

3 CHAIRMAN CROSBY: Chip is here now.

4 MS. LIGHTBOWN: Oh, okay. We can go
5 ahead, then, and go along with Suffolk.

6 CHAIRMAN CROSBY: Whatever you want
7 to do, yeah.

8 COMMISSIONER STEBBINS: Let's just
9 do it.

10 COMMISSIONER ZUNIGA: Let's do it
11 now.

12 MS. LIGHTBOWN: Okay. Go ahead.

13 MR. O'DONNELL: Good morning,
14 Commission.

15
16 CHAIRMAN CROSBY: Good morning.

17 MR. TUTTLE: Good morning.

18 COMMISSIONER ZUNIGA: Good morning.

19 COMMISSIONER STEBBINS: Good
20 morning.

21 MR. O'DONNELL: Once again, I am in
22 front of you with a request for consideration
23 for the Suffolk Downs Capital Improvement
24 Trust Fund. These projects are for 2014

1 calendar year, and the total amount of monies
2 for these projects are \$90,476.15. We do need
3 a vote on this. This will bring us -- for
4 this year, it's going to exceed 500,000 for
5 the past couple of months, where we have been
6 in front of you.

7 And the good news is, is that the
8 architect will be out there tomorrow for the
9 final inspection, for the request for
10 reimbursement. So we should get that to you
11 next week for all of these considerations that
12 have been submitted. But we do need your vote
13 on this particular request today.

14 CHAIRMAN CROSBY: Okay. Comments?
15 Questions? Do I have a motion, Commissioner?

16 COMMISSIONER ZUNIGA: Sure. I can
17 move that the Commission approve the
18 disbursement, or the consideration request
19 from Suffolk Downs Capital Improvement Trust
20 Fund in the amount of \$90,476.15 as detailed
21 in the packet here today.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER MACDONALD: Second.

24 CHAIRMAN CROSBY: Further

1 discussion? All in favor? Aye.

2 COMMISSIONER MACDONALD: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: The ayes have it
6 unanimately. Okay.

7 MS. LIGHTBOWN: And next up, we'll
8 have Suffolk Downs.

9 CHAIRMAN CROSBY: Good morning.

10 MR. TUTTLE: Good morning.

11 MS. LIGHTBOWN: So we have
12 Chip Tuttle, COO, Suffolk Downs, and
13 Bruce Barnett, their legal counsel with us
14 today. I've already read the requirements for
15 the license. The same applies for the Suffolk
16 license. There's a few different things with
17 the Suffolk license. We don't have a purse
18 agreement yet, so that's one of the
19 requirements that we added in as a condition.

20 As we've done in the past, they
21 would come to us early next year with what
22 they're requesting, as far as purses monies
23 go. From indications, it's similar to what
24 they've done in the past, \$400,000 a day, and

1 then they would be -- also be holding
2 breeders' races, which has their own pot of
3 purse money.

4 One thing is -- that they did want
5 to include b Spot as a new ADW. And it's
6 slightly different from what we've done in the
7 past. It's tied into games. And we figured
8 that maybe what we should do with that one is
9 put it on the agenda as its own separate item
10 at a future meeting, and maybe get a
11 demonstration on it and go into a little more
12 depth on how it works, since it's not, sort
13 of, like a typical ADW that we've approved in
14 the past.

15 Sterling Suffolk meets the
16 requirements of 128A, Section 3(i). It's the
17 only facility to apply for thoroughbred
18 racing. With the six days of applied racing,
19 they'll meet the requirements of the Session
20 laws, et seq. 2015, Chapter 10, Section 35,
21 which governs their abilities to simulcast.
22 And Chip's here if you have any questions.

23 MR. TUTTLE: Thank you.

24 CHAIRMAN CROSBY: Anything you want

1 to add before we...

2 MR. TUTTLE: Just -- we're content
3 to certainly accept the suggestion that we
4 deal with the b Spot. B Spot is one of our
5 ADW providers in this year's application, and
6 we're happy to postpone that and talk about it
7 later. It's certainly not material to the
8 application.

9 CHAIRMAN CROSBY: Questions?
10 Thoughts?

11 COMMISSIONER ZUNIGA: I just have a
12 question, which is really out of curiosity.
13 You don't have a purse agreement yet. Is
14 there a target time for that? And I -- I
15 really just wonder -- I'm not telling you how
16 to run your business, obviously, but is
17 there -- is there a benefit to -- or some
18 reason why you wait until closer to racing to
19 get -- to enter into a purse agreement?

20 MR. TUTTLE: No, other than,
21 traditionally, it's just -- it takes longer
22 than we hope. We -- we're not in -- all the
23 conversations with the New England HBPA have
24 been positive. It's not as if we're in

1 contentious negotiations in hammering out
2 points. You know, we've got a handshake on
3 what we're going to do next year. It's just a
4 matter of doing it and making sure they're
5 okay with it.

6 So that's on us. I don't believe
7 we've sent them -- has it? Bruce is shaking
8 his head because it's on his to-do list to get
9 the 2016 agreement revised for 2017 and send
10 it over to them.

11 CHAIRMAN CROSBY: I took, from what
12 you sent in to us, apropos of our original
13 request, obviously, of P & L numbers. A
14 weekend meet nets a 200 to \$250,000 loss for
15 Suffolk Downs; is that about -- about right?

16 MR. TUTTLE: Yes. But based on this
17 year, right? So the expenses -- the
18 incremental expenses for the three weekends of
19 live racing were in excess of a million
20 dollars. And as an exhibit, I sent along the
21 -- our tracking of the live racing expenses
22 that we are reimbursed from what were
23 traditionally purse expenses, right?

24 So when the statute changed in 2015

1 and lowered the statutory contribution to
2 purses, funds that were traditionally used for
3 purse -- customarily used as purses, part of
4 the purse agreement, are now available to
5 cover live racing expenses.

6 So our agreement with the
7 New England HBPA in 2016 allows us to use
8 950,000 of money that, formerly, would have
9 been purse to cover those expenses. The
10 expenses -- we don't include all the expenses
11 in what I sent you. The expenses are probably
12 a little higher than what I sent you.

13 But, yes, approximately 250,000 in
14 parimutuel revenue for a weekend of live
15 racing versus -- actually, let me take that
16 back. I think it's about 160,000 for a
17 weekend of live racing, versus about 65,000
18 for a simulcast weekend. So the net
19 differential, the variance is -- is good, but
20 it's not enough to cover the additional costs.

21 And then, I would point out that the
22 net differential, when we have these weekend
23 festivals, these just three weekends of racing
24 create a sense of urgency, they're promoted,

1 the quality of racing is relatively high
2 compared to what it was at Suffolk Downs in
3 the past, when we were running for purses of a
4 hundred thousand dollars a day. We're running
5 for purses of over 500,000 a day on these
6 days. The 400,000 we get from the Racehorse
7 Development Fund, and then the Mass Breeders
8 Stakes have money as well. So there's a much
9 higher quality of racing, and there is supply
10 and demand. With only six days of racing, the
11 crowds are higher, the margins are better.

12 So even -- even that differential,
13 it is -- as it is pretty good, with additional
14 live racing days, that differential compared
15 to what we've done in the past goes down
16 significantly.

17 COMMISSIONER ZUNIGA: So I was -- I
18 was missing the 960 from the memo, from the --
19 so what you were able to get from the
20 takeout -- or the, you know, on the simulcast,
21 now pays for these expenses and that provides
22 us, sort of, a floor, if you will. So that,
23 then the weekends that Alex here articulates
24 in the -- in the memo, are above that, and

1 that's what you would deem to be at a cost for
2 every weekend that you race; is that -- is
3 that a fair statement, because the incremental
4 revenue is less than the incremental cost, but
5 you've already -- you've already paid for
6 that -- those \$960 -- 60,000 of cost?

7 CHAIRMAN CROSBY: I didn't follow
8 that either.

9 MR. BARNETT: I didn't quite follow
10 you either, I'm sorry to say. But one thing
11 is that the 950 or 60,000 dollars that comes
12 out of funds that are now either purse or
13 expenses, right, that -- you build up to that
14 number along -- over the course of the year as
15 revenue that fits into those categories that
16 comes in. And so, revenue that comes in
17 during the live weekends, just like any other
18 day that there's wagering, is contributing
19 towards that \$950,000, so it's not upfront.

20 COMMISSIONER ZUNIGA: Yeah, but it's
21 some -- it comes, generally, from the
22 simulcasting, typically?

23 MR. TUTTLE: It comes from the
24 parimutuel handle, yes.

1 CHAIRMAN CROSBY: So it's not an
2 offset against that 200 -- 200 to 250,000 it's
3 not delta; it's not a revenue offset?

4 MR. TUTTLE: No. The 950,000's not
5 revenue offset. That's -- I mean, all that
6 revenue is coming in through the various
7 parimutuel wagering sources, right?

8 Simulcast, live racing, transmitted
9 handle, and our proceeds from our source
10 market feeds from ADWs, legislative premiums
11 that Plainridge still pays to us that --
12 those -- all those revenues are generated
13 throughout the course of the year. And the
14 950,000, we -- you know, we sit down with the
15 HBPA. They said, you know, how many days you
16 going to race? How we going to do this? I
17 think I've said in the past, here, that if --
18 if we're just going to have five or six days
19 of racing, the most cost effective way to do
20 that would be to have it all in one week,
21 right, and not spread it out over several
22 months.

23 And so, in our agreement with the
24 HBPA we said, look, it's going to cost us,

1 roughly, a million dollars, a little over a
2 million dollars in costs to stage these live
3 racing days, and we would like to cover those
4 costs from these sources of parimutuel revenue
5 that, traditionally, would have gone to purse,
6 but now we're able to use them for this, based
7 on that change in the law in 2015.

8 COMMISSIONER ZUNIGA: Now, those
9 960, in the unaudited statement that you
10 provided for the packet here, those 960 are
11 generally spread across all of these expenses;
12 is that a fair statement? Because I --
13 they're not really itemized?

14 MR. TUTTLE: So the best effort to
15 itemize those was the actual live racing
16 expenses 2016 that we've provide to the HBPA,
17 right? The HBPA, you know, wants to know,
18 hey, where did all this money go? And that is
19 the itemized -- yeah, right? So -- and that
20 is over a million dollars. It is -- but
21 that's cross-departmental and cross-category,
22 you know, and -- so they're -- they're listed
23 differently. In the -- in the statement I
24 sent you of our year-to-date, yeah, those

1 costs are at various places in that statement.

