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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
210th PUBLIC HEARING

COMMISSIONERS

Lloyd Macdonald

Bruce W. Stebbins

Enrique Zuniga

Gayle Cameron

February 16, 2017, 10:00 a.m. to 12:09 p.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, Massachusetts

PROCEEDINGS

1
2 COMMISSIONER CAMERON: Good
3 morning, everyone. We'll begin the meeting.
4 This is our 210th Public Meeting of the
5 Gaming Commission. Chairman Crosby is away,
6 so I'll be chairing in his stead today.

7 First on the agenda will be the
8 approval of the minutes. Commissioner
9 Macdonald.

10 COMMISSIONER MACDONALD: Thank you.
11 Fellow Commissioners, I move that we approve
12 the minutes of the February 2nd, 2017,
13 meeting subject to corrections for
14 typographical errors and other nonmaterial
15 matters.

16 COMMISSIONER ZUNIGA: I second
17 that.

18 COMMISSIONER STEBBINS: I had one
19 change under the 12:46 time frame. The
20 sentence where noted that we also met with
21 family support workers at Hanscom who are
22 helping veterans deal with probable gambling.
23 And that next sentence should be we provided
24 them some additional information about the

1 Gaming Commission's effort.

2 So just try to reword that
3 sentence. I can write it out a little bit
4 more clear, but focusing on the fact we're
5 meeting with their support workers who offer
6 help to veterans on their problem gambling
7 issues.

8 COMMISSIONER CAMERON: I think
9 Cecelia has that change. Any further
10 discussion? All those in agreement? Aye.

11 COMMISSIONER MACDONALD: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 COMMISSIONER CAMERON: Opposed?
15 Motion passes four-zero. Next we have our
16 administrative update. Executive Director
17 Bedrosian.

18 MR. BEDROSIAN: Good morning,
19 Commissioners.

20 COMMISSIONER STEBBINS: Good
21 morning.

22 COMMISSIONER MACDONALD: Good
23 morning.

24 COMMISSIONER CAMERON: Good

1 morning.

2 MR. BEDROSIAN: Counsel Blue is
3 running a little late. She will be here
4 momentarily. But I would like to welcome a
5 new member of the MGC team today. In the
6 second row here is Paul Eldridge is a
7 welcomed financial investigator in the
8 Investigations Enforcement Bureau.
9 Commissioner Zuniga, you will like his
10 qualifications. He is a certified public
11 accountant, certified internal auditor, and
12 certified risk management assurance and comes
13 to us from Century Bank where he was audit
14 director.

15 So in his role, he'll be
16 responsible for planning and execution of
17 annual internal audit plans. So he's going
18 to be a very valuable member of the team.

19 I'd like to say there's also a
20 display of teammanship this morning. I
21 didn't give Paul additional or as appropriate
22 warning that he was going to come in front of
23 the Commission, so he wasn't wearing a sports
24 jacket. You may recognize his jacket as

1 having been modeled by our CFAO who keeps a
2 rack of extra clothes just in case such
3 emergencies like this happen. So we're happy
4 to have Paul and welcome him to our team.

5 COMMISSIONER CAMERON: I think he's
6 thrilled you pointed that out. Welcome.

7 MR. ELDRIDGE: Thank you.

8 COMMISSIONER CAMERON: Great team.
9 You'll enjoy it.

10 MR. BEDROSIAN: That's actually all
11 I have.

12 COMMISSIONER CAMERON: Terrific.
13 We'll move on to our ombudsman report.
14 Ombudsman Ziemba.

15 MR. ZIEMBA: Good morning,
16 Commissioners. First up today we have the
17 Wynn Boston Harbor quarterly report for the
18 last quarter of 2016. Joining us today are
19 Bob DeSalvio, president Wynn Boston Harbor;
20 Jacqui Krum, senior vice president and
21 general counsel for Wynn; and Chris Gordon,
22 president of Wynn Design and Development for
23 Massachusetts. Before they give their
24 report, I just want to applaud them and thank

1 them for all of their continuing outreach
2 efforts. Last night they had another meeting
3 out in Charlestown to give an update
4 regarding their project, and I know it was
5 full of very helpful information. So thank
6 them for the continuing outreach efforts.
7 And with that, I will turn it to Bob.

8 COMMISSIONER STEBBINS: John, quick
9 question. Do we have -- or Bob, maybe you
10 can answer. What kind of turnout are you
11 still seeing for these meetings? I know the
12 material starts to get a little dry, but
13 what's been the response from the community.

14 MR. DESALVIO: It was -- Good
15 morning, Commissioners. Am I live? There we
16 go. Good morning, Commissioners.

17 COMMISSIONER CAMERON: Good
18 morning.

19 MR. DESALVIO: Last night was
20 actually very light attendance. And I
21 actually take that as a very good sign,
22 because when I think about the early meetings
23 that we had, in particular, in Charlestown,
24 lots of issues to discuss, lots of questions

1 about transportation, mainly Sullivan Square
2 related issues. But in talking to the few
3 folks that were there, they've actually heard
4 that things are going well on the site.
5 There has not been an issue. Chris is going
6 to get into later on about the mass
7 excavation and the part of the project that
8 we were most concerned about, which was the
9 early work which created a lot of traffic.
10 And it's actually gone extremely well. And
11 so a good response. The few that were there
12 said things they've heard are going really
13 well.

14 So I take that as actually a good
15 sign when you have a public meeting and very
16 few people come out. I mean, I'd love for
17 there to be more, but I think they actually
18 feel pretty good about what's going on.

19 COMMISSIONER STEBBINS: Okay.
20 Thank you.

21 COMMISSIONER CAMERON: Thank you.

22 MR. DESALVIO: And just one more
23 follow-up, because I know the Commission had
24 received the correspondence on this as well.

1 We're going to do a follow-up meeting with
2 the track workers for Suffolk Downs. If you
3 recall, some time ago we did a mailing. We
4 wanted to know for those that -- You actually
5 helped us do the mailing -- those track
6 workers that were interested in what we were
7 doing. So we're going to do a follow-up, and
8 I've got a couple of questions that I'll do
9 offline with John about how to reach out to
10 more folks, but I think we're doing it
11 April 29th, I believe, in East Boston or
12 right near the track at the Hilton Garden
13 Inn. So we'll do a session of follow-up with
14 them as well. And I know they wrote to the
15 Commission, but I wanted to let you know that
16 we addressed getting another meeting on the
17 books with those folks.

18 COMMISSIONER CAMERON: Thank you.

19 MR. DESALVIO: Just take it away,
20 John?

21 MR. ZIEMBA: That's correct.

22 MR. DESALVIO: Great. Thank you,
23 John. Also shout out to Joe. Joe has been
24 very helpful in doing the monthly updates

1 with Chris and the team. We're going to try
2 to combine those with some tours. I also
3 want to open that up for any of the
4 Commissioners that when, from time to time,
5 you want to join those tours. I think are we
6 first Friday typically in May?

7 MR. GORDON: First Friday.

8 MR. DESALVIO: First Friday of each
9 month, and maybe some of the staff members of
10 the Commission that have not gone on a site
11 tour. It's pretty amazing. But Joe has been
12 a good link for the Commission to meet
13 regularly with Chris and then we have a once
14 a month usually, a thorough run through on
15 the site.

16 Today, we have actually great news
17 to report on the progress on how it's all
18 doing, and we're going to divide this up a
19 little bit. We're going to start with Jacqui
20 Krum who's going to talk about the permitting
21 side.

22 MS. KRUM: So as you know, we
23 finished the permitting for the main project
24 and that's currently under construction.

1 We're now moving on to the next phase of
2 permitting, which is primarily centered on
3 the cove and the sediment remediation that
4 needs to happen within the cove.

5 So to that end, we are preparing to
6 file a notice of project change with MEPA
7 hopefully within the next month and that's
8 going to be focused on the sediment
9 remediation as well as bringing MEPA up to
10 date with some of the programatic changes
11 that we've made that we previously discussed
12 with the Commission, but as the project's
13 developed, we've made some changes obviously
14 in the retail, increasing the meeting and
15 event space. So all of that will go through
16 MEPA, and hopefully we'll have a decision
17 within the second quarter.

18 So those are the main things. In
19 conjunction with that, we're also making some
20 filings under the Massachusetts contingency
21 plan. This is with DEP. And we're preparing
22 a Phase III also related to the sediment
23 remediation, which will go through the actual
24 process of how we're going to remediate that

1 sediment. We're looking at a number of
2 different options, and we're working with DEP
3 to figure out what works best.

4 COMMISSIONER STEBBINS: Jacqui,
5 would it make sense at some point when the
6 notice of project change -- that was one of
7 the things that I flagged in reviewing the
8 presentation for today. Would it make sense
9 -- We'd like to have you guys come back when
10 the notice of project change is filed and
11 kind of walk through some of those changes
12 again with us.

13 MS. KRUM: Absolutely, we can do
14 that.

15 MR. GORDON: Great. Thank you.
16 I'm going to give you a quick update on
17 construction and that's always best done by
18 photographs. It's more fun than spreadsheets
19 and numbers. So if you look at the
20 photograph there, this is a couple of weeks
21 ago, and what you see is the garage
22 excavation is far, far along. We've put the
23 slurry wall around the entire perimeter,
24 which is the foundation wall. As we talked

1 about last time, that's put in, in advance of
2 the excavation. So the slurry wall which is
3 shown in the bright red line around that hole
4 is all the way down to bedrock. In some
5 cases, it's a hundred feet down to bedrock.
6 We then had about 500,000 tons of soil and
7 about 30 million gallons of water inside the
8 hole that had to come out.

9 So of that 500,000 tons of soil,
10 we've moved all but about 75,000 tons. So we
11 expect probably around the second week in
12 March, the last truck will leave the site
13 full of dirt. So that's a -- we're very
14 happy about that.

15 Now that most of the soil has left,
16 we've started to put in mat slabs. You see
17 in the bottom of the hole, you'll see
18 concrete slabs being poured. That's the
19 first step in the parking garage. That's a
20 five-foot thick concrete slab, and it's going
21 to cover to entire bottom of the garage. You
22 would think that would hold the building
23 down. It actually holds the garage in place,
24 but because of the water table, it actually

1 has some buoyancy.

2 So once we put that slab in, we
3 drill rock anchors through it. We've got
4 about 1,600 rock anchors to drill down to
5 bedrock and grout those in. That actually
6 anchors the building into the ground, and
7 then the garage starts coming up from there.

8 So the next step after this slab is
9 done is start to pour the first floor of the
10 garage, which is known as the B3, then the
11 B2, then B1, and then you're up at grade.
12 And then in the next ten days, we expect to
13 start pouring the first slab above grade. So
14 we'll be putting the first floor of the
15 garage in, in the next couple of weeks, which
16 is a big step for us.

17 So at the south end of the garage,
18 you'll see slabs going in. At the north end
19 of the garage, you're going to see the rest
20 of the soil going, and then we'll be off and
21 running with the garage construction. So
22 we're moving well on the foundation. A lot
23 of concrete being poured every day.

24 By the way, the other thing you see

1 in that photograph, sorry, is the number of
2 tower cranes. We now have six tower cranes
3 up. People joke it looks like a crane store
4 out there. We have six tower cranes and we
5 have numerous track mounted cranes. So on
6 any given day, we've probably got 20 cranes.
7 That's why you see -- People are starting to
8 notice more, because the cranes are so high
9 up in the air, what's going on at the site.

10 The next shot, that's the first
11 steel going on. The central utility plant,
12 otherwise known as the CUP, is not over the
13 garage. So we can start that early for two
14 reasons. One is, again, it isn't over the
15 garage so we could start early, but also we
16 need to because that's how we're going
17 climate control the building. About a year
18 before we open, we have to start climate
19 controlling the building for the finishes, so
20 we have to get this done and operable.

21 So the steel is flying along on the
22 CUP. Every night we bring in trucks of steel
23 and organize it. During the day they pick
24 them and put them in place. And they're up

1 -- I'll show you a different photo in a
2 minute, but they're up way up on the third
3 floor starting to work on that steel. This
4 spring, we'll clad it, we'll roof it, and
5 then we'll have it enclosed and we'll start
6 putting mechanicals in. By next summer, this
7 plant will actually be operable.

8 COMMISSIONER MACDONALD: Chris,
9 remind me, where is the central utility plant
10 --

11 MR. GORDON: In the back of the
12 first photo.

13 COMMISSIONER MACDONALD: -- located
14 within the --

15 MR. GORDON: If you look at that
16 photo, sir, you see the excavation -- To
17 orient you, the rail line is to the bottom of
18 the page and you see the rail cars full of
19 soil.

20 COMMISSIONER MACDONALD: Right. Is
21 that on the north side of the site?

22 MR. GORDON: That's to the west.
23 It's toward the shopping mall.

24 COMMISSIONER MACDONALD: The west

1 side.

2 MR. GORDON: The north would be to
3 the left of this page. Charlestown would be
4 to the right of this page, and Broadway would
5 be to the top of the page. The central
6 utility plant is in the left-hand side. So
7 it's north of the garage. It's the most
8 northerly part of the project.

9 COMMISSIONER MACDONALD: I see.

10 MR. GORDON: It's really where all
11 the back of house is. It's where we'll have
12 dining for employees, workshops, you know,
13 training areas. All employee stuff is in
14 that end of the building.

15 That's steel we talked about, if
16 you go to the next shot. This is down in the
17 hole. It's a little city down there. We
18 have rock anchors going on. We have
19 tie-backs going on. We have de-watering
20 being put in. We have under-slab plumbing
21 being put in. But the big task is we have a
22 tremendous amount of reinforcing bar being
23 put in the hole. With a five-foot thick
24 slab, we have multiple layers of rebar. That

1 has to be heated, and then all the concrete
2 has to be pumped down into the hole.

3 So we do about two slabs a week,
4 and each one is about 450 concrete trucks.
5 So we're running about 900 concrete trucks a
6 week just for the mat slabs.

7 COMMISSIONER ZUNIGA: How many a
8 week?

9 MR. GORDON: We usually do about
10 two mat slabs a week.

11 COMMISSIONER ZUNIGA: So how many
12 trucks of concrete?

13 MR. GORDON: About 900 concrete
14 trucks.

15 COMMISSIONER CAMERON: Has this
16 weather, Chris, slowed you down a bit?

17 MR. GORDON: Not really. We lost a
18 little time on the steel, because a lot of
19 that's hand work so we had to clear the snow
20 and get them back doing that. The excavators
21 didn't lose much time at all because the
22 machines didn't even notice the snow. They
23 kept going. The concrete guys probably lost
24 a little bit of time, but mainly that's

1 because people couldn't drive to the job
2 site. So combined with two big snow days, we
3 probably lost a day of productivity.

4 Now, the schedule has snow days
5 built into it. We're hoping not to use them,
6 but we do have some weather delay in the
7 schedule to provide us time.

8 So a lot work going on down in the
9 hole. This is a shot that shows, you know,
10 tie-backs and drill rigs going with the rock
11 anchors. A lot of this is just details, but
12 there's a lot of equipment down in the hole
13 making progress.

