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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #146

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

James F. McHugh

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

March 5, 2015 10:31 a.m.

MASSMUTUAL CENTER

1277 Main Street, Rooms 1 and 2

Springfield, Massachusetts 01144

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: All right, ladies
4 and gentlemen, if we can have your attention,
5 call to order the 146th meeting of the
6 Mass Gaming Commission on March 5th, today, at
7 the MassMutual center in Springfield.

8 Commissioner McHugh is a few minutes
9 late. We're going to go ahead, he'll be here
10 shortly. I think we do have some
11 representatives of the city here, Councilor
12 Pikula and, I believe, Councilor Hannifan,
13 right? Nice to have you here. It's very
14 exciting for us to be out here. I know we
15 actually -- Commissioner Zuniga and I saw
16 Mayor Sarno on the street on our way over here
17 and waved. But he didn't -- he didn't
18 recognize us, but, please, tell him on our
19 behalf that we are really excited about what's
20 happening out here. I know the governor has
21 been out here and has ex -- spoken
22 enthusiastically about this project. You've
23 heard us all, many times, talk about what an
24 incredible opportunity we think this is, what

1 a -- the collaboration between MGM and the
2 city to put this together has been
3 extraordinary. I know that Kevin Kennedy and
4 Mayor Sarno will keep everybody's pedal to the
5 medal, which is great, as will Mr. Mathis. So
6 we're just -- we're excited about this, and
7 please give our regards and appreciation to
8 the mayor and his team for -- for moving this
9 project along.

10 Let's start with Item No. 2 on the
11 agenda, which is the approval of minutes. In
12 the absence of Mr. McHugh, I will ask
13 Treasurer Zuniga to lead us.

14 COMMISSIONER ZUNIGA: Thank you,
15 Mr. Chair. The minutes for February 15 are in
16 the packet, and I would move that they be
17 approved, subject to typographical
18 corrections. There's no comments.

19 CHAIRMAN CROSBY: This was the
20 meeting that I did not attend so I will
21 abstain from approving. Do you have a second?

22 COMMISSIONER STEBBINS: Second.

23 CHAIRMAN CROSBY: Any discussion?

24 COMMISSIONER CAMERON: You talking

1 about a February 5th, Commissioner?

2 COMMISSIONER ZUNIGA: Yes.

3 COMMISSIONER CAMERON: Okay. Yes.

4 Second.

5 CHAIRMAN CROSBY: All in favor?

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: The ayes have it
10 three zero.

11 COMMISSIONER ZUNIGA: Furthermore,
12 there's -- in the packet there's also the
13 minutes from February 19. I would move
14 that -- that we approve these minutes subject
15 to typographical corrections.

16 COMMISSIONER STEBBINS: Second.

17 CHAIRMAN CROSBY: Any other
18 discussion? All in favor?

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Aye. Opposed?

23 The ayes have it unanimously four zero.

24 You know, I was just thinking, I was

1 commenting about the work that's going on out
2 here, in particular we're watching it, as
3 we're also trying to help, but watching as you
4 all really roll up your sleeves and try to
5 deal with issues like the treatment center and
6 the Sheriff's office that I know everybody's
7 working hard to relocate and that will get
8 fixed. The parking issues, I know everybody's
9 been working on that has been flexible. The
10 Viaduct issues would continue, but -- but we
11 watch with interest as you all just really
12 wrestle these issues to the ground. And I
13 know they're complicated but we -- you know,
14 we're available to do everything we possibly
15 can do. And, again, appreciate what MGM and
16 the mayor are doing to try to resolve these
17 tough ones, historical commission all of them.
18 Okay. We are on to Item No. 3,
19 Administration. Executive Director Day.