2 CHAIRMAN CROSBY: So for you to run
3 these three weekends, for your bottom line,
4 with the revenues that come out of the
5 purse -- the former purse monies, it's about a
6 wash, more or less; you more or less break
7 even on -- maybe -- maybe in the whole some
8 small number --

9 MR. TUTTLE: Yeah, that's fair. I
10 mean, we have additional costs that we don't
11 apply to the HBPA's expense allowance, as they
12 refer to it, right, but, yeah, it's fair to
13 say it's about a wash.

14 Well, actually, that depends on how
15 you look at it, Mr. chairman. If you were to
16 conclude that that money otherwise, would have
17 gone to purses, then, yes, it's about a wash.
18 If you conclude that that money would have
19 gone to us as the operator, then, it's an
20 expense.

21 CHAIRMAN CROSBY: Right. Right. I
22 understand. Okay. Other questions?

23 COMMISSIONER STEBBINS: Chip,
24 obviously, this question comes up a lot. We

1 get a lot of correspondence and communication
2 on this issue, but as you sit here today, and
3 looking at this application is for the 2017
4 season, is there any kind of forecast or
5 expectation that you can give us beyond 2017
6 at this point?

7 MR. TUTTLE: Yes. We have taken
8 longer in determining the course of the
9 development of the property than, you know, I
10 initially thought in 2014 and 2015. As a
11 result, you know, the property continues to be
12 available for racing, as we look at the
13 possible sales or development options for the
14 property. And as the ownership, you know,
15 makes an ultimate determination on what's
16 going to happen there. I -- you know,
17 certainly, we've applied for 2017. And based
18 upon -- unless there's a radical change of
19 circumstances, I think we'll be available and
20 looking to apply for 2018 as well. I don't
21 know beyond that, or could I give the
22 Commission any assurances beyond that. It may
23 be that we're no longer in control of the
24 property.

1 We certainly do see the benefit in
2 continuing of racing. While the six days, you
3 know, are not perfect and don't work for
4 everyone, they have allowed us, you know, the
5 three days in 2015, the six days in 2016,
6 they've allowed us to keep people working year
7 round and part-time, they've allowed us to
8 keep the property active and more vibrant
9 than, certainly, it would be, if we just shut
10 it down and moth-balled it.

11 They've allowed us to -- to generate
12 some revenue and, you know, as outlined in the
13 materials I sent you before, to pay the -- the
14 taxes for Revere and Boston, and things like
15 that. So it is, clearly, a net positive to
16 the -- to the company, to continue to operate,
17 so long as it's practical to do so.

18 COMMISSIONER STEBBINS: And,
19 obviously, you know, I know we have this
20 discussion a lot, and that's around what we
21 can do, you know, to keep thoroughbred racing
22 in Massachusetts strong. You know,
23 Mr. Chairman, you always put it, you know, we
24 want to do whatever we can within the confines

1 of the law.

2 You know, there's lots of interest
3 to try to get more racing days, and,
4 certainly, the information you provided us
5 helps understand what that financial picture
6 is. You know, we've seen proposals around a
7 horse park proposal. I, as one commissioner,
8 have a lot of reservations about that proposal
9 as it currently sits, but we need to continue
10 to work towards sending a better message as to
11 what we can do to allow thoroughbred racing to
12 continue in the Commonwealth and --

13 CHAIRMAN CROSBY: Well, we've made
14 it -- we've made it -- I totally agree. We've
15 made a strong statement in that we've written
16 legislation that -- that, to the best of our
17 ability, suggests what we think would be the
18 way to develop strategy.

19 And if somebody disagrees with that,
20 then, they'll amend it. Hopefully, the
21 legislature will come up with something,
22 whether it's our plan, or somebody else's
23 plan, or some amalgam thereof, but I -- I
24 think we need that. I mean, I, for one, don't

1 vote on this issue with a great deal of
2 comfort. You know, because I don't know.
3 You've got horsemen of good faith saying that
4 this is a lousy idea, and horsemen of good
5 faith saying this is a good idea and better
6 than nothing. I have no idea. You know,
7 where truth light in the American way stands
8 in that conundrum. But I certainly don't have
9 reason to vote against it. But I can't say I
10 vote with enthusiasm or -- or comfort because
11 who knows what's right here. But, hopefully,
12 the legislature will make some decisions and
13 give us some tools where we can try to get
14 everybody at the table and figure out where we
15 are.

16 MR. BEDROSIAN: Mr. Chairman, on
17 that note, between the time license
18 applications were filed and today, staff,
19 General Counsel Blue and Director Lightbown
20 and myself have met with a group of various
21 stakeholders. And one of the subjects that
22 keep coming up is legislation and,
23 potentially, competing legislative filings.

24 And I think we've tried to talk to

1 the stakeholders about, if there's a
2 possibility of everyone getting around one
3 piece of legislation, hopefully ours, in some
4 component understanding what our different
5 interests involved, and I said, look at, I
6 don't think the Commission is very willing to
7 hear and bend and thin about being receptive
8 to different people's interest, but we all
9 really need to get on the same page. And
10 that, sort of, echos what I've heard from the
11 Commission today.

12 CHAIRMAN CROSBY: Yeah. And we're
13 very much aware that we're not the
14 legislature. It's not up to us to figure out
15 how to go forward here. We've been asked to
16 give our opinion, we've given it. But we'll
17 do whatever we're directed to do by the
18 legislature when we get around to deciding it.

19 COMMISSIONER ZUNIGA: Yeah. And
20 I'll remind my colleagues that we will be
21 issuing our annual report very soon. It's
22 just in production. And a prominent place
23 that's a new section in that report is the
24 recommendations for legislative action. And

1 this is, of course, the first item in that
2 section.

3 We're reminding that where we are in
4 racing is the result of now two extensions of
5 a sunseting statute, and there's -- there's a
6 need for action by them, in one way or
7 another, and that's very important to bring
8 their attention to.

9 CHAIRMAN CROSBY: Yeah.

10 COMMISSIONER MACDONALD: I just have
11 a question of detail for Mr. Tuttle. Simply
12 put, how can you maintain, with only six days
13 of racing, the personnel that you need to --
14 to have during those six days of racing?

15 I was looking at this -- this
16 document that you submitted, your monthly
17 barn, you know, area -- you know, area costs
18 and prominent -- prominent line item there for
19 salaries, benefits and union dues. Are people
20 so desperate that they're hanging around to
21 get the call for just these six days, or are
22 we dealing with a situation, in which what's
23 happening is a gradual a gradual withering
24 away of racing personnel?

1 MR. TUTTLE: It's a good question.
2 Many of the personnel that we require to
3 operate the facility are still year round.
4 The concessions crew, the mutuel clerks, the
5 ticket takers. And although there are -- you
6 know, there are fewer of them and they -- they
7 work less. Big days, the Kentucky Derby, the
8 Breeder's Cup weekends, things like that, you
9 know, we, thankfully, still have a reservoir
10 of talent to draw from, and lots of people
11 have kept their status as union members and as
12 -- and as mutuel clerks. And, you know, we
13 contract concessions and cleaning and
14 security, and so those contractors, our
15 vendors, have the ability to help us staff up
16 for when we're busier, at additional expense,
17 obviously.

18 The maintenance crew, our craftsmen
19 and tradesmen and laborers, and the people who
20 take care of the grounds and the track itself,
21 we're able to -- thankfully, we're able to
22 keep a small crew on year round, and a larger
23 crew on for a more significant period of time
24 to prepare the track and the facility for.

1 So with the three-month -- the three
2 weekends of racing, one a month in July,
3 August, September, we're able to bring those
4 people on at the beginning of June and have
5 them work all the way through the first of
6 October. This year, we're able to extend a
7 lot of those people a little further, believe
8 it or not, to help us build a boardwalk in the
9 Bell Isle Marsh. That was part of our EPA
10 settlement. So we are lucky that we're able
11 to do that with those people who have been
12 long time and loyal employees.

13 As far as the racing personnel
14 itself, it's a -- sort of a hodgepodge. You
15 know, there's some who still live locally, who
16 come back for the limited opportunity. There
17 are others who come in from parks, and from
18 Monmouth, and from other places where they
19 take a week or a weekend off from their
20 current job to come back and help us out, and
21 there's a premium on that. Our gate crew, the
22 people who work the starting gate, you know,
23 we have to go out and find those people and
24 recruit them and pay a premium on their labor

1 that we wouldn't, if we were operating on a
2 more full-time basis.

3 COMMISSIONER MACDONALD: Thank you.

4 MS. LIGHTBOWN: If I can add to
5 that. It has been really nice that most of
6 the racing officials have been the ones that
7 have been there for years. And so, we're
8 seeing the same people over. And same with
9 the staff in the racing office. So a lot of
10 people, it's, basically, the same crew that
11 we've been dealing with for, you know, years
12 down there.

13 CHAIRMAN CROSBY: Anything else? Do
14 I have a motion?

15 COMMISSIONER ZUNIGA: Sure. I'll
16 make the motion - give me a second - that the
17 Commission approve the recommendation from the
18 racing division to approve the application
19 from Sterling Suffolk Racecourse, for the live
20 running horseracing 2017 with the following
21 conditions: Suffolk Downs will have an
22 independent expert review the track surface
23 prior to racing.

24 Second, that after each two days of

1 racing, each weekend of racing, I should amend
2 that, Suffolk will report to the Commission
3 the numbers and percentage of recent Suffolk
4 horsemen and horses that benefited from the
5 races.

6 Third, that Suffolk Downs would
7 request, in writing to the Commission, how
8 much money they would like from the Racehorse
9 Development Fund, and detail how it will be
10 spent, and provide, to the Commission, with
11 their purse agreement with the NEHBPA or
12 anybody else. Fourth, that Suffolk Downs will
13 notify the Commission, in writing, if they're
14 going to race more than six days, at least 30
15 days before the races are conducted.

16 And, finally, that b Spot will not
17 be considered part of the vote of the
18 Suffolk Downs license application and may --
19 and this Commission may take that matter at a
20 later time, if Suffolk Downs wishes to pursue
21 approval of b Spot, and notify the Commission
22 in writing.

23 COMMISSIONER MACDONALD: Second.

24 CHAIRMAN CROSBY: Further

1 discussion. All in favor? Aye.

2 COMMISSIONER MACDONALD: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously. Thank you.

7 COMMISSIONER ZUNIGA: Thank you.

8 MS. LIGHTBOWN: Thank you.

9 COMMISSIONER MACDONALD: Thank you.

10 CHAIRMAN CROSBY: Next up,

11 Ombudsman Ziemba.

12 MR. ZIEMBA: Thank you, Mr. Chairman
13 and Commissioners. Today, we're continuing
14 our review of the Community Mitigation Funds,
15 in an effort to publish guidelines for the
16 2017 Community Mitigation Fund program.