14 The next shot is the last tails of
15 the excavation. As I mentioned, we have
16 about 75,000 tons left. That sounds like a
17 lot, but it's only a couple weeks more worth
18 of work and that will be all gone and we're
19 out of there.

20 We're also in the busiest trucking
21 season right now, as Bob mentioned, because
22 we're overlapping the soil excavation with
23 the concrete deliveries. So into March,
24 we'll start to be actually having less

1 traffic. And we've been doing this for four
2 months, five months, and we haven't heard
3 much of anything. So we think the traffic
4 pattern has been able to handle the traffic.

5 One issue that we do hear about, by
6 the way, is these trucks do track dirt on
7 Broadway. So we have a full-time street
8 sweeper that goes back and forth and back and
9 forth. Generally, they keep up with it, but
10 the only noise we've heard from anybody is a
11 little bit of dirt in the street.

12 Next one is another shot. Again,
13 this is just more dirt, but you can see the
14 magnitude of what they're digging out of
15 there in the excavation. Also in the
16 foreground, it's hard to see, but the columns
17 for the hotel tower were already installed
18 down to bedrock. All we're doing now is
19 exposing them. So the columns are already
20 there. So once we get all the soil out of
21 there and start putting the slabs in, we can
22 start on the hotel tower and the foundation
23 already exists.

24 COMMISSIONER ZUNIGA: Is that the

1 structure to the right or is that the base
2 for a crane?

3 MR. GORDON: In the immediate
4 foreground, that's the base for a crane.

5 COMMISSIONER ZUNIGA: Okay.

6 MR. GORDON: That's actually a
7 temporary foundation for the next tower crane
8 that since has been put up. But around it,
9 and it's very hard to see at that scale.

10 It's even hard to point out. But right
11 behind that tower crane and right before you
12 see the excavator, there's some curbed rebar
13 that's sort of curved over. It looks like an
14 upside down U-shape. Sorry. I know it's --

15 COMMISSIONER ZUNIGA: Yes.

16 MR. GORDON: It's right in the
17 middle of that photo. That is one of 52
18 columns for the tower. So the foundation is
19 already in. The good news is that'll mean
20 the tower can go pretty quickly.

21 Next shot is just pouring concrete.
22 We're also working on the waterfront. As you
23 know, we had to replace the entire bulkhead.
24 We had to drive piles. We have to put in the

1 harborwalk. So we are far along in doing
2 that. The sheeting went in quite quickly.
3 We didn't have a lot of obstructions, which
4 is good. The piles are going in now. The
5 living shoreline work starts in a couple of
6 weeks, so we're in good shape. There's a
7 time of year restriction, which we were able
8 to get a waiver for to keep working through
9 the spring, which we wanted which is good
10 news. So there's a lot of work on the
11 waterfront going on as we speak.

12 A another shot of the waterfront.
13 This is really where we're starting to smooth
14 out the area where the harborwalk is going to
15 go. We want to get the harborwalk in early
16 because it's hard to do later. In other
17 words, once the entire building is there, we
18 really have to start working on the
19 landscaping and the grading. So the
20 harborwalk is a lot of big, heavy equipment,
21 so we're trying to get that done early or at
22 least the basic bones of it done early, so we
23 can get that equipment out of there and bring
24 in the smaller equipment to work on the site

1 work and landscaping.

2 By the way, Jacqui mentioned we're
3 working on the permitting for the dredging.
4 Dredging is a completely offshore activity.
5 So the barge and the dredge equipment will
6 come by the river. They'll leave by the
7 river. The soil leaves by the river.
8 Everybody comes and goes by the river. So no
9 matter how far along the project is, we can
10 do that in the inlet without affecting the
11 land-side operation at all.

12 COMMISSIONER STEBBINS: What's the
13 timeline for dredging? How long does it
14 take?

15 MR. GORDON: We would love to get
16 started this fall. There's a time of year
17 opportunity from September until February
18 where we can dredge the inlet. We're hoping
19 we get the permit in place to start this
20 year. That would get it done '17/'18, if
21 not, we do it '18/'19, but we don't like it
22 that close to the opening. It doesn't really
23 affect the building at all, but it seems
24 cutting it a little close. So we'd really

1 like to do it this fall, if we can.

2 The actual dredging won't take
3 long. It's probably three or four months
4 worth of work. So the work is not the hard
5 part. It's lining up all the proper permits.

6 COMMISSIONER MACDONALD: Chris, are
7 you expecting some contaminated soil on the
8 dredging coming out of the dredging
9 operation?

10 MR. GORDON: Some of the worst.
11 Yeah. A lot of what Monsanto did is they had
12 three outlets that came off the site, and
13 anything goes. Everything went out through
14 the outlets and that set in sediment. A lot
15 of it's heavy metal, so it resides. It
16 hasn't gone anywhere. Sometimes this stuff
17 sloshes around the river. A lot of the heavy
18 metals have stayed right where they started.

19 So we've done tremendous amounts of
20 borings in the inlet. We've got about seven
21 acres of area that we've got to deal. Some
22 will be dredged. Some will be done with a
23 natural remediation. But yes, there will be
24 more bad stuff in the river. And the good --

1 we're not taking credit for this, but it's
2 going to make a huge difference to the river.
3 That area right now -- I think you've heard
4 this before. But we did a biological survey
5 with a little robot, and the report said it's
6 a biological desert, which meant they found
7 nothing alive.

8 MS. KRUM: There's single-cell
9 amoebas in there.

10 MR. GORDON: Single-cell amoebas.

11 MS. KRUM: Single-cell amoebas.

12 MR. GORDON: I stand corrected.
13 But the theory is pretty simple. All the
14 biologists have told us once you clean it up,
15 the life will come back. So we think that
16 will be a good thing.

17 This is just an example of some of
18 the equipment down there. This is stress
19 testing. I mentioned we have to do about
20 1,600 tie-backs -- excuse me, rock anchors.
21 Every one has to be tested. Every one has to
22 be grouted. You know, this is why it takes
23 so long to do a big building, because every
24 day, three shifts somebody out there doing

1 this kind of testing.

2 The next sheet is just sort of a
3 summary sheet. But to remind you where we
4 are, pre-excavation for guide walls is done.
5 The slurry wall is done. About 97 percent of
6 the tie-backs are done. They'll be done in
7 the next couple of weeks. These are the
8 tie-backs that hold the wall up.

9 Ninety percent of the cat beams.
10 These are beams that sit on top of the piles
11 are done. Sixty percent of the mass
12 excavation. That number is higher as we sit
13 here. It's probably in the 70s now since
14 we've printed these slides. Pre-cast piles
15 are done. About 78 percent of the pile caps
16 are done. The mini-piles are done. And
17 we're starting on the B4 mat slab, and we've
18 started all the waterfront work.

19 So it's very early on, but right
20 now we're on schedule. Things are going
21 well, you know, knock on wood. We've been
22 happy with the work so far.

23 Bob is going to talk
24 transportation, and I think later on I'm

1 going to come back and talk a little bit
2 about schedule.

3 MR. DESALVIO: Thanks, Chris. I
4 did want to spend a minute on what we call
5 this transportation mitigation communication
6 plan. I also -- for anyone on the Commission
7 staff that hasn't met Greg John. Greg, where
8 are you? Greg is our executive director of
9 brand marketing and --

10 MR. GORDON: They both waved.

11 MS. KRUM: John waved too.

12 MR. DESALVIO: Oh, John as well.
13 All right. Greg is obviously our
14 communications specialist on the team, and he
15 worked to put together this plan which I'm
16 going to give you the highlights of. And
17 also Greg works closely with Elaine on the
18 Commission staff because there's going to
19 have to be very close communication all the
20 way through our roadwork, because I think
21 sometimes we'll get communications. I think
22 other people may not know who to contact, so
23 they contact the Commission directly. So
24 we'll make sure we establish that link

1 between Greg and Elaine to make sure this
2 goes smoothly. But I know this was an area
3 that the Commission was particularly
4 interested in. We thought it was worthwhile
5 doing a full run through on this today.

6 So the next -- actually the next
7 slide, I'd like to go to the actual map.
8 This particular map is actually kind of
9 interesting because it's a sort of a
10 30,000-foot view of all the work that we've
11 got to do. And if you look at kind of the
12 long blue arrow, that represents Broadway
13 basically from Sweetser Circle down to
14 Sullivan Square and that is obviously the
15 main area of work that we're going to do;
16 however, we also have another stretch that
17 goes from Sweetser back to Wellington which
18 is almost as much work. The real heavy
19 lifting is Broadway and Sullivan, but the
20 other changes that we're going to make at
21 Wellington, Santilli, and Sweetser I think
22 are just as important, even though they don't
23 involve as much heavy lifting in terms of
24 construction. So really, we have two large

1 sections that we're dealing with almost
2 simultaneously.

3 And if we go to the next slide,
4 this is our overall communications approach.
5 And while I don't normally read, I think it's
6 important for me to put this one in the
7 record because it's really important for what
8 we're going to be doing over the next year.
9 And that is our total objective with this
10 plan, and that's "to provide a timely and
11 consistent flow of outgoing and incoming
12 communications to inform residents and
13 commuters of the transportation work related
14 to Wynn Boston Harbor and lessen the
15 inconvenience and traffic generated by the
16 work." So that was basically our overall
17 starting point of what this entire effort was
18 all about.

19 And on the next slide, we talk a
20 little bit about how we're going to do this.
21 So outgoing from us, you know, providing
22 advanced and realtime notices regarding road
23 closures, lane shutdowns, and of course
24 incoming from what the residents and the

1 commuters have comments on.

2 As you know, most of this work now
3 is going to reside more in the world of
4 electronic communication, and we think that's
5 going to be critical. So as part of this
6 process, you'll see on the next -- By the
7 way, I'm sorry. There are two companies that
8 are assisting us in this process. AECOM -- I
9 think we've mentioned this in previous
10 meetings. AECOM got all of the
11 transportation work, except for Sullivan
12 Square, and Howard Stein Hudson has all of
13 the work that we're doing in Sullivan Square.
14 Those are the two leads.

15 So what happens is those design
16 firms actually will be working with Chris and
17 his team to make sure that we know in advance
18 when the schedule changes are coming, and
19 then this information can be communicated
20 back through both Regina Villa Associates,
21 who's been hired by AECOM, as well as Greg
22 and his internal team at Wynn. And so we'll
23 have a constant communication flow between
24 those companies, us, and the transportation

1 and communication company that's been put on
2 the job as well.

3 The next slide, with anything
4 transportation related, the key is to keep it
5 simple. I mean, the last thing you want to
6 do is confuse the public, confuse residents
7 or commuters. And so we're going to try to
8 keep this very simple. Here's today's road
9 closures. Here's what we've got to do.

10 Here's where we're moving lanes, and simple
11 works in this kind of communication.

12 If you look at the next slide, this
13 is what we call our communications channels.
14 So we're going to have a dedicated website,
15 which we're going to brand as well. And then
16 it will be Facebook and Twitter. It'll be
17 text messaging. We'll use the city alert
18 programs and traffic apps.

19 As far as PR and paid media, we'll
20 do a press kickoff event. We'll do traffic
21 reports, electronic billboards and ads, and
22 intersection signing through LEDs. And then
23 direct outreach, we're going to have a
24 24-hour hotline set up. And our goal through

1 all of this is to make sure that we
2 communicate quickly and efficiently with
3 people.

4 As a matter of fact, the next
5 slide, this shows you one example of how we
6 can, again, use electronic communication.
7 Most of you know the Everret United Citizens
8 group that's been involved in our project
9 from Day 1. They operate under a branding of
10 Wynn For All has been a website that they've
11 used very effectively to keep the residents
12 informed. So that's one of the channels that
13 we'll be able to use besides our own website,
14 which we're going to craft that will be
15 specifically dedicated to this project.

16 The next slide, there are now very
17 good ways that we can communicate using the
18 Mass. DOT's website. Waze is very good about
19 this, about helping to post when there are
20 traffic difficulties. I know most of the
21 folks in the room probably use that. There's
22 another, Sigalert, Total Traffic Network,
23 Google, and then in fact the local radio
24 stations and other communication vehicles

1 that we can notify so they can broadcast that
2 out on the networks.

3 The next slide shows potential
4 signage, LED, and intersection signage that
5 we can do along the way as well as the next
6 slide gives us some examples of
7 communications. Part of this is traffic
8 notification. Part of it is, you know, when
9 people get inconvenienced for traffic
10 movements, I think they want to know that
11 there's something coming. And so part of
12 this is a bit of, you know, this is going to
13 be good for the community. It'll help your
14 community at a later date. More jobs are
15 going to be created, and overall, it's got a
16 good economic development impact. And part
17 of the reason we integrate the marketing
18 communications folks in with the construction
19 folks is to make sure that we treat this as a
20 true branding exercise, because that's really
21 what this is.

22 The next slide gives you another
23 example.

24 COMMISSIONER MACDONALD: Excuse me.

1 What is the Mystic Mile?

2 MR. DESALVIO: The Mystic Mile is
3 how we are going to brand this. You know,
4 many of the large road and infrastructure
5 projects that have been done over the years,
6 most of the time they come up with a handle.

7 So in our particular case, what we
8 did was we looked -- if you think back to
9 that first map I showed you, and I'm going to
10 use some liberties here with mileage. But if
11 you look at the mile that's really in front
12 of our property, if you go from Sweetser
13 Circle down to Sullivan Square, it's really
14 probably a mile and a half, but that didn't
15 sound very good on a website.

16 So if you're brand something like
17 that, we're going to call it the Mystic Mile.
18 And we're thinking of the mile that goes
19 really on the parkway and the mile that goes
20 on Broadway, those two are really the main
21 sections.

22 So Greg is going to be developing a
23 new website that will be specifically focused
24 on traffic improvements and mitigation. And

1 we'll point everyone towards that so that
2 they don't have to go onto Wynn Boston Harbor
3 and then select construction and then select
4 traffic. So we can actually direct people
5 right to the site that they're used to.

6 And that's very common in large
7 infrastructure projects. You develop a
8 handle and you develop a site that's
9 dedicated to it, so that's why we picked
10 that.

11 COMMISSIONER MACDONALD: Thank you.

12 COMMISSIONER STEBBINS: Great.

13 MR. DESALVIO: Then there's another
14 slide of, again, mobile signage that we can
15 do at any of the intersections. And then I
16 mentioned earlier about managing
17 communications. Our whole goal is to make
18 sure that we can respond within 24 hours to
19 just about any call. So that will be both
20 the hotline that's called in or if somebody
21 e-mails us, we want to make sure that we're
22 getting back to people very, very quickly,
23 and we'll have a tracking system to look
24 after that.

1 So again, I know that's a lot of
2 information, but I know it was important to
3 the Commission. It's going to be important
4 to Everret and Boston and Medford, Malden,
5 and all the surrounding communities, so it's
6 something that we are going to dedicate time
7 and resource to.

