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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #228

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

- Lloyd Macdonald
- Gayle Cameron
- Bruce W. Stebbins
- Enrique Zuniga

November 9, 2017 10:00 a.m.
MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

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P R O C E E D I N G

CHAIRMAN CROSBY: We are calling to order public meeting No. 228 of the Mass Gaming Commission on Thursday November 9th, 10:00 a.m. at our offices on Federal Street. First up, as usual, is the approval of the minutes, Commissioner MacDonald.

COMMISSIONER MACDONALD: Thank you, Mr. Chairman. That I move that we approve the draft minutes as they appear on the packet of our meeting on October 26th of this year, subject to correction for typographical errors and other nonmaterial matters.

CHAIRMAN CROSBY: Comments? I will abstain from this, since I was not in attendance. Do I have a motion?

COMMISSIONER CAMERON: I'll second the motion? Did someone second?

CHAIRMAN CROSBY: Second?

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: All in favor?

COMMISSIONER MACDONALD: Aye.

1 COMMISSIONER STEBBINS: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: All opposed? The
5 ayes have it 4-0, Crosby abstains. Next up is
6 the administrative update from Mr. Bedrosian.

7 MR. BEDROSIAN: Good morning,
8 Commissioners. I have three administrative
9 updates.

10 COMMISSIONER CAMERON: Good morning.

11 COMMISSIONER STEBBINS: Good
12 morning.

13 MR. BEDROSIAN: The first is, I
14 think you might have seen Mr. Band's
15 announcement, that Sterl Carpenter will be
16 promoted to position of our regulatory
17 compliance manager. If you've ever worked
18 with Mr. Carpenter, you know he's a very
19 detail-oriented person, which is exactly what
20 we're looking for. He has a very good sense
21 of humor, also. We like -- we value that as
22 we go forward. So congratulations to him.

23 The second update is also good news.
24 Our licensing division issued a gaming school

1 certificate to the Massachusetts Casino Career
2 Training Institute out in Springfield, so
3 congratulations to them. I think they will be
4 having some type of kick-off event in the
5 future, which I imagine they'll invite the
6 Commission to. As part of that, we also saw
7 pictures of gaming equipment, including
8 tables, literally going -- being hoisted up
9 into their offices in Springfield. They had
10 to take out windows to bring in the table
11 games. So that's progress, so congratulations
12 to them.

13 The last one is something that I
14 think we've talked about at every meeting in
15 the last couple months, which is the service
16 employees. I am very happy to tell you
17 something I think you already know, that
18 lieutenant governor signed a supplemental
19 budget, which included our language giving the
20 Commission the discretion to exempt service
21 employee's positions from the registration
22 requirement that was currently in the Expanded
23 Gaming Act.

24 So with that, we will obviously

1 start working with our licensees, specifically
2 MGM, and getting their recommendations for
3 positions to be exempted, work with the IEB
4 and come to the Commission.

5 And, also, I think there still
6 needs -- I've talked to the Commission and
7 staff about an educational component of
8 letting people know what positions, what's
9 required, the licensees need to work on, what
10 their hiring requirements are.

11 So I think the timing is incredibly
12 beneficial. We are very lucky to get it done
13 now. Now we have the type to ramp up and give
14 people the education and work with the
15 Commission to make this as valuable as it can
16 be.

17 CHAIRMAN CROSBY: Right.

18 COMMISSIONER STEBBINS: We had
19 talked about that education piece, I think,
20 back in the spring, when we were -- wanted to
21 make sure that people weren't, kind of,
22 self-selecting out of the process but had
23 decided to put it on hold until, you know,
24 this GSE issue got squared away. And now it

1 has. I'm glad to see we can, kind of, kick
2 this off again, because still questions out
3 there, as well as with respect to what our
4 licensee's own hiring practices and processes
5 are as well.

6 CHAIRMAN CROSBY: Yeah. And I
7 have -- first of all, I agree. And thanks to
8 the legislature for doing this. This was
9 unusually quick for them and not easy to do,
10 and it was great. And so, I'm glad you made a
11 point of referring to it.

12 I've now spoken to the media a few
13 times about it. And as you have pointed out,
14 it isn't clear. People don't understand, not
15 even the media really understands what
16 happened. And I do think that the sooner that
17 we can start talking about this, just to state
18 it, what has been eliminated is what is, in
19 effect, the automatic disqualification of
20 people with felonies or many misdemeanors from
21 being applicants for nongaming -- what we call
22 gaming service employee jobs. There will --
23 we will -- we have the right to determine
24 which categories of these nongaming employees

1 will be exempt from the need to register and
2 have, therefore, any background check, any
3 CORI check done by us. But the employer
4 remains, as any employer anywhere in
5 Massachusetts, it has the right to do
6 background checks, CORI checks, drug tests,
7 whatever, and has the right to preclude people
8 from working at positions where they think
9 some kind of criminal record does have
10 relevance to the job description. That's a
11 right, which all employers have, and our
12 licensees still have it.

13 What's gone is the broad-based
14 automatic disqualification of anybody who is a
15 nongaming service employee with these kinds of
16 criminal records. No questions asked. Just
17 gone -- just excluded. That's over. We have
18 the ability to be much more nuanced about it,
19 which is huge progress. But it's complicated.
20 So I think the sooner we can get into this and
21 make the rules flatout clearer, the better.

22 COMMISSIONER ZUNIGA: You know,
23 Mr. Chairman, I think that's a great summary.
24 In my opinion, it also bears mentioning that

1 -- that automatic disqualification wasn't
2 really clear. There was ambiguity in the
3 statute.

4 CHAIRMAN CROSBY: Right.

5 COMMISSIONER ZUNIGA: That we
6 discussed here quite a bit. And brought, you
7 know, the interpretation by some as a clear,
8 automatic disqualification, but not
9 necessarily by at least others, including me.

10 CHAIRMAN CROSBY: Right. Including
11 me, by we -- by the Commission.

12 COMMISSIONER ZUNIGA: But it's great
13 that we have clarity, that the legislature
14 listened to the need to clarify this issue,
15 which is a very important aspect of the -- of
16 the statute. And I just wanted to mention
17 that.

18 CHAIRMAN CROSBY: No, that's --
19 right. But the Commission made the decision
20 and it turned out to be a good decision, that
21 it would be better to try to get the
22 legislature to address this, rather than us
23 wrestle with whether or not we could deal with
24 it administratively. I was, frankly,

1 skeptical that it would work but it did.

2 And one other point I should make is
3 that, community groups, both in Boston and in
4 Springfield, really got behind this, got
5 really organized, they coordinated back and
6 forth across the state, which is relatively
7 unusual, and worked in concert with local
8 senators and reps, particularly Senator Lesser
9 and Rep Wagner from -- who are the chairs of
10 our committee and both from the Springfield
11 area. But the community groups were really a
12 critical part of this. And, in fact, in one
13 of my updates I'll be talking a little bit
14 more about that later on. Anything else on
15 this topic?

16 COMMISSIONER MACDONALD: Yeah. I'd
17 like to give credit where credit is due. And
18 that, once we as a Commission made the
19 decision to proceed legislatively on this
20 issue, as opposed to administratively on the
21 issue, that -- that the person who -- who
22 carried a ball up the field and was able to
23 get legislation over the -- over the goal line
24 was our chairman.

1 And that I don't know all the
2 details of it, but I do know enough that he
3 worked indefatigably with the senate and the
4 house leadership on this, and it's not
5 something that is simple. So I think that we
6 really ought to be grateful to the leadership
7 that our chairman had provided here.

8 COMMISSIONER ZUNIGA: I agree.

9 CHAIRMAN CROSBY: Thank you. It was
10 a group effort.

11 MR. BEDROSIAN: So I have -- one
12 last update, but it is a introduction of a new
13 employee in the IEB, which I will defer to
14 Director Wells on.

15 CHAIRMAN CROSBY: Well, before you
16 do that, there is also a new employee sitting
17 right behind you.

18 MR. BEDROSIAN: Oh. Well, yeah.
19 Shara is --

20 COMMISSIONER ZUNIGA: New capacity.

21 MR. BEDROSIAN: She's changed
22 capacities, that's for sure. She's moved up
23 from the IEB, which is a great move for the
24 legal department. And she's going to be the

1 paralegal helping the legal department in many
2 capacities. One of which is filling some big
3 shoes, which I'm sure she can, being at these
4 meetings helping us with our notes. So
5 congratulations to her, also.

6 CHAIRMAN CROSBY: We've had much
7 complaining from the 12th floor that the 13th
8 floor stole somebody great from the 12th
9 floor, our wing.

10 MS. WELLS: I can attest, she is
11 great.

12 CHAIRMAN CROSBY: Yeah, right.
13 Okay. Madam Director.

14 MS. WELLS: Yeah. So just as a
15 preliminary matter, I wanted to introduce
16 Jonathan Millar, who is -- I want to publicly
17 introduce, I know some here have already met
18 him. But he is the new open-source specialist
19 for the Investigations and Enforcement Bureau,
20 which is a civilian position.

21 He comes to us -- he had originally
22 been in Florida at the sheriff's department,
23 and then at the probation department here in
24 Massachusetts. He will be doing some

1 advanced, open-source and database searches,
2 and will be tasked with really keeping current
3 on the best practices and emerging technology
4 in this field, which is, as you may be
5 familiar with, very fast-moving and
6 ever-changing. And then he will be also
7 tasked with training the investigators, state
8 police and, potentially, the financial
9 investigators on some of these best practices
10 in the new -- in this newer and emerging
11 field. So I'd like to welcome him and just
12 say hello.

13 COMMISSIONER ZUNIGA: Welcome.

14 CHAIRMAN CROSBY: Welcome.

15 COMMISSIONER STEBBINS: Welcome.

16 COMMISSIONER CAMERON: Yeah. I want
17 to welcome -- welcome our new employee, as
18 well and just -- I was very impressed with the
19 credentials, frankly. Credit to the team for
20 being able to recruit someone with tremendous
21 credentials. And, also, I love the complement
22 of sworn members of the IEB with civilian
23 members. I think that's a really good start
24 to that whole process. And it'll -- it'll

1 really help us in our efficiency with
2 investigations and -- so I compliment the team
3 for -- for thinking a little differently and
4 bringing in someone of this quality to -- you
5 know, to really add to our tremendous team.

6 MS. WELLS: Thank you.

7 CHAIRMAN CROSBY: Great.

8 COMMISSIONER MACDONALD: I'd like to
9 say one thing. Is that, I went down last week
10 and introduced myself to Mr. Millar, and then
11 asked him a rather fundamental question. What
12 is open-source investigation anyway? And I
13 can say that he was very articulate and
14 patient with me, as he took me through the --
15 through the steps. And I think it's a very
16 substantial enhancement to our capabilities.

17 MS. WELLS: Thank you.

18 CHAIRMAN CROSBY: Great.

19 MS. WELLS: So as to the agenda item
20 under the Investigation Enforcement Bureau, I
21 have, for your consideration, the suitability
22 of a qualifier for MGM Resorts International.
23 That is Uri Clinton.

24 He was designated a qualifier in

1 January, when he was promoted to the position
2 of senior vice president and legal counsel.
3 So MGM did a little bit of a reorg and they
4 put him in between Seth Stratton and John
5 McManus. So he is within that legal chain of
6 supervision with respect to MGM Resorts
7 International and the Springfield casino.

8 During the course of the
9 investigation, his identity was confirmed.
10 They also went through his employment. As I
11 indicated, he is currently the senior vice
12 president legal counsel, MGM Resorts
13 International, where he was promoted in
14 January of 2017.

15 He had started at MGM Resorts in
16 August of 2014 as a vice president and deputy
17 general counsel. Before that, from 2011 to
18 2014, he had been at Baha Mar Limited, where
19 he was a senior vice president, general
20 counsel, corporate secretary and chief
21 compliance officer.

22 From 2008 to 2011, he had been vice
23 president general counsel, corporate secretary
24 and chief compliance officer for Multimedia

1 Games, which is now Everi Games, which is one
2 of our primary vendors and company that we
3 license.

4 And prior to that, he had started
5 his career in the gaming industry at Harrah's
6 Entertainment, now Caesars Entertainment, in
7 2002, and worked there until 2008 as the vice
8 president of legal affairs, the central
9 division.

10 During the interview, he did explain
11 his role at MGM Resorts International,
12 specifically as it pertained to Massachusetts.
13 He is in charge of the legal needs of each MGM
14 property for the various regions, and the
15 attorneys for the various MGM properties
16 report to Mr. Clinton, as I explained is the
17 case with Mr. Stratton. And from a
18 day-to-day's perspective, he oversees and
19 assists the regional attorneys with
20 construction issues, regulatory issues, and
21 operational and contract issues.

22 A second responsibility holds a
23 setting government affairs strategies and
24 addressing certain legislative issues and

1 concerns from the various jurisdictions. He's
2 also responsible for analyzing new legislative
3 proposals and their potential impacts. He is
4 also their lead attorney for MGM Resorts
5 International development efforts.

6 He attended the University of
7 Las Vegas, where he attained a bachelor of
8 arts and political science in 1994, and then
9 attended Gon -- pardon me, Gonzaga University
10 School of Law in Washington, where he earned a
11 juris doctor in 1997. He then attended
12 Vanderbilt University, where he attained a MBA
13 degree in 2007.

14 As noted in his application, he had
15 served as an officer for Multimedia Games.
16 And as such, Multimedia, as you're aware, is
17 licensed in numerous jurisdictions, he had
18 thought, approximately, 132, and he believed
19 had been licensed, if not all of them, in many
20 of those jurisdictions.

21 We queried, Louisiana, Mississippi,
22 Indiana, California and confirmed his license
23 status, that no derogatory information was
24 noted by any of those jurisdictions who had

1 done suitability investigations, and the
2 licenses were in good standing.

3 In conjunction with his current
4 position, because he was promoted, he has also
5 filed applications in New Jersey, Maryland and
6 Michigan. But as yet, we seem to be the first
7 one to license for suitability. But there was
8 no identifiable derogatory information from
9 either of those -- any of those jurisdictions
10 as well. He holds a license to practice law
11 in Nevada and Tennessee, and his license is --
12 his law license is in good standing in those
13 jurisdictions.

14 In addition, the investigators
15 looked at his involvement as directors in
16 certain corporations, did a criminal check,
17 civil litigations check, media coverage, and
18 did a financial suitability analysis, all with
19 positive results.

20 As a summary, no investigative
21 issues were discovered which would disqualify
22 him for any kind of finding of suitability by
23 this Commission. And as such he demonstrated,
24 by clear and convincing evidence, that he is

1 suitable for your vote of -- pardon me,
2 suitable for licensure as a qualifier for MGM
3 Resorts International. So my recommendation
4 is that I vote to find him suitable as a
5 qualifier, and we will enter that into the
6 record.

7 CHAIRMAN CROSBY: Discussion?

8 COMMISSIONER CAMERON: I certainly
9 concur with the investigative recommendation
10 after reading the report. And I move that we
11 approve Mr. Clinton as senior vice
12 president --

13 CHAIRMAN CROSBY: Your speaker went
14 off.

15 COMMISSIONER CAMERON: Yeah. I
16 just -- I move that we approve Mr. Clinton as
17 a senior vice president for MGM.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER MACDONALD: Second.

20 CHAIRMAN CROSBY: Any other
21 discussion? All in favor? Aye.

22 COMMISSIONER MACDONALD: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 CHAIRMAN CROSBY: Opposed? The ayes
3 have it unanimously.

4 MS. WELLS: Thank you.

5 COMMISSIONER CAMERON: Thank you.

6 CHAIRMAN CROSBY: Next up is
7 Ombudsman Ziemba, or his associate.

8 MR. DELANEY: Thank you,
9 Mr. Chairman. Yes, I'm filling in for John
10 today. So today we have for you the Wynn
11 Boston Harbor quarterly report for the quarter
12 ending September 30th of this year. And we
13 have with us today, from Wynn Boston Harbor,
14 Jacqui Krum, senior vice president and general
15 counsel, and Peter Campot, director of
16 construction. And without further adieu, I
17 will turn it over to them for their quarterly
18 report presentation.

19 MS. KRUM: Hello there, everyone,
20 and thank you for having us. As you know, I'm
21 substituting for someone today, as well.
22 Bob DeSalvio could not be with us this
23 morning, unfortunately, because he is at a
24 ribbon-cutting ceremony at the city of

1 Everett -- at the high school at the city of
2 Everett.

3 So they're opening a new scholar
4 athletes zone at the -- at the high school.
5 And it's a pretty exciting joint venture
6 between Suffolk, Wynn, the City of Everett,
7 the mayor's office and the school district.
8 So it's designed to promote academic coaching,
9 mentoring health, wellness and postsecondary
10 planning for high school students. So without
11 further adieu, we'll take you through our
12 quarterly report.

13 CHAIRMAN CROSBY: Great.

14 MS. KRUM: So first thing is
15 permitting. As you'll notice, over the last
16 quarter our permitting was primarily almost
17 exclusively due to the sediment. So we
18 started dredging about 10 days ago. We
19 have -- after obtaining our Chapter 91
20 license, our water quality certificate and our
21 Army Corp. permit. And we are doing about
22 700 cubic yards a day. We've been doing it
23 for about 10 days, and we're about 20-percent
24 complete.

1 The goal is to be complete by
2 December 20th. And at that point we can start
3 capping, because this is a dual -- it's not
4 just a dredge, but we're also going to be
5 capping the area as well. So we'll start
6 capping in mid December. And that'll go until
7 February 15th, when we run into the end of the
8 migration period and have to stop activities
9 for the winter.

10 COMMISSIONER STEBBINS: Jacqui,
11 quick question. How long did these permits
12 take? I mean, obviously, you received them
13 all. But kind of a general time frame for how
14 long they took to be approved.

15 MS. KRUM: It took us about seven
16 months to get everything, which we were very
17 pleased with the agencies and the responses we
18 received. It was quite a good, efficient
19 process.

20 CHAIRMAN CROSBY: Could you say more
21 about the -- or maybe Peter, about the
22 parameters of the dredging; you know, what's
23 being taken out, how much is being taken out;
24 what's the objective here; what's the mandate?

1 MR. CAMPOT: Well, we're taking
2 out -- we're dredging about seven acres, about
3 75 percent of that is remedial. And in that
4 seven acres we're digging down about 2-1/2
5 feet and removing that. And then we'll
6 replace that with the same amount. I don't
7 remember the tonnage offhand, but we'll
8 replace that with the same amount of clean
9 material.

10 The other 25 percent we're -- it's
11 all navigational and we're removing down to
12 minus 15 so that we'll have -- at low water
13 we'll have 15 feet of depth. And we're over
14 excavating so we're also bringing clean fill
15 back as part of that navigational dredge. So
16 the intent to get all of that done by
17 March 1st of next year.

18 CHAIRMAN CROSBY: So 2-1/2 feet over
19 7 acres.

20 MS. KRUM: Right.

21 CHAIRMAN CROSBY: Wow.

22 MS. KRUM: And we have a short video
23 to show you, it's about 45 seconds.

24 CHAIRMAN CROSBY: Oh, good.

1 MS. KRUM: And it shows you how the
2 dredge process actually works. It's a very
3 slow process. It's buckets by buckets.
4

5 (Video playing)
6

7 MS. KRUM: The first part there's no
8 audio that's worth listening to so I'll talk
9 over it. The first part was we removed --
10 there were four barges in this cove.

11 CHAIRMAN CROSBY: Four barges?

12 MS. KRUM: The video's a little off
13 center, you can't see the dredging. There we
14 go. There were four barges in the cove that
15 we removed before the dredging could began.
16 And those had to been taken apart and removed.
17 They couldn't be towed out because they were
18 not in a sufficient condition to be removed
19 that way.

20 So you can see, they're dumping that
21 into a container there a barge, which gets
22 taken off site and treated, and then taken to
23 a landfill. I'll turn it over to Peter for
24 construction.

1 MR. CAMPOT: Great. So first off,
2 I'd like to say that we are on schedule for
3 June 24, 2019 opening. I feel pretty good
4 about the product right now. I want to say,
5 before I go much further, that the
6 construction managers, Suffolk, the trades,
7 all of the workers are just doing a fantastic
8 job. The cooperation from the labor unions
9 has been terrific. The City of Everett has
10 been great to work with. So it takes a lot of
11 people to get a project of this size to where
12 it is today, and we're in very good shape.

13 We have over a thousand workers on
14 site right now. We're putting in place about
15 \$2.5 million a day. We have 15 -- 15 months
16 in and we got 20 months to go, 592 days but
17 who's counting.

18 MS. KRUM: The little clock in our
19 office counts down for us.

20 MR. CAMPOT: I have some images that
21 I'll show you and then we'll get to some of
22 the major milestones. So the first image
23 you're seeing is where we were in August,
24 three months ago, essentially. You can see to

1 the left, barely see the foundation to the
2 convention center and now you can see, if you
3 go to the next slide. The other button.
4 She's an attorney, she can't help it. Right
5 there. You can see that that convention
6 center's completely framed out. We had a
7 topping-off ceremony of the completion of the
8 podium, which is over a million square feet of
9 structural steel. And that is all in place.
10 And the remainder of the structural steel and
11 minor details is scheduled to happen over the
12 next several weeks. And we'll be placing,
13 weather-permitting, all of the remainder of
14 the concrete metal on metal decks between now
15 and December 15th, which puts us in great
16 shape for the winter. Go to the next slide.

17 Here's a view from the water. We're
18 up at the 12th floor of the tower. And I
19 think the next slide shows where we were in
20 August. That's the third floor. And then, if
21 you -- the next slide we're currently on the
22 12th floor. That's actually -- it's amazing
23 how fast we're going. That 12th floor's
24 completely formed out today and be poured this

1 week. Next week's a great week because we get
2 two floors next week. There is no 13.

3 Here's an image of the garage. The
4 garage is on schedule to be a hundred percent
5 complete next summer. Now, all the MEPs are
6 being installed right now. Actually, those
7 columns are being finished painted so we're in
8 great shape there.

9 This is a view of the living
10 shoreline. The living shoreline -- all the
11 marine work from the land side, including the
12 living shoreline is complete, so that's behind
13 us. That allowed the dredging to start on
14 time.

15 So here we have some of the major
16 milestones. I can't see that far so I'm going
17 to -- I can do it. The marine work, as I
18 said, all the land side is complete. All the
19 site utilities are complete to the project.
20 The landscaping, we're prepping so we can
21 start finish landscaping in the spring. We're
22 on schedule to do that. I talked about the
23 garage. Where that's -- we're on schedule to
24 be a hundred percent complete by next summer.

1 The podium north central utility
2 plant backup house, you walk through there now
3 you can see the Sheetrock, we're painting.
4 That's on schedule to be substantially
5 complete next summer, which is about a year
6 ahead, which is a big advantage because it
7 allows us to have those utilities ready to go
8 as we turn spaces on, so that's terrific.

9 The tower's up to -- up to the 12th
10 floor. The podium is, like I said, a hundred
11 percent erected and we're closing that in for
12 the wintertime. It's going to allow us to
13 work through the entire winter, which is
14 terrific. So we get through the next three or
15 four weeks and we're in pretty good shape. So
16 we're looking forward to that. And the
17 curtain wall is starting on the tower.

18 Big picture project schedules for
19 the main resort, I think you can see that, as
20 I said, we're on schedule. I'm going to do
21 this from memory because I can't see any of
22 those, but that's -- that's okay. But I hit
23 all the major areas of the project. And so,
24 that's in great shape. And we're ready to

1 start the roadways in the spring. And
2 Jacqui's going to get into that in a minute.

3 And I don't know if there's any
4 questions on the schedule, or if you want a
5 answer now, or we can come back to it.

6 CHAIRMAN CROSBY: Let's go ahead
7 now, yeah.

8 COMMISSIONER STEBBINS: Quick
9 question. You know, we hear from MGM that
10 there's kind of a drop-dead date by which they
11 have to have the exterior of the building
12 buttoned up. Your project's a little bit
13 different. You kind of have three components
14 to it. Are there, kind of, buttoned-up dates
15 that you need -- are shooting for, so you can
16 begin interior work in all three of those?

17 MR. CAMPOT: So we've started all
18 the interior framing and electrical. Our
19 drop-dead date for the podium is the first of
20 the year, to have that enclosed and
21 weather-tight. We're going to be ahead of
22 that. We just about have it done now. And
23 then, we're going to try to enclose the
24 convention center, the last piece that we

1 erected by January. And that's going to be
2 more of a push for us, quite frankly.

3 And the tower, getting the curtain
4 wall started and up above the seventh floor,
5 allows us to start fitting out the rooms. And
6 that's in process. And we're aiming to get
7 that done by mid December. Not all the way
8 up, but above the seventh floor. So that's
9 where we are right now.

10 COMMISSIONER MACDONALD: Peter, when
11 you say, "the curtain wall, is that the glass
12 -- the orange or gold glass?

13 MR. CAMPOT: Exterior facade.

14 MS. KRUM: Wind bronze.

15 MR. CAMPOT: Wind bronze, as it's
16 referred to, that wraps the tower. That's
17 going to follow the tower right up. The
18 tower's on schedule to be complete by
19 March 1st, and that curtain wall will be right
20 behind it. It's going to look like we're
21 finished, you know, in February. But I can
22 assure you, we've got a lot of interior work
23 to do.

24 CHAIRMAN CROSBY: What's been the

1 biggest hurdle so far; you know, as you look
2 back, what was the biggest problem that arose?

3 MR. CAMPOT: By far, the biggest
4 challenge on this site is the site -- the
5 remediation of the site was much -- it was
6 much more difficult that I think anyone
7 envisioned. Dirtier. And we sent soil to
8 multiple locations. And we had -- in order to
9 keep the cost down, we had over a dozen
10 different soil types. And managing all of
11 that remediation. And the train -- being able
12 to take soil off site with the train was a
13 huge benefit. But that was, by far, the
14 biggest challenge. No question.

15 CHAIRMAN CROSBY: Interesting. And
16 do I have it right, that you sent off site
17 660,000-tons?

18 MR. CAMPOT: That was then. I think
19 we're closer to 800,000 now.

20 CHAIRMAN CROSBY: 800,000 tons. If
21 you said 800,000-pounds, I would have been
22 impressed. But 800,000 tons is just
23 staggering.

24 MR. CAMPOT: Yeah.

1 COMMISSIONER ZUNIGA: Is that delta
2 the dredging; are you counting now some of the
3 dredging? No?

4 MR. CAMPOT: No. That doesn't
5 include the dredging. I think the dredging --
6 and I don't remember the number offhand, but I
7 think it's close to a 150,000 tons additional.

8 CHAIRMAN CROSBY: So it's going to
9 be almost a million tons?

10 MR. CAMPOT: Yeah. It'll be a
11 million, I'm sure.

12 CHAIRMAN CROSBY: God almighty.
13 That's incredible.

14 COMMISSIONER STEBBINS: You just
15 have to think, what other development
16 opportunity could have cleaned up that site?

17 CHAIRMAN CROSBY: Nothing.

18 COMMISSIONER ZUNIGA: None.

19 MS. KRUM: Well, without capping it
20 and doing, you know, sort of, a big-box
21 development, nothing else could have gone
22 there.

23 COMMISSIONER STEBBINS: But I mean,
24 even now, dredging -- and I learned yesterday,

1 once you're done dredging there's still kind
2 of a -- I don't know how you even you do this,
3 put some layer of sand or fill --

4 MR. CAMPOT: We fill it back with
5 2 feet of clean material. So we basically
6 bring it back to the elevation that it was at
7 naturally, before we leave.