17 The Commission, as you know, met on
18 the 13th of October to develop a list of
19 questions to consider in reviewing the fund.
20 Since that time, we've met with the local
21 community mitigation advisory committee in
22 Region B twice, and the committee in Region A
23 once. And we've also met with the
24 subcommittee on community mitigation.

1 So what I hope to do today, is to
2 develop a public discussion draft. This is
3 very similar to what we did last year, where
4 we developed a draft. We sent it out to the
5 public to get -- to get comments, and then we
6 reconvened to consider all those comments
7 before we issue the guidelines.

8 So if we can get approval of the
9 discussion draft today, I'd recommend that the
10 Commission put forward this draft for a
11 comment period, likely, to end the day after
12 Thanksgiving, which would be on the 25th, or,
13 perhaps, even the Monday following
14 Thanksgiving, which I think that'd be the
15 28th.

16 The goal would be to come back to
17 you on December 1st to get approval of the
18 final guidelines for next year's program. If
19 we could get out the final guidelines by
20 December 1st, or very shortly thereafter,
21 communities would have, roughly, two months to
22 put together their applications before the
23 statutory February 1st application deadline
24 for the community mitigation funds. So I

1 think that's the game plan.

2 So what we have today in the packet
3 it's not the final guidelines. We'll probably
4 do some wordsmithing, in any event, even
5 without comments. But what it's meant to do,
6 it's meant to provide, you know, pretty
7 significant detail regarding all of the
8 concepts that we are entertaining for the 2017
9 fund.

10 So I think the easiest way to take a
11 look at this would be, in your packets there
12 is a document that's titled, Recommended
13 Changes to the Guidelines for the 2017 Fund
14 From the 2016 Guidelines. And there's 11
15 points in the memo. I won't read from the
16 memo, but let me just, sort of, walk you
17 through what we're -- what we're talking about
18 here.

19 So the first item that we're
20 recommending for a change is that we place an
21 overall limit of \$4 million dollars on grants
22 for the 2017 community mitigation fund. Let
23 me just walk you through how we got to that
24 number, and then I just want to discuss one

1 little intricacy regarding that \$4 million
2 number.

3 So, as you recall, we initially had
4 deposits from the -- both the Category 1
5 licenses and the Category 2 license fee when
6 we issued those licenses, and those deposits
7 went into the community mitigation fund. So
8 we had an initial capitalization for the fund
9 of 17-and-a-half -- 17-and-a-half million
10 dollars.

11 Through this year, with the awards
12 that we made earlier this year, we have
13 reserved, awarded, approximately, \$4.2
14 million, \$4.26 million. That would leave,
15 approximately, \$13.2 million remaining in the
16 fund, and remaining is -- we're using that,
17 sort of, conservatively. A lot of the funds
18 that remain in the fund are just reserves, so
19 communities have not tapped their reserves.

20 So if you take a look at actual
21 spending, actual spending is much less
22 significant than the \$4.26 million that I
23 referenced, but I think this is a conservative
24 approach. So you take 17.5, you subtract the

1 \$4.26 million, you get, roughly, that
2 \$13.2 million. And then, over and above that,
3 what we did is, we subtracted out what we
4 anticipate we will grant over the next three
5 years for the sheriff -- for the Western Mass
6 Correctional Alcohol Center.

7 As you recall, the sheriff asked for
8 a multi-year grant, this year, of \$2 million.
9 And what we determined is that we would grant
10 the first year's worth of that lease
11 assistance in the amount of \$280,000, but that
12 we would ask the sheriff to annually reapply
13 for the lease assistance, but we specified
14 that we would grant, in no instance, more than
15 \$2million during the lifetime of the lease
16 assistance. But it was anticipated, at that
17 time, that it was likely that we would take a
18 look, very seriously, at those annual requests
19 for lease assistance. And --

20 So the \$1.2 million, if we back that
21 out for the next three years, roughly, there's
22 about \$12 million that is left in the fund
23 that is not reserved or otherwise allocated.
24 We -- we divided that \$12 million, divided by

1 three and received \$4 million.

2 However, the one thing that I
3 realized just earlier this morning, is that
4 this memo and the guidelines don't properly
5 explain what happens with the sheriff
6 allocation. And so, we dropped the
7 \$13.2 million being counted for the sheriff's
8 allocation down to \$12 million. And we said,
9 okay, we'll accept and award \$4 million per
10 year for the next three years, but where does
11 that \$400,000 in the lease assistance for the
12 sheriff sit? Is it within the 400 -- within
13 the 4 million, or is it over and above the
14 4 million? Because it's not specified in the
15 guidelines, it would actually, in all
16 likelihood, be counted in the \$4 million.

17 So, in essence, we would be doing
18 that \$4 million worth of awards, including the
19 sheriff's 400,000. But there -- if you
20 multiply that by three, you get \$12 million,
21 but, actually, we have \$13.2 million for the
22 whole three years.

23 So, in essence, the \$4 million
24 recommendation is even more conservative than

1 with what was portrayed in my memo to you. I
2 wanted to note that, in some of the community
3 mitigation meetings that we've been having,
4 we've heard some input from communities to
5 say, hey, significant impacts are just not
6 known yet. We have construction impacts.
7 Things are progressing in construction, but as
8 we get closer to when these facilities are
9 operational, it's going to be much more clear
10 what impacts there might be. And, perhaps, at
11 that time conversations will have been had
12 about what types of operational impacts might
13 need to be targeted, even earlier than when
14 they occur. I think it's so-called
15 anticipated, which are currently not allowable
16 under the program. So communities have said,
17 hey, instead of doing a one-third, 1/3, 1/3,
18 1/3 approach, perhaps, you could do something
19 of 1/4th this year, 1/4th next year, and 1/2
20 that final year before MGM is up and
21 operational.

22 So I put that to you for
23 consideration. I don't know if you want to go
24 category by category and discuss, or you want

1 me to run through the whole memo. But I can
2 answer any questions you have regarding the
3 \$4 million allocation.

4 COMMISSIONER ZUNIGA: I'll make a
5 comments on the 4 million. Before your
6 explanation -- your clarification as to
7 whether the sheriff is included prior to the
8 spreading it out over three years, I thought
9 that was married towards bringing that figure
10 down, and just on the feedback of we're not
11 seeing a lot, necessarily, this first year, we
12 could reserve a little bit, if you will,
13 towards the later years. But given what you
14 just said, I think it's just fine. In my
15 opinion, it's just to keep a broad, nice,
16 round number and just see what we get, in
17 terms of actual requests or grant
18 applications.

19 I think the real control, if you
20 will, comes in any one of these other
21 guidelines. The maximums we get for grant,
22 and the way that the transportation planning
23 grants have to spend first your planning
24 grants and so on and so forth. So I think, as

1 a guideline, to leave the \$4 million there is
2 fine.

3 CHAIRMAN CROSBY: Anybody else?
4 Questions or thoughts?

5 COMMISSIONER STEBBINS: John, we've
6 talk about this, question No. 9, which --
7 which gets to some of the preemployment
8 programs that we talked about, I, as one
9 commissioner, would suggest or encourage you
10 to think about increasing that number, maybe,
11 to 400,000, is what you said is a per grant
12 limit for the specific impact awards.

13 You know, we -- I understand we're
14 trying to get into new territory. I'd rather,
15 kind of, set a higher number and see,
16 potentially, what proposals come in, as
17 opposed to somewhat of a lower figure and have
18 them constrain some of the thinking strategies
19 that an applicant might put together.

20 But just thinking out, this 2017
21 round, we make awards sometime in the spring.
22 You know, then we're less than a
23 year-and-a-half out from, at least, MGM being
24 in a position taking advantage of the

1 workforce development strategies that this
2 grant might employ.

3 So just a suggestion, you know, put
4 that at 400,000. Again, to kind of align with
5 what your mitigation impact max is, and then
6 let us see, you know, as you've talked about,
7 and as you've done in the past, doesn't mean
8 we fund it exactly as somebody requests it,
9 but at least to see what kind of encourage --
10 see what kind of ideas we get, see what kind
11 of leverage we might be able to -- we might be
12 able to get if the dollar number's just set at
13 a little bit higher level.

14 MR. ZIEMBA: Well, the thing I'll
15 reference is that the dollar figures that
16 we're referencing, the \$4 million, in any of
17 these subcategories, they're designed to be
18 targets, you know, potentially, hard targets,
19 but we've reserved the ability of the
20 Commission to either fund less than that
21 amount, depending on circumstances, or fund
22 greater than that amount.

23 So what I would anticipate is that,
24 when we get our applications in February,

1 regardless of the amounts that we determine
2 here in the overall budget, but if we -- once
3 we get our applications in February, the
4 working group, the staff working group will
5 get together, they'll take an initial look at
6 the applications, primarily, just to determine
7 what are the overall levels of the grant.

8 And, at that point, we can come back
9 to the Commission and say, well, hey,
10 Commission, we had established X number for
11 transportation planning grants, or X number
12 for the job-readiness program. We received
13 applications well in excess of that.
14 Potentially, we can move dollars around within
15 an overall target, or we can move -- we can
16 increase the overall budget. But -- I just
17 make that as reference, but I don't know
18 how --

19 Perhaps, what we could do,
20 Commissioner, is, I think we should have a
21 little bit more of a robust conversation about
22 the program itself. And then, with the
23 context of this \$4 million budget, maybe we
24 can have that conversation about what the

1 program is, and then we can revisit the
2 \$4 million target after that -- after that, if
3 that makes sense?

4 As in, it's a placeholder within
5 this conversation, the 4 million. We'll have
6 a little bit of a longer conversation about
7 what the job-readiness program is in and of
8 itself, and then, if we have to adjust the
9 \$4 million based on that conversation...

10 CHAIRMAN CROSBY: Why are you
11 talking about the 4 million?

12 COMMISSIONER MACDONALD: 400,000.

13 CHAIRMAN CROSBY: He's only talking
14 about adjusting the...

15 MR. ZIEMBA: Well, I think, if I
16 understood the Commissioner, is we have a
17 \$4 million program. It's based on \$200,000
18 being allocated for the two pilots. If we
19 increase the two pilots by \$200,000, the
20 question is, do we increase the limit on
21 4 million to 4.2, or do we keep it at four and
22 everything just gets shifted within that four?
23 That's, sort of, where I was taking your --
24 your question.