8 COMMISSIONER MACDONALD: Thank you.

9 MR. DESALVIO: Okay. I'm going to
10 turn it back over to Chris for scheduling.

11 MR. GORDON: Thanks, Bob. I'm not
12 going to walk you through every bar of the
13 schedule. I'm happy to if you want to, but
14 there's a summary scheduled attached, but let
15 me just talk more generally about it, if that
16 would help.

17 As I mentioned a minute ago, right
18 now, we are on schedule. The concrete and
19 the excavation is on schedule. The steel is
20 actually ahead of schedule. I want to
21 caution though, we've got two years left to
22 go. So I don't want to be overconfident and
23 say we're done.

24 So as you sit here today, we're

1 very happy with where we are. A lot of work
2 to be done. A lot of tricky work to be done,
3 but we don't see big problems. In other
4 words, we've got the buyout is probably
5 three-quarters done now with the
6 subcontractors. Glass is being made in
7 Germany. Steel is being made right now.
8 We've got finish material starting to be
9 made. Exterior panels are being made.

10 So there's factories all over the
11 world that are making stuff for us as we
12 speak right now. We're in those locations.
13 We're testing materials. The site is working
14 out well. Logistics are starting to really
15 work. We just widened the entrance to five
16 lanes, if you've seen it. The MBTA moved
17 their entrance, so now we've got a five-lane
18 road coming in which gives us a lot of
19 activity -- a lot of access, I should say.

20 So the service road is operable.
21 So a lot of the pieces we were worried about
22 are in place.

23 Again, I'm happy to go through the
24 schedule in detail if you want, but right now

1 we're satisfied where we are.

2 A year from now, the tower will be
3 up and it will be mostly clad. So a year
4 from now, you'll see the entire podium area
5 of the steel being built. The entire tower
6 will be up to the full height and the glass
7 will be almost up the tower.

8 So just to give you a year glimpse
9 ahead of time. And a year from that, it'll
10 primarily be done because Bob will be
11 starting to break in the building. So we've
12 got some big activities coming up.

13 COMMISSIONER ZUNIGA: Chris,
14 perhaps just in general, could you describe
15 the critical path in the next few quarters,
16 what are the activities that --

17 MR. GORDON: Yeah. The critical
18 path has always been the podium. The casino,
19 the meeting room, the food and beverage, it's
20 not -- individually, it's not difficult, but
21 there's a lot of it. The hotel, believe it
22 or not, is relatively predictable. In other
23 words, we're going to do what's called golden
24 rooms. So soon we're going to be building

1 three model rooms on the fifth floor which
2 are going to be used for a mockup. They're
3 an in situ mockup. Instead of going 20 miles
4 away and building a mockup, we're going to
5 build them in the building.

6 And everyone's going through them,
7 sign off on them. Bob's team, operating
8 folk, they're going to say ready to go. Then
9 the tower moves pretty well. It goes at four
10 a week. So the concrete goes at four a week,
11 the framing, the mechanical, the plumbing,
12 all that goes at four a week.

13 So we don't see that -- I don't
14 want to be too arrogant about it, but we
15 think the hotel tower is going to move along
16 pretty well. The CUP will be done ahead of
17 time. That's not a problem. The site work
18 will be fine. The critical path will be
19 through the podium, through the casino,
20 through the ballroom, through the lobby, the
21 food and beverage, the restaurants, all that
22 stuff is a lot of finicky detail work. So we
23 see that as the area we've got to really make
24 sure it's focused.

1 COMMISSIONER ZUNIGA: Great.

2 COMMISSIONER STEBBINS: At the AOC
3 meeting, Jenny always has a great piece of
4 her presentation which shows kind of when
5 you're spiking in terms of building trade
6 needs, and, obviously, you know from our
7 meeting the other day, it looks like April is
8 when there's a huge push to have a number of
9 the trades infiltrating the site. So that's
10 always a great gauge for me beyond this
11 schedule in terms of where you're looking as
12 the construction schedule. But it's --

13 MR. GORDON: Well, I'll give you an
14 example. In the last month, we've awarded 12
15 more big subcontract packages, and they're
16 all going to be coming on this summer. So if
17 you went out there today, you'd find between
18 300 and 350 workers. If you went out in the
19 spring, you'd probably find 500, and if you
20 went out there in the summer you could find
21 as many as a thousand.

22 So it is ramping up quickly. A
23 lot -- For example, the excavation looks big,
24 but it's not many people. It's, you know, a

1 couple hundred people. When you start doing,
2 you know, many floors of concrete, a lot of
3 steel, and with the finishes, for example,
4 that's where we're going to see a lot of
5 people.

6 So I would say this summer, we'd
7 like to get over a thousand workers this
8 summer, and then it'll go up from there. And
9 it'll peak in '18. And, you know, we say
10 it's going to drop off, but you know, it's
11 going to drop off before we open, but it's
12 not going to drop off that quickly.

13 COMMISSIONER MACDONALD: Chris, any
14 significant surprises in the site work?

15 MR. GORDON: Yes. Asbestos. We
16 thought we knew. We did 2,000 borings and we
17 thought we knew everything about the site.
18 And we found additional asbestos that we
19 didn't anticipate. That threw us quite a
20 monkey wrench. We had to find a landfill
21 that would take it, which ended up being in
22 Georgia. So we had to take a huge amount of
23 soil all the way to Georgia, and I mean,
24 that's not easy.

1 So we had -- That threw quite a
2 monkey wrench into it. We also found more of
3 the contaminant than we thought. The good
4 news was both our general contractor, who was
5 Suffolk, and our soil work contractor,
6 Derenzo, figured it out, and they managed to
7 get it done, but that was the biggest
8 surprise we found.

9 Other than that, it's just the
10 usual daily stuff. There's a pipe where you
11 thought there wasn't a pipe and that kind of
12 stuff, but there hasn't been any other big
13 issues but the level of contamination, even
14 after all the work we've done, was a little
15 bit more than we thought.

16 COMMISSIONER CAMERON: Was it in
17 one area or throughout that you found that?

18 MR. GORDON: Well, it was
19 concentrated. I mean, for example, we found
20 a three-story underground area with furnaces
21 in it with asbestos pipes all through it. We
22 found areas where they had dumped stuff.
23 Literally had, like, created a little area
24 and dumped it.

1 So it was spread around, but there
2 were some areas of big concentration. Some
3 of the photographs are unbelievable we you
4 see like underground structures, but the good
5 news is it's all gone. And a lot of the
6 neighbors have been, you know, in awe. They
7 said that junk was there for a hundred years
8 and now it's all gone, so it's taken care of.

9 COMMISSIONER ZUNIGA: Remarkable.

10 MR. DESALVIO: I'm going to turn
11 now to the project resources and diversity
12 part of the plan. As you know, Jenny's been
13 our lead. She's here today and camping out,
14 going to the Access and Opportunity Committee
15 meetings and doing a good job kind of leading
16 the charge for the organization. I wanted
17 to, though, give you an update as of where we
18 were as of December 31st.

19 So in the first section on the
20 design phase, we had goals for the MBE's of
21 7.9 percent. We actually exceeded that goal
22 and came in about 8.8 percent. In the area
23 of the WBEs, we had a goal of ten. We're
24 short on that one. We're at 4.9. And I want

1 to spend a minute on that because I think it
2 was Commissioner Macdonald asked me at the
3 last meeting if we could do anything to
4 possibly pump that number up.

5 So although we're almost done with
6 the design phase, there are a couple small
7 items that are left. We had to do some
8 design work for our retail stores, and then
9 also we created some -- what would you say,
10 Chris -- a few small change orders recently.

11 MR. GORDON: Some refinements.

12 MR. DESALVIO: Some refinements
13 that might need some additional design work
14 done, and the team is going to try to divert
15 that resource if we can to see if we can find
16 some other WBES that can add to the design
17 numbers.

18 So certainly we're cognizant of
19 that. And I just wanted to get back to you,
20 Commissioner on that, that we're going to
21 make that effort to see if we can get that
22 number up a little bit for the rest of the
23 job.

24 We did very well under the veteran

1 goal. The VBE goal was one percent. We came
2 in at 7.2. So overall we exceeded. We had a
3 goal of 8.9 and we came in at about 20.9
4 percent of the work, and we'll try to see if
5 we can squeeze a little bit more out of that
6 on the design side, but we are just about
7 done in that area.

8 The next is in the area of the
9 actual contracts for the job. So in this
10 particular case, we've awarded somewhere a
11 little bit north, I think, of about 400
12 million as of December 31st for the qualified
13 spend in this section of the presentation.
14 We had a goal on MBEs of 5 percent and we're
15 right now hovering around 5.6 percent. On
16 WBEs, 5.4 percent goal, and we're at 4.1;
17 however, Jenny told me that there's some
18 action going on there that -- and I took a
19 sneak peek at the January 31st report that I
20 think was just reported on in access and
21 opportunities, and I think we are now above
22 the goal. I think we were hovering around
23 5.8. So there's been some progress on the
24 WBE front on the contract side. And on the

1 veteran side, the VBES, we had a goal of one
2 percent, and we're killing that one. We're
3 up at 5.7. So overall, the goal was 11.4 and
4 we're currently at 12.9. And again, staying
5 pretty much focused on that as we go through
6 the bid process.

7 The next area is actually in
8 construction workforce. So in this
9 particular case, our minority goal is
10 15.3 percent, and we're currently averaging
11 about 24 percent. So we're well exceeding
12 the goal on the minority front. On the women
13 front, our goal is 6.9. As of December 31st,
14 we were at 6.5. And I took a look at
15 January. It actually edged up a little bit.
16 We're at about 6.6 on the female side and
17 that's an area where we're going to put some
18 more focus on that as well talking to --
19 we're going to have another session with John
20 Fish and the team and see if Suffolk can
21 really help us out and work on the women side
22 of the equation there.

23 On the veteran goal, we're at three
24 percent goal, and we're currently hovering

1 about at 5.5. So we're overall across the
2 whole project, I think we're doing extremely
3 well in this particular area, and it's thanks
4 to Jenny and Chris and the team on the
5 construction side that's really been pushing
6 this along.

7 COMMISSIONER STEBBINS: Bob, before
8 you move off the diversity. I know you guys
9 just had a pretty successful kind of FF&E
10 vendor event. Is the FF&E being considered
11 as part of the construction phase?

12 MR. DESALVIO: Yes. Those
13 purchases will be underneath the goals that
14 we already have established. And by the way,
15 that was a great event. I think we had about
16 -- John, about 200 companies?

17 MR. TOCCO: There was over 150
18 companies and well over 200 people.

19 MR. DESALVIO: That came to that
20 event. We brought the procurement team out
21 from Vegas. We had them do a pretty good
22 outline of what it takes to be a Wynn vendor,
23 because we have -- obviously, you can imagine
24 with Mr. Wynn and Roger Thomas's design

1 work -- very exacting standards for what
2 we're looking for. So we want anyone who's
3 going to approach the job to go in eyes wide
4 open for what the expectations are. Vendor
5 registration, it takes a village to get all
6 the way through the process, as you know, and
7 we want to make sure that those folks know
8 what they're dealing with. But we got a
9 great response from a lot of good local
10 vendors, but that'll be all built up. That's
11 within the construction numbers.

12 COMMISSIONER STEBBINS: Okay. And
13 I only mention that. I mean, I've looked at
14 -- and we had this question the other day at
15 the AOC meeting knowing that you're wrapping
16 up the design phase. I'm happy to hear there
17 may be some final design work out there, but
18 you know, somewhat disappointed we missed the
19 women, the WBE mark by as much as we did.

20 So hearing your interest and your
21 goal of focusing on the WBE participation in
22 the next phase -- And I know most of the work
23 done to this point has been very specialized,
24 but when you start getting to building and

1 fit out and FF&E, hopefully we can increase
2 those numbers.

3 MR. DESALVIO: Absolutely. And
4 we're going to remain focused on that.

5 COMMISSIONER STEBBINS: Okay.

6 MR. DESALVIO: The next section,
7 we'd like to give you an update as far as
8 community outreach. We mentioned earlier
9 about the event last night which will really
10 be reported on our in our next quarterly
11 update. But we had quite a bit of activity
12 in December.

13 You can see on the 6th we had a
14 meeting with the Chinatown community
15 organizations. We had a career place update
16 December 7th. We had our quarterly update
17 with the Hispanic American Institute
18 December 14th. That's yielded some very good
19 results. We had a presentation of the Mass.
20 Small Business Association, the Metro North
21 Regional Employment Board and Building
22 Pathways, which has really expanded nicely
23 into the Everett community. And so we're
24 trying to make some strides on that as well

1 all the way through.

2 And next is some photos from some
3 of the events. The first is the event that
4 we had down in Chinatown. The next is one of
5 our very stylish construction hats, I might
6 add.

7 MS. KRUM: That was for Veterans
8 Day.

9 MR. DESALVIO: Very, very nicely
10 done. The next is some folks on the site.
11 The veterans, you can see here, honoring all
12 those who have served, and we love to get
13 those veterans on the work. The next is the
14 women at work. As you know, we've taken a
15 very active role, girls in trades, which
16 Jenny co-chairs, and there's been some
17 follow-up on that as well. And we are going
18 to continue to try to push for women to join
19 in the construction field. So that really
20 concludes all of the official comments,
21 right, guys?

22 MR. GORDON: Yes.

23 MR. DESALVIO: I think we're there.
24 So we're ready to answer any questions that

1 the Commission might have.

2 COMMISSIONER ZUNIGA: Remind me the
3 date of the notice of project change that you
4 spoke about in terms of permitting, Jacqui.

5 MS. KRUM: Our goal is to have it
6 filed February 28th.

7 COMMISSIONER ZUNIGA:
8 February 28th. Just to add to Bruce's
9 comment, you know, I look forward to those,
10 the changes that are part of that. I know
11 you've mentioned, you know, certain
12 programming things that you would find. So
13 we'd love to hear them.

14 MS. KRUM: We'll set up a meeting
15 to make sure you're fully up to speed on
16 that.

17 COMMISSIONER ZUNIGA: Thank you.

18 COMMISSIONER STEBBINS: One of the
19 attachments we had was a letter dated the end
20 of the year talking about your quarterly
21 report and budget. The land acquisition at
22 that time you showed about \$6 million left in
23 land acquisition. Do we know what that's
24 going towards or what's left to purchase?

1 MR. GORDON: I haven't got the
2 sheet in front of me. That may be related to
3 roadway improvements because we have some
4 small right of ways we're working on. I
5 haven't seen that, so I'm guessing. We have
6 not competed a number of small roadway areas
7 we need for the roadway improvements.

8 COMMISSIONER STEBBINS: Okay.
9 Thank you.

10 COMMISSIONER CAMERON: Any other
11 questions for the team?

12 COMMISSIONER ZUNIGA: No. Just a
13 comment. I think the size of the project,
14 you know, we knew it from the beginning, but
15 now seeing it coming to fruition, the size
16 and the effort, the number of tons of dirt
17 and concrete that you're pouring is really
18 quite something, and you are on track and on
19 schedule, which is really good news in my
20 book.