20 MR. DAY: Good morning, Chairman,
21 members of the commission.

22 CHAIRMAN CROSBY: Good morning.

23 COMMISSIONER CAMERON: Good morning.

24 COMMISSIONER ZUNIGA: Good morning.

1 COMMISSIONER STEBBINS: Good
2 morning.

3 MR. DAY: Welcome, with me, to
4 Springfield. I would like to start with a
5 short administrative update with a few items.
6 First, I want to talk, briefly, about our
7 license management system. Our goal for
8 public-facing applications continues to look
9 good as March 31st. Our staff has entered
10 different types of applications to test the
11 work flow, and so we are moving forward as
12 planned in this case. But I want to note as
13 well here, is that Penn's HR and Penn staff
14 have been very helpful, and we plan to work
15 continue to work with Penn directly in order
16 to test and operate the system as we get into
17 the initial months.

18 I want to note, also, yesterday, our
19 workforce supplier and diversity -- workforce
20 supplier diversity development, Jill Griffin,
21 and Commissioner Stebbins met with our vendor
22 advisory team in Plainville, had a great
23 turnout. And then, of course they turned
24 around and they also met with representatives

1 from the community colleges, the career
2 centers, and, of course, Penn's HR group. An
3 excellent turnout there again. And so, I know
4 as I leave this short report
5 Commissioner Stebbins might have a comment or
6 two, but it was a well attendance, and we were
7 able to use Penn's new facility.

8 I want to give you a little update
9 on project monitoring. We've been working
10 with MGM and Wynn to present six-month
11 schedule, or a preliminary schedule. We begin
12 that process with MGM today, and then Wynn on
13 March 19th. These are not complete schedules,
14 but will provide an opportunity for the
15 licensees and the commission to discuss their
16 progress and challenges. Then, in April, Wynn
17 and MGM will begin the process of quarterly
18 reports. We already got Penn scheduled, but
19 Wynn will join -- Wynn and MGM will also join
20 that process.

21 Just a couple notes on racing.
22 Dr. Lightbown, Commissioner Cameron was there
23 as well. Yesterday, we had our first
24 workgroup meeting to discuss Lasik and our

1 procedures and -- as well, and blood gas
2 testing. We have a great group, I think,
3 assembled to take a look at that and give us
4 their thoughts and recommendations on the
5 procedure. And we anticipate being to able to
6 do that and make any changes we need before
7 racing begins on April 1. We've also made
8 offers on all our positions this year for
9 racing, and their backgrounds are pending as
10 we move forward.

11 We've also been working on our
12 budget and operations plan for the balance of
13 fiscal year '15, and plan quarterly budget
14 report, request for adjustments and assessment
15 recommendations for our March 19th meeting.
16 We've also been working on goals development
17 for a high-performance project, and our
18 efforts to improve communication and
19 efficiency. We are, at the same time,
20 beginning to develop the fiscal -- fiscal '16
21 budget at the same time.

22 We have been successful in finding
23 qualified candidates who will interview for
24 our gaming lab manager position, so we're

1 retaining some optimism from this group. We
2 may very well find our -- our lab manager for
3 Massachusetts. We've also had over 200
4 applicants for our gaming agent positions for
5 the slot parlor, and we began interviews of
6 the supervisor positions here this week. And
7 then, in addition, we've had 10 applications
8 for our attorney position.

9 Today, with your -- in your packet,
10 we are asking for final approval for the
11 racehorse development and vendor reporting
12 requirements. We're also asking for the
13 formal process to begin to address operating
14 certificate, which, essentially, preopening
15 regulations. And then, as well, progressive
16 slots, voucher systems, and this G2S, or the
17 communication protocol question that also
18 arose before the commission.

19 We are finishing regulation packages
20 so you can anticipate to see these as well
21 relative to the internal control's final
22 approval, the alcohol beverage control,
23 minors' protection, hearing process, exclusion
24 lists and gaming equipment. So our agenda

1 here to take a look at regulations as we can
2 put in place before Penn opens continues here
3 the end of this month. So that brings us to
4 Item 3D, which is about the classification
5 policy.