8 COMMISSIONER ZUNIGA: What about the
9 risks going forward, or, you know, difficult
10 activities?

11 MR. CAMPOT: I think, the biggest
12 challenge that I see going forward is when you
13 get into the finish trades. We have
14 tremendous craftsmen here in Massachusetts,
15 which everybody should be proud of. The
16 question -- we need hundreds and hundreds of
17 them. So can every subcontractor provide
18 enough high-quality people. We know we can
19 get the people. What we need is very, very
20 high-quality people. The finishes are a
21 challenge.

22 CHAIRMAN CROSBY: Like, what for
23 example, Peter? Give an example of something
24 that I --

1 MR. CAMPOT: You need 80 to a
2 hundred tile setters.

3 CHAIRMAN CROSBY: But is there
4 something special about this tile? You said
5 you don't want just anybody.

6 MR. CAMPOT: Not anybody can set
7 granite -- granite tile. That takes --
8 there's only a select number of craftsmen that
9 can actually do that well. And our quality
10 standards are very, very high.

11 We have a tremendous amount of
12 millwork. We need hundreds of finish
13 carpenters to install the millwork. We have
14 not had a problem with labor to date, and I
15 don't think we will. But we need to maintain
16 those quality standards so that's -- that's
17 what we're really concentrating on.

18 CHAIRMAN CROSBY: Fascinating.

19 MR. CAMPOT: We split the job -- the
20 award of the subcontractors up into -- we
21 split the millwork into eight or nine
22 different packages so we get the best people
23 from each -- many different sources. So --
24 but when you ask me, that's the one thing I

1 think about.

2 CHAIRMAN CROSBY: Interesting.

3 COMMISSIONER ZUNIGA: You mentioned
4 the finished parking garage. Are you going to
5 be using it to park some of the cars?

6 MR. CAMPOT: No, sir.

7 COMMISSIONER ZUNIGA: No.

8 MR. CAMPOT: My goal is to finish
9 it.

10 COMMISSIONER ZUNIGA: Keep it that
11 way.

12 MR. CAMPOT: Keep it clean. The
13 first floor we're using for temporary storage.
14 But if you -- we allowed to do that we'll
15 never finish it. So we're going to do our
16 absolute best not to use it. We have about a
17 thousand spaces across the street right now,
18 which is really helping us out. So I think we
19 can avoid it.

20 CHAIRMAN CROSBY: Thanks to the real
21 estate developer, Jacqui Krum. Any other
22 comments? I just want to say, the
23 Commissioners were taken on a tour of the site
24 yesterday. And I was saying to Director

1 Bedrosian, I've been trying to find the words
2 to explain to other people what an
3 extraordinary project it is. And maybe for
4 people in your line of work it's not
5 extraordinary. You do this, maybe, all the
6 time. But to see the complexity of this, and
7 to have a thousand people on that relatively
8 small site doing different things, everything
9 from one guy screwing in a little thing and
10 another guy right next to him is bringing in a
11 huge, multiton plate of stuff to put up
12 against the wall. And how you coordinate the
13 miles and miles, and miles of wires and pipes
14 and tubes. It's just astonishing. If any of
15 the media, who are watching, haven't been
16 there, you really need to go see it. It's --
17 I've never seen anything like it. It's an
18 incredible project.

19 MR. CAMPOT: Yeah. I want to just
20 say, I've been doing this all my life and I
21 find it extraordinary, so it's an
22 extraordinary project, it truly is. It's a
23 unique, and it's great to see how people pull
24 together working as a team to make it happen.

1 COMMISSIONER CAMERON: Yeah. Our
2 group was -- we were commenting on how -- the
3 cleanliness. Every piece of that project is
4 very clean, all the wires tied up. And, you
5 know, kind of, the safety aspects were really
6 apparent in that tour.

7 COMMISSIONER STEBBINS: I'd echo
8 that. I'd just say -- you know, I said this
9 to Chris yesterday, as the rendering as we've
10 seen to this point don't do the project
11 justice. I mean, they've just --

12 MR. CAMPOT: Yeah. It's hard to
13 capture scale in a photo. And I think it's
14 the scale of it that is just extraordinary.

15 COMMISSIONER STEBBINS: But, you
16 know, we need to remind ourselves, we're
17 working with the biggest private construction
18 project in the history of the Commonwealth.
19 And this is what we're getting for that
20 opportunity. It's great.

21 CHAIRMAN CROSBY: The other thing
22 that's powerfully evident is the impact on
23 Everett. You know, it just -- particularly,
24 given the decision of the company to broaden

1 the footprint so that that entire lower
2 Broadway area is going to be changed
3 dramatically and remediated dramatically.

4 But to think that this community,
5 which has been a forgotten community in many
6 ways, a postindustrial city that hasn't been
7 able to get back on its feet once the
8 postindustrial period started, having this
9 incredible shot in the arm. And the energy
10 and the enthusiasm in the town, the sense of
11 spirit is palpable. And the impact is just
12 going to be breathtaking.

13 So I don't mean to be patting us on
14 the back. I mean to be patting you guys on
15 the back. But -- and, you know, we'll
16 continue to do our job of looking hard at
17 everything we need to look hard at. But I
18 think credit is due where credit is due. And
19 this thing is, really, an astonishing project
20 so far.

21 COMMISSIONER STEBBINS: Well, we're
22 reminded again, the commuter rail goes right
23 by. Still thinking a nice stop right outside
24 the back door would help.

1 CHAIRMAN CROSBY: Right.

2 MS. KRUM: We agree. No. And thank
3 you for that. I mean, the City of Everett's
4 also been phenomenal to work with. The
5 support that we've received from the residents
6 there, that -- from the mayor's office, from
7 the city council, from the planning board
8 from -- you know, the entire staff there has
9 just been phenomenal. It's helped us get
10 through a lot of this.

11 CHAIRMAN CROSBY: Good. Great.

12 MR. BEDROSIAN: And Mr. Chairman, of
13 course, just for the record, we did our tour
14 in three groups with no more than two
15 commissioners.

16 CHAIRMAN CROSBY: Right. Correct.

17 MR. BEDROSIAN: Just need to put
18 that on the record. That's all.

19 MS. KRUM: We did.

20 COMMISSIONER ZUNIGA: We're used to
21 that.

22 MR. CAMPOT: It was just one more
23 logistical challenge at this project.

24 COMMISSIONER ZUNIGA: Actually, on

1 that note, Peter, do you have other -- do you
2 provide others tours, like the ones you gave?

3 MS. KRUM: We go out on tours almost
4 every day. We try to not to bother Peter with
5 it too much. But, literally, there's a group
6 out there every single day, if not multiple
7 groups.

8 CHAIRMAN CROSBY: Just one last
9 thing while I'm on this. You know, there's
10 also this ripple effect over, across Everett
11 towards the other -- to the west and along the
12 Malden River and the Greenway area there, and
13 the things that are happening there, I
14 happened to mention to former Governor Dukakis
15 about the impact on the Malden River. And
16 even Governor Dukakis said, I didn't even know
17 there was a Malden River. So the impact on
18 this thing goes on and on. It's really
19 amazing.

20 MS. KRUM: So speaking of impact, in
21 other areas of Everett and beyond, while
22 Peter's been working on the building, we've
23 also been working very hard to get our offsite
24 infrastructure improvements underway.

1 Just a reminder where we are, we are
2 doing work, primarily in Wellington Circle,
3 Sullivan Square, Santilli Circle, Sweetser and
4 Lower Broadway. There's also some additional
5 sites, but these are the main ones.

6 We have split the work into four
7 different bid packages. Three of which have
8 been bid and awarded. So the first one, which
9 is the Broadway area, went to SPS New England.
10 The second one, which is Route 16, went to
11 J Derenzo. And Sullivan Square went to DWI
12 Construction. We are still in the process of
13 awarding the MBTA station. It's a relatively
14 small package. So we'll update you when that
15 is done.

16 In connection with our offsite
17 infrastructure improvements, we made a
18 commitment to make sure that everybody who
19 uses that road, people, residents in the area,
20 as well as people who commute through it, have
21 constant access to what's going on and
22 reminders, and information so that they can
23 avoid the area, if they need to, and know how
24 the commute will be impacted.

1 To that end, we've launched the
2 Wynn For All site, website, which will be
3 constantly updated with traffic -- traffic
4 updates and any other community updates.
5 We've expanded it not just to include our
6 work, because there's quite a bit of work
7 that's going on that's unrelated to us, but
8 it, obviously, impacts commuters, as well.

9 So, for instance, they're rebuilding
10 the bridge of Wellington Circle. And they've
11 done a phenomenal job with that, but it does
12 impact the traffic to some extent, and we're
13 going to include that in our updates.

14 MR. DELANEY: And I just received my
15 first traffic notice from this site on
16 Tuesday.

17 MS. KRUM: Yes. This is just
18 another screen shot from our site. And to
19 Joe's point, we've sent out our first notice
20 because we have started work. This week was
21 the first week we started work. We started in
22 Sullivan Square with the installation of a
23 concrete barrier for temporary pedestrian
24 routes. Some demolition curbing and

1 installation of new curbing and sidewalk.
2 Also, Route 16, we've done some repairs to
3 this center median and installation of a new
4 wheelchair ramp and crosswalk striping.

5 So a notice like this will go out
6 every single week to anyone who's signed up.
7 We'll also use text messages where people can
8 just log onto the website. And there's
9 numbers to call, if you notice something out
10 of the ordinary, as well. Any questions on
11 the offsite infrastructure?

12 Okay. On diversity, we are
13 continuing to work very hard at it. I say
14 "we," I mean Peter and his team, and
15 Jennie Peterson. So in the design phase these
16 are the contracts that were awarded. We have
17 awarded about 5.5 million of contracts to
18 MBEs, which is -- our goal was 7.9 percent.
19 We're at 9 percent of total contracts.
20 4.3 million to WBEs, which is 7 percent. Our
21 goal was 10 percent. VBEs, our goal was
22 1 percent, and we are at 6.6 percent, with a
23 total of \$4 million worth of contracts. So
24 that's a total of 13 million -- almost

1 14,000,000, 22.6 percent of contracts at a
2 goal of -- compared to a goal of 18.9 percent.

3 CHAIRMAN CROSBY: This is just for
4 the design phase?

5 MS. KRUM: That's just the design
6 phase. So the next one is the construction
7 phase.

8 COMMISSIONER STEBBINS: Jacqui --
9 Jacqui, real quick. Most of the design work
10 is completed, so the chance to maybe get that
11 women's goal a little bit closer is --

12 MS. KRUM: The vast majority of the
13 design work is complete.

14 MR. CAMPOT: I can assure you,
15 they're complete.

16 MS. KRUM: Peter tells us they're
17 complete. No changes.

18 MR. CAMPOT: They can draw anything
19 they want; I'm not going to issue it.

20 MS. KRUM: As you know, Wynn is
21 never complete. Even when we're open, we're
22 constantly looking and revising. So Peter has
23 a job for a very long time.

24 In terms of contracts for the

1 construction phase, on the MBE side we've
2 awarded about 60, \$61 million worth of
3 contracts. That's 5.6 of total and our goal
4 was 5 percent. On women businesses, a hundred
5 and -- almost \$104 million. And today, we
6 exceeded the goal. We almost doubled the
7 goal. Our goal was 5.4 and we are at 9.6. On
8 VBES, we are at about 29 million. We had a
9 goal of 1 percent and we're at 2.6. So we're
10 exceeding everything there, for a total of
11 177 million, which is about 16.3 percent of
12 all contracts with a goal of 11.4.

13 COMMISSIONER ZUNIGA: Jacqui, these
14 numbers of the contract awards, are they
15 different companies or different -- all
16 different companies?

17 MS. KRUM: Very different companies.
18 we've got -- I don't know -- do you know,
19 approximately, how many companies?

20 MR. CAMPOT: Right there. They're
21 almost all -- they're almost all different.

22 MS. KRUM: Right. So you can see --

23 MR. CAMPOT: You can see the numbers
24 right there. There's a few that --

1 MS. KRUM: Almost each contract
2 award is a separate company.

3 COMMISSIONER ZUNIGA: Is a separate
4 company.

5 MS. KRUM: Yeah.

6 COMMISSIONER ZUNIGA: That's
7 remarkable.

8 MS. KRUM: Yeah.

9 COMMISSIONER ZUNIGA: The reach, or
10 the broad scope of this is significant.

11 MS. KRUM: As I said, we've had a
12 lot of help. We've worked very hard at it,
13 internally. Suffolk's group done a great job
14 in terms of sourcing, as well. Jill's group
15 has been very useful to us. And we've worked
16 with a lot of other groups, as well.

17 And then, for the workforce, we have
18 about 577 minority workers on site. Our goal
19 was 15.3 and we're currently at 25.5 percent.
20 We have 144 females on site. Our goal was 6.9
21 and we're at 7.1. And I think this is, by
22 far, the area that we struggle the hardest.
23 And we're hoping, as we get into, sort of, the
24 millwork and other trades that this number can

1 even increase.

2 On veterans, we have about a 122
3 workers. Our goal is 3 percent -- or was
4 3 percent, and we're at 6.8 percent.

5 COMMISSIONER CAMERON: I think
6 what's interesting here is -- you mentioned
7 what a challenge it was to hire women. I
8 think what's interesting is, the way the
9 groups work together to encourage women to --
10 to come into the field. So that should have a
11 long-term effect. It's not just this project.
12 Those women are now trained and can make a
13 career out of this, which, without the
14 assistance of you and, as you say, Jill's
15 group and other groups, those women would not
16 have considered this as a viable option for
17 their career. So I think the long-term
18 effects here are just going to be tremendous.

19 MS. KRUM: Well, and the trades have
20 been wonderful, too, in terms of opening it up
21 to women. And so, what we're seeing is that,
22 the women who are not necessarily working on
23 our project, but because of our project they
24 are getting into trades and are working on

1 other projects. And I think, to your point,
2 that's going to be the lasting effect of it.

3 CHAIRMAN CROSBY: There's a lot more
4 to come on this, as well. As you know,
5 we're -- with the leadership of -- of
6 particularly MGM and Wynn, and the gaming
7 Commission and others, we're going to be
8 announcing a big initiative to continue to
9 push the idea of women in the construction
10 force. And that'll be coming up within the
11 next week or so. So we're going to try to
12 keep this going.

13 Just one other comment. You know,
14 we -- Wynn and the Gaming Commission got some
15 understandable criticism for setting the goal,
16 originally, for minority construction workers
17 at 15 percent, which was the state goal.
18 That's why we did it. We made the point of
19 saying, this is a floor. People took that,
20 again understandably, with some skepticism,
21 you know, could easily be an easy way out.
22 But you've demonstrated that it was a floor,
23 and have exceeded it by a lot and made a real
24 effort to it. So I think that's an important

1 one to take note of. You know, the 25 percent
2 is beginning to get up there, and that's a --
3 that's a real number.

4 MS. KRUM: And it's something we do
5 work on every single day. So even though we
6 like where we are right now, we want to see it
7 higher.

8 MR. CAMPOT: I think, actually,
9 it'll go higher.

10 CHAIRMAN CROSBY: Great.

11 MR. CAMPOT: I do. And the one
12 thing about this project is, we talked about
13 the scale of it, I've been working on projects
14 all my life, but this is the first project
15 where we've actually increased capacity in the
16 market. We brought new people in. On a
17 smaller project you can hit these goals
18 because there's enough available people.

19 CHAIRMAN CROSBY: Right.

20 MR. CAMPOT: On our project, because
21 of the scale of it, we've actually helped
22 subcontractors grow. We've helped workers
23 opportunities. It's really different. It's
24 nice to see.

1 CHAIRMAN CROSBY: That's really
2 interesting.

3 COMMISSIONER ZUNIGA: These are the
4 limits that I think our research project is
5 going to be able to corroborate.

6 CHAIRMAN CROSBY: Right. We'll be
7 doing -- we'll be doing a study.

8 COMMISSIONER ZUNIGA: We'll be doing
9 a study to have that ripple effect. It's very
10 easy for us to ask a question. If this was
11 your first job, if you're a woman, let's say,
12 in the trades or other -- what might have
13 gotten you there, and I think, again, a lot of
14 this is going to be corroborated.

15 COMMISSIONER MACDONALD: Jacqui, do
16 I understand that Jennie Peterson has been
17 promoted in some fashion, because she's a very
18 impressive --

19 MS. KRUM: We are very pleased to
20 have stolen Jennie Peterson away from our
21 construction team. And she is back in
22 operations now. And she is going to be the
23 director of employment, reporting to our VP of
24 employment. So we're very pleased to have her

1 back on operations.

2 COMMISSIONER MACDONALD: That's
3 great.

4 CHAIRMAN CROSBY: She's been
5 terrific.

6 MR. CAMPOT: That was only under the
7 understanding she still had to support the
8 diversity initiative.

9 CHAIRMAN CROSBY: That was a
10 negotiated settlement.

11 MS. KRUM: The work that she's done
12 and the contacts that she's made, and the
13 outreach is critical moving forward, as well.
14 And we just thought it would be a wonderful
15 opportunity for her and for us.

16 COMMISSIONER STEBBINS: Just one
17 note on the veteran's side, I know, almost a
18 year ago, because tomorrow we celebrate
19 Veteran's Day, but you guys gave out red,
20 white and blue hard hats last year.

21 MS. KRUM: Peter wears one every
22 year.

23 COMMISSIONER STEBBINS: Maybe it was
24 you I saw. But I saw a number of those hard

1 hats still on the project yesterday, still on
2 site, so that's -- that's great news and
3 acknowledgment.

4 MS. KRUM: So moving on to our
5 community events and outreach. We continued
6 over the quarter -- over the third quarter to
7 reach out. As you can see, we participated in
8 and posted a lot of events. We also continued
9 our quarterly workforce diversity recognition
10 awards. And this quarter it was awarded to --
11 and I'll forward to Edward G. Sawyer. So they
12 were recognized, they got their lunches and
13 their prizes.

14 The other event that we had that we
15 just wanted to highlight, was we had -- this
16 was a Veterans' event. And, Peter, do you
17 want to --

18 MR. CAMPOT: So we had Secretary --
19 help me with his name.

20 MS. KRUM: Secretary of Veterans'
21 Services Sycter (phonetically) and --

22 COMMISSIONER ZUNIGA: Urena?

23 MR. CAMPOT: Urena.

24 COMMISSIONER STEBBINS: Secretary

1 Urena.

2 COMMISSIONER ZUNIGA: Secretary

3 Urena.

4 MS. KRUM: Yes, yes. So --

5 MR. CAMPOT: He came and we had a
6 luncheon for all the veterans on the job site,
7 and he spoke to all the veterans. And, quite
8 frankly, I made the decision that day that I'd
9 start wearing my Veterans' hard hat.

10 CHAIRMAN CROSBY: Great.

11 COMMISSIONER STEBBINS: Good job.

12 MS. KRUM: And then, while this was
13 not in the third quarter, this was just last
14 week, we thought it was important to highlight
15 we had a wonderful event on site to celebrate
16 the end of structural steel. So what we did
17 was hosted a lunch for every construction
18 worker on site. We did it on the casino
19 floor. So what you can see is a thousand
20 construction workers here with tables set up
21 on the casino floor. And it was a great event
22 for the community to recognize all the hard
23 work our construction workers have put in
24 and -- just a team celebration.

1 COMMISSIONER STEBBINS: And can you
2 help us understand what percentage of the
3 gaming floor that took up?

4 MR. CAMPOT: 30 percent, max.

5 MS. KRUM: So the mezzanine's,
6 obviously, not featured in here. And this
7 was, what, about a third of the --

8 MR. CAMPOT: Twenty-five, 30 percent
9 of the gaming floor.

10 MS. KRUM: Gaming floor.

11 MR. CAMPOT: Yeah, gaming floor
12 right there.

13 CHAIRMAN CROSBY: Does Sawyer
14 qualify -- isn't there going to be eventual
15 drawing for somebody who gets to go to Vegas
16 for a -- wasn't that the deal, that you get --
17 you're going to get interim awards, and then
18 all the winners get a drawing --

19 MS. KRUM: Get put into a pool, and
20 the lucky ones go to Vegas, yes.

21 MR. CAMPOT: They have the
22 opportunity to give back.

23 COMMISSIONER CAMERON: This is
24 really important, though, for morale and how

1 you're being received in the community, taking
2 the time under a tight time frame to recognize
3 and celebrate. Those are really important
4 things so...

5 MR. BEDROSIAN: I was on the site
6 last Friday -- last Friday with Joe, John and
7 Bob DeSalvio. And as we were going around, I
8 probably heard four or five people thank
9 Mr. DeSalvio for his lunch.

10 CHAIRMAN CROSBY: Really?

11 MR. BEDROSIAN: Yeah.

12 MS. KRUM: It was a good lunch.

13 COMMISSIONER CAMERON: Yeah. Free
14 food well accepted.

15 MS. KRUM: Well accepted.

16 CHAIRMAN CROSBY: Any other
17 questions, comments?

18 COMMISSIONER STEBBINS: Just one
19 question. You talked about Jennie's new
20 responsibilities. Can you give us an idea, as
21 we're 582 days out, kind of, how the
22 operational employment team is beginning to be
23 organized?

24 MS. KRUM: Sure.

1 COMMISSIONER STEBBINS: Obviously,
2 you have a big hurdle, in terms of local
3 hiring and recruitment, as well. You know,
4 we're getting to that crucial point with MGM.
5 Can you give us an idea of how that work is
6 moving?

7 MS. KRUM: Sure. We are starting
8 right now, in the next couple of months, we
9 will hire our head of HR, who will build up
10 the HR team, which is, I believe 12, sort of,
11 senior level people. The focus of that team
12 right now will be, sort of, on workforce
13 development. How we're going to recruit
14 people, what the job positions are. Benefits.
15 Getting everything organized. We're only
16 going to hire about another hundred people
17 over the course of the next 12 months. The
18 majority of our hire will take place in the
19 three to four months before we open. But a
20 lot of the training and everything has to be
21 put in place right now, so that'll be the
22 focus of the management team.

23 COMMISSIONER STEBBINS: Okay.

24 CHAIRMAN CROSBY: Director Bedrosian

1 may have talked to you about this, and it's
2 premature for you folks, but we're going to be
3 undertaking this issue of trying to decide
4 which nongaming employee job category should
5 be exempt, in our judgment. And the more we
6 know from the employers, who know what those
7 job descriptions do, really, and how they
8 relate to issues of security and safety, and
9 integrity and so forth, the better we'll be
10 informed to try to make those decisions. And
11 you may or may not have the same views as MGM,
12 but if you could do that and give us your
13 recommendations about which categories should
14 be exempt, we're going to be making those --
15 trying to make those decisions right off the
16 bat, you know, sometime pretty soon.

17 MS. KRUM: We're finalizing our
18 compendium now. And as soon as we have that,
19 we certainly will work with your staff to make
20 sure we give them any input we can.

21 CHAIRMAN CROSBY: Okay. That'd be
22 great. Anybody else? Thank you very much.
23 Great.

24 COMMISSIONER CAMERON: Thanks.

1 Impressive.

2 CHAIRMAN CROSBY: Joe, you did a
3 great job.

4 MR. DELANEY: Thanks.

5 COMMISSIONER MACDONALD: Thank you.

6 CHAIRMAN CROSBY: Thank you very
7 much. Next up is Item No. 6, racing division,
8 Dr. Lightbown.

9 MS. LIGHTBOWN: Good morning,
10 Commissioners.

11 CHAIRMAN CROSBY: Good morning.

12 COMMISSIONER MACDONALD: Good
13 morning.

14 COMMISSIONER CAMERON: Good morning.

15 COMMISSIONER ZUNIGA: Good morning.

16 COMMISSIONER STEBBINS: Good
17 morning.

18 MS. LIGHTBOWN: Today we're
19 discussing the applications to conduct live
20 racing in 2018. We're going to go out of
21 order from my memo and have Suffolk first. I
22 have Bruce Barnett with me to answer any
23 questions you might have.

24 For this application period, we

1 received two applications, Plainridge
2 Racecourse to conduct a hundred days of
3 harness racing from April 16 through
4 November 29, and Suffolk Downs to conduct six
5 days of running horseracing on July 7th and
6 8th, August 6th and 4th and 5th, and
7 September 1st and 2nd, with the possibility of
8 adding some days.

9 In order to grant the racing
10 license, the Commission must take into
11 consideration the criteria provided in Chapter
12 128A, Section 3(i), and any additional
13 appropriate information you gather. The
14 criteria is the financial ability of the
15 applicant to operate a racetrack, the
16 maximization of state revenues, the
17 suitability of the racing facilities to
18 operate at the time of the year for which the
19 dates are granted, large groups of spectators
20 require safe and convenient facilities, having
21 and maintaining proper physical facilities for
22 these race meetings, and affording fair
23 treatment to the economic interest and
24 investments of those, who, in good faith, have

1 provided and maintained these facilities.

2 In order for the Commission to
3 determine if these criteria are met, you may
4 consider the application materials provided by
5 the applicants, and testimony and comments
6 received from the public. We've already held
7 the public hearings for both of these
8 applicants and gotten comments that are in
9 your packets.

10 Sterling Suffolk Racecourse, or
11 Suffolk Downs, meets the requirements of
12 Chapter 128A, Section 3(i) and it's the only
13 facility this year to apply for thoroughbred
14 racing. With six days to provide racing, they
15 will also meet the requirements that the
16 Massachusetts session laws acts of 2015
17 changed on the simulcasting to one to 50 days,
18 and they'll meet that.

19 My recommendations are similar to
20 what we've done in previous years. I
21 recommend that the Commission approve the
22 application with the follow conditions: One,
23 that Suffolk have an independent expert review
24 the track surface prior to racing. That's

1 actually part of -- falls into with the NTRA
2 safety racing requirements, and they're more
3 than willing to do it, and it's been very
4 successful.

5 We'll have Suffolk Downs request, in
6 writing to the Commission, how much money they
7 would like from the Racehorse Development Fund
8 and how it will be spent. Where they will not
9 be using all of the thoroughbred purse money
10 available, we don't hand it down every week,
11 like we do with the others in that fund. So
12 what they do is, they let us know a little bit
13 before they're going to need the money how
14 much they anticipate in purses.

15 And Suffolk Downs will notify the
16 Commission in writing, if they're going to
17 race more than the six days, at least 30 days
18 before the races are conducted. And,
19 obviously, the sooner they can let us know,
20 the better. I have staff that's asking now
21 what the days are going to be so they can
22 reserve those days off for next year. Most of
23 our racing staff is seasonal and they have
24 other jobs, so they're very eager to make sure

1 they have those days off.

2 COMMISSIONER STEBBINS: Alex, just
3 for clarification, the review of the track is
4 prior to all six races, or is it prior to each
5 weekend that they're going to conduct the
6 races.

7 MS. LIGHTBOWN: It's prior to the
8 beginning of the races. We do it once.

9 COMMISSIONER STEBBINS: Okay.

10 MS. LIGHTBOWN: And that's -- one of
11 the reasons, also, is that there's not really
12 any training over the track before they race,
13 so it's important to have that extra safety
14 built in.

15 COMMISSIONER STEBBINS: Right.

16 MS. LIGHTBOWN: And then, fourth,
17 that Suffolk Downs will provide their purse
18 agreement to the Commission as they get it.

19 COMMISSIONER CAMERON: So the one
20 piece we're asking for, in addition to what we
21 typically do, is to try to notify us at least
22 30 days in advance, if, as they did this year,
23 they'll add a couple of days to racing,
24 correct?

1 MS. LIGHTBOWN: Correct.

2 COMMISSIONER ZUNIGA: Can I actually
3 expound on that, and just ask that any
4 supplemental requests of money from the
5 Racehorse Development Fund be made in advance
6 as well, ideally. And I understand, you know,
7 just from last year there was a good
8 opportunity to add races because people showed
9 up and there was no -- not enough races, it
10 was a good thing. But it hinged on the notion
11 of asking additional monies.