21 MR. DESALVIO: Yes.

22 COMMISSIONER ZUNIGA: Good effort.

23 MR. DESALVIO: Thank you.

24 COMMISSIONER CAMERON: And I really

1 like the communication strategy, those
2 roadway signs to let people know so they're
3 not anymore aggravated than they already are
4 in Boston traffic.

5 MR. DESALVIO: Yes.

6 COMMISSIONER CAMERON: So I thought
7 that was a good way to let people know
8 exactly what's going on, and better things
9 were coming. So those positive messages were
10 --

11 MR. DESALVIO: They're important as
12 we go through this because it's a little pain
13 for some gain at the end, but I think the
14 pain will be worth it with some better
15 roadways.

16 COMMISSIONER CAMERON: Agreed.
17 Thank you. Excellent presentations.

18 MR. DESALVIO: Thank you,
19 Commissioners.

20 COMMISSIONER STEBBINS: Thank you.

21 COMMISSIONER MACDONALD: Thank you.

22 MR. ZIEMBA: So Commissioners, next
23 up on the agenda is the Plainridge Park
24 quarterly report for the same final quarter

1 of 2016. Let me ask the Plainridge
2 representatives to come join us. And I think
3 we need four seats.

4 So joining us today, we have Lance
5 George, Plainridge general manager; welcome
6 to Mr. Ruben Warren, CFO for Plainridge Park;
7 Lisa McKenney, compliance manager; and Eli
8 Huard, purchasing manager.

9 So when the team is ready, I will
10 let them roll.

11 COMMISSIONER STEBBINS: We're going
12 to confuse Eli with Julian Edelman pretty
13 soon.

14 MR. HUARD: That's okay.

15 COMMISSIONER STEBBINS: That's a
16 healthy patch of hair.

17 MR. GEORGE: Jump right in?

18 COMMISSIONER CAMERON: Yes, please.
19 Thank you.

20 MR. GEORGE: Good morning,
21 everyone.

22 COMMISSIONER CAMERON: Good
23 morning.

24 COMMISSIONER MACDONALD: Good

1 morning.

2 COMMISSIONER STEBBINS: Good

3 morning.

4 COMMISSIONER ZUNIGA: Good morning.

5 MR. GEORGE: Let's start with

6 employment, as we typically do. Employment,

7 no significant changes from previous updates

8 in this area. Full-time, part-time mix

9 remains largely consistent currently sitting

10 at 66/34, and the number of employees

11 continues to remain about 500, 490 as of the

12 end of the December, and I believe that

13 number sits just over 500 as of yesterday.

14 So about 500 seems to be our number.

15 Additional information on

16 composition of Plainridge's workforce,

17 continued good news in the area of diversity.

18 That number continues to climb. At the end

19 of the Q4, the property was at 21 percent,

20 exceeding a goal of ten percent. In

21 addition, Massachusetts residents comprised

22 70 percent of Plainridge Park's workforce.

23 Results today have been encouraging,

24 particularly in the area of diversity.

1 Additional detail on this slide as
2 well, male/female ratio of 51 to 49 and
3 veteran hiring at three percent.

4 COMMISSIONER MACDONALD: Excuse me,
5 Lance. The local figure of 35 percent, that
6 represents an improvement as well, doesn't
7 it?

8 MR. GEORGE: That number has gone
9 up from the previous update, yes, sir.

10 COMMISSIONER ZUNIGA: Lance, before
11 you leave employment, I know that the casino
12 industry's particularly sensitive to the
13 turnover just because of the nature of the
14 24-hour operation. And that's also true for
15 the first year of almost any operation. Have
16 you seen a turnover trend down?

17 MR. GEORGE: Yes. It certainly
18 has. Open rec. report, this is the lowest
19 number that we've had since opening from a
20 stability standpoint. Things feel a heck of
21 a lot better than they did 18, 19 months ago.
22 Recruiting, I don't know that we have any
23 significant positions open. We'll always
24 have some positions open in the food and

1 beverage area, which I would guess comprises
2 probably 90 percent of the open positions at
3 this point. So certainly things have
4 stabilized. We'll always see some turnover
5 in those transient areas of food and
6 beverage, but yeah, overall, things have
7 calmed down.

8 COMMISSIONER ZUNIGA: Great.

9 MR. GEORGE: I'll turn it over to
10 Ruben for the next few slides.

11 MR. WARREN: Good morning.

12 COMMISSIONER STEBBINS: Good
13 morning.

14 COMMISSIONER CAMERON: Good
15 morning.

16 COMMISSIONER ZUNIGA: Good morning.

17 COMMISSIONER MACDONALD: Good
18 morning.

19 MR. WARREN: Our fourth quarter net
20 slot revenues came in at \$37 million. That's
21 about a four percent increase over fourth
22 quarter 2015. Our state taxes were slightly
23 under \$15 million. Our contributions to the
24 horse racing industry was at 3.3 million, and

1 total taxes came in at 18.3 million for the
2 fourth quarter.

3 Overall for the year of 2016, total
4 revenues are slightly under \$155 million.
5 State taxes right at 62 million, horse racing
6 taxes are at \$13.9 million, and total taxes
7 for 2016, we finished at 17.9 million.

8 COMMISSIONER ZUNIGA: 75.

9 MR. WARREN: 75.9, yes. I didn't
10 say that right. The next slide, our state
11 spend for the fourth quarter. Our total
12 spend was 1.9 million, and the State of
13 Massachusetts contribution was right at
14 \$1.4 million, or 73 percent of the total
15 spend in the fourth quarter.

16 COMMISSIONER ZUNIGA: Is this
17 generally a figure that has remained stable,
18 remind me. From prior reports, this seems
19 about the level that you have accomplished in
20 prior quarters. Is that a fair statement?

21 MR. WARREN: 1.4 million in the
22 third quarter, so slightly up in the fourth
23 quarter.

24 COMMISSIONER ZUNIGA: I was more

1 thinking of the distribution, the 73/27.

2 MR. WARREN: Yes. It's been about
3 the same margin, I believe. Eli, on the
4 prior spends, I think it's not fluctuating
5 too much from percentage standpoint.

6 MR. HUARD: We looked through a
7 couple of percentages. This is actually one
8 of the higher percentage points so far. But
9 right around between 70 and 73 percent seems
10 to be about the range that we're at.

11 COMMISSIONER ZUNIGA: Very good.

12 COMMISSIONER STEBBINS: I think
13 it's also important to note, and Eli correct
14 me if I'm wrong, because we've talked about
15 this. Even though you have distributions
16 going to other states, that may mean money
17 that is actually spent in state in
18 Massachusetts, you're just cutting a check to
19 a company's location in another state. So
20 that percentage of what's been spent with
21 Mass. vendors and with Mass. companies is
22 probably a little bit higher than the 1.4.

23 MR. HUARD: Yeah, that's correct.
24 We're working on updating our -- or we have

1 updated our vendor welcome packet that
2 collects all the data to include the local
3 shop as well as the remit-to address and roll
4 that into our report as well going back to
5 collecting that data from our existing
6 vendors to include those in the reports for
7 future reporting.

8 MR. WARREN: So we'll have those
9 updated for the first quarter 2017.

10 COMMISSIONER STEBBINS: Okay.
11 Great.

12 MR. WARREN: For local spend, I
13 think the same story, there is vendors that
14 sit in the state in the neighborhoods but has
15 a corporate headquarters, and those numbers
16 aren't represented in these. We'll fix that
17 for the first quarter of '17 as well. But
18 for fourth quarter 2016, 141,000 was our
19 local spend, and for Plainville, 89,000, or
20 64 percent, was the largest portion of that
21 spend.

22 Our diversity spend for the fourth
23 quarter, the goals. Our total diversity
24 spend, our goal was 21 percent for the fourth

1 quarter. We were at a 29 percent for total
2 spend overall.

3 For women-owned businesses, we met
4 the goal of 12 percent. For minority-owned
5 businesses, we finally exceeded that goal at
6 14 percent. And for veteran-owned
7 businesses, we finished at five percent,
8 slightly above the three percent mark.

9 COMMISSIONER STEBBINS: Was there
10 any significant reason for that big jump in
11 MBE?

12 MR. WARREN: We had a project for
13 LED lighting on property, and we procured a
14 minority-owned business to supply those, the
15 supplies for the project.

16 COMMISSIONER STEBBINS: Okay.
17 Great.

18 MR. WARREN: Fourth quarter stats,
19 overall the total spend for our diversity was
20 \$500,000. It's about a quarter percent of
21 the total spend with women-owned businesses
22 coming in at 164,000, minority owned at 250
23 and veteran owned at \$87,000.

24 Any other questions on the

1 diversity?

2 COMMISSIONER MACDONALD: I actually
3 had a question going back to the local spend,
4 you know, pie chart there. I'm just curious.
5 Plainville has an impressive 64 percent share
6 there. What are the major components of that
7 spend?

8 MR. HUARD: Going back to that
9 lighting project, the materials were supplied
10 by a minority-owned business. The installer
11 who actually installed the lights came from
12 Plainville. So we sourced a local contractor
13 to come in and do the actual work.

14 And a footnote to that, we worked
15 with Penn National Gaming. He was a
16 gentleman who -- sorry, he was a gentleman
17 who was kind of helping us through the
18 project, kind of overseeing it as an advisor.
19 He came back to us and said that the
20 contractor that we're working with was one of
21 the best that he's had the opportunity to
22 work with, and we were looking at having him
23 onboard as one of our vendors. So kudos for
24 him on that.

1 COMMISSIONER CAMERON: Thank you.

2 MR. WARREN: I'll turn it over to
3 Lisa for compliance.

4 MS. MCKENNEY: Good morning,
5 Commissioners.

6 COMMISSIONER CAMERON: Good
7 morning.

8 COMMISSIONER STEBBINS: Good
9 morning.

10 COMMISSIONER MACDONALD: Good
11 morning, Lisa.

12 MS. MCKENNEY: This slide is the
13 lottery sales, and as you can see, in the
14 fourth quarter for 2016, we have 748, and
15 then we increased our sales by 56 percent
16 from fourth quarter 2015. In total overall
17 sales for 2016 is 2.9 million. It is a
18 growing piece of our business. We've helped
19 the surrounding areas increase their lottery
20 sales as well.

21 COMMISSIONER CAMERON: Any ideas
22 why that's a very large jump in percentage?
23 What's your strategy there?

24 MS. MCKENNEY: I'll let Ruben

1 answer that.

2 MR. WARREN: So in meeting from the
3 group with the lottery, we do our best to
4 strategically place the machines on the floor
5 in the right places. The ones that are
6 underperforming we'll move to new locations,
7 and we think we've found the right spot for
8 those mainly at our main entrances and in
9 high-traffic areas. So we've worked with the
10 Lottery Commission to help us through what's
11 selling and what's not.

12 COMMISSIONER CAMERON: So as people
13 exit, they're buying a ticket?

14 MR. WARREN: Upon entry and exit.

15 COMMISSIONER ZUNIGA: Go figure.

16 MR. WARREN: Go figure.

17 COMMISSIONER ZUNIGA: You're there
18 to try your luck, right.

19 MS. MCKENNEY: Moving on to
20 compliance with regulations. This slide we
21 did update for you from the previous
22 presentation. This slide used to only
23 include underage information. Now it
24 includes minors as well.

1 So during the quarter, we had over
2 26,000 ID checks and that's all ID checks
3 coming into the property. Of the 26,000 ID
4 checks, 602 were prevented from entering the
5 gaming establishment, and 56 of them were
6 minors and 91 were under age. We did
7 actually have one minor get on the gaming
8 floor and game. I mean one under age on the
9 gaming floor and game. And it's the same
10 individual, as you can see there, that we
11 found on the gaming floor and removed.

12 COMMISSIONER CAMERON: The minors
13 must have fictitious IDs.

14 MS. MCKENNEY: That was a very good
15 fake ID. Yes.

16 COMMISSIONER CAMERON: It was a
17 good one.

18 COMMISSIONER MACDONALD: Lisa, if
19 I'm reading this right, 602 people were
20 prevented from entering the establishment,
21 right?

22 MS. MCKENNEY: Correct.

23 COMMISSIONER MACDONALD: Of that,
24 56 were minors and 91 were underage.

1 MS. MCKENNEY: What's the rest?

2 COMMISSIONER MACDONALD: That's
3 about a hundred. What were the 500 others?
4 Why were they --

5 MS. MCKENNEY: The 500 others are
6 either invalid IDs, expired IDs, or people
7 that do not have IDs.

8 COMMISSIONER MACDONALD: So it's
9 basically ID driven?

10 MS. MCKENNEY: Yes. Our policy is
11 basically to check anyone's who's coming in
12 the door that looks under the age of 30.

13 COMMISSIONER CAMERON: Again,
14 that's very good interception there with only
15 one individual.

16 MS. MCKENNEY: Thank you. And I'm
17 going to turn it back over to Lance.

18 COMMISSIONER MACDONALD: Before you
19 go, Lisa, I was surprised not to see any
20 entry here for suspicious activity reports.
21 Do you have any figures on that?

22 MS. MCKENNEY: Suspicious activity
23 reports?

24 COMMISSIONER MACDONALD: Right.

1 MS. MCKENNEY: I actually am the
2 one that does file them, but I don't have any
3 stats with me at this point in time. But I
4 would be more than happy to provide them.

5 COMMISSIONER MACDONALD: Maybe in
6 the future we can incorporate those because
7 money laundering concerns are very
8 significant.

9 MS. MCKENNEY: Sure.

10 MR. GEORGE: More than happy to add
11 that for the next update. That typically
12 falls under Lisa's purview.

13 COMMISSIONER CAMERON: That's a
14 good add.

15 MR. GEORGE: Last couple of slides.
16 Good work going on in the local community.
17 Charitable giving, Plainridge continues to
18 give back to several charities surrounding
19 us: Toys for Tots, the local YMCA, the Town
20 of Mansfield, the Lions Club. In addition,
21 we sponsored the Adopt a Highway program. So
22 a lot of good work, a lot of charitable
23 giving, a lot of good corporate citizenship.

24 Partnerships for Q4. I'm guessing

1 everybody wants to partner with the Patriots.
2 We did as well. AFC championship packages to
3 many of our customers. We acquired a
4 billboard that is located at Patriot Place.
5 In addition, for New Year's Eve, we partnered
6 with the Renaissance for stay-and-play
7 packages. We were the sponsor for Frozen
8 Fenway for the hockey tournament that
9 occurred here locally, and then in addition,
10 we partnered with Wrentham Outlets, which is
11 local here to us.

12 COMMISSIONER CAMERON: So your
13 lucky patrons who got those championship
14 tickets must have been thrilled.

15 MR. GEORGE: Yes, they were.

16 COMMISSIONER ZUNIGA: It was a
17 great game, although the Superbowl was
18 better.

19 MR. GEORGE: It depends on point of
20 view. It's all point of view driven.

21 COMMISSIONER CAMERON: We realize
22 you're not local.

23 MR. GEORGE: Marketing, as you look
24 back at what occurred in Q4, racing loyalty

1 program rolled out for our racing customers.
2 Dunkin Donuts finally rolled out. That, I
3 believe, opened on 12/9. Off to a great
4 start in both December and January as well.
5 The majority of their sales are likely
6 employee sales. I see a lot of energetic
7 folks at the office now.