1 COMMISSIONER STEBBINS: I mean, I
2 don't want to -- I don't want to necessarily
3 look at the \$4 million limit.

4 MR. ZIEMBA: Oh, okay.

5 COMMISSIONER STEBBINS: Kind of, you
6 know, like Commissioner Zuniga, I'm
7 comfortable with that figure. I'm just
8 thinking in terms of encouraging some
9 strategic planning around a few of these pilot
10 programs, just to kind of have a higher number
11 to get people to think towards that and not
12 kind of limit what they might suggest, if we
13 strictly have a \$200,000 figure listed.

14 COMMISSIONER ZUNIGA: I was
15 wondering, what could that by pilot program
16 look like; what would be -- what is a frame --
17 what is a reference point, besides saying I
18 want to do more let's double the amount, what
19 is -- what are we talking about?

20 MR. ZIEMBA: Why don't we jump right
21 into that, then, because it probably makes
22 sense. I had that later on the agenda, but
23 why don't we jump into that?

24 COMMISSIONER ZUNIGA: Okay.

1 MR. ZIEMBA: Okay. So if you go to
2 Item No. 8 on page two of the memo -- I'm
3 sorry, not eight, excuse me.

4 COMMISSIONER STEBBINS: No. 9.

5 MR. ZIEMBA: No. 9.

6 COMMISSIONER STEBBINS: Yep.

7 MR. ZIEMBA: So what we state here
8 is, "The Commission should discuss providing
9 funding for \$200,000 for two preemployment
10 programs, one in Region A, one in Region B for
11 work-readiness pilot initiatives."

12 And so, what we anticipate is, by
13 the February 1st deadline, a governmental
14 entity would need to indicate to the
15 Commission, the broad purposes of what they
16 want to do with the -- with the job-readiness
17 program. And it would also indicate how it
18 would go about further refining its program.

19 And what we're anticipating here is
20 that, because there's a limited time between
21 now and February 1st, it'd probably make sense
22 that we would get more definition to what the
23 program would be, during the period that we
24 evaluate the pilot, as put forward in the

1 first February 1st application, and that we
2 would finalize all of the details in our grant
3 contract.

4 So in many ways it's similar to what
5 we have done with a lot of our other awards.

6 So by February 1st some entity would
7 apply and state, here's what we want to do
8 with the program. Here's -- here are the
9 types of activities we want to fund. We want
10 to go and talk to the licensee, the regional
11 employment boards, some of the state agencies,
12 some of the educational institutions in the
13 area to further refine exactly who would be
14 targeted, how those dollars would be targeted,
15 and the like. And those further details could
16 be put into the contract, assuming if the
17 Commission determines that the grant
18 application is sufficient to allow it to
19 authorize a grant.

20 And so, within that structure we
21 could have a fairly robust application by
22 February, with further refinement to happen
23 later. But I'm going to turn over to Jill, a
24 little bit, to describe what might be some of

1 the activities that we can focus on.

2 Let me just focus on one little
3 thing there. That all of our grants have to
4 flow through either a host community, a
5 surrounding community, or some of the other
6 communities that we've referenced, or
7 governmental entity.

8 So, for example, we couldn't
9 directly find a nonprofit for an activity
10 relative to job-readiness. A nonprofit
11 activities could be funded, but the grantee
12 has to be a governmental entity. So I'm just
13 going to turn it over to Jill.

14 MS. GRIFFIN: So a type -- an
15 example of a type of program that could be
16 funded, a program could be composed to respond
17 to the strain of the lack of culinary workers
18 in a region, it could be a program that
19 contextualizes teaching the skills, the
20 culinary skills, and also the -- maybe the
21 requirement for a high school diploma, so a
22 GED program. It could be an English language
23 learning class that is contextualized to a
24 certain career subject area. So they're

1 learning the vocabulary of this -- of a
2 high-need area of a casino.

3 And, ultimately, I think one of the
4 goals would be to mitigate a strain, or the
5 impact on the area businesses will feel when,
6 potentially, thousands of employees will be
7 hired in a region, and, potentially, some of
8 those impacts will be felt by local businesses
9 in their existing workforce.

10 COMMISSIONER ZUNIGA: You know, I --
11 maybe this is -- this is not a great
12 comparison, but I thought of this -- you know,
13 when you termed it pilot program, to be very
14 much in line with our planning grants. That
15 we're at the beginning of a process that would
16 help a local community identify what they need
17 to do. You know, do some kind of study,
18 skills cap analysis, whether, you know -- and
19 it's a similar number to our planning grants.

20 We have a hundred thousand in our
21 planning grants, they were reserves, you know,
22 we didn't get uniform requests, much to your
23 point, but, you know, it was -- it was
24 something that would have begin the planning

1 process, and then there would be more funding
2 for that.

3 So I put them in that, sort of,
4 category at this point. Let's see what we
5 get. You know, it's a -- we have no frame of
6 reference to say, necessarily, in my opinion,
7 why English language is going to be critical,
8 let's do that, you know, here right now. I'd
9 rather understand the landscape as to what
10 might be the order of priorities. And that
11 was my assumption, again.

12 MS. GRIFFIN: Can I respond to that?

13 COMMISSIONER ZUNIGA: Yep.

14 MS. GRIFFIN: So my thinking that it
15 is that it's not a planning grant. It may be
16 an early pilot action-related program. I
17 think, in the Workforce Development world
18 there are studies and actual evidence of
19 approaches that lead to real results, in terms
20 of focus on different areas.

21 So for example -- just to give you
22 an example, there's a fabulous program run out
23 of an organization in this building that,
24 while they're teaching English language,

1 they're also teaching vocabulary related to
2 hospitality. The students in this class take
3 internships in different hotels, and it leads
4 to a job at the end.

5 And so, that's really what I'm
6 talking about. In my view, a study and kind
7 of a report is not where we're going, but
8 maybe a beginning, even if it's a small
9 action-related item.

10 MR. ZIEMBA: One thing I want to --
11 I do think it's similar to our planning
12 grants, in the fact that we're not talking
13 about gargantuan numbers, right? But what I
14 think that the pilot could do is, it could
15 hone what the priorities are.

16 So even though what we're paying for
17 is the actual services themselves, the effort
18 of bringing together all of those parties to
19 figure out exactly what is the priority that
20 should be funded with this small amount -- not
21 small. It's significant, but not compared to
22 the statewide allocation for workforce
23 training programs. But if the group could
24 focus on what is the priority that could serve

1 a planning purpose of what do we need to do in
2 the future.

3 And that's exactly why it's a pilot,
4 so we can enhance the efforts that we've been
5 doing on all of these things to try to figure
6 out, what are the things that we need to get
7 accomplished before all these facilities are
8 up and operational?

9 So, yes, we're not funding planning.
10 But in many ways, because we're funding the
11 activity, at least, so much planning.

12 MS. GRIFFIN: Right. And I think,
13 actually, this has the potential to bring
14 other funds to the table.

15 COMMISSIONER STEBBINS: I mean --

16 COMMISSIONER ZUNIGA: I know that's
17 an assumption. I -- I'm sorry.

18 COMMISSIONER STEBBINS: No, go
19 ahead.

20 COMMISSIONER ZUNIGA: Well, I was
21 comfortable with the pilot program, you know,
22 hundred thousand per region, at this point.
23 Also, on the other end, which is any dollars
24 that we -- this is the one -- the one area

1 that detours, in my opinion, from the notion
2 of mitigation -- mitigating an impact in --
3 you know, in terms of what might be an adverse
4 impact.

5 I know it's this window, and we want
6 to make sure that people are ready, but the
7 plain read of the community mitigation fund
8 always strikes me as transportation-related,
9 which was a concern that we heard a lot from
10 our hearings. There's this big need about,
11 you know, everybody's concern about traffic,
12 which begins in the construction, but also
13 spills over well into the operations. And so,
14 I'm comfortable at the notion of exploring
15 this on a pilot basis.

16 Something tells me that, you know,
17 we're likely going to repeat it the next --
18 the next year and the year beyond that. And,
19 therefore, starting at a, you know, reasonable
20 fee here is not a bad idea. But I keep think
21 of this -- the alternative, which is what
22 communities want to do and study interactions
23 and, you know, restripe, and so on and so
24 forth.

1 COMMISSIONER STEBBINS: I guess, you
2 know, we're -- you know, using the terminology
3 around pilot, I thought more kind of set of
4 window, as you just talked about. You know,
5 we know there are constraints on using
6 mitigation money because, right now, there's
7 not a source of additional monies coming into
8 that at this point.

9 You know, I think John's use of the
10 language pilot is helpful, because I think it
11 also needs to set an expectation of that
12 window you just talked about, which is up
13 until these facilities open. Keep in mind
14 that, once these facilities open, our Class 1
15 licensees open, there's a new revenue stream,
16 which goes in the Gaming Economic Development,
17 which isn't necessarily a fund we control, but
18 one of the allowable uses under the statute is
19 for workforce training, workforce
20 developmental initiatives, again, subject to
21 the legislature's appropriation.

22 I guess, you know, again to kind of
23 boil is down to -- I just want to encourage,
24 or not constrain the thinking of some of the

1 workforce development entities that are out
2 there that are thinking about this program by
3 setting a dollar figure that, you know, for
4 all intents and purposes, might be too low,
5 but to get them not to think within the
6 constraints of the \$200,000 figure, but get
7 them to think. Be creative. Think about
8 partners they can leverage, if we give them
9 encouragement of just setting that number a
10 little bit higher, for conversation purposes.
11 Again, we don't know what we're going to get,
12 what the tally might be.

13 CHAIRMAN CROSBY: You're right.
14 This will set expectations. I mean, people
15 will, sort of, target this -- this amount. So
16 I'm -- I kind of like the idea of trying to
17 encourage people to think big. But one -- so
18 I'm -- I could go either way on that.

19 But I do think, and this is -- it is
20 very -- you're flying -- we're flying blind
21 here. You know, we're trying to accommodate a
22 situation which we -- nobody's ever gone
23 through before. It's a -- it might even be
24 important to put in big, strong, black type

1 somewhere that says, these are guidelines
2 only. You know, applicants should feel free
3 to -- that's not the words you're going to
4 use, but think outside the box. You know,
5 something that says two things.

6 We don't want to -- we don't want to
7 constrain ourselves. I mean, just for the
8 record, I want to make it clear that something
9 might come up that would cause us to totally
10 change these guidelines. We just don't know
11 what's going to come up. So we need to make
12 it clear that, A, we're not constraining, but
13 also make it clear to applicants that they
14 shouldn't feel like this is anything other
15 than a guideline. You know, if they've got
16 ideas, or if something happens that would
17 require them to go outside the guidelines, we
18 don't want them to feel constrained about
19 doing that. That's my inarticulate point.