12 I would rather have us approve those
13 before that -- that those races take place,
14 not after, or at least have somebody in your
15 position, Dr. Lightbown, approve them before
16 -- before they come. And I understand that
17 they -- we could have managed that last time
18 by decreasing the purses of the subsequent
19 races, but that was never, at least, my
20 understanding, so I would just like to make
21 that point.

22 MS. LIGHTBOWN: Yeah. We've had
23 levels -- talks at the staff level about how
24 to limit the number of races so that, you

1 know, it kind of fits in with what we've been
2 doing. You know, in their application, I
3 think most of the race -- they asked for
4 between 10 and 11 races per day. Obviously,
5 it may go, you know, over that a little bit.
6 But I don't anticipate, and from talking to
7 Chip Tuttle, he doesn't anticipate, either,
8 doing the 15 races each day on one weekend.

9 MR. BARNETT: If I may,
10 Commissioner, thanks for the question. And
11 Chip apologizes, he's traveling out of state
12 so he can't be here today himself.

13 The issue with too much forewarning
14 on the actual subscription of the races is a
15 challenge because it happens in the days right
16 before. So, certainly, communication between
17 Chip and the racing staff and Alex is one
18 thing. Getting back before the Commission
19 that quickly would be a logistical problem, I
20 think. But it can be managed, as we talked
21 about before.

22 And, in fact, at the last weekend,
23 again, there were more owners and trainers
24 offering their horses than we had spots for

1 that we were anticipating, and so they did not
2 just add extra races. And in fact, put in a
3 preference that I think Chip might have spoken
4 about when he was here for the public hearing,
5 on those days that were over -- races that
6 were oversubscribed so that people who had
7 supported the program in 2012, 2013, and 2014
8 were given a preference on -- on getting into
9 those races. So those management techniques
10 are there.

11 COMMISSIONER ZUNIGA: Yeah. And I
12 understand it's a good problem to have, if you
13 will, if there's more people that are
14 interested and here and, you know, ready to
15 go. It's really just the notion of requesting
16 monies for additional purses retroactively
17 that I have a bit of a -- you know, concern.
18 And I understand that we can only come before
19 the Commission every two weeks, necessarily,
20 and that's part of my point about either
21 understanding that there's a delegation of
22 that judgment call to the executive director
23 or Dr. Lightbown in those cases. Still, my
24 point is about seeking approval and prior to,

1 rather than after.

2 MR. BARNETT: Point taken.

3 COMMISSIONER ZUNIGA: Thank you.

4 CHAIRMAN CROSBY: Anybody else? I
5 guess we need -- do we need a motion? Yes, we
6 do.

7 COMMISSIONER CAMERON: Mr. Chair, I
8 move that the Commission approve the
9 application of Sterling Suffolk Racecourse LLC
10 for live running horseracing in 2018 to
11 include the conditions as just outlined.

12 COMMISSIONER STEBBINS: Second.

13 CHAIRMAN CROSBY: Further
14 discussion? All in favor? Aye.

15 COMMISSIONER MACDONALD: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes
20 have it unanimously. Thank you.

21 COMMISSIONER CAMERON: Thank you.

22 MR. BARNETT: Thank you very much.

23 COMMISSIONER STEBBINS: Thank you.

24 CHAIRMAN CROSBY: You want to take a

1 quick break before we do?

2 COMMISSIONER ZUNIGA: Yeah, that'd
3 be great.

4 CHAIRMAN CROSBY: We'll take quick
5 break.

6
7 (A recess was taken)

8
9 CHAIRMAN CROSBY: Okay. We are
10 reconvened now from public meeting No. 228,
11 and back to Dr. Lightbown.

12 MS. LIGHTBOWN: So our other
13 applicant for racing is Plainville Gaming and
14 Redevelopment, Plainridge Racecourse. They
15 also met the requirements of 128A, Section
16 3(i), and they're the only facility to apply
17 for harness racing this year. With a hundred
18 days of live racing, they would also meet the
19 requirements of Mass General Laws Chapter
20 128C, Section 2, which is the requirement for
21 their ability to simulcast. Plainridge raced
22 105 days in 2015, 115 days in 2016, and
23 they're on schedule to complete the 125 days
24 of racing in 2017, as described at Mass

1 General Laws Chapter 23K, Section 24.

2 Plainridge Racecourse and the
3 Harness Horsemen's Association of New England
4 are here today to give presentations regarding
5 the number of live racing days for 2018. I'll
6 be happy to answer any questions you have, and
7 General Counsel Blue can also weigh in on some
8 of the legal issues.

9 One thing to say at the beginning is
10 just that, traditionally, racing days were
11 tied in with simulcasting and the law, so the
12 number was basically -- if it was a hundred
13 days, they needed to average nine races a day,
14 so that gave you 900 races.

15 CHAIRMAN CROSBY: By statute, you
16 had to average --

17 MS. LIGHTBOWN: Right, by statute.

18 CHAIRMAN CROSBY: Okay.

19 MS. LIGHTBOWN: Yeah. And with the
20 economics in those days, the tracks, sometimes
21 they ran a few more extra races, but usually
22 they stuck pretty much to that amount.

23 So one thing that is different now
24 is, with the racehorse development money for

1 the purse accounts, there's money so the
2 number of the days of racing isn't tied on
3 that end to a certain number of races. So in
4 talking to Steve O'Toole, when he first
5 mentioned he wanted to decrease the number of
6 days, I was concerned that the amount of purse
7 money per race would go way up. And he
8 explained that he's not looking to do, you
9 know, the nine races a day. He's looking to
10 try to, maybe, move the races that would be on
11 the day that they would draw and spread those
12 among the other days.

13 CHAIRMAN CROSBY: When you say "go
14 way up," you mean, the amount that they would
15 be asking for from the Commission, from the
16 use of the fund would be increased?

17 MS. LIGHTBOWN: Well, the amount
18 from the fund is set, again, by the
19 horseracing committee and that stays the same.
20 But instead of looking to race a hundred days
21 with 900 races, it would be more like, you
22 know, a hundred days with 1200 races.
23 Something along those ways.

24 So I think that's important to

1 frame, that they're not necessarily --
2 because, certainly, from a horseman's
3 perspective, if you're talking a loss of days,
4 you're automatically thinking you're going to
5 lose races. And that is a problem, you know.

6 So I wanted to make clear that, now,
7 we not only have the racing statute with the
8 simulcasting and the requirement of days, but
9 now we also have the gaming legislation, and
10 we have the Racehorse Development Fund. So
11 the -- tying those two together, you know,
12 there's opportunity to race more than the
13 traditional nine races a day.

14 COMMISSIONER ZUNIGA: How many races
15 a day did you -- did we race -- did you race
16 this last calendar year?

17 COMMISSIONER CAMERON: This one now,
18 present?

19 COMMISSIONER ZUNIGA: Present, yeah.

20 MR. O'TOOLE: We've been averaging
21 9.57 races a day.

22 COMMISSIONER ZUNIGA: 9.5.

23 COMMISSIONER CAMERON: I had a
24 process question. Are we looking -- I mean,

1 we've read your submissions. Each of you
2 submitted your -- your thoughts on race days,
3 and we did hear you at the hearing. Did we
4 want them to talk about their submission, or
5 just ask questions, if we have them?

6 CHAIRMAN CROSBY: Well, let me just
7 add to that. I think there are two issues on
8 the table. One is, are we bound by statute,
9 or are we not bound by statute to require 125
10 days? That's the first question. Second
11 question is, if we are not bound by statute,
12 do we approve 125 or 100, or something in
13 between, right?

14 So now, the question is, do we want
15 to get presentations from each of the two
16 groups on their presentations, or just jump in
17 before we discuss, or do we want to just jump
18 in?

19 COMMISSIONER ZUNIGA: Well, I have
20 an additional question to the one you posed.
21 Reading the briefs, there seems to be, at
22 least, a differing of opinions between whether
23 they have complied with the escalating nature
24 of the three years that have passed.

1 CHAIRMAN CROSBY: That's the first
2 question. Right. That's the first question.

3 COMMISSIONER ZUNIGA: I thought you
4 were going, like, from the third -- going
5 forward.

6 CHAIRMAN CROSBY: No, no, no. Are
7 we still in the three -- in effect, in the
8 three-year period. It's the question raised
9 in the briefs.

10 COMMISSIONER ZUNIGA: Yeah.

11 CHAIRMAN CROSBY: Right.

12 COMMISSIONER CAMERON: I mean, we've
13 read your submissions. But are you
14 comfortable in just asking questions at this
15 point, or would you like to hear from them, I
16 guess, is my --

17 COMMISSIONER STEBBINS: I think, the
18 opportunity to kind of have a -- I also -- I
19 was at the hearing with you, I've read the
20 submissions, but I think for anybody who might
21 be watching and, obviously, there might be
22 breeders, owners, trainers, that we could do a
23 quick synopsis, I think to the Chairman's
24 point on these --

1 COMMISSIONER CAMERON: Two issues.

2 COMMISSIONER STEBBINS: -- kind of,
3 two issues. You know, did they meet that kind
4 of ramp-up period? Are we past that? Are we
5 now in a discretionary phase? And the second
6 piece being, you know, what's our thoughts on
7 a hundred versus 125, et cetera, et cetera.

8 CHAIRMAN CROSBY: Right. All right.
9 So in answer -- so let's have a quick, sort
10 of, synopsis of the presentations from the two
11 briefs and then we'll jump into questions.

12 MS. LIGHTBOWN: So today, I have
13 Steve O'Toole, director of racing for
14 Plainridge Racing, and Bob McHugh, the
15 president of the Harness Horsemen's
16 Association. We also have Chris McErlean, who
17 is the director of racing operations for
18 Penn Gaming. If you have questions, he's
19 sitting behind. And we have Marty Corey, who
20 is a attorney for the New England Harness
21 Horsemen's Association, that can also answer
22 questions. Steve.

23 MR. O'TOOLE: Thank you,
24 Commissioners. I'd just like to reiterate

1 that at the hearing in Plainville, we made the
2 points that Plainridge -- I believe we made
3 the points that Plainridge meets all the
4 criteria for licensure under 128A.

5 From that hearing, the discussion on
6 days came up and brings us here this morning.
7 We believe that the Commission is not bound by
8 the 125-day requirement going forward, and the
9 Commission should allow for an adjustment of
10 days due to the three criteria set forth in
11 Chapter 23K, Section 24, which is field size,
12 demand and racing performance.

13 We were hoping our horse -- we were
14 hoping that our horsemen would agree that a
15 schedule that is reasonable for them to fill
16 and offer better quality racing with greater
17 wagering possibilities for our customers would
18 benefit everyone. We negotiated in good faith
19 with proposals offering multiyear commitments
20 on our part. However, I failed to convince
21 the horsemen that this would be a better
22 situation for all of us, and we failed to
23 agree on a number of days coming up or down
24 from our respective positions.

1 We believe the legal argument
2 outlined in our memo was consistent with the
3 intent of the law, as well the interpretation
4 by the Commission. This, in part, evidenced
5 by the many conversations that we've had here
6 in public meetings over the past several years
7 and hearings, where we have candidly discussed
8 the race meets and what effect the added
9 number of racing days would have on our
10 industry.

11 The three-year scheme the
12 legislature laid out with the ramp-up to 125
13 days was understood by the Commission and
14 Plainridge, as we applied for 105 days in
15 2015, 115 days in 2016, and 125 days for this
16 year. We fully understood the intent of the
17 legislation, and we have fulfilled this
18 commitment to the best of our ability.

19 At the time, we were aware that we
20 could take a look at those three years of
21 racing activity and move forward with a racing
22 schedule that would provide for the best
23 racing product that we could offer, optimizing
24 our field size and the number of racing on our

1 racing performances. That, at least in my
2 mind, was the -- what was behind 24 Section C.

3 In our annual reports, I fully
4 admitted that I thought that the horsemen had
5 done a good job of attempting to keep up with
6 the demand of the racing schedule, the extra
7 days and the four-day weeks. However, I
8 believe that it's time now to look at where we
9 are and evaluate if we can do a better job.
10 And I believe we can do a better job without
11 interrupting the horsemen's racing schedule
12 and having an opportunity to race every week
13 in the coming year, 2018. So I encourage the
14 Commission to approve our schedule as
15 submitted, as it is in the best interest of
16 harness racing as a whole at Plainridge.

17 In its simplicity, we need larger
18 fields to drive handle. There's still a need
19 for horses in each and every racing
20 performance that's not being filled by our
21 horsemen. We'd prefer to race more races per
22 performance, and in the process eliminate
23 costs that are unnecessary, not just for us,
24 but for the horsemen and the Commission. But

1 considering the week to three days the same --
2 or condensing the week to three days, the same
3 amount of horses will get raced, and we'll be
4 able to flush out shorter fields, offer more
5 races on each racing performance and make much
6 better product to offer our customers.

7 As you can see in one of our
8 exhibits, Exhibit B, there's an increase in
9 field size and racing performance, and that's
10 the race per days. And the average handle per
11 race increases, as well. It's been documented
12 over the last three years that this has
13 happened at Plainridge. There are racing --
14 there are racing -- there are racing
15 opportunities that go unfulfilled in the
16 majority of our races, and there has not been
17 more than enough horses to race in our races
18 claimed by the horsemen. If there was more
19 than enough, our average field size would be
20 over nine, not at 7.38 at this time. By
21 stretching out the available horse supply over
22 four days, when the same thing can be
23 accomplished more efficiently over three days,
24 is unfair to the customer and to Plainridge.

1 Race days are costly to run.
2 Satellite fees, tote fees, TV production,
3 insurance costs and more can be eliminated, at
4 the same time produce a higher handle with
5 full fields and a full card of race -- races
6 on each racing performance, maximizing our
7 efforts and our revenues.

8 We've put together a chart, not in
9 time for the submission because it was a
10 little bit difficult to do the polling. But
11 we did get -- put together 13 tracks. Ten
12 tracks of the same type of racing that we do
13 over 5/8ths mile surface, and three over
14 half-mile surface. They included Hollywood
15 Dayton, Hoosier Park, Rosecroft Raceway,
16 Meadows, Mogehan -- Mohegan Sun at Pocono
17 Downs, Scioto Downs, Harris Philadelphia,
18 Plainridge, Tioga, Vernon, for the bigger
19 tracks, and Saratoga Harness, Yonkers Raceway
20 and Freehold Raceway for the half-mile tracks.

21 Those -- when you look at those 10
22 tracks of our size, we rank eighth in field --
23 average field size. For races per day, we're
24 at the bottom of the list. The average races

1 per day for those tracks are 12. Twelve is an
2 optimum number to flush out our customers and
3 offer a good product.

4 The only regional tracks with lower
5 averages, Vernon and Tioga, have less days,
6 and they're struggling with horse supply, as
7 evidenced by our Exhibit C, which refers to
8 race day cancellations. And right now,
9 that -- those race-day cancelations are at 38,
10 not 36. Since last week, Freehold raceway has
11 canceled two races due to lack of entries --
12 or two race days, due to lack of races.

13 The 20 cancelations at Scarborough
14 Downs was predicted earlier in the year, when
15 Maine horsemen realized they didn't have a
16 accurate -- adequate number of horses to fill
17 the demand. At the May 19th meeting of the
18 Maine Harness Racing Commission, two
19 statements were made. One by Mike Timmons,
20 former racing commissioner, and the president,
21 now, of Cumberland Farmers club, and
22 Wendy Ireland, former executive director of
23 the Maine Horsemen's Association and vice
24 president of the Maine Breeders Association.

1 Mr. Timmons stated, "We need a
2 solution to the horse problem." And Ms. Wendy
3 Ireland stated that "We are racing too many
4 days. There is a shortage of horses in this
5 country. It's a wide problem, and we need to
6 reduce days." And that was May 19th of this
7 year.

8 I was going to include an exhibit
9 that -- of how many total horses it takes to
10 put on the meter at Plainridge, but I wanted
11 to try to keep this as brief and not confuse
12 the message, but since the horsemen included
13 in their memo as Exhibit No. 4, I'd like to
14 point to the large number of horses it takes
15 to run a meet longer than a hundred days. We
16 have entertained over 900 hundred horses so
17 far at this year's meet, and they've not
18 adequately filled our demand.

19 So where are these horses going to
20 come from for these long meets?
21 Unfortunately, that's not coming from the
22 breeder's shed. Our Exhibit D shows a massive
23 decline in foals reported for registration,
24 standardbred foals reported for registration,

1 in a 10-year period, from 2005 to 2015, which
2 are the completed breeding seasons so far.

3 That went -- the foals reported in
4 2005 went from 10,463 to 5,842. They're not
5 coming from the industry sales rings either.
6 All the major horse auctions are offering less
7 horses and less yearlings at the national
8 sales, as well.

9 The Horsemen's Association uses the
10 term "stability," or that they need stability.
11 Our 100 days schedule offers stability. Same
12 number of weeks, the length of the season will
13 be the exactly the same, similar racing
14 opportunities, and we have offered to do this
15 over a period of years.

16 This should be a two-way street.
17 The horsemen want guarantees and dates, but
18 they're not willing to commit sufficient
19 entries for the dates that they think they
20 need. Plainridge needs stability as well.
21 And sufficient entries to work -- to work with
22 would provide that stability.

23 Just today, we're drawing for next
24 Monday and Tuesday. Monday's entries were 75,

1 Tuesday's entries were 45. My secretary,
2 right now, is sending out text messages to all
3 the horsemen to try and fill that Tuesday
4 card. Monday he'll get by, but he's having a
5 very difficult time with Tuesday. He makes
6 things work, but we're always stealing from
7 Peter to pay Paul when he's putting races
8 together.

9 The horsemen's point to -- that
10 we've increased handle from 2014 to 2017,
11 based on a 56-day increase in that time
12 period, a 203 percent handle increase. In
13 2014, we raced on Saturdays and Sundays. We
14 guaranteed an increase in their purses for
15 that year and handled only \$7 million. We're
16 not -- we're not comparing apples to apples,
17 when you use the year 2014 to show a growth in
18 a handle. Actually, a more accurate snapshot
19 would be 2013 to 2017, because that was a year
20 when we raced 80 days and I think we did about
21 \$11 million pre, you know, slot-infused
22 purses.

23 The horsemen also point out that
24 while our total is increasing, the national

1 handle is decreasing. While that's true --
2 and every day there's a new update on the USTA
3 website, and this is yesterday's update, while
4 it's true that handle has decreased total
5 wagers, days have decreased, as well. So they
6 go hand in hand. But what is interesting to
7 note is that, our handle, right now, is
8 averaging \$19,000 a race. And that's severely
9 outdone by the national average shown on
10 yesterday's report at \$37,000, which is
11 actually up from last year. So race days are
12 down, average race handle is up. And that's
13 exactly what we're trying to accomplish here.

14 The horsemen appoint -- point to the
15 number of horses claimed last year and this
16 year, and this is a good sign that claiming
17 has gone up. But claiming a horse simply
18 transfers a horse from one owner to another
19 owner racing at the same meet. It doesn't
20 necessarily mean that we're getting more
21 horses from an increasing field size through
22 those claims.

23 And if we're to use claiming as an
24 indicator, in 2003 there were 105 horses

1 claimed at the Plainridge meet. The most of
2 any season ever, 2003. We average right
3 around 12 races a day with an average field
4 size over eight. We handle \$4.3 million on
5 track, and \$27.5 million export, a total of
6 \$31.8 million. And that's the best year that
7 we've ever had.

8 All the purse money, \$3.8 million
9 that was awarded that year came from
10 racing-related revenue streams. The 2003
11 season was a 100-day meet. And that's -- all
12 those figures are in the 2003 -- on page 51,
13 the 2003 Mass State Racing Commission annual
14 report.

15 And while I was initially impressed
16 with the Horsemen's Association Exhibit 3 that
17 showed growth with owner participation from
18 2015 to 2017, the numbers -- the numbers
19 actually don't add up. So I'd like to offer a
20 correction for that. In column one, the count
21 is off by 20. And in column three, 2017, it's
22 showing a growth of 768. The actual number,
23 when you add those numbers up, is 624. What's
24 less impressive is how flat the Massachusetts

1 ownership participating has been. 111 in
2 2015, up seven to 118 in 2016, and down one
3 this year of 117.

4 COMMISSIONER ZUNIGA: Steve, what
5 are -- I got lost in that reference. Can
6 you -- is this -- what exhibit is this?

7 MR. O'TOOLE: Exhibit 3.

8 CHAIRMAN CROSBY: From their letter.

9 COMMISSIONER ZUNIGA: From their
10 letter?

11 MS. LIGHTBOWN: Of the horsemen's
12 submissions.

13 MR. O'TOOLE: Of the horsemen's
14 submissions.

15 COMMISSIONER ZUNIGA: And you
16 corrected -- in your mind, there's -- there's
17 numbers off. Which ones were those again, I'm
18 sorry? You said, the 2016 counts?

19 MR. O'TOOLE: Yes. I have it right
20 here. If you don't mind, I'd present to you.

21 COMMISSIONER ZUNIGA: Just tell them
22 to the me the same way you did.

23 MR. O'TOOLE: Column 1 should be
24 385. Column 2 is correct. And Column 3 is --

1 should be 624.

2 COMMISSIONER ZUNIGA: Okay.

3 MR. O'TOOLE: And if you note, the
4 Mass owners are -- have participated in -- are
5 fairly level.

6 COMMISSIONER CAMERON: And,
7 Mr. O'Toole, your numbers come from, your
8 corrected numbers?

9 MR. O'TOOLE: I had everyone in my
10 office add them.

11 COMMISSIONER CAMERON: Okay. So
12 it's -- okay. So the only correction is
13 not -- I see what you're saying. It's just
14 the total -- they were totaled incorrectly;
15 it's not that you had another source for
16 numbers.

17 MR. O'TOOLE: No. It was
18 eye-popping when I looked at it, and I
19 wondered why. Then, I found out why.

20 COMMISSIONER CAMERON: Right.

21 MR. O'TOOLE: And lastly, this being
22 a discussion about race dates, I think the --
23 HHANE missed the mark on what a racing
24 performance means in relationship to race

1 dates. Racing performance is the number of
2 races conducted in a day. That's identified
3 in 128C.

4 However, on behalf of my hardworking
5 crew, I will take the track records as a
6 compliment to the excellent and safe racing
7 surface we have at Plainridge and their hard
8 work. That is, as you know, one of the
9 highlights that I give each to you each year
10 in my racing report. I take pride in
11 presenting you with the number of track
12 records that come from our racing surface and
13 our race track, and the special horses that
14 create those records.

15 Speaking of a track record, we did
16 set a track record this year with in the
17 Spirit of Massachusetts Trot, with JL Cruze.
18 He crushed the old track record, which was --
19 which was fun. It only cost us \$250,000 to do
20 that. But I would like to say, you know, what
21 a good event it was. And that event was not
22 just planned out a few weeks in advance. My
23 race secretary found a distinct hole in the
24 national calendar to place that race, where we

1 could get the best horses and the best drivers
2 to participate with us on that day. And we're
3 trying to identify a few other options for us
4 in the national calendar.

5 In the proposed calendar that the
6 horsemen have presented, they've moved that
7 race -- proposed to move that race to
8 June 30th, which would fall right on top of
9 the Cleveland Trotting Classic, where all
10 those horses competed last year. And, also,
11 would be in conflict with the Pennsylvania All
12 Stars, where all the major stables and best
13 drivers go on that night, if the schedules
14 stay the same, which the national schedules
15 usually do, kind of, follow year to year.

16 So I'd just like -- I'd just like to
17 point out that while -- you know, I don't want
18 to comment on the rest of the schedule. I do
19 want to show you that we put a lot of
20 thought -- and we didn't just thread a needle
21 for that particular race. We threaded a
22 needle with the time of day so we could get
23 those drivers back to the Meadowlands.

24 They all participated in stake

1 events that night, elimination events that
2 were important races the following week. They
3 weren't so important that night, but they
4 needed to drive those horses for the following
5 week's event. So we hustled them down to the
6 Mansfield airport and got them back there and
7 they didn't miss a race.

8 So we -- you know, we really had to,
9 you know, thread a needle, not just with the
10 date, but with the time of that day.

11 CHAIRMAN CROSBY: Steve, does the --
12 does the day that that race fall have anything
13 to do with our total race day discussion?
14 That's a whole different issue, right?

15 COMMISSIONER CAMERON: One of the
16 reasons they couldn't agree is they wanted to
17 move that. When they were negotiating, they
18 wanted to move that.

19 MR. O'TOOLE: There's an exhibit
20 that moves that race -- proposed by the
21 horsemen, that moves that race up a whole
22 month, and it was thrown on a date --

23 CHAIRMAN CROSBY: Yeah. But what
24 does that have to do with whether you have a

1 hundred or 125 race days? I don't get that.

2 COMMISSIONER ZUNIGA: Nothing
3 really.

4 MR. O'TOOLE: They put it in
5 their -- they're the ones that offered it.
6 They put it in -- I'm just making a comment on
7 it that --

8 CHAIRMAN CROSBY: Okay. But we're
9 not going to make a decision on which day you
10 should run that race, right; that's not up to
11 us?

12 MR. O'TOOLE: No.

13 CHAIRMAN CROSBY: Yeah. All right.

14 MR. O'TOOLE: All's I'm saying is,
15 this is what they proposed and it doesn't fit.

16 COMMISSIONER STEBBINS: So your goal
17 is to still do that race next year but have it
18 on --

19 MR. O'TOOLE: We'll have it in --
20 we'll have it in the window where it fits in
21 the national calendar, which is going to be,
22 probably, that same week.

23 So nowhere in the horsemen's
24 testimony at the 25th -- at the hearing on the

1 25h, or in the memo, has a reference to the
2 wagering public or the fan. We took steps
3 this year to engage the customers and help
4 increase handle with guaranteed pools and new
5 jackpot wagers. With that, we need good field
6 size. While purses are mainly supported by
7 gaming revenues, now, we still feel we're
8 responsible to put on a better product for our
9 customers, and this schedule, definitely,
10 would help us to do that.

11 So for all these reasons,
12 Commissioners, I ask you to look favorably
13 upon a hundred-day schedule, if you feel it's
14 reasonable.

15 COMMISSIONER CAMERON: I have a
16 couple of quick questions. One, I think I
17 understand that the reason more races on a
18 given day helps, is because there are certain
19 days that you're more likely to get some
20 ship-ins, where that fourth day in the week
21 you're less likely to do that. Is that one of
22 the reasons, or is that the main reason you
23 feel like it's advantageous to have more races
24 on, say, a three-day schedule per week; is

1 that to help with the field size, correct?

2 MR. O'TOOLE: Sure. That's
3 basically correct, yes.

4 COMMISSIONER CAMERON: Okay.

5 MR. O'TOOLE: We feel that we're
6 continually stealing from Peter to pay Paul to
7 meet our requirement this year for 125 days,
8 stretching the week out over four days,
9 average averaging around nine races a day,
10 which means that some of those days -- if we
11 go -- we can't foresee what's going to happen
12 on Thursday and Friday, so on Monday and
13 Tuesday we go 11 races, 10 races, we save a
14 little bit for the end of the week.

15 My race secretary has a very good
16 handle on what horses are out there and where
17 they're coming from and what's available. And
18 a lot of times, at the end of the week, he's
19 scrambling to put together seven or eight
20 races to have a respectable card on the last
21 day of the week.