8 Veterans Day, we fed all active and
9 former veterans. Toys for Tots, we partnered
10 with the Mass. Partnership for Responsible
11 Gaming. And then finally, a lot going on as
12 it related to the New Year's Eve celebration.

13 COMMISSIONER ZUNIGA: So the Dunkin
14 Donuts is operating?

15 MR. GEORGE: Yes. It opened
16 December 9th.

17 COMMISSIONER ZUNIGA: How was the
18 response?

19 MR. GEORGE: Great. Great partner.
20 Easy to work with. Off to a fantastic start
21 with us.

22 COMMISSIONER STEBBINS: Can you,
23 Lance, talk a little bit about the racing
24 rewards program, how it might mirror your

1 gaming rewards card on the other side of the
2 house.

3 MR. GEORGE: Yes. Sure does. Ties
4 directly. So not only will folks earn points
5 and comps for the casino activity, they'll
6 earn the same thing for their racing activity
7 and it crosses over. They can use it at any
8 outlet around the facility, and so it is
9 based on their racing activity. We will
10 reinvest back into them a certain percentage
11 regardless wins, lows, draw, but based on
12 their activity, their earned points and their
13 earning comps towards the outlets.

14 COMMISSIONER STEBBINS: And you use
15 it at other Penn facilities that have racing
16 attached to it?

17 MR. GEORGE: We were the second
18 property to roll out this program. Our
19 property in Mahoning in Ohio rolled it out
20 first, worked out many of the kinks. So we
21 are the second facility to roll it out in
22 Penn.

23 COMMISSIONER ZUNIGA: Great.

24 COMMISSIONER CAMERON: Thank you.

1 Questions?

2 COMMISSIONER ZUNIGA: Thank you.

3 COMMISSIONER STEBBINS: Thanks.

4 COMMISSIONER CAMERON: Yes. Thank
5 you. Excellent report.

6 COMMISSIONER STEBBINS: Well done.

7 COMMISSIONER CAMERON: One more
8 item, John.

9 MR. ZIEMBA: So Commissioners, next
10 up for consideration is the 2017 community
11 mitigation fund applications. My purpose
12 here today is to just give you a brief
13 overview of the process that we're going to
14 take to review these applications. I'm not
15 planning to get into detail regarding any one
16 of the applications. Indeed, the review
17 teams have yet to meet, but I just wanted to
18 remind the Commissioners and remind those in
19 our audience what our review process will be.

20 So as you'll see in your packet, we
21 have a memo that summarizes a little bit what
22 I'm talking about, but it gives you a little
23 detail regarding the applications we
24 received, and it matches up what applications

1 we received versus our targets that we set
2 when we established the 2017 guidelines back
3 in December.

4 So what I'd like to do is I'd like
5 to sort of work backwards a little bit. What
6 we're hoping to do is have determinations
7 regarding these grant applications well
8 before the new fiscal year, fiscal year 2018,
9 which would begin on July 1st. What we're
10 hoping to do is get decisions well before
11 that date so we can put municipalities and
12 others in the best possible situation that
13 they can from a planning perspective so that
14 they know what dollars are coming in and they
15 can plan accordingly.

16 So more immediately in order to
17 reach that date, what we're going to next do
18 is we're going to establish -- we're going to
19 convene our review team. Our review team is
20 expanded from last year. The review team
21 right now includes myself, Joe Delaney, Mary
22 Thurlow. And before I go on, I just want to
23 congratulate Mary on her new title. Mary is
24 now the program manager for the ombudsman's

1 office with a focus on the community
2 mitigation fund. She has been doing a
3 tremendous amount of work in making sure that
4 all of our contracts are up to speed, program
5 documents are up to speed, everything in the
6 office is really sort of up to snuff and
7 organized. And congratulations, Mary.

8 COMMISSIONER STEBBINS: Nice job.

9 COMMISSIONER CAMERON: Yes. Well
10 deserved.

11 COMMISSIONER ZUNIGA: Well
12 deserved.

13 COMMISSIONER CAMERON: I've had an
14 opportunity to work with the committee and
15 always well prepared. The work is superb, so
16 congratulations.

17 MR. BEDROSIAN: I'm not sure if
18 Mary was drinking a glass of water John could
19 talk.

20 COMMISSIONER STEBBINS: Wow. Wow.

21 COMMISSIONER ZUNIGA: That
22 efficient.

23 MR. ZIEMBA: Derek Lennon. We also
24 have Catherine Blue as part of our team.

1 Jill Griffin is joining our team this year.
2 Specifically we have a number of workforce
3 development pilot program applications to
4 review. And most notably, we are joined by
5 Commissioner Macdonald this year to help us
6 in our reviews.

7 As you know, Commissioner
8 Macdonald, as the Commission's appointee to
9 the community mitigation subcommittee, has
10 been attending a lot of the local community
11 advisory committees, and we are very pleased
12 that the Commissioner will be able to join us
13 this year. He'll see all of the back and
14 forth that happens in all of these
15 applications.

16 So almost immediately what we will
17 then do is we're going to reach out to the
18 licensees. As the Commission knows, we ask
19 the licensees their opinions of these
20 applications. We're going to be a little bit
21 more robust with our conversations with our
22 licensees so that we can get sort of
23 expansive comments this year to help us in
24 our reviews, to see how the applications mesh

1 up with the expectations of each of the
2 licensees, and to see the relationship
3 between casino impacts and the impacts that
4 are being asked to be mitigated.

5 We also reached out to the regional
6 planning agencies for their input, and what
7 we're hoping to do there is we're hoping to
8 see how these applications may mesh up with
9 regional plans that the regional planning
10 agencies are taking a look at, what other
11 reviews the regional planning agencies have
12 done on the specific item, a transportation
13 review, another type of review, and hopefully
14 we get some pretty robust comments.

15 As we did last year, we will put
16 all of the applications on a very specific
17 part of our website, and we will ask the
18 general public and any other entities that
19 want to submit comments on these applications
20 to submit them. The review teams will take
21 those into consideration like we did last
22 year, and they will all be forwarded to the
23 Commission as well for its review once the
24 final review product reaches the Commission.

1 After the internal reviews, we will
2 invite the applicants to meet with the review
3 team. We will go over our questions.
4 Anything that we might have missed or that we
5 misunderstood, it gets fleshed out in those
6 meetings. Following those meetings, we then
7 submit a written series of questions to each
8 of the applicants. They are then asked to
9 submit a document back to us, which becomes
10 part of the packet for the Commission.

11 After that -- And indeed, before
12 that meeting that we have with the
13 applicants, we welcome any questions that the
14 Commission, the Commissioners have, and what
15 I would recommend is that if any individual
16 Commissioner or Commissioners have questions,
17 that just forward those to me, and then we
18 can incorporate those into those meetings,
19 and obviously, the Commissioners will have a
20 lot more questions once the recommendations
21 go to the Commission.

22 What we try to do as a review team
23 is we try to anticipate questions that the
24 Commissioners would ask, but to the degree

1 that you have any questions at the early
2 stage, we can incorporate those. And
3 obviously, the bulk of much of your questions
4 will occur once we've put together some
5 reviews.

6 So and then --

7 COMMISSIONER STEBBINS: John, if we
8 chose to do that, do you have a timeline in
9 mind of when you would like to have those
10 questions due?

11 MR. ZIEMBA: We would definitely
12 like those before we meet with the applicant.
13 I will make the Commission aware when we're
14 scheduling those. We have some steps
15 immediately of just reviewing the
16 applications for completeness and other
17 things over the next few weeks and putting
18 together those questions, but I'll send out
19 on e-mail to the Commissioners explaining the
20 schedule and when we're likely to start
21 meeting with applicants.

22 COMMISSIONER STEBBINS: Okay.

23 MR. ZIEMBA: We'll keep obviously
24 all of the applicants informed as we go

1 throughout that process.

2 COMMISSIONER STEBBINS: Okay.

3 MR. ZIEMBA: So once we complete
4 our staff review, then we bring these
5 recommendations to the Commission for its
6 review at one or more meetings. I think we
7 had probably one or two or three meetings
8 last time. I would imagine it will be the
9 same this year.

10 Following our award decisions, then
11 we enter the contracting processes. We try
12 to get out the contracts very, very quickly
13 after we make the award decisions so the
14 spending can follow very quickly thereafter.

15 So I just wanted to note a couple
16 of items from the applications for your
17 consideration. In the memo, I note that we
18 received a joint application from Revere and
19 Saugus. During the course of our RFP
20 process, we did get a number of questions on
21 whether or not joint applications were part
22 of the mitigation fund guidelines. We noted
23 that they were not, and we provided a means
24 for people to actually submit a joint

1 application without it actually being a joint
2 application if someone wants to submit an
3 application and make reference to another
4 application. But we did get a joint
5 application here from Revere and Saugus. But
6 because it's 150,000, which is the limit for
7 one community, I don't see that this is a
8 major derivation from our guidelines. And I
9 don't know if the Commission has any thoughts
10 about that.

11 COMMISSIONER ZUNIGA: I mean, not
12 at this point. I think the process that you
13 describe, which is very thoughtful and very
14 methodical, could flesh out any additional
15 details from them.

16 I did have a question on the
17 process. Is there any further input from the
18 local community mitigation advisory
19 committees?

20 MR. ZIEMBA: No.

21 COMMISSIONER ZUNIGA: We're done at
22 this point in terms of input?

23 MR. ZIEMBA: So the committees, the
24 way we've established this for a number of

1 different reasons, ethics rules and other
2 rules, the local committees, they provide
3 input on the guidelines themselves.

4 COMMISSIONER ZUNIGA: Yep.

5 MR. ZIEMBA: And indeed, we're
6 starting to work on the 2018 guidelines with
7 the local committees, but they don't actually
8 opine on applications that their neighbors
9 submit or they submit, and we think that's
10 probably a really good course to follow.
11 It's really up to us.

12 Any community can submit any
13 comment through our process, through our
14 website, and we will review that. But in
15 terms of going to the committees themselves
16 for their input on the applications, that's
17 not part of our process.

18 COMMISSIONER ZUNIGA: Right. Thank
19 you.

20 MR. ZIEMBA: I also wanted to
21 mention that we did not receive an expected
22 application from the sheriff's office for
23 their second year of lease assistance.
24 That's something that we will take into

1 consideration in the review teams and try to
2 determine what that means. But in many ways,
3 this may not be as substantial an issue as it
4 may appear because the way that our
5 application process follows, we have
6 applications by statute every February 1st,
7 and to the degree that we can make awards
8 starting after February 1st of 2018, our
9 awards could actually occur during fiscal
10 year 2018.

11 So to the degree, if the Commission
12 was inclined to provide lease assistance for
13 the next fiscal year for the sheriff's
14 office, potentially after review and after
15 review by the Commission, the lease
16 assistance could be provided during the
17 fiscal year. So in essence, there would not
18 potentially be a gap there in the lease
19 assistance if we believe it is a worthy
20 purpose. That is something that's totally up
21 for review, but I just wanted to mention that
22 as an item.

23 COMMISSIONER MACDONALD: Is that
24 the Hamden County Sheriff, John?

1 MR. ZIEMBA: That's correct. Yep.
2 That's correct. So unless any of the other
3 members have anything to offer, I think
4 that's a general overview. We haven't gotten
5 into how the application -- I included for
6 your review of what our expectations were
7 versus what we received, and if, for certain
8 categories, we received more than our
9 allotment, but that's all part of what our
10 review teams will discuss over the next weeks
11 or months and what we'll come back to the
12 Commission for recommendations on all of
13 those items.

14 COMMISSIONER CAMERON: Questions?

15 COMMISSIONER ZUNIGA: Yes. Well, I
16 think it's a very thoughtful and methodical
17 process, and I look forward to those
18 recommendations. I want to emphasize
19 something that you mentioned briefly relative
20 to some of the merits of this projects and
21 the relationship to the perceived or existing
22 or potential problem, if you will. And let
23 me mention something else before that.

24 It is, of course, their job, the

1 local official's job, to try to get as much
2 money as possible that may be out there for
3 local projects, but of course, our carter is
4 to make sure that it's related to the casino
5 and it's something that is really a need,
6 again, perceived or potential, and that's
7 where the judgment call becomes really
8 important.

9 Just reading the first pass, and I
10 know we're going to get a lot more details on
11 this, on these, there's a couple of requests
12 that seem a bit of a stretch. Let me just --
13 You know, in terms of the relationship to the
14 casino. I look forward to understanding more
15 details, but there may be very meritorious
16 projects locally, and again, I'm not going to
17 speak to any one in particular, but we need
18 to continue to think about the needs that
19 might show up later on or we know are perhaps
20 a really big need where we need to cooperate
21 with other agencies, other state agencies,
22 for example, and that's always the trickiest
23 part, of course.

24 MR. ZIEMBA: You're right,

1 Commissioner. It's very tricky, but in many
2 ways, what you just said amplified a lot of
3 the concerns and comments that we did receive
4 from the local community mitigation advisory
5 committees and the subcommittee and community
6 mitigation whereby they noted that it
7 probably makes sense to go a little bit
8 slower now where we are given that we still
9 have a couple of years before our first
10 Category 1 facility is up and operational to
11 try to be a little bit more conservative in
12 our approach in spending because we will
13 probably identify a lot more needs as we get
14 closer to the opening, and indeed, after the
15 opening, we're expecting a lot of diverse
16 needs that potentially we may need to
17 mitigate.

18 COMMISSIONER ZUNIGA: Right.

19 COMMISSIONER CAMERON: Anyone else?

20 Okay. I think you demonstrated where you
21 tweaked a little bit from last year because
22 you think it's a better practice, and I know
23 that you'll be consistent with the same
24 philosophy. I always think that's so

1 important, too, when you have a similar
2 application from the year before, let's say,
3 that the similar thought process goes into
4 place. But excellent job. Thank you. Look
5 forward to more information.

6 MR. ZIEMBA: Thank you,
7 Commissioner.

8 COMMISSIONER ZUNIGA: I do --
9 Actually, I did want to mention one other
10 thing. On a couple of some of these
11 requests, it might be the second year that we
12 might be funding something related or
13 actually the same thing. I'd also be
14 interested in data relative to the prior
15 year, how that has gone, that either
16 substantiates or makes us rethink, if
17 anything, the second or the third year. So I
18 look forward to those discussions.

19 MR. ZIEMBA: Thank you,
20 Commissioner.

21 COMMISSIONER CAMERON: Thank you
22 very much.

23 MR. ZIEMBA: Thank you.

24 COMMISSIONER MACDONALD: Thank you.

1 COMMISSIONER CAMERON: Next on the
2 agenda, we have the Investigations and
3 Enforcement Division, Director Wells and her
4 team.