6 CHAIRMAN CROSBY: Ask one question,
7 Rick.

8 MR. DAY: Chairman.

9 CHAIRMAN CROSBY: It looks there's a
10 pretty good chance there'll be racing in
11 Suffolk Downs, at least, whatever the 50/50
12 chance. How -- how big a deal is that for us
13 to do our part, our ramping up for that; are
14 we prepared to do that, if we need to?

15 MR. DAY: We will need time to be
16 able to identify candidates to fill the
17 positions and get some -- get part-time people
18 available to do that. But we are anticipating
19 that so we -- we believe we have the budget to
20 be able to handle those part-time positions as
21 we go forward. And we're also -- HR is going
22 forward with interviews for assistants,
23 veterinary assistants, so that we have some
24 positions identified in case thoroughbred

1 racing goes ahead.

2 CHAIRMAN CROSBY: Okay.

3 MR. DAY: So what --

4 CHAIRMAN CROSBY: You're getting
5 briefed tomorrow, right on --

6 COMMISSIONER CAMERON: Yes.

7 CHAIRMAN CROSBY: Okay. Do you
8 know -- if it did happen, do we know when it
9 would -- the start would be?

10 COMMISSIONER CAMERON: No. At this
11 point, the legislature would have to amend
12 before any agreement can be finalized.

13 CHAIRMAN CROSBY: Yep.

14 COMMISSIONER CAMERON: So they're --
15 they're moving, they tell me, quickly to try
16 to do that. Hopefully, this month. But from
17 what I understand, they're not looking to race
18 early in the season.

19 CHAIRMAN CROSBY: Okay.

20 COMMISSIONER CAMERON: So I think we
21 would have some time, if, in fact, an
22 agreement can be put together.

23 CHAIRMAN CROSBY: Okay.

24 MR. DAY: And I think if I got the

1 whisper right from this side of table, 60 days
2 would, of course, be a reasonable time, I
3 think, to be able to get the staff put
4 together.

5 CHAIRMAN CROSBY: That's probably
6 worth making sure that they -- those folks
7 know, because they won't be mindful of our
8 needs, you know. And it's predictable that
9 we'll end up having to move faster than they
10 want, so giving them our perspective and being
11 teed up as best you can, I think is probably
12 well-advised.

13 COMMISSIONER ZUNIGA: But they'll
14 have to make a decision before March 31st,
15 right, the legislature?

16 MS. BLUE: The simulcasting
17 legislation runs out on March 31st.

18 COMMISSIONER ZUNIGA: Right.

19 MS. BLUE: To extend that, they will
20 need to make a decision.

21 COMMISSIONER ZUNIGA: They would
22 need -- they will need to make a decision.

23 So --

24 MS. BLUE: Yes.

1 COMMISSIONER ZUNIGA: -- we -- we
2 hopefully will find out -- you know, we'll
3 have a big data point before March 31st.

4 MS. BLUE: We should, yes.

5 CHAIRMAN CROSBY: Probably. Right.

6 COMMISSIONER ZUNIGA: But, you know,
7 notwithstanding all the comments.

8 CHAIRMAN CROSBY: Okay. Great.

9 MR. DAY: So that brings us to
10 Item 3, unless there are any other questions.
11 Bruce, I don't know if you had a comment
12 either, about the -- yesterday's meeting.

13 COMMISSIONER STEBBINS: No. Just
14 real quickly, our vendor advisory group met
15 with the new purchasing people that Penn has
16 brought on board, and the folks at Penn
17 probably took my instructions much too
18 literally when I said, you know, it would be
19 great to have a detailed listing of what
20 you're looking to shop for, because they even
21 had a item about 100,000 lobster-shaped key
22 chains, for some reason, but glad it was on
23 the list, so we're moving with that.