22 COMMISSIONER ZUNIGA: And is that
23 what you mean by stealing from Peter to pay
24 Paul?

1 MR. O'TOOLE: Yes.

2 COMMISSIONER ZUNIGA: Managing the
3 number of races between days, essentially?

4 MR. O'TOOLE: Yes. Managing the
5 number of horses and races.

6 COMMISSIONER ZUNIGA: It's always
7 field size and race -- number of races?

8 MR. O'TOOLE: Right.

9 COMMISSIONER CAMERON: And I guess
10 it's knowing what other venues, what days they
11 race, so knowing those horses are available to
12 ship in on the off days here.

13 The second question I have,
14 Mr. O'Toole, was it's my understanding that
15 the betting public bets more frequently on a
16 larger card. Meaning, more races -- more
17 horses per race, as well as more races per
18 day?

19 MR. O'TOOLE: Correct.

20 COMMISSIONER CAMERON: Could you
21 help me understand why that is?

22 MR. O'TOOLE: Sure. Our customer
23 goes -- comes into the program stand and wants
24 to buy a product that has some meat to it.

1 And when there's only seven races on a card,
2 they'd rather bet -- they'd rather buy a
3 program for another track with fuller fields
4 and like tracks that are going at the same
5 time, Dayton or Pocono, the Meadows. Meadows
6 goes 14 races. There's more value for them.
7 It's a little bit -- it's a little bit faster
8 paced. They've more wagering opportunities
9 because their fields are fuller. And we wind
10 up, you know, being, you know, second, third,
11 fourth fiddle on the simulcast chart.

12 We've actually had customers come
13 back and say we only have seven races today.
14 Give me this program instead of that one.

15 COMMISSIONER CAMERON: I see.

16 COMMISSIONER STEBBINS: Steve -- I'm
17 sorry.

18 COMMISSIONER ZUNIGA: Please, go
19 ahead.

20 COMMISSIONER STEBBINS: I had two,
21 kind of, initial reactions when I looked at
22 the hundred-day request. The first kind of
23 gut reaction was, 125 days back to a hundred,
24 we've seen the success that Plainridge Park

1 and, obviously, the harness racing has had
2 because of how The Gaming Act was constructed.

3 My first reaction is, are we taking
4 our foot off the gas because we're having this
5 level of success. The second reaction I had
6 is, you shared other information about other
7 tracks -- and I'll ask Mr. McHugh this
8 question, but are we becoming, kind of, this
9 economic stalwart in a region that is
10 obviously not doing what we're doing, in terms
11 of encouraging -- encouraging breeding. You
12 know, putting more money into purses so some
13 of these other tracks are doing -- I mean, are
14 we kind of becoming the loan stalwart in the
15 northeast that's really the only one boosting
16 harness racing?

17 MR. O'TOOLE: Actually, no.

18 Actually, all of our competitors are doing the
19 exact same thing that we are. So that's why
20 we're in such severe competition. Some of the
21 tracks that I mentioned, Freehold Raceway,
22 does not have gaming attached to its racing
23 operations. So that's one track that still
24 offers purses that are solely funded through

1 the parimutuel revenue streams.

2 But Saratoga, which is only three
3 hours away, less than three hours away,
4 Scarborough Downs, which we get -- we do get a
5 fair share of horses from. But they have
6 gaming attached to their purses. Yonkers
7 is -- right now, it's only 3-1/2 hours down
8 the road, they give away the most purse money
9 in the nation. It's huge purses on a weekly
10 basis.

11 So we're actually in -- Vernon Downs
12 and Tioga, they both have gaming attached and
13 they're struggling right now. And their
14 purses are pretty high because they're
15 consolidating race days and consolidating
16 races. So their purses are actually pretty
17 high, on average. They go -- I think they go
18 88 days, and so they get -- I think their
19 purse account is about \$7 million. So ours is
20 about eight, theirs is about seven. We do 125
21 days, they're doing 88 days. They can offer
22 higher purses per race per day to their
23 horsemen to keep them there. So it's very
24 difficult to attract stables to, you know,

1 ship in when we're -- we're in the middle of
2 what we're doing they're doing.

3 Some of them are starting to, you
4 know, come down a little bit. Scarborough --
5 Maine and Scarborough Downs has canceled 20
6 days this year. And next year they're going
7 to be racing less days. So they'll be able to
8 boost their purses up and keep their horses
9 where they are.

10 COMMISSIONER STEBBINS: So I did a
11 little bit back-of-the-envelope math. If this
12 year you raced 125 days, roughly, 9-1/2 races
13 a day, you'd come out with 1187-1/2 races. If
14 we moved to a hundred days and your goal of
15 hitting 12 races a day, we're up to 1200 races
16 over the season. So you're almost picking up
17 a full day of racing, in terms of what the
18 card would be for that day.

19 MR. O'TOOLE: That's correct.

20 CHAIRMAN CROSBY: But how do you --
21 how do you populate the races each race with
22 more horses, if you're having the same number
23 or more races?

24 MR. O'TOOLE: That's a great

1 question. And so, what happens now is, you
2 know, maybe it'd be 1200, maybe it'd be a
3 little less. It'll be whatever the horsemen
4 give us for entries. But right now, if we
5 need to make seven races on a Friday to meet
6 our legislative requirements, my race
7 secretary might take 10 horses that would have
8 been one race and make two, five-horse fields
9 and go with that and call it a day.

10 CHAIRMAN CROSBY: But that -- wasn't
11 that -- if you got the same number of horses
12 you would have the same problem with your 11th
13 and 12th or 10th and 11th race.

14 MR. O'TOOLE: The races that have
15 raced on the fourth day would melt them
16 into our --

17 CHAIRMAN CROSBY: Would come back.

18 MR. O'TOOLE: -- to our purse.

19 COMMISSIONER ZUNIGA: You would have
20 higher fields -- field size, which, at least
21 presumably, increases the handle, eventually.
22 Which is what I think -- what I think we
23 should be paying attention is where we rank in
24 terms of handle. It's been increasing, which

1 is really good news, but what attracts other
2 bettors is, you know, what the prizes are.

3 COMMISSIONER CAMERON: I think I
4 know what you're asking, and I think I know
5 the answer. When you spread to that fourth
6 day, now you're competing against tracks that
7 are racing that same day, or maybe many
8 tracks. And in three days, they look for the
9 days - I know Monday and Tuesday are big -
10 that other tracks may -- there may not be a
11 many other tracks racing the same day so
12 that -- and if you're someone who's
13 contemplating where to race that day and
14 there's a card of, say, at Plainridge of -- of
15 11 or 12 races that day, you could maybe race
16 several of your horses so it's worth your
17 while to ship in for that day.

18 So I think I understand that. That
19 if you cut it to three days and it's not
20 interfering as much with other racetracks,
21 you're getting more ship-ins.

22 CHAIRMAN CROSBY: So you're going
23 to --

24 MR. O'TOOLE: That's true. As well

1 as, a lot of these stables, you know, try to
2 come as many days as they can, but some of
3 them are shipping, you know, upwards of 200
4 miles to come and participate. They can't
5 come four days a week. They just can't do it.
6 A lot of them come down on Mondays, stay over
7 a Tuesday. They might come back on a
8 Thursday. But then, as Commissioner Cameron
9 noted, they have other commitments other
10 places on the weekends. But it's just a
11 very -- it's a grind for them to continue to
12 do that, you know, four times a week.

13 CHAIRMAN CROSBY: But is it -- the
14 three variables are days, races and horses.
15 And if -- is it your -- if the number of
16 horses stay the same, which Commissioner
17 Cameron says they don't, there's a new --
18 there's more being shipped in, but setting
19 that aside that for the moment, if you have
20 the same number of races in three days as you
21 have in four days, you don't increase the size
22 of field of any one of those -- you got the
23 same number of races, doesn't matter how many
24 days you put them over. The field size has to

1 stay the same. You can only -- if you move
2 four into three and reduce the number of
3 races, then you can increase the field, right;
4 am I missing something?

5 MR. O'TOOLE: No. Your argument --
6 or your comments make sense. However, when a
7 race secretary's putting together races, he'll
8 split races apart, in order -- in order to
9 feed the beast, if you will, to get up to the
10 required number of races that we need for a
11 particular day.

12 CHAIRMAN CROSBY: Okay. So the only
13 way you can not do that is by cutting races.
14 If you moved every one of the races on the
15 fourth day back into the first three, so that
16 your total number of races is what, you know,
17 say it's 40, whatever the number is, you have
18 40 and you don't want to have 40 because you
19 had this -- in order to get 40 you had to cut
20 a race -- a race with 10 --

21 MR. O'TOOLE: But we have -- we have
22 trainers that don't participate with us
23 because they can't continue to come for four
24 days.

1 COMMISSIONER ZUNIGA: That's a
2 variable. You're assuming that it's
3 indifferent to the owner to come any day, but
4 it's not. They -- you have a supply -- you
5 know, a supply question here, which is -- goes
6 along with who's shipping in, who's showing
7 up.

8 CHAIRMAN CROSBY: So the essential
9 variable here, is that you think that it's
10 more efficient and more attractive for owners,
11 for people who have the horses and the various
12 people involved, the trainers and so forth, to
13 consolidate. And by consolidating into three
14 days, you're going to have more people being
15 -- so your number of horses is going to go up,
16 right, that's what you're saying. People --
17 more people are going to be willing to race?

18 MR. O'TOOLE: Correct.

19 CHAIRMAN CROSBY: Right. Okay. And
20 so, is your commitment to pretty much maintain
21 the same number of races; is that what you're
22 saying?

23 MR. O'TOOLE: We will race -- we
24 will race every horse that's entered, as long

1 as they fit the conditions and the classes and
2 the state requirements and everything. We
3 have not left a horse on the table this meet,
4 unless the horse had either state requirements
5 that weren't being met or they weren't
6 qualified, things like that.

7 But, you know, we can race every
8 day. We have 45 horses in the box today for
9 Tuesday. If we go with our seven-race
10 minimum, that's all six horse fields. And
11 then the competition suffers, because what
12 happens is those -- these horses there might
13 be four in one class and seven in another
14 class, so my racing secretary will have to
15 recreate the wheel and try to figure out how
16 we can get those four horses in with the other
17 horses that'd be a competitive race. It's a
18 very difficult puzzle to put together, and
19 he's done a great job doing it.

20 But all's we're trying to do -- and
21 I don't understand, really -- it frustrates me
22 the reluctance on the part of horsemen to not
23 accept a schedule that they can fill, that
24 they can fill. They're not filling our races

1 right now. They're not.

2 Our race average is 7.38. The
3 majority of our races are seven horse fields
4 or less. We can go nine across on our gate.
5 For gimmick wagers and guaranteed pools and
6 things like that, we need to have nine, love
7 to have 10. It creates a lot of excitement.

8 And we guaranteed pools this year
9 not knowing if we were going to have horses to
10 fill those races. And that was -- I was antsy
11 a couple times, when we were getting close to
12 having to go to post, when the pools didn't
13 meet the 10,000 or 20,000 guarantee that we
14 put on the line. We guaranteed those pools.
15 So those are some of the -- those are some of
16 the things that make it difficult.

17 COMMISSIONER ZUNIGA: Can I ask a
18 question. And I'm looking forward -- yeah,
19 I'm looking forward to Mr. McHugh, who also
20 seems to be looking for toward to saying and
21 answer some of these questions. But on your
22 Exhibit D you talk about --

23 CHAIRMAN CROSBY: This is Plainridge
24 Exhibit D?

1 COMMISSIONER ZUNIGA: Yes. You
2 presented total number of breeding data.
3 That's nationally, right?

4 MR. O'TOOLE: Yes. That's provided
5 by the United States Trotting Association.
6 That's the total number of foals produced each
7 year, the right-hand column. The ones that,
8 you know, are on the ground living, ready to
9 be trained.

10 COMMISSIONER ZUNIGA: Right. But
11 there's also been money to the Racehorse
12 Development Fund to breeders.

13 MR. O'TOOLE: Yes.

14 COMMISSIONER ZUNIGA: And the idea,
15 while -- all along, has been that they will be
16 increasing the Mass bred, which will give us
17 at least, you know, some supply nearby and
18 therefore -- you know, more -- increase the
19 field size, eventually.

20 MR. O'TOOLE: Right.

21 COMMISSIONER ZUNIGA: I don't know
22 how soon, but eventually. What can we talk
23 about in terms of -- you know, these numbers
24 are interesting, but I'm more interested in

1 the Massachusetts numbers, as it relates to
2 this discussion.

3 MR. O'TOOLE: So the Massachusetts
4 breeding program is a great story. They
5 almost doubled their size of mares bred in
6 2017 to 111. So that'll produce 50 more --
7 approximately, 50 more foals this -- this year
8 -- next year, than it did in the past. But 50
9 horses is not going to -- is not going to do
10 it. And they're not going to affect this
11 year's schedule or the following year's
12 schedule. They were just -- the mares were
13 just bred. The foals are being raised now.
14 Then they go into training, they race as
15 two-year-olds and three-year-olds. Those
16 are --

17 COMMISSIONER ZUNIGA: It's lagging,
18 in other words?

19 MR. O'TOOLE: That lags. As pointed
20 out in the horsemen's exhibit, the enormous
21 number of horses that we're going to go
22 through this year to do this 125-day meet, you
23 know, the extra 50 horses that the breeding
24 program produces is great. Their races have

1 been good this year. We just got done with
2 the finals last Monday. But it's not going to
3 fill the void that the national numbers are
4 leaving. It's -- the national numbers are
5 staggering going the other way.

6 CHAIRMAN CROSBY: Shall we switch --

7 COMMISSIONER ZUNIGA: Yeah, let's
8 switch.

9 COMMISSIONER CAMERON: You're right.

10 CHAIRMAN CROSBY: All right. We may
11 be back and forth, but let's give Mr. McHugh a
12 chance to give his presentation.

13 MR. MCHUGH: My name is Bob McHugh,
14 and I'm president of the HHANE. I just want
15 to start by saying I'm representing the
16 horsemen and women, who race and work as
17 partners with Plainridge Racetrack and Casino,
18 regarding the end of 2018 live racing
19 schedule.

20 Before I speak to the metrics of
21 number of days requested by Plainville gaming
22 development, I'd like to draw the attention of
23 the Commission to Chapter 23K, Section 24 for
24 the Mass General Laws. It clearly states --

1 requires a licensee to hold 20 -- 125 days.
2 Section 24 clearly states that, if a licensee
3 does not hold 125 days of live racing, within
4 three years of receiving the gaming license,
5 the Commission shall, doesn't say may, it says
6 shall suspend the gaming license. I would
7 argue that this is a clear directive as to the
8 importance that has been placed on the
9 nonnegotiable requirement to maintain 125-day
10 racing schedule.

11 And then, lastly in Section 24C, the
12 adjustment after three years is solely in
13 contemplation of increasing from 125 days of
14 live racing is completely inconsistent to
15 think that in A and B there would be such a
16 clear directive and mandate with a casino
17 license suspension as the -- as a penalty,
18 only to turn around and an abandonment of this
19 legislature priority after three years.
20 Doesn't make any sense. Mr. Corey's in
21 attendance, in back of me here, to respond to
22 any questions regarding the statute.

23 Now, if the Commission decides,
24 notwithstanding this analysis to consider the

1 adjusting of required (inaudible) days, we
2 look to the three metrics. The three metrics
3 of fields, demand and racing performance. I
4 know it's in your exhibits, but I'd like to
5 just summarize them now.

6 Regarding fields, even while the
7 number of race dates and the number of races
8 has increased 50 percent since 2014, field
9 size has grown, approximately, 55 percent
10 since 2003 to 2014, and is up 2 percent from
11 2016 to 2017. These numbers show that the
12 horse population has grown faster, not a lot,
13 but faster than the increase in dates with
14 racing. This shows that the racing is on the
15 upswing and has resulted in out-of-state
16 horses, men and women, coming to the
17 Commonwealth, to upgrade their stock and buy
18 horses in Massachusetts.

19 Again, fields. The -- we mentioned
20 the upturn. The upward trend of the
21 increasing horse population is evidenced by
22 the registrations of mares for breeding. In
23 2014, it was 44. It's 111 in 2017.
24 150-percent increase. We would expect this

1 trend to continue because the success story of
2 harness racing. We really think it's going to
3 continue to grow.

4 Regarding demand, the live handle,
5 live product has increased substantially. The
6 number of race days increased 56 percent from
7 2014 to '17, the total handle increased by
8 over 200 percent during the same period. This
9 clearly shows that the demand for the racing
10 product is growing every year.

11 We did note that the average -- that
12 the -- wagering the Plainridge product has
13 increased 27 percent, while the national
14 average decreased by about five -- almost
15 5 percent. The number of race days and races
16 increased substantially from 2015 to '17.
17 While the number of race days increased by 19
18 percent, the number of races increased by more
19 than 26 percent.

20 This is clear evidence that, even
21 though the mandated race days increased in the
22 past three years, there were more than enough
23 horses to race in these races. As noted
24 above, even with the number of race days

1 increasing, field size has increased.

2 The number of claims, I know that --
3 that's gone up from '17 -- 2016 to 31 claims
4 this year, a hundred percent increase. It
5 doesn't -- I know it doesn't add horses, but
6 it does show there's a demand, that people
7 want to buy horses and race. I think that's a
8 very positive sign.

9 I know Mr. O'Toole went back to
10 2003, but, I mean, that's -- we're looking
11 since the start of the gaming statute. We're
12 just showing that -- since we got the
13 Racehorse Development Fund. I can go back to
14 1998 and probably show it was less then. So I
15 don't know about this 2003 date. I'm looking
16 since the statute started.

17 The number of -- United States
18 Trotting Association by owners' participation
19 port. Now, he corrected my numbers, but I
20 hope you agree, there's still a very good
21 growth. Talk to Exhibit 3. I am going to
22 talk to the USTA. Commissioner, I apologize
23 in adding up those numbers, but I -- we called
24 the USTA for that information, and I accept

1 the numbers as is. But I hope you agree that
2 it still shows a substantial increase. And,
3 again, the horse participation report, we're
4 getting more horses that race at Plainridge.
5 It was two -- 900 2'15, and 900 -- I should
6 say, 627 in 2015, 900 2016 and 930 to date in
7 2015, or a 50-percent increase.

8 Racing performance. I know Steve
9 says it was misplaced, but we're looking at
10 quality of horses. I think this is a wow
11 factor. The number of records we set clearly
12 shows that better and faster horses are coming
13 to Plainridge.

14 Yeah. I attribute a little bit to
15 the -- to the great maintenance that
16 Mr. O'Toole and his staff have taken care of
17 the track. But since -- there's about three
18 more track records since this. There's 21
19 track records. Freehold Raceway, another
20 Penn-owned game property, has only had three
21 in the past three years. I don't know -- if
22 you look at those three metrics, I don't know
23 how you conclude -- conclude by anything that
24 we're moving up, that we're improving, that

1 Plainridge is improving.

2 So I want to say, that the metrics
3 clearly support keeping the racing days as is.
4 In fact, if any change would be based, and
5 we're not -- I'm not recommending it now, we
6 didn't recommend it, the number of days should
7 increase. There was not one single metric to
8 show that there should be a reduction in race
9 days.

10 This year, 2017, has proven to be
11 the most successful year since Plainridge Park
12 has opened. If there's any change at all,
13 Mr. O'Toole has mentioned Friday's a weekday.
14 Believe me, we would love if they gave us a
15 weekend day. It would help us in our
16 advertising. It would -- we could get other
17 people to attend who don't work -- you know,
18 who work, I should say, who have some leisure
19 time. We would love a weekend day.

20 And we're also pleased to see, in
21 your packet, that you were sent a letter by
22 the selectmen in the Town of Plainville,
23 approving, you know -- you know, disapproving
24 Plainridge application and desiring for us to

1 race 125 days. The town realized the economic
2 impact. When trailers come into town, people
3 buy food, people -- you know, people
4 participate in a lot of information, so a lot
5 of things in the town.

6 And I want to say, you know, I know
7 Steve said he was a horseman one time so he
8 gets it. But I can tell you, there's not one
9 horseman -- the word I hear all the time is no
10 one wants to lose days. It's so important to
11 keep this industry stable. The long --

12 I can tell you, horsemen and women
13 in this state, and even around the country,
14 are still unsure as to the stability of this
15 industry in Massachusetts. And a reduction of
16 a hundred days will create a lot of questions.

17 We must continue the positive
18 direction and send the right message to
19 breeders, owners and trainers, that harness
20 racing is on the live and its upward trend
21 will continue.

22 I would ask each of you, if you
23 wanted to buy a -- if you were interested in
24 breeding a horse, if you were an owner, if you

1 were a trainer, if you heard that Plainridge
2 reduced the number of days from 125 to 100,
3 what am I telling you? What is the message we
4 would be giving to you? That is my concern as
5 representing these horsemen.

6 And so I said, any reduction in the
7 number of days would have a chilling effect on
8 the horsemen and women who now race with
9 Plainridge, as well as anyone. And I've
10 talked to people contemplating to coming this
11 state. You know, I can't promise what's going
12 to happen, but I really believe that we could
13 get people opening a training center, you
14 know, buying -- I know that. I know the Town
15 of Plainville asked me that, about the farms.
16 There's a definite chance we can get more
17 people, you know, having a training center.
18 We need that. Land is tough to get around
19 here. There's only 141 stalls at Plainridge.

20 Now, Penn Gaming, we believe, has an
21 obligation to the citizens of the
22 Commonwealth, who granted them the only Class
23 2 gaming license, and to the men and women, to
24 continue to race a minimum of 120 days and

1 beyond. And that was my script.

2 But I want to say, the horsemen and
3 women want to work with Plainridge. We want
4 to work with you guys. I think we've shown
5 that. We know that working together as a team
6 is the best way for every -- everyone to
7 maximize the income for the Commonwealth.

8 In that regard, I know -- I know
9 Steve just mentioned that -- the
10 disappointment, the number of Massachusetts
11 owners has gone down. We asked for a bonus
12 program. We asked to give a bonus to Mass
13 owners, Mass-owned and bred. That was
14 declined.

15 We were trying to get an incentive,
16 which would advertise for people from -- live
17 in Massachusetts to buy a horse. In his
18 proposal, he said that we had not left to our
19 agreement to come up with adequate entries.
20 Well, in some ways, I feel we've been asked to
21 drive the bus but not touch the steering
22 wheel. You know, some of the input we've
23 given to the condition sheet has not been
24 accepted. And we would like to have -- if

1 we're going to be responsible for adequate
2 entries, we need some more input.

3 I talked to Alex just three weeks
4 ago about a couple rules promulgated accepted
5 by the USTA, specifically, a horse whose
6 race had -- once they bet in a parimutuel race
7 they have 60 days before they have to race
8 again. I understand Mr. O'Toole's rationale,
9 but he wants -- Plainridge wants to have that
10 30-day rule, says for his protection or the
11 bettor. I understand that rationale. But
12 that's -- that prohibits adequate entries.

13 Another issue was trotting hobbles.
14 I believe the USTA has adopted a rule to say,
15 if you a change of equipment you don't have a
16 qualify -- qualify means a practice race or
17 nonparimutuel betting race. Plainridge has
18 decided not to adopt that rule. Again,
19 that -- small, but it has an impact on
20 entries.

21 So, I mean, only thing that bothered
22 me, when I read their rebuttal to you is that,
23 we're -- we're responsible for adequate
24 entries, but we don't have the -- we're in the

1 back of bus. We can't steer the bus. And so,
2 we would like to have additional input into
3 that.

4 And -- and -- and I want to say just
5 one other thing, we mentioned three days. We
6 have some big stables here, that race here.
7 I'll tell you right now, a couple people have
8 told me they'd have to cut their stable,
9 because they -- they have a big stable and if
10 they -- over four days they can race each
11 horse. When you condense it into three days,
12 they are going to have trouble bringing all
13 their horses in in three-day meet. Help in
14 racing that many in one day. It doesn't
15 affect a lot, but it does affect big stables.
16 So that's my --

17 COMMISSIONER ZUNIGA: I have a
18 couple of questions. Mostly, on trying to
19 answer the first question that you pose, which
20 is what is our decision point here?

21 Mr. McHugh, in your -- in your read
22 of the statute on Section C, Section 24, you
23 assume that the Commission may only increase
24 the amount of races, race days?

1 MR. MCHUGH: Yeah, that was our
2 legal -- I mean, I'll have to ask Mr. Corey,
3 but that was our legal interpretation of that
4 those -- that the statute required a minimum
5 of 125 days.

6 COMMISSIONER ZUNIGA: For the third
7 year -- from Section 24.

8 MR. MCHUGH: Right.

9 COMMISSIONER ZUNIGA: Section 24 is
10 very clear --

11 MR. MCHUGH: Right.

12 COMMISSIONER ZUNIGA: -- that it
13 stipulates year number one, year number two
14 and year number three in a particular number
15 of race days -- race dates, number of race
16 dates, but Section 3 says that the Commission
17 may adjust. If it was only going to be an
18 increase, couldn't the legislature have said
19 may only increase the number of dates, based
20 on field size and everything else?

21 MR. COREY: Commissioner, we would
22 argue that under 24 --

23 COMMISSIONER ZUNIGA: I think,
24 Mr. Corey, please come forward into the

1 microphone.

2 MR. COREY: Thank you, Commissioner.
3 We would argue that you have to read the
4 section in its totality. And when you read
5 24A, Subsection 3, in the third and subsequent
6 calendar years of operation, a gaming licensee
7 shall hold 125 days. The responsibility is to
8 build up to 125 days and to remain at 125
9 days.

10 That's supported in B with the
11 thought that, if you don't reach 125 days
12 racing days within that three-year period,
13 your license will be suspended. That's an
14 incredibly harsh penalty, where there's
15 absolutely no flexibility by the Commission
16 to -- you know, with a lesser penalty, the
17 license is suspended, so the whole operation
18 shuts down. So there's a clear mandate that,
19 that 125-day level be reached and maintained.

20 Moreover, in C, the argument we
21 believe is clear, since this is the first time
22 that the expression "gaming establishment,"
23 prior to that the words used are licensee,
24 that three years of operation of the gaming

1 establishment refers to when Plainridge casino
2 got its operating license, which was
3 June 24, 2015, the three-year period has not
4 yet been --

5 COMMISSIONER ZUNIGA: I want to take
6 those issues separately.

7 MR. COREY: Okay.

8 COMMISSIONER ZUNIGA: Because I also
9 read your brief. But you contend that,
10 because of Subsection 3, you know, A3, where
11 it says "the third and subsequent calendar
12 years of operation shall hold 125 days," that
13 Subsection C can only -- the adjustment can
14 only be up?

15 MR. COREY: Correct. Yes.

16 COMMISSIONER ZUNIGA: Why wouldn't
17 they say increase, as opposed to adjust, on
18 Subsection C?

19 MR. COREY: I think it's a lack of
20 clarity in that section.

21 COMMISSIONER ZUNIGA: Which brings
22 us to the disagreement. But why wouldn't
23 there be any need to look at racing days or
24 fields, or demand, or racing performance, if

1 it was always meant to be a minimum of 125
2 days?

3 MR. COREY: We think the threshold
4 has been set at 125, and those would be the
5 factors that they would want you to look at,
6 if the contemplation was to increase it.

7 CHAIRMAN CROSBY: Given your reading
8 of this, what does Section C add; why did you
9 have to have Section C, if all is required is
10 125 or more?

11 MR. COREY: I think just if -- if
12 the thought was to revisit it with an eye
13 towards increasing it to a higher level.

14 CHAIRMAN CROSBY: But it already
15 says that. A gaming -- B says, "A gaming
16 licensee may increase the number of lifing
17 (phonetically) days, if the licensee is
18 holding 25." So they've already been
19 authorized to increase, so what does C add?