5 MS. WELLS: Good morning,
6 Commissioner Cameron, members of the
7 Commission.

8 COMMISSIONER CAMERON: Good
9 morning.

10 MS. WELLS: So the first item on
11 the agenda under the purview of the
12 Investigations and Enforcement Bureau, the
13 table games rules and regulations, and I'm
14 going to turn that over to Bruce Band and I
15 think Attorney Torrissi as well. And we also
16 have Burke Cain here from the property.

17 MR. BAND: Sterl Carpenter is here
18 as well.

19 MS. WELLS: Oh. I didn't see him
20 at the end.

21 MS. TORRISI: Good afternoon,
22 Commissioners.

23 COMMISSIONER CAMERON: Good
24 morning.

1 COMMISSIONER MACDONALD: Good
2 morning.

3 COMMISSIONER STEBBINS: Good
4 morning.

5 COMMISSIONER ZUNIGA: Good morning.

6 MS. TORRISI: So I'm here again
7 with Assistant Director Band and Senior
8 Supervising Gaming Agent Cain to provide you
9 with the draft table game rules of the game
10 regulation 205 CMR 147.00, as well as a set
11 of six game rules including craps and mini
12 craps, blackjack, Baccarat, Midi Baccarat,
13 roulette and Big Six Wheel, and Red Dog.

14 So the rules of the game
15 regulations, as we've discussed, will govern
16 the authorization process for table games
17 rules as well as certain standards that will
18 apply to all table games. So I'm going to
19 very briefly highlight a few sections of the
20 regulations for you, and then Mr. Band and
21 Mr. Cain will discuss the set of six game
22 rules with you.

23 So as we've discussed at the last
24 several meetings, the regulations state that

1 all authorized table games rules will be
2 maintained on the Commission's website as
3 well as by the licensee in the casino's
4 GameSense area. Section 147.02 of the
5 regulations provide that only those games and
6 their rules that have been authorized by the
7 Commission and posted on the website may be
8 offered for play and that a new game or game
9 variation may not be offered until it's gone
10 through the approval process that's outlined
11 in the regulations.

12 Section 147.04 of the draft
13 outlines the process for a petition for a new
14 game or game variation, and this section
15 includes all of the components that we've
16 discussed previously, such as a requirement
17 that a petition have a gaming licensee
18 sponsor, that a detailed distribution of the
19 game be submitted, including draft proposed
20 rules, required equipment, and a report from
21 a certified independent testing lab and a
22 requirement that a field trial be conducted.

23 The new game or game variation
24 petition process also includes a public

1 comment period which will run for the
2 duration of the field trial.

3 Finally, the regulations note that
4 a review of the proposed new game would be
5 conducted by the Bureau, which would then
6 make a recommendation to the Commission
7 whether to approve or deny. The regulations
8 also include sections related to notice
9 requirements for changes by a licensee from
10 one authorized game rule to another or to
11 permissible, minimum, and maximum wagers,
12 sections related to gaming tournaments, and
13 the necessary notice to the IEB, prohibition
14 of certain electronic devices at gaming
15 tables, and provisions relating to minimum
16 and maximum wagers.

17 So in addition to the regulations
18 in your packet, you have the first set, the
19 first set of six game rules, as we discussed
20 before, and Mr. Band and Mr. Cain are going
21 to discuss those with you.

22 MR. BAND: Today we're kind of
23 submitting craps, mini craps, blackjack,
24 Baccarat and Midi Baccarat, roulette and

1 Big Six, as well as Red Dog. A couple of
2 notes on this. We had received some comments
3 on additional wagers that the industry would
4 like to see on that. We're working on that
5 right now to add those to these sections, so
6 you will get that at a later date that
7 includes those.

8 We're also looking at splitting
9 roulette and Big Six, which is five and we'd
10 make Big Six 5A, because they're really
11 separate games. It would just make it
12 simpler in the whole process.

13 These are basic rules. They're to
14 be reviewed over the next few weeks. If you
15 have any questions, we're open to it.

16 COMMISSIONER CAMERON: Questions?

17 COMMISSIONER STEBBINS: I had a
18 couple of quick questions. One is it goes
19 back to the actual rules of the game regs,
20 and I think we talked about this, Carrie and
21 Bruce and Burke. I'm just trying to get my
22 arms around how do we address the status of a
23 petitioner for a new game. Do we view them
24 as a -- At what point do they need to be a

1 vendor gaming primary? You know, I'm trying
2 to set up those expectations in advance for
3 somebody that they're not forking over
4 \$15,000 or whatever the license application
5 is before they start this process.

6 MR. BAND: I began that
7 conversation with Loretta Lillios, and we
8 haven't come to a final answer, but we're
9 looking to make sure something like cribbage
10 and stud poker you're bringing in, you're
11 really renting the game from them, that we
12 wouldn't charge a fee for that. But we need
13 to get more details in that aspect of it to
14 give you a good answer.

15 COMMISSIONER STEBBINS: Again, I'm
16 not necessarily convinced it needs to find
17 its way here, but we're going to get the
18 question posed to us by somebody who's
19 exploring a game or by our licensee saying
20 how do we treat this individually.

21 MR. BAND: Okay.

22 COMMISSIONER STEBBINS: My other
23 question is just kind of a quick review ahead
24 of some of the rules. In roulette, when you

1 call "no spin," why is it important to try to
2 stop the ball from landing in a spot after
3 you've called "no spin"?

4 MR. BAND: I'll let Sterl answer
5 this, because we've brought him all the way
6 up here.

7 MR. CARPENTER: Sure. You want to
8 -- why you want to grab the ball is you don't
9 want the patron to see the outcome, because
10 it's just pure -- if you see the outcome and
11 you were going to win, there's going to be a
12 big problem because you're going to feel like
13 you've been slighted as the patron, even
14 though the reg. states when you call "no
15 spin," it's no spin.

16 Same thing will happen in all
17 games, craps, all the outcomes, you want to
18 try and stop and address the problem before
19 the final outcome actually happens.

20 COMMISSIONER STEBBINS: And you
21 want to move on to the next play as quickly
22 as possible.

23 MR. CARPENTER: Exactly.

24 MR. BAND: Avoid complaints. Any

1 other questions?

2 COMMISSIONER ZUNIGA: Remind us of
3 the process. We're now going to be doing
4 this on a rolling basis, like we discussed a
5 few meetings ago?

6 MR. BAND: Yes.

7 COMMISSIONER ZUNIGA: And for these
8 five or six, we are seeing them for the first
9 time in the regular promulgation, in the
10 formal promulgation.

11 MS. BLUE: So there's sort of two
12 forms to the process on this because of the
13 way we're doing it. This is the first time
14 you're seeing the actual regulations. So
15 what we would do next is put it out for
16 informal comment and get any kind of industry
17 comment or other public comment. We would
18 then bring the reg. itself back to you at the
19 next meeting for a vote on the final
20 promulgation to take it through the process.

21 In terms of the rule, I think you
22 have as much time as you need to review the
23 rules and provide comments back to Bruce or
24 Carrie or Karen or whoever. And you'll get

1 another set of rules I think at the next
2 meeting. Right, Bruce?

3 MR. BAND: Yes.

4 MS. BLUE: Because we have a lot of
5 games. So you probably have two or three
6 more meetings worth of tranches of rules to
7 look at. But we have a lot of time on the
8 rules. We just want to get the overarching
9 reg. into the process. So right now, we'll
10 do informal comment on the reg. itself.

11 MR. BAND: I also think that it's
12 important that the industry gets to see what
13 games we're putting out there so they have an
14 idea, even if we haven't approved them yet.
15 At least it gives them a good opportunity to
16 review all of it.

17 COMMISSIONER ZUNIGA: Right.

18 COMMISSIONER CAMERON: So they have
19 not looked at the -- the industry has not
20 looked at these rules as of yet?

21 MR. BAND: No. They've just kind
22 of looked at the highlights of presenting
23 this for the first time to everybody.

24 COMMISSIONER ZUNIGA: And just high

1 level, 205 147 establishes the sort of the
2 framework.

3 MR. BAND: Yes.

4 COMMISSIONER ZUNIGA: Right? For
5 access --

6 MR. BAND: That would be the
7 regulations you have to following and the
8 regulation that points you to our website,
9 that you had to follow the rules on there.

10 MR. BEDROSIAN: I consider it the
11 enabling authority for us to then publish the
12 rules.

13 COMMISSIONER ZUNIGA: Yes. But
14 that's it in terms of framework.

15 MR. BEDROSIAN: Exactly.

16 COMMISSIONER ZUNIGA: That applies
17 to all the games.

18 MR. BEDROSIAN: Exactly.

19 COMMISSIONER CAMERON: And there
20 are slight differences, right, from
21 jurisdiction to jurisdiction.

22 MR. BAND: Yes.

23 COMMISSIONER CAMERON: But with
24 your 72 years of experience, you feel like

1 these are the ones we should adopt?

2 MR. BAND: As a group, we're
3 234 years of experience. Yeah, I think we
4 did. We took them mostly from Maryland,
5 Pennsylvania, and New Jersey. We did reach,
6 I believe, into a few other jurisdictions for
7 certain things, so it's good cross section.

8 COMMISSIONER CAMERON: Any other
9 questions?

10 COMMISSIONER MACDONALD: Well, I
11 just have a general observation to make and
12 that is that it is really humbling to read
13 these rules, and the -- it occurs to me that
14 one almost would need to be an MIT engineer
15 to be able to master these. I'm looking at
16 the craps rules on a "don't come bet" shall
17 win if on the roll immediately following
18 placement of the bet a total of two or three
19 is thrown; or a total of four, five, six,
20 eight, nine or ten is thrown and a seven
21 subsequently appears before the bet starts
22 again.

23 MR. BAND: We'll get you there,
24 Commissioner.

1 COMMISSIONER MACDONALD: You've got
2 me. I've got a lot to learn.

3 COMMISSIONER CAMERON: They have a
4 great cheat sheet.

5 COMMISSIONER ZUNIGA: Yeah. These
6 games are very interesting, and I find this
7 whole process fascinating. The shortcuts
8 that are used in the industry so that you can
9 get to all these rules are, I think, the
10 basis for the training and the monitoring,
11 which I think is really important.

12 MR. BAND: Correct. Well, there's
13 some light reading for the next few days.

14 MR. BEDROSIAN: So we are good. We
15 will put this out for informal comments with
16 our licensees, bring it back to you for
17 formal promulgation, and then you'll just,
18 again, get tranches of rules --

19 COMMISSIONER ZUNIGA: The next
20 rules.

21 MR. BEDROSIAN: -- to follow.

22 COMMISSIONER ZUNIGA: No votes
23 necessary on this?

24 MS. BLUE: No.

1 MR. BEDROSIAN: Not on the informal
2 process. The formal process, there will be.

3 COMMISSIONER ZUNIGA: Great.

4 COMMISSIONER CAMERON: Great.

5 Thank you very much.

6 MR. BAND: Thanks.

7 COMMISSIONER ZUNIGA: Thank you.

8 COMMISSIONER MACDONALD: Thank you.

9 MS. WELLS: The next item on the --
10 the next item on the agenda, the gaming
11 equipment regulations, is our same group.

12 MR. BAND: And we're here today
13 just really to answer the four questions that
14 were brought up at the last meeting to get
15 some direction from the Commission. The
16 first question being will the Commission
17 design specifications, what will they be for
18 value chips. And we put a recommendation in
19 there about the designs being approved by the
20 IEB and with some specifics as to what that
21 chip had to have on it.

22 COMMISSIONER STEBBINS: They all
23 look fine.

24 MR. BAND: All looks good?

1 COMMISSIONER CAMERON: Yes.

2 Agreed.

3 MR. BAND: Then the second question
4 was how will the Commission distinguish among
5 valued chips and various types of non-value
6 chips like poker tournament chips or the
7 nature of that which we have a suggestion in
8 there again. Any questions?

9 COMMISSIONER CAMERON: No. I think
10 when you say you will review it with the
11 licensee prior to use, it's probably before
12 they have them made, correct?

13 MR. BAND: Yes. Part of the
14 process with doing that is you want to make
15 sure that one licensee's chips aren't really
16 close to the other licensee's chips where
17 they start to get commingled out in the
18 casino, because the other property doesn't
19 know what the anti-counterfeiting markings
20 are on the chip and so on, so you wouldn't
21 really want to encourage that.

22 COMMISSIONER STEBBINS: So there's
23 some overlap between the answer to question A
24 and the answer to question B?

1 MR. BAND: Yep. Okay. "Will the
2 Commission regulate gaming plaques?" And we
3 recommend that, yes, we will. I'm sure both
4 the Wynn and MGM properties will have play at
5 that level.

6 MR. TOCCO: True.

7 COMMISSIONER ZUNIGA: We hope.

8 MR. BAND: No questions about that?

9 COMMISSIONER CAMERON: No. Sound
10 recommendation.

11 MR. BAND: Will we have specific
12 regulations for gaming instruments such as
13 chips, cards, dice, tiles, and wheels, which
14 we recommend we should have.

15 COMMISSIONER ZUNIGA: And some of
16 these will probably mirror other states much
17 like we've done with other areas.

18 MR. BAND: Really with gaming
19 equipment, most states are very similar to
20 what they have. You have limited number of
21 manufacturers out there for equipment. They
22 don't want to be making things all different
23 dimensions and sizes, so they're pretty
24 standard.

1 COMMISSIONER STEBBINS: Very good.

2 COMMISSIONER ZUNIGA: Pretty
3 straightforward.

4 COMMISSIONER CAMERON: Yes.

5 MR. BEDROSIAN: So I think they can
6 March forward with that consensus.

7 COMMISSIONER CAMERON: I do. Thank
8 you. Good recommendations.

9 COMMISSIONER MACDONALD: I agree.

10 MR. BAND: Thank you.

11 COMMISSIONER CAMERON: We are ready
12 to move on to vendor license renewal forms.
13 Do we need a break before we do that?

14 COMMISSIONER ZUNIGA: Yeah, why
15 don't we.

16 COMMISSIONER CAMERON: Why don't we
17 take a five-minute break.

18 (Break taken.)

19 COMMISSIONER CAMERON: All right.
20 We are ready to resume our 210th meeting.
21 We're in the middle of the report from the
22 Investigations and Enforcement Bureau. And
23 Director Wells, back to you.

24 MS. WELLS: The next item on the

1 agenda for the Commission is the recommended
2 approval of vendor license renewal forms.
3 Mr. Connelly is unavailable. He's dealing
4 with a family matter, so I'm going to handle
5 that for the Commission today.

6 So in your packet, you will see
7 there are four different forms that the IEB
8 and Licensing are recommending that the
9 Commission approve for us to use when we do
10 renewals of gaming vendor primary and gaming
11 vendor secondary licenses. I expect that you
12 remember, by statute, that license term is
13 three years. And initially when we do the
14 deep-dive investigations, it's a very
15 comprehensive investigation. You've seen the
16 reports. You're familiar with the process.

17 Now, given that it's only a
18 three-year license term and these
19 investigations can take a year or more, and
20 based on what other jurisdictions do, our
21 proposal here for you for the Commission is
22 to sort of combine the renewal process with
23 the reciprocal licensing process that's
24 detailed in Section 31 of the Gaming statute.