20 COMMISSIONER MACDONALD: Joe, do you
21 see any --

22 CHAIRMAN CROSBY: Excuse me. John,
23 you're not looking...

24 MR. ZIEMBA: Well, I meant the

1 limits as the limits for applications,
2 because, otherwise, we could have someone
3 applying a \$50,000 job-readiness grant, and
4 then another entity applying for a 500,000.
5 And then, when it comes to reviewing those two
6 grant applications against each other, it's an
7 order of magnitude that, certainly, may break
8 the bank on the overall program for the year.
9 So when we put out the application limits, I
10 think -- at least what I meant them as, as
11 hard and fast limits on dollar amounts for
12 that, but I understand your point.

13 CHAIRMAN CROSBY: Yeah. I mean, if
14 something came -- if we found out that there
15 was a one-time opportunity that, if we spent
16 \$6 million we could -- tomorrow, we could
17 trigger a federal fund expenditure out of the
18 closing fiscal year that was going to lapse,
19 if the fiscal year -- if it weren't spent by
20 the end of the fiscal year, we might do it,
21 you know, and we wouldn't want to be
22 constrained by this. So that's an extreme
23 example.

24 But since we're just using our best

1 judgment here, I think it's important to let
2 people know that we will be open to broader,
3 different ideas. You know, I don't think they
4 should be hard. I think they should be
5 guidelines, not hard limits. And, I think, if
6 you have them as guidelines, people pretty
7 much will accommodate those guidelines,
8 because they'll be trying to anticipate,
9 where's our head? How can I get the money and
10 not overly propose? But I think we should
11 make it clear that -- that we are not going to
12 close the door if somebody comes up with
13 something, which does breach a guideline. But
14 it's just my opinion. I'm open to the other
15 commissioners. I think it's an important
16 point with he need to decide. What do other
17 commissioners think about that?

18 COMMISSIONER ZUNIGA: Well, I was --
19 I was thinking about the way John, you know,
20 articulated -- I get your point. I think it's
21 an important one. But if -- you know, if
22 there's really no limit to the planning
23 grants, everybody will be telling us I need
24 two planners, not just one. You know, and

1 that's a way to, you know, to deal with budget
2 cuts that I'm having elsewhere so I'm just
3 going to put it on there, and that has, you
4 know, a perverse incentive, which is the other
5 extreme, if you will.

6 So it's -- when we're developing a
7 grant program, it's good, in terms of setting
8 expectations, and then people can make
9 adjustments like, okay, can we go for those
10 100,000, let's say, and I'm going to leverage
11 that for my other sources of funding. I'm
12 going to look for private, and I'm going to
13 look for whatever else to complement the
14 program that we already have, or that -- to
15 expand the one that we have in this other
16 fashion, just like Jim described. We're now
17 going to, you know, talk about hospitality,
18 not just job-readiness.

19 So I envision them a lot like the
20 planning grants. Let's start with that, let's
21 see who applies, and, sort of, go from there.

22 MR. ZIEMBA: Mr. Chairman, you see
23 on Item 3, which is should we place a program
24 limit for the specific impact awards of

1 400,000. That's, perhaps, where I had the
2 most angst about setting a limit. Where we're
3 talking about not planning, but actual
4 specific impacts.

5 And so, say that there's a specific
6 impact that is dramatic or Draconian, a limit
7 of 400,000 could impede our ability to try to
8 remedy that impact. But I did try to put a
9 figure in there that was larger so that,
10 hopefully, we'd accommodate a lot of things.
11 But you're right, when you put limits, there
12 are things you can't do.

13 CHAIRMAN CROSBY: And there are
14 things we, kind of, anticipate is...

15 MR. ZIEMBA: Yeah.

16 COMMISSIONER ZUNIGA: Well, and
17 remember the fragmented landscape that we have
18 here by just who we are dealing with. Each
19 one of these cities and towns, surrounding and
20 host, legitimately can -- can say, you know, I
21 should go for that. And in a, you know,
22 unfortunate way, may be competing with their
23 neighbor for something that might be, sort of,
24 secret, especially in this context of

1 workforce development.

2 CHAIRMAN CROSBY: But just because
3 they apply doesn't mean they're going to get
4 it. I mean, you can't -- they're -- we are
5 going to be -- do a substantive analysis, just
6 like we did with surrounding communities. You
7 know, we think you're not a surrounding
8 community. You think you are. You're saying
9 here's the issues. We bring in our own
10 experts, if need be, and we make a judgment.
11 And as a practical matter. There aren't very
12 impacts right now. There's a high degree of
13 probability, but I think we won't be spending
14 this money, because how can there be anyways,
15 you know, there's nothing going on that wasn't
16 anticipated.

17 So having hard caps, this doesn't
18 quite feel right to me. Guidelines, yes, but
19 hard caps, no. Commissioners Macdonald and
20 Stebbins, what do you think?

21 COMMISSIONER MACDONALD: Well, my
22 only thought on that is, we certainly would not
23 want to do anything but encourage these
24 affected communities to be imaginative. But

1 the term "guidelines," is one in which
2 implies, by its very nature, flexibility. And
3 then...

4 CHAIRMAN CROSBY: But that's not
5 what John was saying, was he?

6 MR. ZIEMBA: I'm may (inaudible) the
7 flexibility, but others not so much.

8 COMMISSIONER ZUNIGA: Well, you
9 know --

10 COMMISSIONER MACDONALD: But the
11 third -- just -- the third point is that --
12 which addresses the concern about in the end
13 somebody having a very imaginative idea and
14 finding that it's not -- it's not provided for
15 in the context of the -- of the guidelines, is
16 that we've been -- we're in the midst of going
17 through this process of meetings with the
18 local advisory -- advisory committees. I just
19 attended one earlier this week out in
20 Springfield out in Springfield, and I have
21 some comments that I might make later on in
22 regard to that.

23 But that, by the very nature of
24 those meetings, has there been set up pursuant

1 to agendas that John has set, the purpose of
2 them is to get input from those -- from those
3 communities as to what they would want to have
4 included in the guidelines so that whatever
5 eventually comprises the guidelines is going
6 to be something which each of the affected
7 communities has -- will have had an
8 opportunity to -- to state their preferences
9 as to before them so we're not cutting off
10 good ideas.

11 CHAIRMAN CROSBY: They will have
12 reviewed these, you're saying?

13 MR. ZIEMBA: Yeah. So these
14 guidelines, they'll be reviewed at the next
15 Region A meeting which will be next week. And
16 also at the subcommittee meeting, which we're
17 trying to schedule -- or reschedule. So at
18 least in those two meetings. And, plus,
19 they'll be reviewed by everybody. We're going
20 to submit the drafts to every one of the
21 communities, and they're going to be available
22 on our Web site, so we'll get some further
23 input.

24 So, you know, perhaps, at the end of

1 that process, we can specifically try to talk
2 to those communities in that meeting on this
3 issue of hard and fast application deadline or
4 not. You know, maybe we can approach it that
5 way.

6 COMMISSIONER MACDONALD: Let me add
7 just one thing, since I mentioned the meeting
8 in Springfield. This -- this subject of the
9 pilot projects did come up. And there were
10 two -- I can't remember what organizations
11 they were affiliated with, but there were two
12 people who spoke directly to it, and the word
13 that was -- the phrase that was used by -- by
14 -- I think his name was Sullivan, was -- he
15 was, quote, all in to this -- to this concept.
16 That is appears as Item No -- Item No. 9 here.

17 And then, there was another person
18 who was sitting next to me, Chico, does that
19 sound right? Who said he agreed,
20 wholeheartedly, with that. And there was no
21 -- there were no expressions of -- of concern
22 or criticism with regard to the pilot project
23 idea.

24 CHAIRMAN CROSBY: You mean, that it

1 was no concern about the amount of money, or
2 just the concept?

3 COMMISSIONER MACDONALD: The
4 concept. I can't remember if it was \$200,000
5 that was mentioned.

6 MR. ZIEMBA: We didn't -- we didn't
7 put forth a dollar figure.

8 COMMISSIONER MACDONALD: We didn't
9 put a dollar figure.

10 MR. ZIEMBA: Yep.

11 CHAIRMAN CROSBY: Okay. Okay.
12 Well, I think it's -- this may be something
13 abstract issue, but it does seem to be we need
14 to -- we do need to make a decision, do we
15 want these to be firm or not? Obviously, we
16 can change our minds about anything at
17 anytime. If some really freaky, one-time
18 thing came along, they'd probably come talk to
19 you John, and you'd probably come talk to us.
20 So, you know, I -- the extreme version I'm
21 talking about, maybe, would take care of
22 itself, should it happen. But I still think
23 we should decide, for sure. I could go either
24 way. It's not the end of the world either

1 way, I don't think.

2 COMMISSIONER STEBBINS: Is there
3 maybe, Mr. Chairman, a simple kind of -- I'm
4 looking back over -- over John's guidelines.
5 And first of all, John, the places where
6 you've said the Commission should not use
7 funds for certain purposes, I'm in agreement
8 with. But to question eight, nine, three, is
9 sort of a simple editorial change, instead of
10 using should use the word may?

11 MR. ZIEMBA: Well, in the guidelines
12 themselves, communities need to know what they
13 can apply for. So if they get a guideline
14 that says May...

15 COMMISSIONER STEBBINS: Just
16 instead -- keeping the rest of the language
17 all the same, saying the Commission may make
18 available no more than \$200,000 in technical
19 assistance, does that get to...

20 MR. ZIEMBA: I think that's probably
21 a good suggestion. Given that where we are,
22 that this is a discussion draft, we can make
23 the determination on December 1st of what we
24 want to do. But if we put the word in "may,"

1 in our summary, it signals to the world that
2 we're working on it.

3 CHAIRMAN CROSBY: For now.

4 MR. ZIEMBA: For now.

5 CHAIRMAN CROSBY: I think getting
6 feedback from the local community advisory
7 groups would be helpful with this issue next.

8 MR. ZIEMBA: Okay.

9 CHAIRMAN CROSBY: I mean, how you
10 get it is up to you but... okay.

11 MR. ZIEMBA: That sounds like a good
12 proposal.

13 CHAIRMAN CROSBY: Other --

14 COMMISSIONER MACDONALD: Mr.
15 Chairman, I had a question of Jill. Is there
16 any opportunity here, Jill, do you think, for
17 coordination with what we earlier discussed
18 about this -- the concept of the pipeline
19 navigator?