20 MR. COREY: The ability of the
21 parties to approach the Commission to increase
22 it. Candidly, the situation that we're
23 confronted with here, where the inability of
24 the parties to the agreement, the horsemen and

1 the track, to agree as to where the future of
2 the race -- live racing is going and putting
3 the Commission in the role of arbiters, where
4 the inability of the horsemen to have the
5 appropriate role of involvement with the
6 number of live racing days. That's why --
7 that's, fundamentally, why we're here.

8 COMMISSIONER ZUNIGA: Can I ask,
9 also, traditionally, the legislature set the
10 number of race days, but it was at least a
11 tradition that there was a minimum number of
12 race days per day, correct; those were your
13 opening remarks?

14 MS. LIGHTBOWN: Right. Seven was
15 the minimum number of races to be
16 considered --

17 COMMISSIONER ZUNIGA: Seven was the
18 minimum number. So that way, if there was
19 always a seven minimum, the legislation could
20 just change the number of race days and
21 assumes that the number of total of races was
22 just a formula put in -- multiplied times
23 seven because that's the minimum.

24 What about the argument that if you

1 increase days -- races -- number of races
2 within one day, leaves you in a similar
3 situation with a total number of races? If
4 you have -- which we're all interested in, by
5 the way. The num -- as I understand it, if
6 there's more races, there's more betting
7 public that increases handle in that one day
8 that can attract -- you know, brings more
9 revenues to the Commonwealth.

10 MR. COREY: As Bob mentioned,
11 though, you decrease the opportunity for the
12 larger stables to get their horses into the
13 races. So you actually cut back on the
14 ability for people, who have more horses, to
15 get their horses into their races on a
16 three-day week versus a four-day week.

17 COMMISSIONER ZUNIGA: I don't
18 understand that argument. How do you call it
19 opportunity? Just -- you could call on the
20 three other days.

21 MR. MCHUGH: If you had 20 -- if you
22 had -- let me even it out. If you had -- if
23 you had 20 horses, you'd have to race five --
24 you could race five on each day, five, 10, on

1 the four-calendar days. What the -- because
2 of help and a lot of -- those big stables have
3 told me, they can't -- they can't get the help
4 and consolidate those horses into three days.
5 It puts too much stress on bringing them all
6 down and racing in that day.

7 COMMISSIONER ZUNIGA: They don't
8 want to hire an extra person, in other words?

9 MR. MCHUGH: Well, it's hard to get
10 people. And it just -- if you're a trainer it
11 too much back -- it's a seven-horse paddock.
12 So you also got the issue of seven-horse
13 paddock, the eighth, ninth, 10th. I think
14 with the number ship installs and coming back
15 it out, it's a very stressful process that
16 these grooms to --

17 MR. COREY: Plainridge doesn't have
18 the space to handle the load.

19 MR. MCHUGH: They can do it, but
20 it's very stressful. And it makes -- just
21 like your workload, you know. I'll compare it
22 to your work week. You can only get so much
23 done in a day. You can only do so much in a
24 day and now your asking someone -- two days

1 may be even better, but now you have 10 horses
2 a day. It's just -- I've been told -- I'm the
3 owner. Steve has more of a -- has been a
4 trainer and driver. But I've told by a couple
5 they would have to cut their stable. They
6 just can't do it. And this -- here we go.
7 Then we'll be back next year and say we want
8 80 days because people -- the big stables
9 would have to cut.

10 COMMISSIONER ZUNIGA: On that note,
11 so it would be equivalent of someone like me
12 working 40 hour -- 40 hours in four days, as
13 opposed to eight-hour days in five days?

14 MR. MCHUGH: Yeah. Except it's four
15 to three. I'd rather -- I'd say you'd work 40
16 hours in four days and now you work three
17 days. That's a better -- that'd -- that's
18 tougher.

19 COMMISSIONER ZUNIGA: Okay. I get
20 the argument that it stresses the
21 operations --

22 MR. MCHUGH: Yeah.

23 COMMISSIONER ZUNIGA: But how is
24 that detrimental, and I don't know that you

1 used these words, but why is that not
2 acceptable to the horsemen to have the same
3 number of races in total, assuming that it's
4 now in less days? And one argument is the
5 stress that it puts in the operations. I get
6 that. Is that the only one?

7 MR. MCHUGH: The general -- I'm
8 talking about the horsemen now. Whether it's
9 me or not, general horsemen, I've heard, is --
10 I mean, let's take Plainridge Casino, they
11 make -- most of their money from the slot
12 parlor. The feeling is, and I think it's
13 happened around the country, when tracks
14 reduce race days, you don't get 'em back.
15 Every track around -- every track around the
16 country that's reduced days I, can't say for
17 sure, but you don't get them back.

18 And, again, it's so important I
19 leave you with this, we -- I have a friend of
20 mine who bought -- I'm trying to get him
21 (inaudible) about horses with me. What is the
22 message? What is the message --

23 COMMISSIONER ZUNIGA: But you see,
24 you're not answering the question that I have,

1 which is -- which is, do you really care about
2 race days --

3 MR. MCHUGH: Yes.

4 COMMISSIONER ZUNIGA: -- or the
5 number of races? Because number of races in
6 total, which is the argument that Plainridge
7 makes, could conceivably leave you, you know,
8 the same.

9 MR. MCHUGH: It could conceivably.
10 But, again, back to the big stables.

11 COMMISSIONER ZUNIGA: That's --
12 that's one factor.

13 MR. MCHUGH: That's one factor.

14 COMMISSIONER ZUNIGA: I understand.
15 I want to understand any others, if there's
16 any others.

17 CHAIRMAN CROSBY: Right. The
18 economics of it.

19 COMMISSIONER ZUNIGA: The economics.

20 CHAIRMAN CROSBY: Is there some
21 reason why it's not in the economic -- passing
22 this issue of stress on the system, we'll just
23 set that aside, passing that issue from an
24 economic standpoint for your membership, is

1 it -- how is it worse, to have the same number
2 of race in three days than in four days?

3 MR. COREY: Because the message it
4 sends to the public --

5 CHAIRMAN CROSBY: All right. So
6 it's not a matter of economics. So from a
7 matter of your own economics, what you're
8 concerned about --

9 MR. MCHUGH: Well --

10 CHAIRMAN CROSBY: Let me just finish
11 what I'm hearing you guys say. I'm hearing
12 two arguments. One is, there's some sense of
13 momentum and so forth that you'd like to keep
14 going, you think it gives a bad message, if
15 you cut the racing days, and there is some
16 factor for some stables, at least arguably,
17 that operating all of their horses in three
18 days is an issue. That the --

19 MR. MCHUGH: Yeah --

20 MR. COREY: No. No --

21 CHAIRMAN CROSBY: No?

22 MR. COREY: -- Commissioner.

23 CHAIRMAN CROSBY: So what else?
24 What's the economic difference to you guys?

1 MR. COREY: Because there's a
2 five-year investment cycle that you need to
3 make, if you're going to decide to bring a
4 horse, and to race a horse in Massachusetts.

5 The whole idea behind the Racehorse
6 Development Fund and the commitment to live
7 racing, as we've seen in the discussion with
8 thoroughbred racing, is -- is to enhance,
9 support and to encourage people to make the
10 required investment in racing.

11 And if you cut 20 percent, 25 days
12 from the harness race schedule -- they're
13 doing wonderful things down in Plainridge.
14 And the thought is, to send the message to
15 people who want to bring horses and increase
16 and breed horses in Massachusetts, we're not
17 there yet.

18 But if you look -- you look at the
19 number of mares bred in Massachusetts, if you
20 look at the handle, if you look at the
21 appropriate statistics, they're all very
22 encouraging, they're heading in the right
23 direction. But if you cut the number of days,
24 it sends the wrong message.

1 COMMISSIONER CAMERON: I see that
2 argument, if -- if you've cut races. But if
3 you're not cutting races, I don't know how you
4 don't go your membership and say, look, you
5 have the same amount of races. I don't -- I
6 don't see the argument. I do see the
7 argument, if you cut races.

8 MR. MCHUGH: Right. But it's also,
9 Commissioner Cameron, you mentioned at a
10 public hearing about protecting the local
11 person. Again, PGI has control over the
12 condition sheet. If they don't fill, we have
13 to give a certain of money, those purses are
14 going to go up. I mean, we are concerned
15 about protecting the local horsemen.

16 I have to say, those Fridays, there
17 are mostly races written for the local
18 horsemen, the guys that have just been here
19 for years. They have to move on, I
20 understand, at some point and get better
21 quality horses.

22 But if -- if the number of races --
23 and I'm not -- if the number of races do not
24 fill, say they don't fill it's back to 10,

1 that means the purses have -- the purses will
2 go up and that's going, to me, to attract
3 people coming in, shipping in and leaving, and
4 some of the local horsemen have supported
5 Plainridge over the years, maybe --

6 CHAIRMAN CROSBY: But here's
7 something I don't understand, in this chart of
8 the owner participation, the horse -- the
9 number of race days went up by, what, 10, from
10 16 to 17?

11 MR. MCHUGH: Yes.

12 CHAIRMAN CROSBY: From 115 to 125.
13 What that did was attract 75 more horses from
14 out of state and one less horse from
15 Massachusetts. So what you're doing -- what
16 you're doing by increasing racing days is
17 increasing more out -- more opportunities for
18 out of state horse to come to Massachusetts.
19 The number of Massachusetts horses went down,
20 even though the racing days went up.

21 MR. MCHUGH: We talking about the
22 owners?

23 CHAIRMAN CROSBY: Yeah.

24 MR. MCHUGH: Well, that's why --

1 that's why --

2 CHAIRMAN CROSBY: That's the data
3 that you gave us.

4 MR. MCHUGH: Right. That's why,
5 Chairman Crosby, we tried -- we wanted to put
6 something on the condition sheet to encourage
7 Mass ownership, to give bonuses, to encourage
8 people from Massachusetts to buy horses.

9 CHAIRMAN CROSBY: Yeah. But
10 that's -- that's a whole different issue. I
11 mean, that's not --

12 COMMISSIONER ZUNIGA: Well, that is
13 authority that we don't have. This condition
14 sheet that you presented for the -- that I've
15 heard for the first time, some of the rules
16 that -- that impact entries, I find
17 fascinating, but that's something that we,
18 clearly, don't have the authority to approve
19 or try to arbitrate.

20 CHAIRMAN CROSBY: Right. So I think
21 we should leave that one aside.

22 MR. MCHUGH: Okay.

23 CHAIRMAN CROSBY: I just -- I find
24 these -- both of these issues really

1 perplexing, and I want to come back to the --
2 what does the statutes say. But I can't -- I
3 don't know how much of this stress on big
4 stables is a factor. I don't know how to
5 measure that. I don't know how big a deal
6 that is so I can't weigh that one very well.

7 This momentum thing is all a matter
8 of what you say. Just because you're now
9 saying it's going to create a bad sense out
10 there, well, it shouldn't. You can just
11 say -- make it differently. Work -- do a
12 promotional campaign that says we're upping
13 the number of races, or we're upping the
14 number of horses or whatever.

15 COMMISSIONER ZUNIGA: There's more
16 money coming from the Racehorse Development
17 Fund.

18 CHAIRMAN CROSBY: Yeah, right,
19 there's more money coming in. And since the
20 only consequence that we can see, based on
21 your data, is that more days are giving more
22 opportunity for out-of-state owners, rather
23 than in-state owners, I don't -- and our job
24 is to protect Massachusetts owners, among

1 others, I don't see the nexus between the
2 interests of your membership and more days,
3 other than this etherial momentum thing, which
4 I think is a self-fulfilling prophecy. If you
5 go around and tell everybody it's going to be
6 a bummer, if we go from 125 to 100 maybe it
7 will be. But if you're a part of -- if you're
8 a part of strategy to say Massachusetts is on
9 the rise and here's how we're doing it, then
10 it doesn't have to be a negative to the
11 momentum.

12 COMMISSIONER CAMERON: I'd like to
13 did Dr. Lightbown and maybe Mr. O'Toole about
14 the stress. Is there a -- create a situation
15 where it is difficult, A, for the larger --
16 the larger -- larger farms and owners and/or
17 our own staff, is that a problem with, say,
18 upping the number of races per day?

19 MS. LIGHTBOWN: So it'll probably
20 vary for each individual trainer and owner.
21 You know, some owners and trainers it'll be a
22 benefit. You know, maybe they're bringing
23 down three horses on Mondays, and now they --
24 maybe they can bring five. And they'll save a

1 trip, they'll save the gas and it'll be a
2 benefit for them.

3 Maybe, like Mr. McHugh said, maybe
4 there's going to be some that are already
5 bringing down as many as they can bring and so
6 they're not going to be able to bring extras.
7 Like Commissioner Zuniga said, do you hire
8 extra help or -- you know. So it'll -- it'll
9 vary a little bit on that.

10 On our help, I did talk to Executive
11 Director Bedrosian when this was brought up,
12 most of our staff is seasonal, since racing is
13 seasonal, and they're on a -- basically, on a
14 day rate. It's -- per state it's been hourly
15 rate, but it -- basically they're paid for
16 performance.

17 And so, we've had very brief,
18 initial discussions on how we might have to
19 look at how these people are compensated, if
20 now they're doing the work of four days in
21 three days, to be fair.

22 COMMISSIONER CAMERON: I see. If
23 they're paid hourly, then they just work more
24 hours per day, as opposed to an extra day?

1 MS. LIGHTBOWN: Well, that's what
2 would happen. If they were adding extra
3 races, you know, they'll -- instead of getting
4 the fourth day of pay, now they'll be out that
5 day of pay and they'll be asked to do more
6 work over a longer period of time on the days
7 they're working. But that's something that,
8 you know, we would address on our end.
9 Mr. O'Toole has said that most of his racing
10 staff is on salary and he doesn't feel it's
11 going to affect them.

12 COMMISSIONER STEBBINS: How does --

13 CHAIRMAN CROSBY: Wait. I think you
14 were going to answer Commissioner Cameron's
15 question.

16 MR. O'TOOLE: As far as the stress,
17 we don't have too many 20-horse stables, first
18 of all. There are a few. And, usually, in a
19 20-horse stable, not all horses are racing at
20 the same time.

21 But we raced 80 days in 2013 and
22 before. We raced 80 days in 2014. I never
23 heard this stress argument when we raced 80
24 days three days a week. Back then, we raced

1 two days a week to start for a couple of
2 weeks, and we ended the season, usually going
3 three days a week. And this is the first time
4 I've heard the stress factor, as far as
5 racing. It's a hectic scene. I've done it
6 myself, you know, when I was racing a stable
7 and you bite offer what you can chew. And
8 most of the guys do, as far as -- as far as I
9 can see, yeah.

10 COMMISSIONER CAMERON: Okay.

11 COMMISSIONER STEBBINS: Does
12 Plainridge -- I'm sorry.

13 COMMISSIONER ZUNIGA: No. Go ahead.

14 COMMISSIONER STEBBINS: Does
15 Plainridge -- again, trying to estimate this
16 stress. But, I mean, does Plainridge have
17 space, adequate facilities if you had, you
18 know, to accommodate people, might bring down
19 more horses than they had anticipated, if
20 you're short a number of days?

21 MR. O'TOOLE: So in the 80-day
22 seasons and the 100-day seasons prior to 2014,
23 we had no ship-in barn and we raced 14 races a
24 day. We flipped the paddock one time. It is

1 a seven-race paddock, as Mr. McHugh said.
2 Now, we have a ship-in barn to house the
3 horses when they're not in the paddock. So
4 there's -- you have to flip them, yeah. And
5 it's not uncommon.

6 COMMISSIONER ZUNIGA: What's the
7 term, Mr. O'Toole ship and what?

8 MR. O'TOOLE: Ship in. So the
9 horses come in, they have a place to go, to
10 rest, relax before they --

11 CHAIRMAN CROSBY: You were talking
12 about flip -- you said, "flipping the
13 paddock." What does that mean?

14 MR. O'TOOLE: Similar to a
15 restaurant, flipping tables.

16 COMMISSIONER ZUNIGA: Yes. Got to
17 reuse them.

18 MR. O'TOOLE: So you can have seven
19 races, after the first race is over they
20 leave, and then in a -- 20 minutes or so the
21 eighth race comes in and takes that. And
22 that's not uncommon practice in paddocks. You
23 know, thoroughbreds race from a one-race
24 paddock.

1 MR. COREY: I've been advised that
2 that's no statutory requirement for the number
3 of races and that -- more than seven. So even
4 if you cut the number of days, they would have
5 no obligation to race more than seven races.

6 CHAIRMAN CROSBY: Well, they are
7 now, for starters. But we're getting -- we're
8 getting a commitment from them, if we were to
9 decide. It's clear that the -- that what
10 we're hearing is there is going to be, for all
11 intents and purposes, the same number of
12 races. Give or take, not exactly.

13 But as a practical matter, the whole
14 purpose here is to have the same number of
15 races. And I think the Commission -- if
16 what's what we supported, I think the
17 Commission would not be very happy with
18 Plainridge and would be welcomed to have you
19 back, if that didn't happen.

20 I want to go back to the question --
21 unless I'm interrupting somebody.

22 COMMISSIONER ZUNIGA: No.

23 CHAIRMAN CROSBY: I want to go back
24 to this threshold question, which is, what

1 does the statute say? And we've had this
2 experience before, this was a complicated
3 statute, and I think this is the place where
4 the language is unclear. But it is your
5 understanding that, if Plainridge wanted to
6 increase the number of races next year, that
7 they could do so on their own hook, have
8 nothing to do with us?

9 MR. COREY: No. I think that the
10 statute requires -- the continuation of 125
11 racing days. And that, if they wanted to
12 increase it above 125 racing days under
13 Section 24C, that it would require
14 consultation with the Gaming Commission and
15 between the parties.

16 CHAIRMAN CROSBY: So that means that
17 the sentence B, the first sentence, "The
18 gaming licensee may increase the number of
19 license racing days, if they're already
20 holding the minimum of 125," is essentially
21 meaningless?

22 MR. COREY: No. That says within
23 three years.

24 CHAIRMAN CROSBY: Yeah. Well, this

1 is three years. Next year would be the fourth
2 year.

3 MR. COREY: I don't agree.

4 CHAIRMAN CROSBY: All right. Then,
5 what about the year after that?

6 MR. COREY: Perhaps.

7 CHAIRMAN CROSBY: Okay. So you
8 think that B says that increases --
9 reconciling the ramp-up period, once your
10 outside the ramp-up period, whichever it is,
11 you're saying that Section B says that
12 Plainridge can increase racing days on its
13 own, period?

14 MR. COREY: Within three years of
15 receiving the license.

16 COMMISSIONER ZUNIGA: Yes.

17 CHAIRMAN CROSBY: After three years?

18 MR. COREY: For the first three
19 years.

20 COMMISSIONER ZUNIGA: No. But it
21 starts --

22 CHAIRMAN CROSBY: "A gaming licensee
23 may increase the number of live racing days,
24 if the gaming licensee is holding a minimum of

1 125 racing days within three years of" -- so
2 if, within three years, you get to 125 you can
3 increase it.

4 MR. COREY: For those three years.

5 MR. MCHUGH: Right.

6 CHAIRMAN CROSBY: All right. So if
7 that's -- that's not what it says to me. But
8 anyway, so what three says -- so three --
9 sorry. Section C is really the operative
10 section with respect to -- from changing from
11 125. So --

12 MR. COREY: However, Commissioner,
13 after three years of operation of the gaming
14 establishment.

15 COMMISSIONER ZUNIGA: We're going to
16 get to that one.

17 CHAIRMAN CROSBY: Well, that's a
18 different --

19 COMMISSIONER ZUNIGA: We're going to
20 get to that one.

21 CHAIRMAN CROSBY: There's two
22 different issues. I mean --

23 COMMISSIONER ZUNIGA: Imagine that
24 it's four years now.

1 CHAIRMAN CROSBY: Yeah. Imagine
2 that it's four years.

3 MR. COREY: It's 2019.

4 CHAIRMAN CROSBY: Yeah, right.

5 COMMISSIONER ZUNIGA: Yes.

6 MR. COREY: Yes. Thank you.

7 COMMISSIONER ZUNIGA: What about C?

8 CHAIRMAN CROSBY: So C -- if that's
9 the case, if it's locked -- in your view it's
10 locked into 125, unless the Commission changes
11 it, past -- postramp-up period, then the word
12 adjust becomes pretty meaningful. Why did
13 they say "adjust" --

14 COMMISSIONER ZUNIGA: And not
15 increase.

16 CHAIRMAN CROSBY: -- and not
17 increase?

18 MR. COREY: Because I think, for the
19 first time, it contemplates a consultation
20 with the parties.

21 COMMISSIONER ZUNIGA: That's not
22 mutually exclusive.

23 CHAIRMAN CROSBY: No. It doesn't
24 have anything to do with --

1 COMMISSIONER ZUNIGA: We're having
2 the consultation, which is great, but what
3 about the question of adjust versus increase?

4 MR. COREY: I can't speak to that.

5 CHAIRMAN CROSBY: Yeah. Well,
6 that's what we're trying to wrestle with. I
7 mean, it's -- so I have a question for
8 counsel. Section A, little three, 3I, is
9 absolutely foursquare that it shall be 125
10 racing days for the third and subsequent
11 years, flat out. That's a little bit like the
12 one in the old in the gaming employee --
13 service employee that says there shall be a --
14 you know, a background check in effect for
15 gaming service employees. And then, there
16 were subsequent sections which made it look
17 like, well, I don't think those background
18 checks really apply to gaming. How do -- how
19 do we reconcile that foursquare statement
20 about 125 five with C, which says, in effect,
21 notwithstanding what I just said up above, the
22 Gaming Commission can adjust them?

23 MS. BLUE: So I think, as the
24 Commission has grappled with racing issues

1 before, you know, racing is governed by a
2 multitude of statutes that have different
3 rules for different breeds. And so, you have
4 to read the gaming amendments, basically, in
5 conjunction with what 128A and 128C provides.
6 You also have to think about the fact that the
7 legislature knew that 128A and 128C were
8 there. So things like, you have to race a
9 hundred days in order to simulcast, have to be
10 read in conjunction with 24.

11 What we know, from the legislature's
12 past history, was that every year the
13 stakeholders went back to the legislature and
14 asked for a change in the days. So the way I
15 look at 24C, is that the legislature
16 understands that there might be some kind of a
17 change. And as they did in 2014, when they
18 made the change and they gave the discretion
19 to the Commission to ultimately work with the
20 parties and come to a number of days, they put
21 that in this section so that you could look at
22 the number of days and think about safety
23 issues, field size.

24 I mean, I think the legislature

1 strongly preferred that you could have an
2 increased number of racing days going forward.
3 But I think they understood that that might
4 not necessarily work. And the best place for
5 that decision to be made, and the consultation
6 as we're having now, would be in front of the
7 Commission to make that decision. So I see 24
8 as acknowledging that there may be some
9 reasons why 125 days don't work.

10 CHAIRMAN CROSBY: Okay.

11 COMMISSIONER CAMERON: Can I ask
12 Mr. McHugh, I clearly remember, in 2015, after
13 racing -- after racing 80 days in 2014, the
14 horsemen were very much in favor of starting
15 that clock and racing 105 days in 2015. I
16 know you weren't the president then, but you
17 were a member, you were a horseman then; do
18 you recall that?

19 MR. MCHUGH: I can't -- in favor of
20 racing 105?

21 COMMISSIONER CAMERON: Well, in
22 other words, yes. So in 2015, the Commission
23 made the decision -- you know, that was the
24 beginning of the calendar year to start, even

1 though the casino itself wasn't open, so we,
2 in fact --

3 COMMISSIONER ZUNIGA: Approved the
4 racing application?

5 COMMISSIONER CAMERON: Yes, 105
6 days. And the horsemen, they were out in
7 force at that hearing in agreement, in support
8 of starting the clock and racing 105 days in
9 2015.

10 MR. MCHUGH: Well, my understanding,
11 Commissioner Cameron is that --

12 MR. COREY: Don't speculate.

13 MR. MCHUGH: Okay. Is -- yeah. Is
14 -- okay.

15 COMMISSIONER CAMERON: I asked
16 Mr. McHugh a question. This is not a legal
17 proceeding, Mr. Corey. I'd like to him to
18 answer.

19 MR. COREY: Thank you, Commissioner.

20 MR. MCHUGH: Yeah, yeah. Well, I do
21 think that that agreement was signed and
22 people just so happy, they're worried that
23 there would be no racing at all. And I do
24 remember from Mike Papale, the previous

1 president, that there was an anticipation that
2 from 80 to 105 was a big jump and that it
3 would take time going forward. It takes time
4 to get more -- to get new owners, more horses.
5 So 80 to 105, to 115, 125, it was a logical
6 progression.

7 COMMISSIONER CAMERON: Well, I guess
8 what I'm saying is, I never heard -- this
9 isn't the first year of the gaming
10 establishment. We shouldn't start we should
11 have 80 days instead of a 105. My only point
12 is, we're hearing that now, after three years.
13 We never heard that argument three years ago,
14 when we started it and the room was full of
15 horsemen in support of the additional racing.

16 This is a good-news story,
17 obviously. And it's just a question of how we
18 solve this one issue, which is racing days, at
19 this point. So I just -- I guess I'm just
20 finding this piece, knowing the past and being
21 involved personally over the last three and
22 four years, starting that clock at the time we
23 did was very much -- the horsemen were very
24 much supportive of that.

1 MR. MCHUGH: Right.

2 COMMISSIONER CAMERON: Okay.

3 COMMISSIONER ZUNIGA: I was going to
4 ask that question from a different
5 perspective. But it's -- it's very helpful,
6 the way you've framed it. Your argument seems
7 to be relative to when the clock started
8 ticking, that from April of 2015 --

9 COMMISSIONER CAMERON: '15.

10 COMMISSIONER ZUNIGA: 2015 to June
11 of 2015, when the gaming establishment first
12 opened, those days were for free, were gratis,
13 because those were not -- those didn't count,
14 in your opinion?

15 MR. MCHUGH: What the -- excuse me.
16 The --

17 COMMISSIONER ZUNIGA: If the clock
18 started -- if the statute stipulates the
19 minimums for the next three years, that's
20 every clear --

21 MR. MCHUGH: Right.

22 COMMISSIONER ZUNIGA: 105, 115 and
23 125, there's a disagreement -- you argue that
24 the clock started ticking when the gaming

1 establishment opened in June 27 of 2015. But
2 the calendar year had already started,
3 which -- which is Commissioner Cameron's
4 question. Back in November of the prior year,
5 you were in support of the Plainridge
6 application for 105 days for that calendar
7 year. If the clock only started ticking in
8 June, what about all those days between April
9 and June, were those just free days, race
10 days?

11 MR. MCHUGH: I guess my -- I mean,
12 I'm not sure if I totally understand your
13 question. But when we developed the three
14 metrics, it was based on to supporting the 125
15 days. I didn't, you know, I don't --

16 COMMISSIONER ZUNIGA: I'm trying to
17 take us back to 2015.

18 CHAIRMAN CROSBY: I think
19 Commissioner Cameron established the point.
20 That at the time there was a broad consensus
21 that the clock was starting. This was -- this
22 was the first year 105, next was 115, next
23 125. Now, there is this argument that this
24 ambiguity about three years of operation of

1 the gaming establishment neuters all that
2 agreement and there's an additional year.

3 I think, you know, I remember the
4 same conversations. Personally, the idea that
5 the use of the word gaming establishment
6 mandates a fourth year in effect, I find
7 unacceptable. I think the argument about
8 whether or not we have the authority to
9 increase is complicated, because the language
10 just is simply incompatible. There are places
11 where it's incompatible.

12 But bottom line, it's not logical to
13 me that they were only talking about the
14 possibility of increasing. You know, as I try
15 to reason my way through this, I think they
16 were -- they intended to give us -- and I have
17 talked with them about this -- not this
18 specific issue, but in general, about the wish
19 to let the determination of racing days go to
20 the -- to the Gaming Commission. I know this
21 is what they have been thinking about a lot.