1 So if an applicant is in good
2 standing with us and other jurisdictions,
3 they can entered into an agreement for an
4 abbreviated licensing renewal process. And
5 these forms allow for that abbreviated
6 process, which I think is appropriate given
7 that not only have we just done the deep-dive
8 investigation into these companies, but these
9 companies are also under a continuing
10 obligation to notify us of issues, and
11 suitability is always ongoing with our
12 licensees, even the vendor licensees.

13 So you'll see there's four
14 different forms. The gaming vendor license
15 form, that is for the actual applicant entity
16 that is applying for a license. And that
17 applies for both gaming vendor primary and
18 secondary. Then we also have a gaming vendor
19 qualifier form for entities. So if an
20 applicant entity is applying for a license
21 but the parent company or some subsidiary or
22 a holding company is a qualifier, that's the
23 form that the qualifier company would have to
24 fill out.

1 And then we have gaming vendor
2 qualifier form for individuals. So an
3 executive with a company like Unomy or Sport
4 Tech or one of these primary vendors would
5 fill out that form instead of the extremely
6 voluminous multi-jurisdictional personal
7 history disclosure form. So we're looking
8 for some efficiencies here. And we also have
9 -- sometimes we have trusts that are
10 qualifiers for the applicant entities, and
11 trusts, once we've done the analysis on the
12 trust, a renewal is quite simple because it
13 doesn't change much. We have in the form
14 that there's request of any changes in the
15 terms of the trust, but those are relatively
16 easier to handle from the investigative
17 standpoint.

18 I will note for secondary vendors,
19 the process we use now is the applicant for
20 the individual -- the application for the
21 individual qualifiers, we use the GEL form.
22 So the proposal is because that's a much
23 shorter and simpler form, we just use the
24 same form for updates and renewals, because

1 it's not very onerous. It's nothing at all
2 like the multi-jurisdictional form. And that
3 makes sense for us because those primary
4 vendors, you know, those are the
5 manufacturers. That's the key to the
6 operations of the business, and those
7 individuals are used to filling out those
8 forms. They usually have them on file.
9 Secondary vendors, they may never have had a
10 gaming license and that may be extremely
11 burdensome for that company. So that made
12 sense in the initial, our initial look at it,
13 and that's been working well, so we'd
14 recommend that you continue with that
15 process. So that's sort of where we are
16 right now.

17 COMMISSIONER ZUNIGA: I think it's
18 a very appropriate, sort of efficient way to
19 go about with this abridged form on the basis
20 of the fact that we've licensed them already,
21 and it seems very appropriate to count this
22 as part of the -- what's the word I'm looking
23 for -- relative to licensing in other
24 jurisdictions.

1 MS. WELLS: Reciprocal.

2 COMMISSIONER ZUNIGA: Reciprocity,
3 yes. I think it's great. I have a question
4 relative to the following scenario. What if
5 somebody has been licensed. They deliver --
6 a primary vendor. They delivered a lot of
7 equipment, let's say, and come the expiration
8 of that license, the casino does not
9 anticipate immediate business with that
10 vendor, what's the expectation from our
11 standpoint?

12 MS. WELLS: So it's really the ball
13 is in the applicant's court. Their license
14 could expire, and we've seen that in other
15 jurisdictions when we've done jurisdiction
16 checks on different companies. And it may be
17 that they just allow their license to expire.
18 There's no negative finding. There's no
19 derogatory finding for that reason. They may
20 just let it expire for financial reasons or
21 business reasons.

22 Sometimes companies merge or
23 dissolve. The license is expired for that
24 reason. Generally, companies that are an

1 active business like to keep up their
2 licenses, so they would go ahead with going
3 through with that. So it may be unusual as
4 long as they're seeking to do business, even
5 if they don't have a business relationship,
6 it keeps them active in case one or our
7 licensees for the casinos changes their mind
8 and wants a product.

9 COMMISSIONER ZUNIGA: Right. But
10 what if somebody's license expires for no
11 other reason other than they just didn't seek
12 a renewal --

13 MS. WELLS: Yep.

14 COMMISSIONER ZUNIGA: -- there's a
15 period of time, and then there's an
16 opportunity to do business with the casino or
17 with another casino in Massachusetts --

18 MS. WELLS: Okay. So --

19 COMMISSIONER ZUNIGA: -- would we
20 treat hopefully the renewal even though some
21 time expired, or do we need to --

22 MS. WELLS: Do they need to start
23 all over?

24 COMMISSIONER ZUNIGA: -- start all

1 over? Hopefully not.

2 MS. WELLS: We haven't seen that.
3 I mean, I think that it's almost like you'd
4 -- yeah. You'd be -- I mean, I haven't seen
5 that yet, so this is the first time I'm
6 thinking about it. I'm just thinking that --

7 COMMISSIONER ZUNIGA: Just thinking
8 conceptually.

9 MS. WELLS: You know, it may depend
10 on how much time has gone by. For example,
11 if they -- you know, their license expired,
12 it's expired for three months and then they
13 get business again, I think common sense
14 dictates you just go through this process and
15 allow them. I think we need, as a
16 Commission, to be flexible and be reasonable
17 and take the situation in hand.

18 If a license has been expired for
19 seven years or ten years, maybe we'd want to
20 start all over again because in particular,
21 if they haven't had that ongoing duty to
22 update the Commission and provide the
23 Commission information on the company, then
24 we may look at it differently.

1 So we'd have to see the time period
2 that had expired, but I think that given if
3 we've already done that deep dive of the
4 company, you really get a good understanding
5 of the company, especially if you have a very
6 solid company. You know, the ones we've seen
7 have been very solid. Then there's much more
8 of a comfort level, that if they're in good
9 standing in other locations, maybe you can
10 enter into this reciprocal agreement and
11 start you up again without too much of an
12 onus on the company.

13 COMMISSIONER ZUNIGA: I'm just
14 thinking of a couple of things that, from our
15 process, might incentivize companies to do
16 one way or another, right. If it's low
17 effort, you know, to just renew --

18 MS. WELLS: Right.

19 COMMISSIONER ZUNIGA: -- and we're
20 going to require them after some period of
21 time, that may actually incentivize people to
22 stay always current, regardless of the level
23 of business.

24 MS. WELLS: And one other thing I

1 wanted to just highlight for the Commission
2 to note in the form, the recommendation is
3 that the renewal fee is the same as an
4 application fee. So that's 15,000 for the
5 primary vendor and 5,000 for the secondary
6 vendors. That's up to the Commission's
7 decision.

8 Generally -- you know, we've seen
9 in particularly other jurisdictions, the
10 deep-dive investigation can take -- you know,
11 can be \$100,000 more. I've seen it up to
12 \$200,000 on some of these vendors in other
13 jurisdiction.

14 So the license renewal fee itself
15 is not a big chunk for these companies. They
16 build it into their budget. They expect it.
17 So I don't think they would expect it to be
18 problematic given that even if it's an
19 abbreviated process for these -- you know,
20 the ones that are the primary vendors,
21 they're big companies.

22 So you'd still have to have
23 licensing renewal. You'd still have to do
24 the tabletop check. There's still some work

1 to do, so it's a reasonable fee. But I just
2 wanted to highlight that because I recognize
3 that's the Commission's call on the fee
4 structure.

5 I don't think we've done any
6 regulations on renewal fees, so I just wanted
7 to alert the Commission. If you want to
8 change it, let us know. But my
9 recommendation, at least for now, see how
10 that goes. If there's push back, if there's
11 concern, I can certainly bring it to the
12 Commission's attention.

13 COMMISSIONER ZUNIGA: Well, I
14 thought there was an operating assumption
15 that we'll put or we are setting our fees
16 based on the level of effort that it actually
17 takes. And we have to take averages,
18 because, you know, we cannot have very, very
19 large set of -- somebody's going to take more
20 than others, but you've got to draw the line
21 on averages and things like that.

22 Maybe we'll continue to get
23 intelligence as to what generally some of
24 these investigations and renewals, now that

1 we're going to make them --

2 MS. WELLS: Right.

3 COMMISSIONER ZUNIGA: -- take in
4 terms of hours and average costs.

5 MS. WELLS: Yes. And fiscal
6 tracks, we have a whole system for accounting
7 for the cost and that goes to fiscal for the
8 billing. So we do the same thing even if we
9 were close to -- maybe close to the \$15,000
10 mark.

11 COMMISSIONER ZUNIGA: Right. Well,
12 another data point, I guess, or principle
13 here that, in my mind, operates just serves
14 as a reminder, and I -- you know, we're just
15 beginning -- I, for one, am just beginning to
16 understand this. The landscape of the
17 industry is that we might want to make sure
18 that there's no barriers to new entrance;
19 that by our process, we're not generating
20 just a small group of vendors that do ongoing
21 business with the casino. It's also in our
22 interest, I would argue, that there's at
23 least some attention paid to the potential of
24 new companies that want to do business with

1 the casino, even though we're talking
2 specifically about gaming vendors primary and
3 that's a unique industry.

4 MS. WELLS: That's interesting
5 because that ties in with what Assistant
6 Director Band was saying about testing out
7 new games or testing out new things. You
8 could tie that in. There's some creative
9 ways you could talk about, you know, maybe a
10 different kind of license for someone that
11 has a new product. There may be
12 opportunities for the Commission in
13 Massachusetts to be able to progressive in
14 that area, and I'd certainly be open to
15 talking about that.

16 COMMISSIONER STEBBINS: That would
17 be interesting.

18 COMMISSIONER ZUNIGA: Great.

19 COMMISSIONER STEBBINS: Karen, I
20 appreciate the time you and Paul spent kind
21 of going through these applications the other
22 day. I also had some concerns about the fee
23 structures, but also under that because so
24 many of these folks are operating in

1 different jurisdictions, they're used to it.

2 MS. WELLS: Yes.

3 COMMISSIONER STEBBINS: I think we
4 still, in comparison, have a lower fee
5 structure than even some other jurisdictions
6 have.

7 I had one point which I shared with
8 Paul yesterday on gaming vendor qualifier
9 individual. I understand it's maybe the last
10 page, the tax information, check a number of
11 years. Some of those would probably precede
12 the licensing period from before. So I just
13 highlight that in terms of I know, and Paul
14 answered, he said we'll be specific about
15 what we're asking in the individual.

16 MS. WELLS: We're not looking to
17 make it more onerous. In the scope of
18 licensing -- And this is a standard form, so
19 you know, we can modify it per applicant.
20 But that's why we put in the form. It would
21 be in the scope of a licensing letter. So
22 for example, if a company had given us for
23 their initial review taxes from, say, 2011,
24 '12, '13, and '14. We would start in '15. I

1 don't need them to give me the taxes that
2 we've already done. We're trying to be
3 efficient, not just give me the last five
4 years of taxes, but think it through so we're
5 not just doing it to do busy work.

6 COMMISSIONER STEBBINS: How do we
7 go about incentivizing folks that fall into
8 these categories to kind of continue to
9 provide you information? You're looking for
10 a lot of things that happened between their
11 point of licensure and the renewal date. How
12 do we find a way to encourage them to give us
13 that information so maybe it --

14 MS. WELLS: As they go, so ongoing
15 suitability?

16 COMMISSIONER STEBBINS: -- speeds
17 this renewal processing?

18 MS. WELLS: I mean, I think it's
19 much more engrained in the culture for the
20 primary vendors because they deal in the
21 regulatory environment, the gaming regulatory
22 environment. That's their bread and butter.
23 That's how they make their money. That's
24 their business.

1 So they know, for example, if they
2 have a violation or there's significant
3 lawsuit alleging some kind of misconduct,
4 something like that, if they don't alert
5 regulators and regulators have to find out
6 and chase them down, that creates problems
7 for them.

8 So what we've learn in the
9 industry, it's this culture of compliance and
10 creating the culture of compliance that it's
11 better for you to let me know than for me to
12 have to chase you down. That's why the
13 relationship between the regulator and the
14 licensee is so important and understanding
15 the company and developing those connections
16 with people that are executives in the
17 company that are responsible for this.

18 So the primary vendors, they're in
19 that world. They understand it. A little
20 more challenging for secondary vendors who
21 may not have been licensed in a gaming
22 jurisdiction before. So that part of the
23 investigatory process serves the dual
24 purpose. Because not only are you

1 investigating the company, but you're also
2 spending time in talking to executives, and
3 they are understanding what this means and
4 what are that potential consequences if
5 something is found out and there's no
6 self-disclosure. Because there is a reliance
7 on self-disclosure. So that's one of the
8 benefits of that doing that first
9 investigation. That's when they learn about
10 what it means to be a gaming licensee.

11 COMMISSIONER CAMERON: So you're
12 educating as well as investigating?

13 MS. WELLS: Correct.

14 COMMISSIONER CAMERON: Anything
15 else? So I think really what I get from this
16 is you are putting the onus on the licensee
17 to be truthful --

18 MS. WELLS: Yes.

19 COMMISSIONER CAMERON: -- to update
20 you, and it's really just what's changed in
21 the last three years?

22 MS. WELLS: Correct.

23 COMMISSIONER CAMERON: Okay. Very
24 good. I agree with your thought processes on

1 this, and the abbreviated forms, they look
2 certainly appropriate. And you've mentioned
3 this before, and as we've licensed some of
4 these bigger companies, they've come in and
5 talked to us about the professionalism of the
6 investigations team and the relationship. So
7 I certainly agree with them that having that
8 initial relationship will make this process
9 much easier.

10 MS. WELLS: Right.

11 COMMISSIONER CAMERON: So thank you
12 for that and your team. And I think we need
13 to vote on this, correct?

14 COMMISSIONER STEBBINS: Madame --

15 COMMISSIONER MACDONALD: Do we need
16 a vote?

17 COMMISSIONER CAMERON: I believe we
18 do. Do we have a motion?

19 COMMISSIONER STEBBINS: Madame
20 Chair, yeah, I move that the Commission
21 approve the abbreviated renewal forms for
22 gaming vendor license, gaming vendor
23 qualifier entity, gaming vendor qualifier
24 individual, and qualifier trust.

1 COMMISSIONER MACDONALD: Second.

2 COMMISSIONER CAMERON: Further
3 discussion?

4 COMMISSIONER MACDONALD: Well, I
5 would just note for the record that I met
6 with staff on these draft forms, and I expect
7 that my fellow Commissioners have as well.
8 So this vote or my vote, you know, today is
9 not done just by having this presented to us
10 today. And that provided an opportunity to
11 review it, ask questions of the staff, have
12 those questions answered, and I'm totally
13 comfortable with these forms and that's the
14 basis of my seconding the motion.

15 COMMISSIONER CAMERON: Thank you.
16 Any further discussion? All those in
17 agreement, say aye.

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER CAMERON: Aye.

22 Opposed? Hearing none, the motion passes
23 four-zero. Thank you very much.

24 MS. WELLS: Thank you. So the last

1 item on the agenda for the Investigations and
2 Enforcement Bureau, I have three individual
3 casino qualifiers for your consideration on a
4 vote regarding their suitability. One is
5 from the MGM Resorts International. The
6 other two are from Wynn Resorts, Limited.