20 MS. GRIFFIN: Yes.

21 COMMISSIONER MACDONALD: It seems to
22 me there that are some potential synergies
23 here.

24 MS. GRIFFIN: There could be. There

1 actually could be. I hadn't though of that.
2 But the pipeline...

3 CHAIRMAN CROSBY: You didn't? What,
4 are you asleep at the switch?

5 MS. GRIFFIN: I know, right.

6 COMMISSIONER ZUNIGA: Well, the
7 pipeline navigator was for the construction
8 piece, specifically, in this case, for women.
9 And if I understand this correctly, the skills
10 cap notion here is more towards the operations
11 piece. It doesn't have to be -- to your point
12 it doesn't have to be separate and distinct,
13 but that was my read. Is that a fair
14 statement?

15 MS. GRIFFIN: I think that's right,
16 but I don't think the guidelines would
17 eliminate the -- you know, the construction
18 idea. But I think the guidelines are more
19 thinking about the large number of operational
20 employees and the impact that would have, and
21 the lack of preemployment funding for -- you
22 know, for training dollars in the Commonwealth
23 so...

24 CHAIRMAN CROSBY: I had a question

1 on No. 6. What was the -- is the thinking
2 that we should not provide monies that involve
3 private parties without matching grants; why
4 is it only those that you're talking about?

5 MR. ZIEMBA: So I'm going to ask
6 Catherine to help me out on this end, but let
7 me give the general thoughts here.

8 So, as you recall, we've had
9 significant discussions regarding what
10 limitations there are involving private
11 parties. These are community mitigation funds
12 that are meant to remedy the impacts in
13 communities. The legislature, when it crafted
14 the program, primarily, meant the program to
15 go to communities, but they also did specify
16 that governmental entities that serve more
17 than one community are eligible recipients of
18 grants. But what -- when we came up with the
19 private language last year, in the 2016
20 program, we said, okay, when communities are
21 remedying impacts, who are feeling some of
22 those impacts? So our programs should be for
23 a public purpose. But the public purpose
24 could involve private parties. So there may

1 be folks out there --

2 CHAIRMAN CROSBY: To wit, the health
3 care in Springfield.

4 MR. ZIEMBA: Correct. There may be
5 parties out there that are suffering impacts
6 as a result, either construction or operations
7 of a facility. And what we are trying to
8 signal last year was that grant funds could be
9 utilized to target those impacts. But the
10 grant funds should be, or have to be for a
11 public purpose. And it's very difficult
12 trying to make the determination of what is a
13 public purpose that meets the constitutional
14 muster, and how do you demonstrate that
15 something is for a public purpose?

16 So, for example, a parking program,
17 we had very significant discussions about the
18 application that was before us this year
19 regarding Springfield parking. And the
20 parking involved only one entity in
21 Springfield, in an area that may be -- many
22 businesses may be experiencing some
23 difficulty. So the Commission conditioned its
24 grant to state that the program should not be

1 for just the one entity, but it needs to be
2 for the entire area. And we felt that, if it
3 was for the entire area, that is a public
4 purpose. You're addressing an impact that is
5 occurring to a, you know, a pretty sizeable
6 geographic area. The public purpose is
7 remedying that parking impact, and that it is
8 not specifically for the benefit or
9 maintenance of a private party. That is the
10 language from the constitutional provisions.

11 And so, what we're trying to do
12 here -- last year we had a lot of language, we
13 had a lot of conversations about how to make
14 sure that we are only funding public purposes.
15 And I'm not sure that the language really
16 accomplished what we wanted it to last year.

17 And so, in this recommendation,
18 we're taking it a step further. And we were
19 saying is that, if, indeed, a community wants
20 to apply with benefits to those private
21 entities, it really has to feel comfortable
22 that it is meeting that public purpose. And
23 one way of making sure that a community is
24 comfortable, is meeting that purpose, is to

1 make it part of the remedy.

2 And so, specifically, in here we say
3 that communities -- any community or
4 governmental entity that is applying to have a
5 program that benefits private parties, that
6 they have to provide some match of funding.

7 CHAIRMAN CROSBY: So, in effect,
8 you're using the matching funds as a measure
9 of -- of whether or not something is a public
10 purpose. If the government entity is putting
11 up its own money, it must ipso facto to
12 determine that it's public interest?

13 MR. ZIEMBA: Yes.

14 CHAIRMAN CROSBY: Or purpose?

15 MR. ZIEMBA: There's much more
16 careful evaluation of everything involved
17 in -- what -- something involving private
18 parties.

19 The difficulty here is that, when
20 we're sitting in an evaluation room in this --
21 in this office, trying to figure out what is
22 happening with funds that could actually find
23 their way to a provide party, we have to be
24 very, very careful about all of those dollars

1 that are spent. And in many situations,
2 there's almost no way that we're going to know
3 exactly how those dollars are being spent,
4 what questions are out there regarding those
5 spender -- spending of dollars. And if we
6 have the added contribution from a community
7 or governmental entity, where they're doing
8 the careful evaluation and they're
9 demonstrating yes, this is really worth public
10 dollars to remedy this impact, then, we know
11 that it's being for public purpose, that's why
12 we're recommending that.

13 And when we said here, that host
14 communities, instead of a -- just a
15 significant match, they would be required to
16 do a dollar-for-dollar match, that further
17 goes down the line. I don't know if it's too
18 far. I suppose we'll get some questions on
19 that very question. Perhaps, that's too wordy
20 of a response but...

21 CHAIRMAN CROSBY: Yes. But, okay, I
22 see what you're doing. You're using matching
23 funds as a proxy in effect --

24 MR. ZIEMBA: Correct.

1 CHAIRMAN CROSBY: -- for public
2 purpose, demonstrating public purpose. And I
3 get thought process. The question, I guess,
4 is, you know, what if there's another
5 hypothetical situation where they just don't
6 have any money? You know, there is something
7 that we would agree is a public purpose, but
8 the municipality doesn't have any money, you
9 know, to match it.

10 MR. ZIEMBA: So on that one, we
11 specifically wrote into the guidelines that
12 they could apply for a waiver to the
13 Commission. And we called that out in the
14 guidelines themselves, last year and this
15 year.

16 CHAIRMAN CROSBY: Okay.

17 MR. ZIEMBA: But we would want a
18 very significant demonstration of a waiver.
19 Whenever we do waivers, it is very, very
20 concrete where we hit them, and we would ask
21 for that waiver.

22 CHAIRMAN CROSBY: Fine. I think,
23 for the record, it's probably important to put
24 your thought process about question number

1 eight out there as well. I think I know where
2 you're coming from, but I think it's -- the
3 public ought to hear your thought process
4 here.

5 MR. ZIEMBA: Oh, just right here?

6 CHAIRMAN CROSBY: Yeah.

7 MR. ZIEMBA: Okay. So on No. 8 --
8 so No. 8 involves technical assistance for
9 tribal-related communities. Pursuant to the
10 compact that is entered into between the
11 Wampanoag tribe and the Commonwealth, funding
12 to remedy impacts to surrounding communities
13 comes from the community mitigation fund.
14 That they -- the --

15 The situation with the tribal
16 compact is different than the situation that
17 existed for our commercial licensees. So with
18 the tribal compact, there were no surrounding
19 community agreements that were required,
20 unlike our situation with commercial licenses,
21 where surrounding community agreements were
22 required. But in the funding stream for the
23 tribal facility, is different than the funding
24 stream for our commercial licenses. So each

1 of the commercial licenses, they had to pay a
2 license fee. The tribal facility will not
3 have to pay a license fee. The funding for
4 the community mitigation fund, the initial
5 funding, came from those license fees, but in
6 the tribal situation, there was no license
7 fee, there's no licensee fee that's required.

8 So what we're trying to do here is,
9 we have heard that communities really need
10 some technical assistance dollars to help
11 them. Unlike our commercial licensees, there
12 was no mandatory requirement that the tribe
13 helps out communities with those technical
14 assistance dollars. We cannot force the
15 tribe, even if we wanted to do so, to provide
16 technical assistance dollars. But a proper
17 place, we're arguing here, is that those
18 technical assistance dollars could come from
19 the community mitigation fund.

20 So what we do here is, we say that
21 those technical assistance dollars, \$200,000,
22 which would be conducted regionally through
23 the regional planning agency, Southeast
24 Regional Planning and Economic Development

1 District, or other comparable regional entity,
2 if SRPED chose not to participate in the
3 program, would provide technical assistance
4 for the group geographically-adjacent
5 communities surrounding the potential Taunton
6 facility. But what we would say is that, the
7 funding would not be released until the
8 Commission makes a determination that it is
9 likely the facility will move ahead in
10 construction.

11 We all know that the situation
12 regarding that facility, you know, there's
13 significant legal questions on whether or not
14 it's going to move forward, but we needed to
15 do something now just because the application
16 deadline, the statutory application deadline
17 is February 1st. And if we find out in June
18 or July of next year that the tribal facility
19 is moving forward, all of the communities that
20 are geographically adjacent wouldn't have any
21 recourse to the fund until February 1, 2018,
22 at the earliest. And then, thereafter, we
23 would need some time to review anything that
24 would be submitted to us as an application.

1 So there could be a very significant lag time
2 before the provision of any technical
3 assistance.

4 So right now, we don't know if the
5 facility's going to move forward, but this is
6 very much a placeholder that would give the
7 Commission flexibility to provide technical
8 assistance in the event that the facility does
9 move forward. Again, very wordy but --

10 COMMISSIONER ZUNIGA: No. I think
11 it's very -- it's actually very important to
12 highlight that, in my opinion, the whole
13 Region C, with its uncertainty about how fast
14 the tribe is going to move, is the biggest
15 variable and biggest reason for us to be as
16 conservative as possible on the other regions,
17 because there's no funding that comes from
18 this whole area.

19 Think about all the surrounding
20 community agreements that people went to
21 arbitration with to get, you know, money, for
22 example, in the other regions, that there
23 simply is not a mechanism for all those
24 surrounding communities.

1 So because there's this big question
2 in my mind -- in everybody's mind about what
3 might happen in that region, I think there's a
4 case for us to be as conservative as possible,
5 you know, within limitations because we don't
6 want to just be oblivious to really what is a
7 need on the other two regions.

8 CHAIRMAN CROSBY: I agree. I think
9 it's -- I wanted to make this clear, that
10 people -- our statute had -- one of many
11 unique features was the protection for
12 so-called surrounding communities. Not a host
13 community, but a community that may well be
14 negatively impacted by the casino, that
15 protection does not apply in southeastern
16 Mass, if there's a regional -- if there's a
17 tribal casino.