22 So I end up thinking, yes, the clock
23 has run. We've done the three-day --
24 three-year ramp-up, and yes, we do have the

1 authority to go lower than 125 than if we
2 thick the conditions warrant that.

3 What I'm still wrestling with is
4 whether or not I think we should go lower than
5 125. And I think that's a -- that's a really
6 close call. And I guess as a -- sort of a
7 summary, it's a -- it's really close call.
8 And because, not notwithstanding the fact that
9 the racing days are going up, the field size
10 is going up, the races per day are going up,
11 they're going up slowly but they're going up,
12 I find it very troubling that the
13 Massachusetts horses are not benefiting by the
14 increase in racing days. That's what we're
15 about here.

16 Now, I don't want to -- doesn't make
17 me feel to bring more race days for guys from
18 Maine, who were the ones that benefited the
19 most. They increased the most, the Maine
20 owners. So I'm very -- but if we're in
21 consensus, I'd like to narrow us down, that
22 we're talking now about the remaining issue,
23 which is, do we agree or not with the wish to
24 reduce from 125 to a hundred, and focus the

1 rest of our energy of trying to resolve that?

2 COMMISSIONER CAMERON: I agree,
3 Mr. Chair, they have met their three-year
4 commitment, and I agree that we have the
5 authority -- I agree with your analysis, that
6 we have the authority to now opine on race
7 days.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER ZUNIGA: I agree.

10 CHAIRMAN CROSBY: I want to sort
11 of --

12 COMMISSIONER MACDONALD: Can I
13 just --

14 CHAIRMAN CROSBY: Yes, please.
15 Yeah.

16 COMMISSIONER MACDONALD: Just ask a
17 question of Director Lightbown. Do I
18 understand that having reviewed our general
19 counsel's memorandum on what the statute
20 means, that you have reviewed these contending
21 positions and have concluded that upon a
22 consideration of the issues relating to field,
23 demand and racing performance, that you're
24 recommending to us that we should accept the

1 Plainridge proposal that Mr. O'Toole has
2 addressed today?

3 MS. LIGHTBOWN: No. I specifically
4 left that out of memo as to the number of
5 days. I've discussed it with Executive
6 Director and Counsel Blue, and that is clearly
7 under your decision to make.

8 Basically, I do concur with
9 Catherine's memo about the number of -- the
10 year and when it started. At every -- one of
11 our licensing hearings, it's either been in
12 the memo that has been written up --

13 CHAIRMAN CROSBY: Well, we're past
14 that one. We're past that one. But I think
15 Commissioner MacDonald's asking, what's your
16 opinion on these -- this is a matter of
17 judgment calls on these issues.

18 MS. LIGHTBOWN: So it's a difficult
19 question. I totally understand the track's
20 position, where, if you look at the Fridays in
21 particular, those are not a good card of
22 racing, as far as the number of races go, and
23 as far as the number of horses in those races.

24 I think we had a -- last week or the

1 week before, the first race there were a
2 couple of scratches, horses that didn't run,
3 and we were down to, like, a four-horse field,
4 and the bettors don't want to bet on that.
5 And, you know, that's just a fact.

6 And anytime you have a racing card,
7 you have to assume that there are going to be
8 a few scratches. You know, horses that, for
9 whatever reason, aren't going to be ready.
10 They were ready at the time of entry. By the
11 time the races come up, for whatever reason,
12 they're not racing.

13 But on the other hand, I also -- it
14 is a very good story that we have to tell on
15 how the -- you know, things have been
16 improving. The two parties got to the point,
17 I believe, where Plainridge was offering 105
18 days and the standardbred group was looking at
19 114.

20 MR. MCHUGH: 120.

21 CHAIRMAN CROSBY: What?

22 MR. MCHUGH: 120, I think. With
23 some conditions. 120 with added conditions.

24 MS. LIGHTBOWN: Yeah. I -- maybe --

1 don't know what -- if Steve remembers it being
2 114 or 120. I thought it was down to 114.
3 And like Mr. McHugh was saying, there were
4 some different concessions made. I thought it
5 was very generous of Penn to be offering a
6 three-year agreement with a hundred days, just
7 because it does give some stability. But
8 if -- that didn't sway the horsemen.

9 CHAIRMAN CROSBY: So they had --
10 Plainridge had pledged to not come back next
11 year and reduce again, as they were concerned?

12 MS. LIGHTBOWN: Right.

13 CHAIRMAN CROSBY: Is that part of
14 your proposal now, not to reduce?

15 MR. O'TOOLE: Yeah. We have no
16 intentions of reducing any further.

17 CHAIRMAN CROSBY: But, apparently,
18 at one point you made a commitment to that
19 point. Would you make that commitment now --

20 MR. O'TOOLE: Yes.

21 CHAIRMAN CROSBY: -- as part of
22 this?

23 COMMISSIONER STEBBINS: To make it
24 over three year?

1 MR. O'TOOLE: Yes.

2 CHAIRMAN CROSBY: All right. So we
3 don't have a strawman out there that you're
4 going to come back next year and come back for
5 another reduction?

6 MR. O'TOOLE: No. And that's one of
7 our concerns that Bob brought to the table on
8 our very first meeting in late August. That
9 the -- two things. That the season remained
10 the same, and if -- if you reduce days then
11 the horsemen are going to come back and say,
12 well, they reduced days, then it's going to be
13 to 80 and then 50 and -- and I assured him at
14 that time that we had no intention of doing
15 that.

16 CHAIRMAN CROSBY: Well, that's good.
17 Okay.

18 COMMISSIONER MACDONALD: I'm a
19 little confused on this. I read the materials
20 and did my best to understand them. Under
21 recommendation, on the second page of your
22 memo, Director Lightbown, the recommendation
23 is the racing division recommends that the
24 Commission approve the application of

1 Plainville gaming and redevelopment for live
2 horseracing in 2018. Why -- I thought their
3 proposal is a hundred days.

4 MS. LIGHTBOWN: Yeah. Maybe I
5 should have clarified that. In the part above
6 that, I mentioned that the groups would be
7 giving their presentations to you on the
8 number of days.

9 COMMISSIONER MACDONALD: So that
10 wasn't --

11 MS. LIGHTBOWN: And so, I wasn't
12 including the number of days in my
13 recommendation.

14 CHAIRMAN CROSBY: You're not
15 approving -- you're not approving their
16 proposal, is what you're saying?

17 MS. LIGHTBOWN: I'm leaving that up
18 to you all to decide. If you want my opinion,
19 I think you settle between the 114 and 105 and
20 go with 110. And that gives the -- the racing
21 office the opportunity to look at the horse
22 population over the course of the year.

23 As Steve has mentioned, the racing
24 secretary's very good at knowing when their

1 may be, you know, fair racing up in Maine and
2 those people aren't going to be able to come
3 down, and that's going to be a particularly
4 tough week to fill races so maybe they don't
5 race a day that week.

6 Maybe at the beginning of the meet,
7 you know, look -- when I looked back at the --
8 what we did this year, it looked like some of
9 the summer months were pretty strong, so maybe
10 you race that extra day in the summer to come
11 up with that amount.

12 CHAIRMAN CROSBY: But the hundred --
13 the splitting the baby here doesn't really go
14 to the issue, which seems to be the motivating
15 -- the real motivating factor behind the
16 horsemen's resistance, which is this momentum
17 argument. You know, I mean, it feels like
18 it's -- it feels like there's a real passion
19 for the horsemen, that this is going to be a
20 bad sign and will destabilize an industry,
21 which is being restored. And I don't know
22 whether splitting the baby solves that
23 problem.

24 COMMISSIONER ZUNIGA: There's

1 another sign that operates here, which is also
2 a good-news story, but that's -- and that has
3 to do with the field size and all these three
4 different factors that, you know, sort of work
5 against each other, and that is the handle.

6 If there's an increase in the
7 handle -- and that's also an important part
8 for the economic development of the
9 Commonwealth, you know, we all benefit. And
10 if the claim is that, in order to complete and
11 increase that handle we have to find where
12 there's, you know, better days, and the
13 argument that at least Plainridge makes, is
14 with three you'd be better able to do that,
15 even with fuller cards and the, you know,
16 fuller fields, there would be an increase in
17 handle, which is in the interest of everybody.

18 CHAIRMAN CROSBY: Right. But how
19 does that cut to Director Lightbown's point
20 about 110?

21 COMMISSIONER ZUNIGA: No, no.
22 That's --

23 CHAIRMAN CROSBY: That's saying
24 stick with a hundred. You're accepting

1 Mr. O'Toole's assertion that consolidating in
2 200, basically, the same number of races in a
3 hundred days is going to increase the handle,
4 right; is that what I heard you say?

5 COMMISSIONER ZUNIGA: Yeah.

6 CHAIRMAN CROSBY: Which is a reason
7 for us to do that, because we have an interest
8 in increasing the handle?

9 COMMISSIONER ZUNIGA: Yes, yes. So
10 it would be only the -- you know, not as much
11 but, you know, a little bit more, or less, I
12 guess.

13 MR. BEDROSIAN: Mr. Chairman, if I
14 could just say one thing. This has been a
15 long and fruitful discussion. The interesting
16 thing, I think, is just to put as a context
17 is, we're still in this -- racing's still in
18 the semi-purgatory state in the sense that the
19 racing laws are going to expire midway through
20 the year next year.

21 So to the extent, which I know I can
22 totally understand the horsemen's concern that
23 there's going -- you know, you lose momentum,
24 you know, the legislature has huge decisions

1 to make next year that I think are going to
2 have a lot more affect on momentum of the
3 racing industry. Not to diminish the decision
4 you will make here. It's a very important
5 decision. But the context in which the
6 industry and the Commission finds itself in is
7 not a vacuum. It's this broader context of
8 what's going to happen, generally, with
9 racing.

10 CHAIRMAN CROSBY: Right.

11 COMMISSIONER STEBBINS: But I
12 appreciate that point. I think to the point
13 we're trying to address -- and I talked about
14 it before, and I appreciate Mr. McHugh's
15 point, is Massachusetts look like we're
16 stepping off the gas because, whoa, we hit one
17 at 25, let's peel it all back. But on the
18 flip side of that scale, you know, fighting
19 the perception of losing the race days, now
20 you're talking about more races per year, per
21 meet season, you know, we've had a shift in
22 purse allotments via the horseracing
23 committee, simply more opportunities to race,
24 more handle, which is -- you know, as

1 Commissioner Zuniga said is another economic
2 factor that we're weighing.

3 I have a question -- I don't want to
4 detour us a little bit, but at the same time
5 if we're going to make a decision on not --
6 I'm peeling back on the 125 and basing it on
7 the three-cut criteria of field.

8 CHAIRMAN CROSBY: Demand and
9 performance.

10 COMMISSIONER STEBBINS: Demand and
11 performance, you look through the two briefs.
12 And Plainridge has one definition of
13 performance and the horsemen have another
14 definition of performance. And, you know,
15 we're tackling this for the first time. The
16 next time, we may need to review these
17 criteria. It'd be great, if we had set some
18 benchmark as to what we accept as definitions.
19 I'd like to have us, at least, try to figure
20 out if there's a definition of performance
21 that we can agree upon.

22 I think breaking race records is
23 great, and certainly, probably, a matter of
24 pride for the horsemen. From an industry

1 perspective, what that translates to, in terms
2 of jobs, in terms of handle, I don't quite
3 know. But I'd almost feel inclined to look at
4 the definition that Plainridge Park has put
5 forward. I mean, again, we're going to
6 evaluate reducing days having some agreement
7 on what we decide performance as a criteria
8 is.

9 CHAIRMAN CROSBY: Are we talking
10 about going forward, like for next -- having a
11 standard so we can look with --

12 COMMISSIONER STEBBINS: Well, we got
13 to think about it today, but we're also
14 setting, kind of a -- you know, we're setting
15 a benchmark for how future commissions may
16 deal with the issue of performance.

17 COMMISSIONER ZUNIGA: Well, one
18 thing that I find very important to consider
19 is this notion that Dr. Lightbown corroborates
20 relative to what appears to be the -- you
21 know, Fridays, the most difficult day, that if
22 you have -- it's one thing to think about
23 average field sizes, but it's the ones that
24 are at four horses that are really

1 problematic, because then the handle really
2 decreases, if you have only four horses in
3 that race, for whatever reason. There's not
4 enough that showed up, or a couple of them
5 scratched and what have you.

6 So that's an element that I find --
7 the mind has to migrate to averages. But the
8 tail ends are what, in my mind, really becomes
9 to erode, a little bit, the product. If
10 people who are around and they see that, well,
11 that's only a field size of four, I'm going to
12 go concentrate on something different.

13 MR. MCHUGH: Chairman Crosby, can we
14 also request for a week -- we'd like to
15 request for a weekend day to race, a weekend
16 of Saturday or Sunday?

17 COMMISSIONER ZUNIGA: Well, that's
18 where we start diving into the whole purse
19 agreement that we've never had -- nobody every
20 contemplated.

21 MS. BLUE: No. That's not within
22 our --

23 COMMISSIONER CAMERON: That's not in
24 our purview.

1 COMMISSIONER ZUNIGA: That's really
2 a commercial -- yeah, that's not in our
3 purview. All of those conditions are great,
4 as you are negotiate with -- with the track.

5 CHAIRMAN CROSBY: And I think the --
6 racing performance with small R and small P,
7 anybody can define racing performance however
8 you want. But the brief from Plainridge
9 defined racing performance pulls the defining
10 term out of 128C, and defines racing
11 performance as the conduct of at least seven
12 race per day, and deems that to be the minimum
13 acceptable.

14 So, I mean, I think that we can
15 expand on that definition, but that's clearly
16 a baseline definition. You can add these
17 other factors as to interesting data points,
18 relevant data points. But in terms of the
19 literal use of racing performance, it's pretty
20 explicit. And I think it does make -- it does
21 imply that the performance is not very good.
22 We're barely over the minimum number of
23 acceptable number of horses per race.

24 MR. MCHUGH: Well --

1 CHAIRMAN CROSBY: Did you want to
2 say something?

3 MR. MCHUGH: Well, seven -- 9.5 --
4 yeah, okay. No. No, I'll just --

5 CHAIRMAN CROSBY: I'm sorry. No.
6 At least -- oh, the conduct of at least seven
7 live races -- oh, okay, no, I'm sorry, I
8 miss -- I was wrong. I was talking about
9 horses. Right. I mischaracterized that. So
10 number of races per day. So the minimum is
11 seven. We're now operating at 9-1/2, which
12 isn't bad, right?

13 MR. MCHUGH: No.

14 CHAIRMAN CROSBY: A lot better than
15 the minimum.

16 MR. MCHUGH: Right, right.

17 CHAIRMAN CROSBY: Okay. Maybe it's
18 time to, sort of, take a straw pole here, to
19 see whether or not we -- you know, where are
20 minds are pretty well made up, or do we want
21 to debate this further or add something else?

22 At the moment we have -- well, we
23 have two proposals. We have the Plainridge
24 proposal, which is a hundred. We have the

1 horsemen saying, no, it should be amended to
2 125. And Alex has just thrown out, you know,
3 the possibility of splitting the baby. And if
4 we do that, has recommended that we do it at
5 110. Do you want to tell me -- tell us where
6 you all are and see whether we're ready to
7 have a vote, or do we want to keep talking?

8 COMMISSIONER MACDONALD: I don't
9 think we need to keep talking. I think -- I
10 have the least experience in this but -- so
11 I'll just layout, you know, a couple thoughts
12 that I had.

13 CHAIRMAN CROSBY: Okay. Good.

14 COMMISSIONER MACDONALD: One is
15 that, you know, on the -- on the legal issue
16 as to what the meaning of Section 24C is, I
17 reviewed Mr. Corey's memorandum, and I
18 reviewed the memorandum by our general
19 counsel, and I find that our general counsel's
20 conclusion that the word adjust is a neutral
21 term, and that that empowers us to adjust
22 either up or down.

23 With regard to how I come out on
24 the -- on the consideration of the three

1 factors of field, demand and racing
2 performance, this is just a kind of thing that
3 I would be inclined -- that I am inclined to
4 defer to those people on our staff who are,
5 you know, empowered to make these -- to make
6 these judgments on the basis of their -- their
7 specialized experience over time. So I'm
8 inclined to accept the recommendation of our
9 director and approve 110 days.

10 CHAIRMAN CROSBY: Anybody else?

11 COMMISSIONER ZUNIGA: I'm on the
12 same -- on the same page, essentially, for the
13 reasons that you state.

14 CHAIRMAN CROSBY: Those are two
15 opinions -- two tentative support for the 110.

16 COMMISSIONER CAMERON: And I -- I
17 think, frankly, Plainridge made the stronger
18 argument here today and followed more closely
19 with the law. But I do understand the
20 horsemen's perspective as well. And this is
21 a good-news story. We'd like it to continue
22 to be a good-news story, so I'm inclined to --
23 and I know this would be a one-year deal,
24 rather than three, right, that's what we're

1 looking at here. So I'd be inclined to the
2 support the 110, as well.

3 CHAIRMAN CROSBY: Well, there's
4 three. Do you want to --

5 COMMISSIONER STEBBINS: Does it
6 matter what we say?

7 CHAIRMAN CROSBY: Well, yeah,
8 because I don't have to call the vote, if I
9 don't want to.

10 COMMISSIONER STEBBINS: No. You
11 know, and again, you know, I appreciate the --
12 the passion and the submissions we had from
13 both ends of the party. And, you know, I do
14 look at both the track, our licensee, the
15 horsemen and this Commission kind of tied to
16 get to work as a team to keep moving the
17 success that we've realized. And, you know,
18 Director Bedrosian stated it kind of well. We
19 have this reenergized thoroughbred industry in
20 Massachusetts --

21 COMMISSIONER ZUNIGA: Standardbred.

22 COMMISSIONER STEBBINS: Standardbred
23 sorry. Thoroughbreds will be next. And you
24 know, we're slowly turning the ship back

1 towards, you know, some path of success.

2 You know, I think there are ways to
3 get over the perceptual hurdle, or the
4 perceptual challenge that, you know, the
5 members of the horsemen association would have
6 of this, oh, my gosh, we're going from 125 to
7 100, a lot of that is based in just past
8 history. You add the equation back on the
9 other side of the three arguments as to why
10 that's a good thing more race -- potentially,
11 more races, better handle, and, you know, if
12 we add -- if we get -- find a way to add the
13 30 ingredient of a multiyear deal so we're not
14 talking about this again next year, you know,
15 I think that that shows stability and it shows
16 us continuing to move in the right direction.

17 I'm a little hesitant about, kind
18 of, landing in this -- you know, at this
19 number that seems to be, you know, a
20 compromise, without really having some
21 information to kind of test out what that
22 would look like in number of fields, number of
23 races. And I would hate to have us back here
24 next year talking about 110, couldn't do it

1 now we're back to 100, and we just continue to
2 fight this perceptual battle.

3 COMMISSIONER CAMERON: Which is the
4 reason we encourage the sides to negotiate and
5 come to an agreement before it gets to us,
6 frankly.

7 COMMISSIONER STEBBINS: Absolutely.

8 COMMISSIONER CAMERON: What we did
9 hear is, if we do this, is continue their 114,
10 105. You know, kind of continue the
11 negotiation for them. So I agree, the better
12 option for them would be to have the sides
13 agree, but that wasn't -- that wasn't the case
14 we were faced with today.

15 COMMISSIONER ZUNIGA: I'm really not
16 that concerned with -- or I don't find the
17 argument about sending the wrong signal by
18 decreasing 125 to 114 in this case, or 110 or
19 whatever that case might be, that persuasive.

20 What I find -- what I've been trying
21 to make the case, is that the average bettor
22 is going to look at all these -- all these
23 things that, as you mention in their brief
24 Plainridge Park articulated well, which has to

1 do with the handle and the field size and the
2 number of races per day, which are all good
3 news. They're going up. Everybody can agree
4 on that. I was -- I was thinking, given by
5 the submission of the briefs, I would favor
6 the hundred days that Plainridge submitted.
7 But after all the discussion and the
8 complicating elements that come into all
9 these, including all the rules that we
10 don't -- we should not be weighing in, I
11 figured, as Dr. Lightbown and you as well,
12 that maybe slitting the baby and getting the
13 parties just, you know, together closer by
14 issue of, you know, again splitting it was --
15 was a good outcome.

16 CHAIRMAN CROSBY: But if you don't
17 consider the momentum argument really
18 compelling and do find the arguments that were
19 in the PPC brief compelling, what -- so this
20 is just, sort of, compromise because that's
21 fair and reasonable, it's compromised, sort
22 of, for the sake of compromise.

23 COMMISSIONER ZUNIGA: Essentially,
24 to get it out of the way.

1 CHAIRMAN CROSBY: It's going get out
2 of the way wherever we go.

3 COMMISSIONER ZUNIGA: Well, you
4 know, actually, we're supposed to approve this
5 application by statute before the 15th, right?

6 MS. BLUE: And I think -- if I could
7 offer, maybe, a suggestion. Part of why we,
8 kind of, are where we are is precisely because
9 the statute requires us to have the
10 applications in by October 1st. We have to
11 decide by the 15th, and we're deciding the
12 year before the calendar year for which the
13 license is requested.

14 Under Chapter 128A, there is a
15 provision that allows a licensee to file a
16 supplemental license application, which would
17 allow them to add days, if they wanted to.

18 So maybe one of the ways to address
19 this now is to come to some agreement on what
20 has been actually proposed and ask the parties
21 to give it a little more time to think about
22 it. Perhaps, they could come back with a
23 proposal if they want more than a hundred
24 days, if they could go through the

1 supplemental process and bring that back to
2 you. So you could, you know, make your
3 decision that you have to make by a certain
4 date, but maybe they could use some more time
5 to talk amongst themselves, as well.

6 COMMISSIONER ZUNIGA: Could that
7 also work the other way, decrease the number
8 of days after the subsequent approval?

9 MS. BLUE: Well, what you run into
10 now, is under 128C, they have race a hundred
11 days to simulcast. So there really is no
12 below a hundred days, at this point, if PPC
13 can't wants to simulcast, which I would assume
14 that they do.

15 COMMISSIONER ZUNIGA: Right. Okay.

16 MS. BLUE: So it would be, you know,
17 at this point, really, only potentially for an
18 increase. And, perhaps, after more discussion
19 they could come to some sort of agreement that
20 they would both be more comfortable with.
21 They do not have a purse agreement. They are
22 supposed to have one by the end of every
23 calendar year, so a lot of these details can
24 be worked out in a purse agreement. So that

1 might be one way to make your decision and
2 move it forward.

3 COMMISSIONER ZUNIGA: Can I just
4 answer your point, Mr. Chairman. I do find
5 that the notion of momentum very important. I
6 just don't think that it hinges only on the
7 number of races. I think it includes other
8 things that were discussed --

9 CHAIRMAN CROSBY: Number of days.

10 COMMISSIONER ZUNIGA: Number of
11 days, I'm sorry. It includes, fundamentally,
12 number of races, purses, handle.

13 CHAIRMAN CROSBY: And what this
14 legislature does.

15 COMMISSIONER ZUNIGA: Right.
16 Fundamentally.

17 COMMISSIONER CAMERON: I just don't
18 see putting it off, if they were not able to,
19 last many months come to an agreement. I just
20 don't know sending them back now makes a lot
21 of sense, to me, because they weren't able to
22 get there, knowing that we were dealing with
23 this issue today.

24 CHAIRMAN CROSBY: And they can

1 always come back to us to raise the days, if
2 they want, to whatever -- whatever we said is
3 the starting point. I --

4 COMMISSIONER ZUNIGA: We could do
5 a -- approve the hundred-day notion and send
6 back to the parties to, hopefully, negotiate
7 some of these other things, including the
8 three-year deal that was at least on the table
9 that, at least in the minds of some, and you,
10 Commissioner Stebbins, creates also some
11 certainty and, you know, and look it a soon.

12 I do agree with your notion that, if
13 they're this close and they couldn't do this
14 for this amount of time that had already
15 passed, we might as well just make the
16 decision. So I'm torn between those two
17 notions.

18 CHAIRMAN CROSBY: Yeah. I think my
19 bottom line is this is -- I find this like a
20 58/42 type -- or type question. But -- or
21 52/48 type question. I don't -- if the
22 momentum argument is real, which I wonder if
23 it is, but I know it's believed, I don't know
24 whether it's -- actually is palpable in its

1 impact as they think, I don't see why
2 splitting the baby helps. You know, if
3 cutting back is giving a wrong signal, cutting
4 back is giving a wrong signal. And I think,
5 on the balance, the slight weighing of
6 everything else, it sort of seems like it does
7 make more sense to try to ramp up the field
8 size. so I think I would come down on the
9 hundred with a promise that it's at least a
10 three-year commitment. So...

11 COMMISSIONER ZUNIGA: I would go
12 along with that, if that changes the
13 consensus.

14 CHAIRMAN CROSBY: All right. So
15 we've had ideas on the 110. We now have an
16 idea of the 100 as with a three-year
17 commitment. Does any of you feel differently
18 about -- Bruce, I guess you didn't really make
19 a -- or did you come -- as between those two,
20 would you feel comfortable picking one?

21 COMMISSIONER STEBBINS: Well, again,
22 I was trying to make clear, I'm comfortable
23 with a hundred, because I think the math has
24 been spelled out better for us with a hundred

1 versus a middle number, which we really
2 haven't really talked about.

3 CHAIRMAN CROSBY: Right.

4 COMMISSIONER STEBBINS: If we settle
5 on a hundred, though, we're not really giving
6 a lot of negotiating effort between the two
7 parties. You know, a hundred is as low as
8 they can go. What's the impetus for
9 Plainridge to say, okay, I'll do more? I
10 mean, you know, by that point I'd say, okay,
11 fine, 110 and, you know, each -- each side
12 gave a little bit.

13 CHAIRMAN CROSBY: Well, nobody's
14 giving at this point. It's just us trying
15 to -- nothing we do is --

16 COMMISSIONER STEBBINS: Well, it's
17 us, you know, kinds of, giving each party
18 something to walk out of here with.

19 COMMISSIONER CAMERON: And I think
20 the incentive might be, okay, 110. But, you
21 know, the flat participation from
22 Massachusetts here, we'd love to see that
23 increase. And -- you know, so that we are --
24 we have more Massachusetts -- there is a

1 breeding program, we're using that. And so, I
2 think that would be a better way to come
3 before us for more days, would be look how
4 much it's increased here in Massachusetts.
5 The programs and their -- they can supply
6 enough horses. So I think there is room to
7 work. So I just think, maybe, this one year
8 at 110 and we'll address it again next year,
9 maybe with stronger numbers. Who knows.

10 COMMISSIONER STEBBINS: Well,
11 hopefully, we won't address it next year, if
12 we can get a three-year deal and it's 110.

13 CHAIRMAN CROSBY: Well, that's
14 still -- well, they can come up.

15 COMMISSIONER CAMERON: They denied
16 that three-year deal. They had that on the
17 table and couldn't take it earlier.

18 CHAIRMAN CROSBY: No. But he's put
19 it back -- Steve has said, if we adopt a
20 hundred today, he will commit to.

21 COMMISSIONER CAMERON: But he
22 offered that to the horsemen earlier and they
23 did not take that offer. Why would they do it
24 now?

1 CHAIRMAN CROSBY: Well, they --
2 we're doing it. Doesn't matter what they
3 think.

4 COMMISSIONER CAMERON: Oh, oh, I'm
5 sorry. I thought you were -- I thought you
6 were asking them to go back. Okay. That's an
7 option for us.