7 So I'll start with the MGM
8 qualifier. It's Stephen Martino, who you may
9 remember from our prior dealings with
10 Maryland. He had been hired as a senior vice
11 president and chief compliance officer for
12 MGM Resorts International in May of 2016.

13 Based on his position, he was
14 deemed to be a qualifier, and as a result
15 submitted all the required forms and
16 supplemental documents requested by the
17 Licensing Division and the IEB for the
18 investigation, and the investigators
19 conducted their rigorous background check, as
20 I've stated before, including employment
21 history, criminal record, education, looked
22 at directorships and shareholder interest,
23 civil litigation, bankruptcies, property
24 ownership, political contributions and

1 references, media coverage, and also did a
2 financial responsibility evaluation.

3 So all those areas were covered.
4 There was no derogatory information found
5 regarding Mr. Martino which would impact his
6 suitability for licensure.

7 So prior to being employed by
8 MGM Resorts International, he was a partner
9 at Duane Morris, LLP. He is an attorney. He
10 was also the director at the Maryland Lottery
11 and Gaming Control Agency, and we had contact
12 with him in that capacity. And prior to that
13 position, he was the executive director for
14 the Kansas Racing and Gaming Commission.

15 He is a graduate of the University
16 of Kansas with a BA in political science and
17 law degree from Washburn University School of
18 Law. Prior to having this position at MGM,
19 he had not obtained any gaming licenses. He
20 had not worked in the gaming industry on the
21 industry side. Currently, he is being
22 investigated by New Jersey and Maryland. So
23 those investigations are still pending in
24 conjunction with his position at MGM right

1 now.

2 He does have in his background a
3 time period where he was vice president of
4 membership and executive board member of the
5 Baltimore Area Council Boy Scouts of
6 American, and also chief counsel and
7 executive board member of the Jayhawk Area
8 Council Boy Scouts of America.

9 Generally, you know, his background
10 was clean and we have a recommendation of
11 suitability for Mr. Martino.

12 COMMISSIONER CAMERON: Questions?

13 COMMISSIONER STEBBINS: No.

14 Just...

15 COMMISSIONER CAMERON: Obtain a
16 motion.

17 COMMISSIONER STEBBINS: Madame
18 Chair, I move that the Commission approve the
19 suitability determination for Stephen
20 Martino, the senior VP and chief compliance
21 officer for MGM Resorts.

22 COMMISSIONER MACDONALD: Second.

23 COMMISSIONER CAMERON: Discussion?

24 All those in agreement? Aye.

1 COMMISSIONER MACDONALD: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER CAMERON: Opposed?

5 Motion passes four-zero.

6 MS. WELLS: Thank you. And for the
7 record, that investigation was conducted by
8 trooper John Morris for the state police and
9 by Colin Hennigan for the financial
10 directors.

11 COMMISSIONER ZUNIGA: Director, is
12 this perhaps one of the first times that
13 other jurisdictions are going to look at our
14 determination of suitability?

15 MS. WELLS: I wasn't going to point
16 out of the three, we were done first, but...

17 COMMISSIONER ZUNIGA: We were done
18 first, right.

19 MS. WELLS: But they're also --

20 COMMISSIONER STEBBINS: We beat
21 Maryland.

22 MS. WELLS: Yeah. They must know
23 him from before, so I think it makes it
24 easier.

1 So the other two qualifiers for
2 your consideration this morning are from Wynn
3 Resorts, Limited. The first -- both are
4 members of the board of directors. The first
5 one is Elizabeth Patricia Mulroy. She is a
6 qualifier by virtue of her position as an
7 independent director for Wynn Resorts. She
8 went through the same background
9 investigation. I won't review again the
10 individual criteria that we look at. She
11 serves on the board's compensation nominating
12 corporate governance committees, and she also
13 sits on a special committee to review
14 allegations by a former director, Elaine
15 Wynn. She is currently on that board. She
16 also has a position as a senior fellow
17 climate adaption environmental at Brookings
18 Institution at UNLV. She's a Maki
19 Distinguished Faculty Advisor for the Desert
20 Research Institute in Las Vegas. She was a
21 general manager and chief executive officer
22 of Southern Nevada Water Authority and the
23 general manager and chief executive officer
24 of the Las Vegas Valley Water District.

1 She had grown up partially in
2 Germany, attending high school in Germany.
3 She graduated from the University of Maryland
4 Munich campus in Munich, Germany, and also
5 has an undergraduate and a graduate degree
6 from UNLV and had taken some postgraduate
7 work at Stanford University.

8 Although she was a member of the
9 Nevada Gaming Commission from June of 14th to
10 October of 2015, she's never applied for nor
11 held a gaming license. In her current role
12 as an independent director at Wynn Resorts,
13 she's not required to file an application
14 with the Nevada Gaming Control Board.

15 She has a number of positions where
16 she held directorships, and none of those
17 positions raised any concerns from members of
18 the IEB. Her financial stability and other
19 background investigation materials came back
20 clean, so the recommendation is for a finding
21 of suitability for Ms. Mulroy.

22 COMMISSIONER CAMERON: Entertain a
23 motion?

24 COMMISSIONER STEBBINS: Madame

1 Chair, I move the Commission approve the
2 suitability of Elizabeth Mulroy, a member of
3 the board of -- independent member of the
4 board of directors of Wynn Resorts.

5 COMMISSIONER MACDONALD: Second.

6 COMMISSIONER CAMERON: Discussion?
7 All those in agreement signify by saying aye.
8 Aye.

9 COMMISSIONER MACDONALD: Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER CAMERON: Opposed?

13 Motion passes four-zero.

14 MS. WELLS: And that investigation
15 was done by Lieutenant Kevin Condon and Ed,
16 Jay, and Colin Hennigan from the financial
17 investigations unit.

18 They also did the next individual
19 who's before the Commission for a finding of
20 suitability, Mr. Clark Thorp Randt, Jr. from
21 the board of directors. They conducted
22 suitability investigation on Ambassador
23 Randt. He's also an independent director of
24 Wynn Resorts. He currently holds one of nine

1 positions on Wynn Resorts, Limited board of
2 directors and has held that position since
3 October 15 of 2015. And according to
4 statements from the 8-K from Wynn Resorts
5 from March 1st of 2015 to September 30th of
6 2015, Wynn Resorts Development was party to a
7 consulting agreement with Randt & Company, a
8 consulting firm, of which Ambassador Randt
9 was the president and sole owner, pursuant to
10 which Ambassador Randt provided advice to
11 Wynn Resorts Development. And the consulting
12 contract was terminated in connection with
13 his joining the company's board.

14 Mr. Randt was nominated to
15 Ambassador to China by President George W.
16 Bush. He was confirmed by the U.S. Senate
17 and served as the ambassador from 2001 to
18 2009. He is a recognized expert on Chinese
19 law. In addition to being an ambassador to
20 China, he's also been on the International
21 Advisory Council for United Technologies and
22 for the Cohen Group. He was also a partner
23 in a law firm of Shearman & Sterling, and
24 headed a China practice from the Hong Kong

1 office.

2 He's a graduate of Yale University
3 and the University of Michigan School of Law.
4 And he also studied East Asian studies at
5 Harvard Law School.

6 He is new to the gaming industry
7 and has neither applied for nor held a gaming
8 license in the past. Similar to Ms. Mulroy,
9 in his current role as an independent
10 director, he's not required to submit to
11 qualification from the Nevada Gaming Control
12 Board.

13 And he holds a number of
14 directorships and interest in other
15 businesses we've checked, and there was
16 nothing of concern to the IEB. The record
17 came back clean regarding his investigation,
18 and the IEB's recommending that the
19 Commission find him suitable.

20 COMMISSIONER CAMERON: Questions?
21 Do we have a motion?

22 COMMISSIONER STEBBINS: Madame
23 Chair, I move the Commission approve the
24 suitability report for Clark Randt, a member

1 of the board of directors of Wynn Resorts.

2 COMMISSIONER MACDONALD: Second.

3 COMMISSIONER CAMERON: Any further
4 discussions? All those in agreement
5 significant by saying aye. Aye.

6 COMMISSIONER MACDONALD: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 COMMISSIONER CAMERON: Opposed?

10 Motion passes four-zero. Thank you very
11 much, Director.

12 MS. WELLS: Thank you. I have
13 nothing further.

14 COMMISSIONER MACDONALD: Thank you,
15 Colin.

16 COMMISSIONER CAMERON: The next
17 item on our agenda would be Commissioner
18 updates. Are there any updates for this
19 meeting?

20 COMMISSIONER STEBBINS: I have two
21 quick updates. Going to our friends at Best
22 Corp. who have training facilities to help
23 people enter any number of trades related to
24 resorts and hospitality, they're having one

1 of their graduations tomorrow. We also had a
2 great AOC meeting earlier this week, and
3 appreciate the participation of our two
4 licensees as they go through the construction
5 process. MGM was great about highlighting
6 one of their WBEs, an all-women crew that
7 does abatement, and the fact that they were
8 so successful on the project that the company
9 has gone out, has bought more equipment, is
10 bringing on more employees. I mean, this is
11 really a microcosm example of what we really
12 hoped one impact of expanded gaming in
13 Massachusetts would have.

14 And related to our work on a Gaming
15 Economic Development Fund recommendation
16 report, we saw yesterday that the Senate has
17 named their committee chairmanships, and
18 Senator Lesser from the Springfield area is
19 the new economic development chairman. So
20 Chairman Crosby and I will hopefully be going
21 up to see them shortly.

22 COMMISSIONER CAMERON: Great. I
23 had an opportunity to attend that meeting
24 also, which I typically don't, and was also

1 impressed with the level of commitment by the
2 licensees as well as the community members.
3 They really care about these issues and are
4 working toward best practices and sharing
5 that information and having all of those
6 goals met. So it was an impressive meeting.

7 COMMISSIONER ZUNIGA: You know, I
8 was thinking about the following when the
9 team from Wynn was giving their report about
10 the goals and how they're significantly
11 exceeding a lot of them and meeting a couple
12 of others. And it was along what you
13 mentioned, Commissioner, relative to in
14 addition to goals being met, there's a
15 capacity being built, and there's a business
16 that now can do further business, has met a
17 contract successfully, has probably grown to
18 some degree, is now able to do additional
19 work, not just in the casino industry, but
20 perhaps elsewhere. And what I was thinking
21 and I'm interested in is perhaps our economic
22 research team to incorporate and figure out
23 what level of -- you know, research, what
24 level of ripple effect, if you will, is

1 happening as part of all these expenditures,
2 rather than these anecdotes which are very
3 powerful, but in a systemic way looking at
4 that ripple effect. So it's something that I
5 want us to continue thinking about and
6 perhaps really quantify in some measurable
7 way.

8 COMMISSIONER STEBBINS: I think
9 that's a great opportunity. We obviously
10 have information on who all the
11 subcontractors are through our contractors or
12 through the licensing process. And
13 especially for these small firms that, for
14 example, are working on the Wynn project, we
15 know of all the future developments that are
16 in the cue for the Greater Boston area, but
17 kind of keeping track and see what the
18 opportunities are, as you pointed out, that
19 they have to do additional business and kind
20 of keep the ball rolling.

21 COMMISSIONER ZUNIGA: Right.

22 COMMISSIONER CAMERON: What struck
23 me while attending this meeting, which I
24 hadn't thought of before, was the fact that,

1 okay, the licensees are working hard to meet
2 their goals, but they've gone a step further
3 to actually start at the high school level to
4 recruit, in particular, young women who have
5 not thought of this particularly as a career
6 choice. So while they're meeting goals,
7 these folks will have skills that they can
8 use for the rest of their lives. That was
9 something that struck me as kind of another
10 benefit to how hard everybody is working.

11 COMMISSIONER STEBBINS: Our
12 licensees are doing a great job. Their
13 contractors are doing a great job. As you
14 heard, Commissioner, the other day, the
15 one-on-ones that they're having with subs
16 that are not meeting their goals is almost an
17 ongoing daily process about that reminder,
18 but, you know, getting young men and women to
19 rethink what their careers might be and the
20 opportunities in the construction field, as
21 well as, again, a reminder in the operational
22 jobs, that it's never too early for people to
23 start thinking about, even though we might be
24 a year and a half from the opening of MGM and

1 two years away from the opening of Wynn, it's
2 never -- it's not early enough for folks to
3 think about what training can I do to put
4 myself in a position for the jobs. Don't
5 think last minute you're going to be able to
6 slide into a position as a cook if you've
7 never taken a culinary class. So constant
8 reminder we need to make.

9 COMMISSIONER MACDONALD: Not to
10 mention learning the rules of craps.

11 COMMISSIONER STEBBINS: I turn to
12 the expert right here.

13 COMMISSIONER ZUNIGA: Far from it.

14 COMMISSIONER CAMERON: Any further
15 updates? Any business we hadn't anticipated?

16 MR. BEDROSIAN: Madame Chair, I
17 apologize. One thing I forgot to mention in
18 my administrative update was we don't forget
19 the prospects of a tribal casino. I think
20 you all know this. Chairman Cromwell was
21 reelected on Sunday as chair of the Mashpees,
22 but obviously, the status of the tribal
23 casino right now is still uncertain, and as
24 staff, we continue to monitor that.

1 COMMISSIONER CAMERON: Great.

2 Thank you for that update. Any other
3 business? Motion to adjourn?

4 COMMISSIONER STEBBINS: Motion to
5 adjourn.

6 COMMISSIONER MACDONALD: So moved.

7 COMMISSIONER ZUNIGA: Second.

8 COMMISSIONER CAMERON: All in favor
9 say aye. Aye.

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER ZUNIGA: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: We're
14 adjourned.

15
16 (Whereupon the meeting was adjourned at
17 12:09 p.m.)

18
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24

SPEAKERS

GUEST SPEAKERS:

Wynn Boston Harbor:

Robert DeSalvio, President

Chris Gordon, President Wynn Design &
Development

Jacqui Krum, Senior VP and General Counsel

Plainridge Park Casino:

Lance George, General Manager

Lisa McKenney, Compliance Manager

Ruben Warren, VP Finance, CFO

Eli Huard, Purchasing Manager

MASSACHUSETTS GAMING COMMISSION:

Edward Bedrosian, Executive Director

Catherine Blue, General Counsel

Karen Wells, Director IEB

John Ziemba, Ombudsman

Joseph Delaney, Construction Project Oversight
Manager

Mary Thurlow, Program Manager, Ombudsman Office

Bruce Band, Gaming Agents Division Chief

Burke Cain, Senior Supervising Gaming Agent

Carrie Torrisi, Staff Attorney

Sterl Carpenter

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C E R T I F I C A T E

I, Amie D. Rumbo, an Approved Court Reporter,
do hereby certify that the foregoing is a true and
accurate transcript from the record of the
proceedings.

I, Amie D. Rumbo, further certify 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 Stenographic
means, and transcript was produced from a
computer.

WITNESS MY HAND this 21st day of February,
2017.

Amie D. Rumbo



Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020