18 We've heard a lot from potential
19 surrounding -- so-called surrounding
20 communities, a lot of concerns about that, and
21 this is a response to that. So there's a
22 mechanism here for protecting -- helping
23 protect the interests against negative
24 consequences of a tribal casino that will end

1 up being similar to the protections that
2 surrounding communities got in eastern and
3 western Massachusetts, which I think is a
4 great step.

5 COMMISSIONER MACDONALD: Can I just
6 add -- could I just add one thing to that?
7 I'm, you know, supportive of Item No. 8, but
8 the results of the election on Tuesday, and
9 I'm really directing this to my fellow
10 commissioners, are ones that do not bode well
11 for the tribe.

12 That the tribe's entitlement to its
13 land and trust, which has already been subject
14 of an adverse decision by the United States
15 District Court, is under reconsideration at
16 this time by the Bureau of Indian Affairs
17 under a different rationale for the land and
18 trust.

19 But it's generally seen that a
20 republican administration, and I'm not being
21 critical here, would be likely to appoint the
22 successor to Justice Scalia on the Supreme
23 Court, a person who shares, substantially,
24 Justice Scalia's judicial philosophy. And if

1 I recall right, having watched one of the
2 debates, at that time, candidate Trump was
3 asked, you know, who would you -- what are
4 the -- what are the attributes that you would
5 like for a -- your nominee to the Supreme
6 Court vacancy? And he said, just outright, I
7 want -- I would want to have somebody who is
8 as close as possible to -- to seat Justice
9 Antonin Scalia as -- you know, as possible.

10 And the so-called Carcieri decision,
11 although it was penned by Justice Thomas. And
12 footnote here, the Carcieri decision, having
13 been the one that creates the greatest
14 obstacle to the Wampanoag -- to the Mashpee
15 Wampanoags, that, that opinion was one that
16 was -- it was kind of pure Antonin Scalia
17 judicial philosophy. So that, I think it's
18 important for -- for us all to be aware that
19 the -- the prospects of a tribal casino are
20 significantly less in the wake of -- in the
21 wake of the election than they were before?

22 CHAIRMAN CROSBY: I don't know if --
23 that's a pretty strong conclusion. I don't
24 drive -- go quite that far, but it's certainly

1 factors to be thought about. And there's
2 also, you know, the secretary -- secretaries
3 of the department of interior will be
4 political appointments too, so there's a
5 variety of issues in play that...

6 COMMISSIONER MACDONALD: Oh,
7 absolutely. I'm not speaking as -- you know,
8 as the authority. I've come to become -- I
9 have come to be much more fluent -- much more
10 knowledgeable about this area of the law.
11 Since I started with a -- with a base of zero,
12 that's not saying much. But I just think that
13 it's important for us to, you know, be aware
14 of that.

15 And, certainly, if there were a
16 situation in which -- in which you know, we
17 had to come for a vote of whether we're going
18 to take \$200,000 out of the community
19 mitigation fund and apply it here, that one of
20 the things we'd want to take into account, out
21 of interest for what the implications of that
22 would be for the competing communities around
23 the Commonwealth, is, is this going to be --
24 is this going to be -- is there a reasonable

1 prospect of this actually being applied to a
2 real --

3 CHAIRMAN CROSBY: Which is written
4 into the guidelines specifically, yeah. But
5 bottom line, we're in our watchful, waiting
6 mode relative to Region C, and I think that
7 doesn't change. Okay. Any other questions,
8 comments about this proposal?

9 COMMISSIONER STEBBINS: Just to
10 follow-up, since we're talking about question
11 eight, John, your experience in
12 transportation, I'm suggesting, is having some
13 of those impacts read more to the
14 transportation side of the project
15 development?

16 MR. ZIEMBA: Yes. I put the two --
17 but I did put the \$200,000 figure in there in
18 relation to a very comprehensive analysis that
19 was done by Metropolitan Area and Planning
20 Council, when they took a look at the Foxwoods
21 proposal.

22 So transportation was the most
23 significant aspect of their evaluation, but
24 they did take a look at a lot of other things,

1 such as housing costs, social costs, impacts
2 on city and town budgets. It was a very
3 comprehensive analysis. And that was,
4 approximately, \$186,000 for all of the
5 surrounding communities. We had another big
6 grant out in western Mass through the Pioneer
7 Valley Planning Commission, which was roughly
8 half that, and that was just for
9 transportation. So the dollar figure here
10 references the more comprehensive thing that
11 includes both transportation and all those
12 other things I just mentioned.

13 CHAIRMAN CROSBY: Okay. Anything
14 else on this? So are we looking for a vote?
15 I guess, no.

16 MR. ZIEMBA: I don't think we need a
17 vote. But I don't know if I had -- perhaps
18 somebody can remind -- do I have guidance on
19 the amount for the readiness pilot?

20 COMMISSIONER ZUNIGA: Well, maybe,
21 by consensus, we came to the last suggestion
22 of Commissioner Stebbins about, you know,
23 substituting some of the language to include
24 may in a couple of these instances, and then

1 ask for public comment. Is that -- was that
2 the consensus?

3 MR. ZIEMBA: So on that I would say,
4 May of 200,000 or 400,000? So it says -- in
5 No. 9 says, "Should the Commission discuss
6 providing funding of 200,000," and I can put
7 in the may words, but should I may 200,000 or
8 400?

9 CHAIRMAN CROSBY: Well, in this case
10 there is no should or may.

11 COMMISSIONER ZUNIGA: There is no
12 should or may.

13 CHAIRMAN CROSBY: Should or may
14 doesn't --

15 MR. ZIEMBA: I can find a way to put
16 a may in there.

17 CHAIRMAN CROSBY: Well, I think
18 it's -- it's should discuss. I mean, you're
19 already -- all you're doing is saying we
20 should discuss it.

21 COMMISSIONER ZUNIGA: Or a different
22 amount. I don't know.

23 CHAIRMAN CROSBY: The key -- the key
24 question is, and the feedback you get from the

1 whole community, as to whether these should be
2 binding numbers or guideline numbers. And
3 you're going to report back to us on that. So
4 I think that deals with --

5 MR. ZIEMBA: Okay.

6 CHAIRMAN CROSBY: At the moment, I
7 would -- in other words I would he leave it as
8 it is, I guess --

9 MR. ZIEMBA: Okay.

10 CHAIRMAN CROSBY: -- until you get
11 back to us on both firm versus vague -- firm
12 versus guidelines, and is it enough money?
13 It's okay, Commissioner Stebbins?

14 COMMISSIONER STEBBINS: Yep.

15 COMMISSIONER ZUNIGA: Thank you.

16 CHAIRMAN CROSBY: Okay. Next.

17 MR. ZIEMBA: And, Commissioners, the
18 second item on my agenda, we're not ready for
19 that. We're still collecting some budget
20 information so why don't we drop that one?

21 CHAIRMAN CROSBY: Okay. That's
22 fine. We are moving on. We're going to take
23 a -- we're going to finish with -- it's
24 quarter to one. I think we'll finish up. Do

1 we need a quick break? Okay. Yeah, this
2 won't take long.

3 MS. WELLS: This will be quick.

4 CHAIRMAN CROSBY: Right. All right,
5 Director Wells.

6 MS. WELLS: Good afternoon
7 Mr. Chairman, members of the commission. So
8 on the agenda this afternoon, we have the
9 results of the suitability investigation for
10 Lisa McKenney. She's an application for key
11 gaming employee executive license. She was
12 hired by Penn National Gaming in July of 2016
13 as the compliance manager at the Plainridge
14 Park Casino. She's been currently working
15 under a temporary license. By regulation,
16 that position of compliance manager is
17 required to be licensed as a key gaming
18 employee executive. As such, she submitted
19 the appropriate application for gaming
20 licensure, and a suitability investigation was
21 conducted.

22 As I've stated previously at these
23 public meetings, areas for those
24 investigations include employment history,

1 criminal record, education, references, media
2 coverage, directorships and shareholder
3 interest, civil litigation, bankruptcies,
4 property ownership, et cetera. She was
5 interviewed in person by the IEB state police
6 and financial investigators, as part of that
7 investigatory protocol. Investigators also
8 conducted a financial responsibility
9 evaluation with positive results.

10 Ms. McKenney went to Waterford High
11 School, graduating, and then went to Mohegan
12 Community College, where she received an
13 associate's degree, and then Eastern
14 Connecticut State University, where she
15 received a bachelor's degree.

16 Prior to working at Plainridge Park
17 Casino, she was employed at Citizens Bank as a
18 senior internal auditor, the Rhode Island
19 Lottery as a casino financial analyst
20 supervisor, Twin River Management, as a
21 manager of internal audit and compliance, and
22 Ernst & Young as a staff, a senior-end manager
23 of internal audit.

24 She has had previous gaming

1 licenses. They are currently expired, but she
2 was licensed in as Class 1 state gaming in
3 Connecticut, a gaming floor employee in
4 Rhode Island, and a corporate officer by the
5 Colorado Division of Racing.

6 Overall, no significant
7 investigative issues uncovered related to her
8 application for licensure. She demonstrated
9 by clear and convincing evidence she is
10 suitable for license here in Massachusetts.
11 Therefore, the IEB is recommending the
12 Commission approve her license of key gaming
13 executive license.

14 COMMISSIONER STEBBINS: Karen -- or
15 Director Wells, I read through the report, and
16 when she conducted the in-person interview
17 with the state police, there were some
18 questions that were unresolved, or had
19 required some further follow-up or
20 clarification, but I've -- from reading the
21 report, everything got provided to us?

22 MS. WELLS: Correct. So she was
23 responsive. And we were in contact with her,
24 given that she was down at the facility, and

1 she was responsive with the state police in
2 all matters.

3 COMMISSIONER STEBBINS: And,
4 actually, she's been at a number of our
5 meetings representing Plainridge so we've had
6 a chance to see her?

7 MS. WELLS: Correct.

8 COMMISSIONER STEBBINS: Mr.
9 Chairman, I'm happy to move that the
10 Commission approve Lisa McKenney as a key
11 gaming employee, executive licensee, as
12 recommended by the IEB.

13 MR. ZIEMBA: Second?

14 COMMISSIONER MACDONALD: Second.

15 CHAIRMAN CROSBY: Further
16 discussion? All in favor? Aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes
21 have it unanimously.