8 CHAIRMAN CROSBY: Steve is saying, I
9 will commit here, in front of the Commission,
10 that I will not go back for a reduction for
11 three years, if we go to a hundred. There
12 could easily be discussions about going up,
13 but not going down.

14 COMMISSIONER ZUNIGA: And the
15 economics will dictate that. I mean, what is
16 it -- the question you posed, what is it that
17 prevents? Well, the opportunity to make money
18 because if there's -- if there's more money
19 out there, there will be more -- more races.

20 COMMISSIONER CAMERON: Well, it is
21 important to note, the only way for the track
22 to make money is through the handle. The
23 purses do not affect the bottom line for PPC.

24 CHAIRMAN CROSBY: That's how we make

1 money, too.

2 COMMISSIONER CAMERON: We do too.
3 You're right about that.

4 CHAIRMAN CROSBY: Does having the
5 second option on the table change either of
6 your -- are you more comfortable -- is either
7 of you more comfortable with the three-year
8 guarantee of a hundred than the one year of
9 110; does that change?

10 COMMISSIONER MACDONALD: It doesn't
11 really change my view. But I don't feel very
12 strongly about it. My position remains the
13 same. I'm respecting the judgment of the
14 people that have been in this on our staff,
15 who is been professionally engaged in this for
16 their professional lifetimes. So I would
17 stick with the recommendation of the staff,
18 but I'm not going to strongly oppose a
19 hundred.

20 COMMISSIONER CAMERON: Yeah, I feel
21 the same way. Although, I do think I'd like
22 to stick the 110 and just give people an
23 opportunity to know that we think it's
24 important that they negotiate. And that's

1 always a better decision, when the parties can
2 come together. But that wasn't -- they
3 weren't able to do it. So I do feel like
4 what -- if we do this, we're just -- we're
5 kind of continuing their negotiation there.

6 COMMISSIONER ZUNIGA: And having one
7 year, to your point, would allow at least,
8 we'd say the next year would -- it's still
9 subject to negotiation, in other words.

10 CHAIRMAN CROSBY: We have a hand
11 raised.

12 MR. COREY: Thank you, Mr. Chairman.
13 I would just request, on behalf of the
14 horsemen, to lead the considerations with one
15 year. I don't think the statute contemplates
16 three years. And if, on our interest, we are
17 asking for something more than 100 days, to
18 have that arrangement extend for three years
19 is even worse than just one year.

20 CHAIRMAN CROSBY: This isn't the
21 commitment to run a hundred days. This is the
22 commitment to not reduce below a hundred days.

23 MR. COREY: I understand that. But
24 since our argument is based on one year, to

1 have any decision extend for three years would
2 be adverse to our interest, and was not
3 something we contemplated when we made our
4 argument to the Commission.

5 COMMISSIONER STEBBINS: How does a
6 three --

7 CHAIRMAN CROSBY: Excuse me, Bruce,
8 I'm sorry. Just a minute ago you said to me,
9 you know what they're going to do, they're
10 going to come back next year and ask for 80.
11 And they're promising not to and you're saying
12 you don't want them to promise?

13 MR. COREY: No. I'm just -- what
14 I'm saying is, is that the experience over the
15 course of the next year will give us new data
16 points that we can consider. It would be
17 preferrable to have that lookback as the
18 proper frame of reference, rather than have us
19 locked into the next three years before the
20 review can take place.

21 CHAIRMAN CROSBY: So if the horse --
22 if the number of horses per race drops, you're
23 okay with going down on those days?

24 MR. COREY: We're willing to take

1 that risk.

2 CHAIRMAN CROSBY: Seems crazy to me,
3 but all right. All right. So we're back --

4 COMMISSIONER ZUNIGA: So on that
5 argument, I'll solidify on my initial position
6 after I reviewed -- revised it and go with the
7 110 for one year.

8 COMMISSIONER CAMERON: So Mr. Chair,
9 I move that we approve the application for
10 Plainridge Park Casino raceway, and make the
11 decision for them to race 110 days.

12 CHAIRMAN CROSBY: I think I'll have
13 a role car vote. Commissioner Cameron?

14 COMMISSIONER CAMERON: Aye.

15 CHAIRMAN CROSBY: Commissioner
16 Macdonald.

17 COMMISSIONER MACDONALD: I was going
18 to second it. But I aye.

19 CHAIRMAN CROSBY: Oh, sorry. You
20 want to second?

21 COMMISSIONER MACDONALD: Yeah, I was
22 going to second.

23 CHAIRMAN CROSBY: All right.

24 COMMISSIONER MACDONALD: Aye.

1 CHAIRMAN CROSBY: Commissioner
2 Zuniga.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: And Commissioner
5 Stebbins.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: And Commissioner
8 Crosby votes nay. So 4 to 1, with Commission
9 Crosby dissenting. All right. So we are
10 going to have 110 race days next year. And
11 see you next year.

12 MR. COREY: Thank you,
13 Commissioners.

14 CHAIRMAN CROSBY: See you later.

15 COMMISSIONER CAMERON: Thank you.

16 CHAIRMAN CROSBY: All right. Let's
17 see now. It's one o'clock.

18 COMMISSIONER MACDONALD: We went two
19 hours over our time.

20 CHAIRMAN CROSBY: Well, we've go the
21 website and the LMS and a -- at least one
22 topic of significance on --

23 COMMISSIONER CAMERON: So maybe have
24 a 30 minute break.

1 CHAIRMAN CROSBY: Yeah. So maybe
2 have a lunch break. We'll come back at 1:35.

3 COMMISSIONER MACDONALD: It looks
4 like Janice --

5 COMMISSIONER STEBBINS: Hang on just
6 a second. Let me chat with you just a second.

7 COMMISSIONER ZUNIGA: Let's take
8 five minutes.

9

10 (A recess was taken)

11

12 CHAIRMAN CROSBY: All right. We are
13 reconvening public meeting No. 228 at about
14 1:15. And we are going to the legal division.
15 I guess, who's on first here?

16 MS. BLUE: Good afternoon,
17 Commissioners. We have, before you today, 205
18 CMR 138 and 140. This is the amendments that
19 we brought before you before on the treatment
20 of unsecured funds. Deputy General Counsel
21 Grossman is going to present to you a little
22 bit on some of the comments we received and
23 the changes that resulted in those comments,
24 and then we're going to ask for your approval

1 to start the promulgation process, so it
2 should be pretty quick.

3 MR. GROSSMAN: Good afternoon.

4 CHAIRMAN CROSBY: Good afternoon.

5 COMMISSIONER MACDONALD: Good
6 afternoon.

7 COMMISSIONER CAMERON: Good
8 afternoon.

9 COMMISSIONER ZUNIGA: Good
10 afternoon.

11 COMMISSIONER STEBBINS: Good
12 afternoon.

13 MR. GROSSMAN: We were before you on
14 October 12th, we sent them out for formal
15 comment, both on our website and to our
16 licensees. Plainridge Park Casino did offer a
17 few comments, which we have incorporated here
18 in green. As you can see, they're fairly
19 self-explanatory.

20 There is one other comment they
21 offered that we're still talking about
22 internally. But I don't think we should
23 necessarily get into it here today, but there
24 could be further adjustment during the

1 process. But the good news is, we're just
2 asking that we begin the promulgation process
3 here today so everyone will have another
4 chance to comment on all of this, and we can
5 make any further modifications down the road.

6 CHAIRMAN CROSBY: Do you want to --

7 COMMISSIONER MACDONALD: I'll make a
8 motion.

9 MR. GROSSMAN: So with that, you
10 know, there's only -- we only changed a couple
11 of words here in green. There's nothing --

12 CHAIRMAN CROSBY: Why don't you just
13 quick, give the highlight?

14 MR. GROSSMAN: You want me to talk
15 about it?

16 CHAIRMAN CROSBY: Unless everybody's
17 clear with it.

18 COMMISSIONER CAMERON: I think it's
19 self-explanatory. The words just define --

20 COMMISSIONER MACDONALD: I've
21 reviewed it.

22 COMMISSIONER CAMERON: -- better
23 define the term.

24 CHAIRMAN CROSBY: Okay. Fine. Then

1 let's go ahead Commission --

2 COMMISSIONER MACDONALD: I move that
3 the Commission approve the amendments to 205
4 CMR 138 and 205 CMR 140, relating to gaming
5 date and treatment of unsecured funds, as
6 included in the packet, and authorize the
7 staff to take the steps necessary to begin the
8 regulation promulgation process.

9 COMMISSIONER STEBBINS: Second.

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

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 CHAIRMAN CROSBY: Opposed? The ayes
17 have it unanimously. Thank you.

18 MR. GROSSMAN: Thank you.

19 COMMISSIONER CAMERON: Thank you.

20 CHAIRMAN CROSBY: Next up.

21 COMMISSIONER STEBBINS: She's been
22 waiting all day for this.

23 CHAIRMAN CROSBY: She been back
24 there warming up for this for four hours.

1 MS. DRISCOLL: Good afternoon,
2 Commissioners.

3 CHAIRMAN CROSBY: Good afternoon.

4 COMMISSIONER MACDONALD: Good
5 afternoon.

6 COMMISSIONER CAMERON: Good
7 afternoon.

8 COMMISSIONER ZUNIGA: Good
9 afternoon.

10 COMMISSIONER STEBBINS: Good
11 afternoon. Oh, Amy, you going to work the
12 PowerPoint?

13 MR. SANGALANG: I got it.

14 MS. DRISCOLL: Oh. Oh, you have it
15 from there. Okay. All right.

16 COMMISSIONER STEBBINS: Amy's
17 handling the live stream right now.

18 MS. DRISCOLL: All right. Well,
19 hopefully, this is just a fun, quick update on
20 something interesting that we've been, working
21 on. We started this process, oh, my goodness,
22 probably about, maybe, seven months ago now.
23 And it has been a bit lengthy, but we just
24 felt that it was time to do a major refresh of

1 massgaming.com. I know that the chairman, you
2 had actually also mentioned, at the time, you
3 were inquiring about the placement of a few
4 different things. And that, basically, got us
5 thinking.

6 And first and foremost, one of the
7 most important changes that will be made is
8 that it will be completely mobile-enabled,
9 which is great. And that's really the most
10 significant work. And just even in terms of
11 cost, the most expensive aspect of the new
12 development, because now it will be completely
13 mobile-enabled on smart phones, tablets. And
14 I'll get into this in a -- more in a minute.

15 But, currently, what happens, when
16 you go to the massgaming.com website from your
17 iPhone or your iPad, you basically get a
18 little mini version of it. So you can -- it's
19 useable, but it's not all that efficient now.
20 It will be completely mobile-adapted, so it'll
21 be really nice.

22 So without further adieu, we're
23 going to take you quickly through the process.
24 So we set out to do two things, which was

1 essentially, completely update the homepage of
2 the website. And what's exciting about it, is
3 that now it more so reflects where we're at,
4 in terms of the evolution of the Commission.
5 What our needs were in 2012, in terms of the
6 type of information that needed to be on the
7 homepage, is actually a lot different than
8 where we're at now.

9 So we really approached this from
10 the thought process that the number of gaming
11 constituents that are going to start visiting
12 massgaming.com, largely, many of them seeking
13 employment, seeking out information about the
14 licensing and registering process to become a
15 gaming employee -- so we really wanted to
16 create that with them in mind.

17 In a lot of ways, the way the site
18 was created in 2012 was for our potential
19 gaming license applicants, and then also host
20 and surrounding communities that were
21 inquiring about process and things like that.
22 And we're quite a ways evolved from that at
23 this point. You can look what up now, you can
24 get a feel for what a site will look like on

1 mobile devices. And I'll take it through
2 that, too, in a minute.

3 And the other thing is, is that,
4 when we started in 2012 it was all about like,
5 explain, explain, explain, because we really
6 knew that people were starting from a point of
7 not having any information about gaming at
8 all. So everything that we did was very
9 detailed in its explanation. I mean, even
10 down to the drop-down menus on the website,
11 every single drop-down came with, like, a
12 one-sentence explanation of even what that
13 page would lead you to. We're far beyond that
14 at this point, so we really fell like it was
15 time to simplify.

16 The way we approached the redesign,
17 two things, just a close look at, basically,
18 user data, research, you know, what people
19 were currently -- where were they going, how
20 long were they spending on pages, things like
21 that. And then, we actually issued a survey
22 monkey, both internally to find out how staff
23 and whatnot use the site, and then also
24 externally to a pretty significant following

1 that we have on our constant contact, who
2 receive our newsletters and things like that.

3 And interestingly enough, when we
4 got the feedback, in terms of how they use the
5 site, it was a great way to define, you know,
6 how we prioritize homepage real estate, what
7 the key services needs to be. So many people
8 reported back to us that they always come to
9 the site to look up the law and define the
10 law, or many people reported back that they're
11 very interested knowing more about
12 horseracing.

13 And then, obviously, meeting
14 archives, meeting notifications, live stream.
15 Things like that. And then, most prominently,
16 the licensing page for employees, potential
17 gaming employees, and then also, a quick link
18 to where they can get to the gaming licensee
19 pages, so Wynn's page, MGM, Plainridge, to
20 find out more specifically what job
21 opportunities are available.

22 So some of the new features on the
23 homepage that you'll see in a minute include,
24 like I just mentioned, key services, based on

1 the feedback from individuals, in terms of
2 what areas of interest were of the most
3 priority.

4 An area that we particularly like,
5 which is programs and initiatives, a special
6 place for that where we can highlight programs
7 thing like the GameSense program, PlayMyWay,
8 most importantly, SEIGMA, a quick homepage
9 link to all of our important game research,
10 and things like the Fair Deal program, for
11 example.

12 Another section that we added is
13 called At A Glance. This is great because
14 it's just, sort of, a fun factoid section. So
15 for example, some of the numbers that were
16 being given today about -- during Wynn Boston
17 Harbor's quarterly report, like some of the
18 really fascinating numbers about, you know,
19 the million --

20 CHAIRMAN CROSBY: Million. Million
21 tons.

22 MS. DRISCOLL: Yeah. This is an
23 area to be able to promote some of that. But
24 this is -- this is an area to be able to

1 really promote some of that. But it was also
2 really created keeping all of the different
3 gaming research that we have coming out on a
4 regular basis, a really prominent place to
5 feature some of those interesting numbers.

6 And also, and Paul will speak to
7 this, we're excited about the fact that the
8 new compatibility of massgaming.com will have
9 the updated license management system, which
10 is also very mobile-friendly. And now, those
11 two systems will be compatible. So that's
12 pretty exciting for us.

13 And it also includes some other new
14 fun and interesting features. And this was
15 Commissioner Zuniga's idea, which is creating
16 some, sort of, digital timeline just on the
17 whole process. It's really interesting and
18 we'll take you through that. But, basically,
19 just hits on all of the key milestones over
20 the last several years. And so, I'll show you
21 the timeline.

22 And then, one, I just want to
23 commend Mike for his work on this. He's,
24 particularly in the last couple of weeks, as

1 we're getting ready to make this transfer he's
2 had to do a couple of difficult things, which
3 is, when they started the development of this
4 it was important that we had to maintain a
5 very detailed record of every single thing
6 we've put on the current massgaming.com site.
7 And the fact of the matter is, so much goes up
8 there on a daily basis, and so many changes.
9 So poor Mike has had to keep that detailed
10 record to make sure we don't lose anything
11 when we dot transfer next week. And he's done
12 a great job with that. And just a great eye
13 for detail on some important things to make
14 sure that everything goes smoothly.

15 Also, back a couple of months ago,
16 for whatever reason, we had had a couple
17 instances of outages and things like that. So
18 the system that Jack Rabbit has come up with
19 will be more secure. I can let Mike speak to
20 that for a bit, to make sure that we don't --
21 we decrease any potential for outages as much
22 as possible.

23 MR. SANGALANG: Yeah. So the new --
24 we're migrating both massgaming.com and

1 gamesensema.com to a new server. The server
2 is more stable. You should see fewer outages
3 in the future. Not that we've had that many,
4 but one is too many. It's quicker. It's
5 faster. When you click around the site
6 starting next week you'll notice the pages
7 load faster. And that's going to be more
8 important with, you know, more multimedia,
9 video, that kind of thing. People looking at
10 it from, possibly, slower devices. And it is
11 SSL certified now, which means that someone
12 entering personal information into the site
13 can know and can be assured that their
14 information is encrypted to the highest
15 standards and it is secure.

16 It doesn't affect the information
17 that people are entering through LMS. But to
18 know that the entire Mass Gaming site is
19 secure would give users that additional piece
20 of mind.

21 COMMISSIONER MACDONALD: What does
22 SSL stand for?

23 MR. SANGALANG: That's beyond my pay
24 grade. Secure socket layer, but no further

1 questions.

2 MS. DRISCOLL: And this is the
3 borings stuff, but something that Mike and I
4 are excited about, which is the administrative
5 side of it. So like, the uploading of content
6 an things like that. Jack Rabbit has
7 modernized it even more than it already was,
8 and has also made it even more intuitive.

9 And one, we really appreciate that,
10 number one. And number two, it's great in
11 terms of longevity for training up other
12 employees that we want to know how to --
13 whether it's load in public meeting
14 notifications, or whatever. If we want to
15 start training up additional people on that.
16 But the administrative side of it that nobody
17 ever sees, really, except for Mike, is really
18 nice. And we were excited when we saw that
19 so...

20 COMMISSIONER MACDONALD: Are you
21 using the term "Jack Rabbit?"

22 MS. DRISCOLL: Jack Rabbit is --

23 COMMISSIONER MACDONALD: Is that the
24 server?

1 MS. DRISCOLL: They're our
2 developers. So they're our consultants.
3 They're our vendor that -- who actually
4 created massgaming.com originally. And
5 they've actually been a great parter to us
6 over the years, in terms of just, you know,
7 understanding what our needs are, being -- and
8 also being very highly responsive to us. But
9 they actually did the development.

10 COMMISSIONER ZUNIGA: And I might
11 add, very cost effective, because I remember
12 that procurement. And you know --

13 COMMISSIONER CAMERON: At the right
14 place, Mr. Treasurer.

15 COMMISSIONER ZUNIGA: Compared to
16 many others.

17 MS. DRISCOLL: Yes. And it's funny.
18 It's not like the site is that old. But back
19 in 2012 when we first -- which, by the way, it
20 was one the first major things that the
21 communications department took on, because it
22 was -- the site's been that important to us
23 from the get. But even back in 2012, the
24 mobile-enable feature wasn't where it is now.

1 So here we are, only five years later, but
2 really needed a complete rehaul on it, you
3 know.

4 MR. SANGALANG: About 35 to
5 40 percent visitors to massgaming.com are
6 looking on it on mobile or tablet now.

7 COMMISSIONER CAMERON: Is that
8 right?

9 MR. SANGALANG: Right.

10 COMMISSIONER CAMERON: Have the
11 numbers gone up?

12 MR. SANGALANG: Oh, yeah.

13 MS. DRISCOLL: So if you want to
14 just -- Mike, if we can just give them a view.
15 I'll quickly give you a view of the home page.

16 We looked to do the -- start the
17 transfer on Monday. We don't anticipate any
18 issues but you never know. But we hope that
19 it will be smooth.

20 So as you can see, a much more
21 modern-looking page. Mike, if you could just
22 scroll over the navigation bar so they can see
23 the drop down. See how much more simple the
24 drop down is now? Before it was like a huge

1 box with explanations under everything. And
2 then, if you keep just scrolling down, here
3 are all of the key services. As you can see,
4 find a job, employee, licensing, revenue. And
5 again, this was all -- revenue was always a
6 very popular page but simple iconography,
7 really easy to use.

8 CHAIRMAN CROSBY: Does find a job --
9 I know I asked you this before, does find a
10 job get you not only to our jobs, but is it
11 also to the licensee's jobs?

12 MS. DRISCOLL: It's to the
13 licensee's jobs.

14 CHAIRMAN CROSBY: Oh, that is to the
15 licensees.

16 MS. DRISCOLL: Yeah. MGC's jobs is
17 actually up at the very top. It's a
18 separate --

19 CHAIRMAN CROSBY: Oh, okay.

20 MR. SANGALANG: There is a link
21 within find a job to our job page.

22 CHAIRMAN CROSBY: Okay.

23 MS. DRISCOLL: Yeah. And if you
24 could just keep scrolling down. These are can

1 change out, too, based on, you know, whatever
2 the priority is at the time.

3 We have a new news and announcement
4 section that actually allows for our graphics
5 to be displayed, which we didn't have before.
6 You'd have to click in to the news and
7 announcement to see the graphic. But we do so
8 much graphic work, and Mike does a lot of
9 great graphics so we wanted to find a way to
10 maximize the use of those more.

11 Programs and initiative, this is one
12 of my favorite sections. If you could just
13 scroll over them. See, when you scroll over
14 they flip to give you a quick -- and, again,
15 we can change all these out based on whatever,
16 you know, our new programs, our initiatives
17 are, or whatever our priorities are.

18 CHAIRMAN CROSBY: Can you add more?

19 MS. DRISCOLL: You could add more.
20 I mean, it's a bit of a design choice so that
21 it doesn't get --

22 CHAIRMAN CROSBY: So you can't have
23 a second line, a second layer?

24 MS. DRISCOLL: I think they would

1 scroll across. It's just in terms of, like,
2 how many sections you want to have and -- but,
3 yeah, but we could add more. And, again,
4 these very easily change out. Upcoming
5 events, you can click on it now and see the
6 full calendar. But as you know, the current
7 website has actual -- the full calendar. And
8 we've gone to a bit more efficient layout. So
9 it'll highlight two at a time, but you can
10 very easily hit view all and go to a full
11 calendar. Here's the At A Glance section.
12 And it highlights again, gaming research. You
13 can click on Wynn Boston Harbor. See some
14 interesting factoids about Wynn. Again, these
15 very easily change out. And we can have
16 whatever topics we want.

17 And then, similarly, you scroll
18 down, you can see some of our Twitter activity
19 and there you are right there and that's --
20 oh, I thought that was from today, but it's
21 actually not, because the one I saw they're
22 already pulling in our Tweets so it's already
23 working.

24 MR. SANGALANG: This is from earlier

1 today. Let me refresh it and see what comes
2 up.

3 MS. DRISCOLL: But what's cool --
4 see, look. I Tweeted that earlier today, when
5 Wynn was giving their diversity update. But
6 what's cool about this is, this also now
7 allows for graphics, which we Tweet a lot.
8 And the prior format didn't allow for that.

9 One thing we really didn't want to
10 lose, if you keep scrolling down is the stay
11 updated section, this is how people sign up to
12 get our newsletters and things like that. And
13 there's still very much a regular interest in
14 signing up to get news and updates, so we
15 didn't want to lose that function.

16 And then, as you can see, too, at
17 the very bottom, we -- there's multiple places
18 where you can do this, but there's always a
19 lot of interest in trying to get to Plainridge
20 and MGM and Wynn and Wynn and their sites, so
21 we just wanted to give -- give quick and easy
22 links to do that because there's a lot of
23 interest in that always.

24 COMMISSIONER MACDONALD: Elaine, is

1 this the population that you earlier described
2 that you reached out to get their advice on?

3 MS. DRISCOLL: That's right. And if
4 you want to just take them to the timeline
5 page really quick. This is just, like I said,
6 a new interesting feature, and Commissioner
7 Zuniga thought this would be a great idea,
8 too, particularly for new employees that might
9 want -- that come on board and kind of want to
10 take a look.

11 What's interesting about this is you
12 can do it according to categories of interest.
13 So whether you want to look up a timeline, or
14 you want to look up a timeline only specific
15 to Region A. If you can just scroll down,
16 Mike, and show them -- yeah. See, so there
17 you can see, you can click on anything.
18 It's -- yeah, it's really interesting.

19 COMMISSIONER MACDONALD: It's a
20 master timeline.

21 MS. DRISCOLL: Yeah, master
22 timeline. And we're still in the process of
23 populating it. This is one of those things
24 that we'll always have to keep up to date.

1 COMMISSIONER MACDONALD: It's a
2 story.

3 MS. DRISCOLL: Yeah. It's a
4 interesting feature. And, like I said,
5 Commissioner Zuniga suggested that we do
6 something like that. So that's something
7 that -- and it happened to coincidence so it
8 made sense to marry those things together.

9 CHAIRMAN CROSBY: Keeping that --
10 who's job is it to keep that up to date?

11 MS. DRISCOLL: Mike and I.

12 COMMISSIONER ZUNIGA: Well, one of
13 the -- yeah, well, one of the ideas about the
14 timeline, at least initially, but I love the
15 way this looks because it seems to be, you
16 know, summarized, is to allow the network
17 effect, others to start putting -- others
18 here, internally, to start identifying
19 important milestones and things like that.
20 But we can work on that.

21 MS. DRISCOLL: Yeah, that would be
22 greats. We actually have a master Excel sheet
23 that we're working from. And we intend to
24 keep -- we think that that's important to keep

1 that up so that we have --

2 COMMISSIONER ZUNIGA: The pictures
3 look great.

4 CHAIRMAN CROSBY: The clarity of
5 photographs.

6 COMMISSIONER ZUNIGA: I got to say,
7 one of those updates appear to be a lot more
8 white hair on some of the commissioners'
9 heads.

10 COMMISSIONER CAMERON: Did you
11 notice that.

12 CHAIRMAN CROSBY: White or none.

13 MS. DRISCOLL: We can easily change
14 that out, too.

15 COMMISSIONER MACDONALD: I think
16 Gayle and I would like to be included.

17 COMMISSIONER STEBBINS: Can you
18 airbrush?

19 COMMISSIONER CAMERON: Can you
20 airbrush.

21 MR. BEDROSIAN: The one thing I
22 think Elaine and the communications department
23 has done a good job is reflecting, in the
24 website, the maturation of the Commission, in

1 general. I think, back when you all started,
2 licensing meant something extremely different
3 than it does now. It was a macro thing, now
4 it's a micro thing. And this is a really good
5 job of reflecting that, that you've gone from
6 the major licensing and we're really moving
7 towards operations and steady state. And they
8 really did a really good job reflecting.

9 CHAIRMAN CROSBY: Yeah.

10 MS. DRISCOLL: The one thing I
11 neglected to mention, you can see it at the
12 top, and actually it's going to be red, for
13 some reason it's not red yet, we have a
14 breaking news alert up at the top. So if
15 someone goes to the site and we have a live
16 stream happening at that time, it'll say, you
17 know, that there's a live stream happening or
18 -- you know, sometimes in the winter we have a
19 closing or, you know, any -- a technical issue
20 with the phones or something like that we can
21 easily put up an alert just to let people
22 know.

23 COMMISSIONER MACDONALD: Is there
24 part of the websites where litigation

1 developments or the litigation record and
2 pending cases?

3 MS. DRISCOLL: Legal is one of the
4 categories on the timeline.

5 COMMISSIONER MACDONALD: Oh, okay.

6 MS. DRISCOLL: But it would be
7 interesting. We could add a legal page,
8 easily.

9 COMMISSIONER ZUNIGA: We typically
10 report -- there's a section in the annual
11 report, which is a short summary of litigation
12 matters but...

13 CHAIRMAN CROSBY: It happens so
14 often, you know, there's so much going on all
15 the time, that might be an interesting -- at
16 least to keep us up to speed.

17 MS. DRISCOLL: Yeah. But it's easy
18 to update, easy to make changes, so we've been
19 really happy with --

20 COMMISSIONER CAMERON: Looks great.

21 CHAIRMAN CROSBY: Looks fabulous.

22 COMMISSIONER CAMERON: The graphics
23 are amazing. Look at the -- look at that.

24 MS. DRISCOLL: Yeah, we spent a lot

1 of time.