22 MS. WELLS: Thank you.

23 CHAIRMAN CROSBY: Thank you.

24 MS. WELLS: That's all I have.

1 CHAIRMAN CROSBY: Commissioner
2 updates. Anybody got anything of interest?

3 COMMISSIONER STEBBINS: I just have
4 one quick item and -- this past Tuesday was
5 our regularly-scheduled AOC meeting, which,
6 depending on the schedule, we had it out in
7 Springfield at this time.

8 Post-AOC meeting, the folks from
9 Springfield Technical Community College,
10 Holyoke Community College, invited a pretty
11 broad group from the region, really, with the
12 purpose of coming together to talk about
13 licensing qualifications, levels of licensing
14 qualifications, some of the -- some of the
15 standards that a placed in the law.

16 It was great to have our team come
17 out, talented MGC ream, Paul Connolly, Karen,
18 Loretta Lillios, Jill was there, staying over
19 form the AOC meeting, and our executive
20 director, they have worked together to
21 produce, kind of, a great one-page,
22 frequently-asked question sheet about
23 licensing, again, that we handed out to, I'd
24 say there was 30, at least 30 stakeholders in

1 the room. Again, coming from state agencies,
2 community colleges, nonprofits,
3 community-based organizations. And, again, it
4 was -- answered some questions, got an offer
5 of help or assistance from the Hampden County
6 Sheriff's Department. But it was a good
7 meeting, and, I think as we've kind of
8 structured it, it's more of a beginning of a
9 conversation as we go through, in this case,
10 MGM's hiring efforts. And MGM was also
11 present for the meeting as well, so I thought
12 it was -- it was a good success.

13 CHAIRMAN CROSBY: Great.

14 COMMISSIONER MACDONALD: And I just
15 might add a couple of comments with regard to
16 that, the community mitigation fund meeting
17 that I went to out in Springfield, in addition
18 to those that I noted earlier. One was, that
19 I was struck by the fact that none of the
20 representatives there were giving expression
21 to any kind of concern about an immediate
22 impact. That it's quite clear to me that
23 there's no -- there's nothing happening out
24 there that's being caused by the construction

1 that is of any significant concern to -- to
2 the representatives of the -- of the
3 surrounding -- the surrounding the
4 communities. And I guess that could be -- I
5 guess that could be anticipated. But,
6 nevertheless I think it's significant that
7 there are not problems that are being
8 articulated by -- by the surrounding
9 communities.

10 The other -- the other comment that
11 was made that was significant and not a
12 surprise at all, but there seems to be
13 unanimity of -- of concern amongst the --
14 amongst the representatives there. That the
15 proceeds that are have been generated for the
16 community mitigation fund by the licensing
17 fees paid by MGM remain in the western part of
18 the state for addressing -- addressing
19 eventual impacts, which everybody is
20 expecting, rather than to be -- rather than be
21 syphoned off for eastern Massachusetts, or
22 more specifically, you know, Metropolitan
23 Boston impacts. I think --

24 I don't believe anybody made a --

1 made a specific comment, you know,
2 incorporating these -- you know, this
3 particular scenario, but there's a -- an
4 appreciation for the order of magnitude of the
5 Interstate 93 and Sullivan Square issue for
6 transportation purposes in connection with the
7 Wynn casino. And no one there wants to have
8 it take any risk that western Massachusetts
9 needs from the impact of the -- of the MGM
10 casino are going to be unmet on account of the
11 fact of money having been -- those funds
12 having been syphoned off for eastern
13 Massachusetts.

14 CHAIRMAN CROSBY: Yeah.
15 Commissioner Stebbins and I, from our
16 political background, are very familiar with
17 this tension between eastern and western Mass.
18 And western Mass is feared it's going to get
19 abused yet again. But this is going to --

20 COMMISSIONER MACDONALD: I think
21 somebody from southeastern Mass, that is a --
22 that is a long-standing concern as well.

23 CHAIRMAN CROSBY: But this is
24 something we're going to have to wrestle with,

1 or our future commission's going to wrestle
2 with. You know, there's nothing that says it
3 has to be pro -- the monies has to be
4 distributed pro rata, so we'll see we'll see
5 what happens. But we, certainly, understand
6 the point. Glad to have it raised.

7 I was going to mention that I went
8 last night to the public meeting of the -- I
9 think it's called Lower Mystic Valley Working
10 Group, basically, it's the Sullivan Square
11 working group, which is made up of -- the
12 working group is made up of Boston, Everett
13 and Somerville, as well as a couple of state
14 agencies and DOT. And then there are other
15 groups, or all the other constituents, like
16 Wynn and us and so forth. But this was a
17 public meeting to talk about what issues need
18 to be addressed. I think there were about 60
19 people there from the communities.

20 The facilitator did a really good
21 job of setting up six different tables, where
22 they had a big, huge copy of the map of the
23 affected area, and the public was just invited
24 to brainstorm about what kinds of issues might

1 be addressed, and what kinds of solutions
2 might be addressed. And it was -- nothing
3 shocking came out of it. Particularly,
4 nothing dramatically new. Although, there was
5 talk about putting some kind of a toll on the
6 99 bridge, the Alford Street bridge which is
7 kind of --

8 COMMISSIONER ZUNIGA: Now, that
9 they're all electronic, by the way.

10 CHAIRMAN CROSBY: Yeah, right. It
11 was actually -- struck me as something that
12 was worth thinking about a little bit. But it
13 was well-run. And, you know, this was an
14 unusual working group that was put together as
15 part of our Section 61 final findings. And,
16 in fact, the EIR has mandated that there be
17 this planning process. And it's an unusual
18 process of pulling all these partners
19 together. The attorney general was there last
20 night too, her and her staff.

21 So it was just a -- was an
22 interesting, useful process. And there will
23 be recommendations coming. I think the plan
24 is, basically, a year from now. I forget. I

1 forget when they hope to make a recommendation
2 DOT or recommendations about what kind of
3 mitigation strategy should their
4 developments/mitigation strategy should be
5 done for that region and how it would be paid
6 for. Anybody else?

7 COMMISSIONER ZUNIGA: Is it okay if
8 I talk about the first meeting of the on-line
9 and DFS Commission?

10 CHAIRMAN CROSBY: Oh, yes, by all
11 means, yeah.

12 COMMISSIONER ZUNIGA: It was a very
13 brief -- I did attend the meeting. I know
14 that you were caught up in what appeared to be
15 the worst traffic day, due to a pipeline, a
16 gas leak or something. But it was very
17 administrative in nature. It was reported a
18 little bit in the media, especially in western
19 Mass. But the first meeting of the on-line --
20 the DFS Commission met right before the
21 statutorily-required date of November. I
22 think it was on October 31st.

23 And it was -- Chairman Wagner and
24 Chair Donahue expressed the notion of the rest

1 of those commissioners to suggest topics and
2 agenda items for future meetings. And it was,
3 by my estimation, the comments that ensued and
4 some of the discussion afterwards, that, in
5 some ways, they really are looking to the
6 expertise that we could bring, this Commission
7 can bring, and some of the work that Justin
8 and Paul, and you, Mr. Chairman, and others
9 have done, to really suggest both a process
10 and a series of topics to look at, in terms of
11 what should be studied.

12 One of the things that is expressly
13 excluded from this Commission is the lottery
14 and the lottery games, or the lottery being on
15 line, and it's also stipulated that the
16 lottery is not -- that that Commission is not
17 to opine on whether the lottery should go on
18 line or not.

19 And that, in my mind, brings
20 questions as to what might be the notion of
21 demarcation when it comes to games. And that,
22 I told Justin and Paul, that should be one of
23 the toppings of discussion, as to the scope --
24 what might be the scope? What are we talking

1 about here, or what are those -- that
2 Commission talking about?

3 CHAIRMAN CROSBY: Right. If there's
4 going to be on-line lottery games, and there's
5 going to be other lottery games that we mon --
6 we --

7 COMMISSIONER ZUNIGA: On line.

8 CHAIRMAN CROSBY: On line. Sorry.
9 Other on-line games that we monitor,
10 somebody's going to have to write a definition
11 of which is which, which is not an easy
12 matter, but we are -- we are working on that.
13 It's good to highlight it. Anything else?

14 MR. BEDROSIAN: Mr. Chairman, just
15 for planned purposes, if there are people
16 still watching, I could remind them that
17 tomorrow's a state holiday, offices will be
18 closed. And while we have tried to stay
19 procedurally at about a two-week tempo, two
20 weeks from today would be Thanksgiving. So we
21 are tentatively thinking about a -- meeting
22 the Tuesday before Thanksgiving, which would
23 be the 22nd.

24 CHAIRMAN CROSBY: November 22nd.

1 MR. BEDROSIAN: I will be -- we'll
2 let know folks in advance of that.

3 CHAIRMAN CROSBY: Happens to be a
4 momentous day, November 22, 1963. Okay. Do I
5 have a motion to adjourn?

6 COMMISSIONER ZUNIGA: So moved.

7 CHAIRMAN CROSBY: All in favor?

8 COMMISSIONER MACDONALD: Second.

9 Aye.

10 CHAIRMAN CROSBY: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: We are adjourned.

14

15 (Proceeding concluded at 1:03 p.m.)

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1 GUEST SPEAKERS:

2 Christopher King, Chris King & Associates

3 Lenny Calderone, Announcer, Plainridge Park Casino

4 Chip Tuttle, COO, Suffolk Downs

5 Bruce Barnett, Esq., DLA Piper

6 Douglas O'Donnell, Sr. Financial Analyst,

7 Suffolk Downs

8

9 MASSACHUSETTS GAMING COMMISSION STAFF:

10 Alex Lightbown, DVM, Director of Racing

11 Derek Lennon, CFO

12 Edward Bedrosian, Executive Director

13 Catherine Blue, General Counsel

14 John Ziemba, Ombudsman

15 Karen Wells, Director, Investigation Enforcement

16 Bureau

17 Jill Griffin, Director, Workforce Development

18 Elaine Driscoll, Director, Communications

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C E R T I F I C A T E

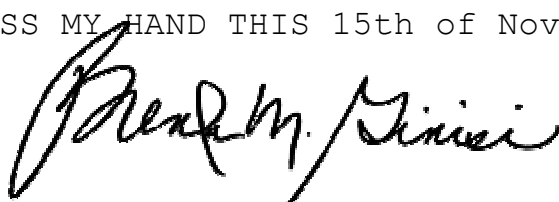
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by verbatim means, and transcript produced from computer.

WITNESS MY HAND THIS 15th of November 2016.



BRENDA M. GINISI
Notary Public

My Commission expires:
June 18, 2021