2 MR. SANGALANG: A lot of time.

3 MS. DRISCOLL: We spent -- poor
4 Mike. We spent a lot of time on that piece.

5 MR. SANGALANG: This is from the
6 CATCH Institute, the shuffling.

7 COMMISSIONER CAMERON: Oh, it is.

8 COMMISSIONER MACDONALD: Oh, isn't
9 that great.

10 COMMISSIONER STEBBINS: That's from
11 Eric's roulette class.

12 MS. DRISCOLL: So that's the new
13 site. And, like I said, we'll begin to make
14 the transfer next week. Again, things can be
15 easily updated, but I think that the layout's
16 there, in terms of that it will serve us very
17 well moving forward.

18 CHAIRMAN CROSBY: You had to wear
19 glasses to get into that picture.

20 COMMISSIONER CAMERON: Oh, is that
21 what it was?

22 COMMISSIONER STEBBINS: Throw them
23 on.

24 COMMISSIONER CAMERON: Mine are on

1 and off all day long.

2 COMMISSIONER STEBBINS: I was
3 thinking, I should have been like this, since
4 we went around --

5 COMMISSIONER CAMERON: Thanks.
6 That's terrific.

7 CHAIRMAN CROSBY: It's fabulous.
8 Yeah, it looks great.

9 COMMISSIONER STEBBINS: Nice job.

10 COMMISSIONER CAMERON: Thanks for
11 all the work on that.

12 COMMISSIONER STEBBINS: Really great
13 job Elaine and Michael.

14 COMMISSIONER MACDONALD:
15 Congratulations to both of you.

16 CHAIRMAN CROSBY: Great job to both
17 of you.

18 COMMISSIONER CAMERON: Yeah, great
19 job to both of you.

20 COMMISSIONER ZUNIGA: Yeah, great
21 job.

22 CHAIRMAN CROSBY: That's exciting.

23 MS. DRISCOLL: Now, we'd like to
24 pass it over to Paul, because, like I said,

1 what we're excited about is how compatible the
2 new Mass Gaming and the new license management
3 system is. And we will -- and Paul can
4 explain that.

5 MR. CONNELLY: Great. And as Elaine
6 said, the website really is designed to, you
7 know, meet the needs of the people who are
8 looking for information from us. And it
9 really provides an excellent entryway for any
10 applicant to find LMS.

11 Just as a sidenote for full
12 disclosure, the -- you know, the prominent
13 place of the LMS, this is my second favorite
14 piece of the website. The first is, my hand
15 at the CATCH Institute, I'm the last person at
16 the table.

17 COMMISSIONER CAMERON: Oh, you are?

18 MR. CONNELLY: And I just to note I
19 won big that day.

20 COMMISSIONER ZUNIGA: Did you get a
21 blackjack in that hand?

22 MR. CONNELLY: Oh, I made a few
23 hundred dollars in fake money. Not typical of
24 my normal performance.

1 So, again, this is -- it's really
2 kind of interesting, because I was just
3 sitting here thinking, we're either a year
4 exactly, or a year and a few days from when we
5 launched LMS internally. So to recap, we've
6 been using LMS internally to process
7 applications or -- started with some
8 applications, now all applications, for a
9 year. And it, kind of, was lost on me that
10 we're literally on the one year anniversary of
11 that. But the reason I wanted to give a brief
12 today was, on the 26th of September we went
13 live with the public application portal. So
14 previously, we had been receiving applications
15 on paper and processing them through LMS, now
16 we have the portal, and you can see the
17 homepage there, where individual applicants
18 can go and submit their application for
19 registration or licensure on line.

20 And so, this is a big change, and
21 this is really a critical change in our
22 ability to process, you know, the big wave,
23 the tsunami, whatever we wants to call it, of
24 applications we expect to receive from MGM.

1 This is a critical component in our ability to
2 actually do that in a timely manner. So, so
3 far since the 26th we've processed about 50
4 applications through LMS, meaning submitted
5 electronically with really good results.

6 We had talked a lot, internally,
7 that, you know, whenever you do a public
8 launch of any kind of system, it's, you know,
9 you contest it, you know, 10 ways to center,
10 but it's always the things you don't expect
11 that catch you. And that's what we've
12 experienced. Fortunately, none of the issues
13 we've had have been critical issues. We've
14 had a few network issues that were working to
15 resolve. But in general, my understanding,
16 based on feedback from the licensees and
17 applicants themselves, that the system is
18 pretty straightforward and, really, people
19 aren't having major issues, in terms of
20 submitting their apps. So that's hugely
21 important to us because this has to be a
22 seamless, a seamless process, and a seamless
23 way for people to submit.

24 I do want to note that none of it

1 would be successful without a close
2 partnership with the casinos and human
3 resources. They are really the first point of
4 entry for these folks. They get a job offer.
5 At which point -- or contingent job offer, at
6 which point they're directed to LMS. So a lot
7 of the education happens up front from the
8 human resources department. And one of the
9 things we'll show in a minute is some of the
10 efforts we're taking on the MGC side. You
11 know, and it was a great project with Mike and
12 Elaine to put together some training
13 materials, some video to introductory. And
14 we'll show that again. But, again, I do want
15 to highlight the great work and collaboration
16 of the casinos' human resources in helping us
17 get these applicants educated and through the
18 system.

19 COMMISSIONER MACDONALD: And Paul,
20 to date, the applicant pool that you're
21 describing that are using the system are
22 comprised of what, in general; are these
23 individuals, or are they more business that
24 are looking to --

1 MR. CONNELLY: That's a greet
2 question. So these are all individual
3 applicants for licensure or registration to
4 work at a casino. We're still processing the
5 vendor applications on paper for a couple of
6 reasons. One, the volume is highly
7 manageable, the timelines are a little bit
8 different, as well.

9 You know, and I -- I was on my phone
10 a little bit when Elaine was talking, not
11 because I wasn't paying attention, but I was
12 actually in LMS moving things forward. You
13 know, just, kind of, things that,
14 administratively, I could move because
15 tomorrow's the, you know, observed holiday,
16 wanted to get things done this afternoon. But
17 to -- you know, to speak to the ability to
18 access things in a mobile environment, and
19 what was it, 65 percent of people are
20 accessing our site that way. It's the way
21 everything's going and it's been a great -- a
22 great help to us, in terms of keeping things
23 efficient.

24 COMMISSIONER CAMERON: So while

1 Elaine was speaking, you a approved a couple
2 of licenses?

3 MR. CONNELLY: I moved a few along.
4 You know, I signed them out so my staff could
5 actually work on them this afternoon. before
6 they go away for the weekend. So with that, I
7 wonder if we could pull up the video. And,
8 again, this was a -- this video and LMS
9 itself, I want to say, are -- you know, works
10 in progress in the sense that, we're putting
11 these out there and we're always looking for
12 feedback to make sure that not only the
13 message is direct, but also, the messaging
14 within LMS. I had the opportunity to sit down
15 with Chairman Crosby the other day and go
16 through it. And the language in the system
17 matters. You know, what instruction you give
18 is very important. That's something I expect
19 is going to be, you know, a constantly moving
20 target to make sure we're -- we're working
21 people through the system effectively.

22 MS. DRISCOLL: This is the
23 registration video.

24 MR. CONNELLY: And this video -- so

1 we have two versions -- thanks, Elaine. We
2 have two versions. We have two versions. One
3 for folks who are registering, and one for
4 folks who are going for licensure, because
5 they are different processes. But we're going
6 to show the one for the registrant.

7

8 (Video playing)

9

10 MR. CONNELLY: So the hope is that
11 -- you know, that video, if anyone's
12 interested in general in the process they
13 could view it, or also during some licensing
14 events we could show that. You know, get
15 people a little bit oriented. There's a lot
16 of information in there. You know, it's
17 dense. So we don't expect that someone
18 watches that and then walks right in and knows
19 everything to do. But it certainly gives you
20 a high understanding of what to expect
21 throughout the process.

22 Also, we blew our budget on the
23 voice over. You know, but -- no, I want to
24 note Amy did that and it -- you know, it

1 really -- did such a great job.

2 CHAIRMAN CROSBY: Is that Amy?

3 COMMISSIONER CAMERON: Very
4 professional.

5 COMMISSIONER STEBBINS: Great job.

6 CHAIRMAN CROSBY: Great. You could
7 do that on the side, make a few bucks.

8 COMMISSIONER CAMERON: Paul, if --
9 say someone didn't know how to upload their
10 Veterans' form, would they automatically call
11 or e-mail, or are there further drop down,
12 this is what you do?

13 MR. CONNELLY: So they can always
14 reach out to us, you know, for technical
15 assistance. We're working, like I said, on
16 that, you know, making sure that the messaging
17 and -- you know, any kind of error messaging,
18 as well as instructional messaging within the
19 the system, we haven't found yet. And that's
20 one of those things that I really want to keep
21 my ears and eyes open to, problems with the
22 upload piece, in terms of how to do it.

23 COMMISSIONER CAMERON: Most
24 individuals know how to do it.

1 MR. CONNELLY: You know, and also,
2 again, that's where I want to give credit to
3 human resources, they're lending a hand. But
4 it is, it's one of those things that people
5 have encountered before, and so they're
6 somewhat used to it.

7 COMMISSIONER CAMERON: Right.

8 MR. CONNELLY: And in terms of the
9 living, kind of, nature of all of this, one
10 thing that I don't know if we picked up on,
11 but in the very beginning it said all service
12 employees must register. That, obviously --
13 you know, we developed this before that pass.
14 So, I mean, these are messages that we're
15 going to constantly evolve, based on where we
16 are, you know, both with our processes as well
17 as technology.

18 CHAIRMAN CROSBY: I asked the same
19 question about upload, and I was made to
20 understand that only a people of a certain age
21 ask a question like that.

22 COMMISSIONER CAMERON: Well, isn't
23 that interesting. Well, I fall into that
24 category, because I thought people wouldn't

1 necessarily how to do -- what if they -- if
2 they don't have a birth certificate but they
3 have a state ID and they have a passport, is
4 two out of three enough?

5 MR. CONNELLY: So it's either. If
6 you have a passport, that's all you need.

7 COMMISSIONER CAMERON: Oh, I see.

8 MR. CONNELLY: If you don't have
9 passport, you need birth certificate and a
10 state-issued ID.

11 CHAIRMAN CROSBY: That's great. As
12 Paul said, I used it had as if I were an
13 applicant the other day.

14 COMMISSIONER CAMERON: You did? How
15 many times did you call?

16 CHAIRMAN CROSBY: Well, I had
17 questions that came down later on. Places
18 where I got stuck, like, how the hell am I
19 going to upload something?

20 COMMISSIONER STEBBINS: He also has
21 a new job at MGM.

22 CHAIRMAN CROSBY: But it was great.
23 I mean, it was really simple -- simple,
24 intuitive system. You know the kinds of

1 suggestions I had, you know, were really
2 minimal on the margins. You know, it's a
3 really clean, simple, straightforward.

4 You know, the scary thing is scale,
5 you know. And just because 40 people use it
6 that are being hand-held as a practical
7 matter, doesn't mean that when 400 are using
8 it, it'll work. But it seems to me that
9 they're doing everything they can possibly do
10 to field test it and, you know, adapt it and
11 so forth. So it's impressive.

12 COMMISSIONER CAMERON: Looks great.

13 CHAIRMAN CROSBY: Yeah.

14 COMMISSIONER MACDONALD: Paul, do
15 you expect to have a -- kind of, an internal
16 help desk here for people to contact if people
17 get stuck.

18 MR. CONNELLY: So you're kind of
19 looking at one of them right now. So that
20 e-mail and that phone number, you know,
21 everyone in my team can triage.

22 And so, part of -- the LMS, the
23 public applicant portal really, I think I've
24 said, represents a shift in some of the focus

1 of my team's business, where, when you're
2 taking things in on paper, just as you can
3 imagine, it's a lots of, you know, keeping
4 track of intake as things come in and where is
5 it and moving it along. When individuals are
6 able to submit their applications on line, the
7 system takes care of a lot of duties that a
8 person would have to normally log, right. So
9 we've relieved the team of a lot of those
10 burdens, which is exactly what you want to do
11 with an online system. But what it does now
12 is -- puts them in more directed contact with
13 the applicant. When, in a paper world it was
14 really kind of a one-to-one relationship where
15 it was the MGC with HR, and then HR dealt with
16 all of their applicants.

17 When people come in individually,
18 even though they do, kind of, come through a
19 gateway at the casino level, we then interact
20 with them directly. And with that, means that
21 the -- my staff becomes more, kind of,
22 customer service oriented and helps in terms
23 of technical assistance. So they have been
24 doing that already. You know, even through

1 these 40. And so, it's a great opportunity
2 now, with the numbers being really manageable
3 to build our understanding and our skill sets
4 across the whole team. You know, I said
5 you're looking of them. To be honest, I
6 really only very rarely jump in because I
7 don't need to, because my team's in a -- is
8 really well-positioned to do that. But that
9 is, that's kind of one of the shits in the
10 workload we have is, now, really dealing more
11 with customer service than -- than kind of
12 processing, or the addition of customer
13 service, I should say, because we'll always be
14 doing processing and review.

15 COMMISSIONER CAMERON: Looks great.

16 COMMISSIONER ZUNIGA: Looks great.

17 CHAIRMAN CROSBY: Sure does.

18 COMMISSIONER STEBBINS: Good job.

19 COMMISSIONER MACDONALD: Very
20 impressive.

21 CHAIRMAN CROSBY: Anything else,
22 anybody?

23 COMMISSIONER CAMERON: Thank you
24 both, too. Tremendous.

1 COMMISSIONER ZUNIGA: Great work.

2 CHAIRMAN CROSBY: Yeah, great. All
3 right. We are getting close. I think the
4 last thing is Commissioner Updates. And there
5 is a tab, but I think there -- I do have one
6 thing. Is there --

7 COMMISSIONER MACDONALD: There was
8 something on sealing here. See, See,
9 S-E-A-L-I-N-G.

10 COMMISSIONER ZUNIGA: Records.

11 CHAIRMAN CROSBY: Yes. Well,
12 there's several things. I'll get to that.
13 But did any other commissioner have any
14 update?

15 COMMISSIONER STEBBINS: I had just a
16 couple. Keeping Paul in mind, Paul, Jill and
17 I when out to Springfield last Friday, met
18 with the MGM procurement team that was in from
19 Las Vegas. Talked about changes in licensing.
20 We also had assembled with us members of their
21 vendor advisory team. Great introduction
22 about their procurement folks by a number of
23 great resources to try to find local vendors
24 to -- to supply MGM when they open their

1 doors. Good meeting.

2 Also had good news that -- exciting
3 news. A young co-op student from Putnam High
4 School has been working on site at the MGM
5 construction site. This is kind of unheard
6 of. I don't understand all the details. But
7 it's not an easy process to make that. But,
8 you know, thanks to the carpenters local out
9 there, and Jason Grand and Lisa Collasen
10 (phonetically), as well as the MGM contractors
11 to kind of make this happen. Somebody out
12 there as a co-op student getting some work
13 time on the MGM construction site.

14 CHAIRMAN CROSBY: Anybody else?

15 COMMISSIONER CAMERON: No.

16 CHAIRMAN CROSBY: Okay. One of the
17 things that I got involved in, when I was
18 working on the CORI -- the registration -- the
19 gaming employee service issue, was, as I
20 mentioned, this group community folks, as well
21 as local legislators, who put their shoulder
22 to the wheel and helped us get this thing
23 done.

24 One of them now -- several of them,

1 but in the form of one, Representative
2 Liz Malia, from Jamaica Plain, Boston, has
3 asked if we would be willing to weigh in on --
4 in support of some of the issues -- not all of
5 the issues, but some of the issues that
6 they're supporting in this big package, which
7 you've read in the paper, that's going through
8 the House. And I've talked about this with
9 Catherine. And she said this is something we
10 could discuss as a commissioner update. And
11 if the sense of the group is that we could
12 support one or more of these things, then I
13 could take the initiative and follow through
14 on that, as I have with some other ones.

15 So I think the second page is really
16 the key one. The first one is just other
17 jurisdictions. They're talking about the
18 issue of reducing waiting periods to apply for
19 seal any records, sealing arrest
20 convictions -- of resisting arrest
21 convictions, sorry, the particular crime of
22 resisting arrest convictions, and also adding
23 this ability, if your record is sealed, to be
24 able to say I have not record clarifying that.

1 They all seemed pretty -- and they
2 were presented for us not for we would like to
3 have your help in CORI reform, because I said,
4 that's not really our business. They would
5 like to have us be supported, if we are, as a
6 workforce development issue. That these are
7 issues which their -- Representative Malia was
8 saying would also make it easier for some of
9 the people that we've talked about through our
10 own discussion to get into the application
11 process. So I just throw it out there and
12 look for your -- your comments on all three of
13 them.

14 COMMISSIONER CAMERON: Mr. Chair, I
15 have concerns doing this because -- well, for
16 one thing, only one stakeholder has weighed
17 in. And they are supportive of two of the
18 provisions, the sheriff's association, the DAs
19 have not weighed in at all yet, which makes it
20 is difficult for me to understand the issues
21 well enough to come out in support of this.

22 Secondly, you know, these are not
23 specific to gaming. They may affect some of
24 our work but not necessarily. And I just -- I

1 guess I'm just -- just have concerns that
2 maybe that's not our role as a regulator to,
3 you know, I really think -- and the
4 legislature's debating this now. And I think
5 they're more suited to, A, understand the
6 issues better, and B, you know, kind of, make
7 the decisions in this area.

8 So I just think, as a gaming
9 regulator, I just have concerns that we're
10 wading into an area that's not ours. And
11 secondly, I personally don't feel I have
12 enough information here to know what our
13 consequences are, unintended consequences.

14 Certainly, on the face of it they
15 look like really good recommendations. But
16 without really knowing more from stakeholders
17 and just thinking about what our role is here,
18 I just have some concerns?

19 COMMISSIONER ZUNIGA: What is this
20 timeline that they were looking for; is it
21 something we could come back and discuss,
22 let's say, next week and understand some of
23 those --

24 CHAIRMAN CROSBY: Yeah, we could.

1 The legislation is in the process in -- well,
2 no, I guess it's passed both House and Senate
3 and this point, right?

4 MR. BEDROSIAN: Well, the senate --
5 the senate has passed. And I think the House
6 has passed. And then, now they're going to go
7 on recess and appoint conference committee.
8 So this is somewhat the far down the pike, I
9 think.

10 CHAIRMAN CROSBY: Yeah, so I think
11 we could -- when this was originally presented
12 to us it hadn't passed the House, where Rep
13 Malia's from. It now, I believe, has passed
14 the House, and so there's a conferencing
15 committee that'll be coming. So yes, we
16 could -- if we wanted to pursue it, but wanted
17 to get more information about some of it, we
18 could do that.

19 COMMISSIONER ZUNIGA: I think I
20 would. I mean, I have an opinion of at least
21 one of them, but I'd much rather sort of
22 understand to your point what may be other
23 stakeholders concerns or implication.

24 COMMISSIONER CAMERON: Yeah. Those

1 who really work in this field.

2 COMMISSIONER ZUNIGA: Well, I think
3 number three could apply to gaming, because we
4 ask a lot of questions, indirectly at least.
5 And I think the point is well-taken. Maybe,
6 we can just think about it a little bit better
7 and understand -- get more background and
8 weigh in, if anybody's comfortable.

9 COMMISSIONER MACDONALD: And when
10 you say it's fairly far down the pike, do you
11 mean that, kind of, the horse is out of the
12 barn?

13 MR. BEDROSIAN: Well, and I'm going
14 to tell you the basis of my knowledge -- the
15 basis of my knowledge is State House news. I
16 know the Senate is absolutely passed their
17 version of criminal justice reform. I think
18 the House has -- actually, I'm less sure on
19 the House as I am on the Senate. They will
20 then appoint a conference committee.

21 So when I say it's fairly well, I
22 guess I'm talking about the legislative
23 process of the two branches establishing their
24 positions will be negotiated in a conference

1 committee.

2 COMMISSIONER MACDONALD: So does
3 that suggest to you that we really don't have
4 that much of a practical opportunity to
5 engage?

6 MR. BEDROSIAN: Boy, I guess that's
7 really a strategic point of view. One is, you
8 know, that -- to affect the formation of
9 legislation, yes, it's probably too late for
10 that. Can people have influence in conference
11 committees, sure. I don't know if this would
12 be the way to have influence on conference
13 committees. But, again, my knowledge of State
14 House news, Senate had passed, and I believe
15 House had, also. And there are differences,
16 and they were going to go to a conference
17 committee.

18 CHAIRMAN CROSBY: There is
19 something, and I apologize that I didn't
20 clarify this in advance, but if you notice
21 that first point up above, of the CORI reform
22 issue, says "CSG report." I didn't know what
23 that is. It's the -- and when the staff
24 person got back to me, it's the council on

1 state government report.

2 And there is something that is being
3 debated next Monday and Tuesday. And I'm not
4 quite sure what it is. I can't quite read
5 this. So it is current. I think, speaking on
6 the issue, the sooner the better would be good
7 on the standpoint of legislation. But if we
8 wanted to take more time to look into it, we
9 can.

10 COMMISSIONER STEBBINS: Is it fair
11 to say, I guess, kind of going through the
12 experience we just had, and we were actually
13 encouraged to have our GSC piece wait until
14 some type of criminal justice bill went
15 through, but is it fair to say that, at a bare
16 minimum we can say -- you know, I acknowledge
17 Commissioner Cameron's point that there are
18 probably a lot of -- at least in this area,
19 there are a lot of experts out there than I,
20 but at least say, obviously, we support and
21 encourage efforts which make individuals more
22 eligible for employment opportunities. Not
23 just in our gaming sector but anywhere.

24 But I mean, you know, we know the

1 economic climate changed since the gaming bill
2 passed. And, you know, I think our general
3 message during the GSC discussion was the
4 best -- you know, we want to help our licensee
5 meet hiring goals, we also, obviously,
6 subscribe to the notion that if somebody has
7 an opportunity they're not become out getting
8 into trouble.

9 I mean, is there a basic message we
10 could send, without diving into the details,
11 which I don't feel I'm prepared to address?

12 COMMISSIONER ZUNIGA: Well, we
13 actually -- we actually discussed, at length I
14 remember, the context of the automatic
15 disqualification, at least one of the subsets
16 of first number here, in terms of -- I
17 remember statute had it at 10 years. There's
18 a parallel here to the waiting period for
19 felonies from 15 to 10 to 10 to five. So I
20 think we've effectively weighed in, at least
21 some of us. Not in a full consensus, I
22 remember, or not unanimously on one of these,
23 or a couple of these. Not all of them. And
24 that's where, you know, where my notion of

1 understanding what some of these do is -- is
2 limited but...

3 CHAIRMAN CROSBY: You have as much
4 experience as any of us on -- in some of these
5 issues. What's your sense on these issues?

6 COMMISSIONER MACDONALD: Well, I do
7 have a lot of experience on it. But at the
8 same time, I'm not sure that I would feel
9 comfortable in stating a position, in my
10 current position, you know, on these -- on
11 these proposals at this time. If we had more
12 time, I would welcome some presentations,
13 maybe by the -- of the CSG or whoever the
14 organizations are, or our spokesperson would
15 be, you know, to us, to kind of refine the
16 issues.

17 CHAIRMAN CROSBY: Okay. But you
18 don't want to give us the benefit of your
19 experience on these issues at this point?

20 COMMISSIONER MACDONALD: I don't
21 think you have enough time. There's some that
22 are relatively straightforward, but there are
23 others that are not. I mean, they're
24 relatively straightforward, not that it's

1 necessarily an easy decision to make. But
2 that, you know, should the, you know, period
3 of sealing of a felony conviction be
4 further -- be further reduced. That's a
5 fairly straightforward thing. Again, not that
6 that's an easy decision, and there are
7 arguments on -- you know, on both sides on
8 that.

9 One area where it is not
10 straightforward is this issue -- is of the
11 distinction between the sealing of a record
12 and an expungement of a record. And I think
13 the current state of the law in Massachusetts
14 right now is that there is no -- there's no
15 avenue for actual expungement.

16 I think that the -- maybe, Ed, you
17 know more about this than I do, but that I
18 believe the SJC actually -- actually vacated a
19 district court judge's expungement under very,
20 very -- under very various sympathetic
21 circumstances. I mean, somebody had been
22 framed in some way, and the judge felt very
23 badly about that and just wanted the record
24 completely, literally expunged so that there

1 was no -- there was no record of it. And they
2 said that they -- the Court said that they
3 didn't have authority to do that.

4 And there are First Amendment issues
5 on all of this. First Amendment in terms of
6 press, entitlement of the press to access to
7 this information. And one of the background
8 setting of that is that there have been
9 instances in which police officers have been
10 charged with, you know, with offenses, and
11 then they were able to prevail upon a judge to
12 have it expunged or sealed under circumstances
13 that were, at least, questioned by
14 investigative reporters, and that, that
15 practice has been something that which the
16 press outlets have been very, very sensitive
17 to.

18 So there -- this is an area that is
19 not simple, as a general matter. It's just
20 good guy, bad guy. And there -- so I
21 certainly wouldn't want to, on the record,
22 states a position as I'm sitting here on these
23 bullet points.

24 CHAIRMAN CROSBY: Okay. Well, the

1 sense I get is some willingness to discuss it,
2 but a sense that we don't have enough
3 information to go forward at the moment.
4 Certainly, nothing that I could be authorized.
5 I mean, I think -- I think, probably, none of
6 us would be opposed to the characterization
7 that you make, Commissioner Stebbins, but I'm
8 not sure that does the job. You know, just a
9 general feel good, you know, we're in favor of
10 opening opportunities.

11 So why don't I go back to these
12 folks and say, if you'd like to pursue this
13 we're probably game, but we're going to need
14 some more information and maybe some
15 appearance here so we can talk to some people
16 about it. Does that make sense? Okay.
17 Anything else?

18 COMMISSIONER MACDONALD: Makes a lot
19 of sense.

20 CHAIRMAN CROSBY: Do I have a motion
21 to adjourn?

22 COMMISSIONER ZUNIGA: So moved.

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: All in favor?

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Aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

CHAIRMAN CROSBY: Unanimous.

(Proceeding concluded at 2:10 p.m.)

1 APPEARANCES:

2

3 GUEST SPEAKERS:

4 Bruce Barnett, General Counsel, Suffolk Downs

5 Steve O'Toole, Director of Racing, Plainridge Park

6 Casino

7 Bob McHugh, President Harness Horsemen's

8 Association of New England

9 Mary Corey, Harness Horsemen's Association of New

10 England

11 Jacqui Krum, Senior Vice President and General

12 Counsel, Wynn Resorts International

13 Peter Campot, Director of Construction, Wynn

14 Design and Development

15

16 MASSACHUSETTS GAMING COMMISSION:

17 Catherine Blue, General Counsel

18 Edward Bedrosian, Executive Director

19 Todd Grossman, Deputy General Counsel

20 Karen Wells, Director, IEB

21 Michael Sangalang, Digital Communications

22 Coordinator

23 Alex Lightbown, Director and Chief Veterinarian,

24 Racing Division

1 APPEARANCES CONT'D:

2 MASSACHUSETTS GAMING COMMISSION:

3 Paul Connelly, Director of Licensing

4 Elaine Driscoll, Director of Communications

5 Joe Delaney, Construction Project Oversight

6 Manager

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C E R T I F I C A T E

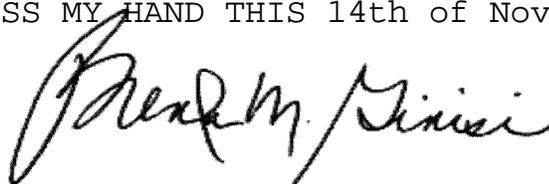
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

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 14th of November 2017.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021