24 And we, also, in the afternoon, as

1 you mentioned, we had a meeting with respect
2 to workforce. They have gotten about 300 --
3 3,888 applications for 500 jobs. One of the
4 interesting and maybe scariest statistics that
5 stick out -- stuck out was they planned to
6 hire 300 people in a 45-day window. So that
7 should be of note to us for licensing
8 purposes, and registration purposes --

9 CHAIRMAN CROSBY: Wow.

10 COMMISSIONER STEBBINS: -- but
11 that's their time frame.

12 CHAIRMAN CROSBY: And when is that
13 45 days?

14 COMMISSIONER STEBBINS: They haven't
15 set an official date from opening, but it's
16 kind of working back from that.

17 CHAIRMAN CROSBY: Preopening, 45 --

18 COMMISSIONER STEBBINS: Yeah.

19 CHAIRMAN CROSBY: -- days
20 preopening? Oh, okay. So --

21 COMMISSIONER STEBBINS: So a 45-day
22 window, 300 people.

23 CHAIRMAN CROSBY: More or less,
24 middle of May?

1 COMMISSIONER CAMERON: Well, I would
2 think they'd need time to train employees, so
3 I suspect it would be earlier than that,
4 Mr. Chair.

5 COMMISSIONER STEBBINS: And it's
6 going to be various levels. It's going to be
7 chefs down to, you know, the hospitality and
8 culinary help, and wait service, et cetera.

9 CHAIRMAN CROSBY: Yeah. Great.
10 Well, that's what this is all about, right?
11 Jobs. So that's where -- that's what this is
12 all about.

13 COMMISSIONER ZUNIGA: Can I ask, I
14 know some of these updates are very, really,
15 up-to-the-minute, some of what you were
16 talking about is -- really took place
17 yesterday. But I would really benefit from a
18 written report as part of the packet, or even
19 in anticipation to -- you know, to these
20 meetings. So I would ask that you send me
21 some of that in the future.

22 MR. DAY: I will do that.

23 CHAIRMAN CROSBY: Okay.

24 MR. DAY: Any other questions? That

1 brings us to Item 3D, the classification
2 policy. Just as we move forward this -- this
3 is actually -- we made it look like an
4 administrative item itself, but it's of great
5 interest and importance to our policy
6 structure with the commission, because it will
7 help set a solid line for our hiring and for
8 our career people. As people join the
9 commission and people -- gives a future look
10 for everybody that goes to work for the
11 commission. So we -- Trupti's here to explain
12 it to us, and Dean as well, and we would
13 appreciate your support. Thank you.

14 MS. BANDA: Good morning.

15 COMMISSIONER CAMERON: Good morning.

16 COMMISSIONER STEBBINS: Good
17 morning.

18 CHAIRMAN CROSBY: Good morning.

19 COMMISSIONER ZUNIGA: Good morning.

20 MS. BANDA: Good morning,
21 Commissioners and Chair. So I'm here with
22 Dean. And Dean, myself, a few members of the
23 senior team work with the high-performance
24 team on developing this classification and

1 compensation project.

2 The purpose of the salary structure
3 that we developed is to have a -- you know,
4 competitive and equitable salary structure for
5 staff so that we can actually provide a cap on
6 the range paid for a particular job. So we
7 actually have some parameters and boundaries
8 to work with in looking at these jobs, looking
9 at the salary ranges and the skill set.

10 The definition of the salary range
11 and salary structure establishes a minimum and
12 a maximum, and we are willing to pay for the
13 jobs for a specific job, and spans between
14 various different groups that we've developed.
15 And I believe that there's a packet has the
16 salary structures and, actually, a brief
17 descriptor on what that specific salary
18 structure entails, or the skill set entails
19 for that salary structure. And we used a
20 variety of reference -- references in general
21 to compile the compensation. So we looked at
22 city ratings Massachusetts wide, city of
23 Boston, pay scales, other proprietary data,
24 commonwealth Open Checkbook, Pennsylvania

1 Gaming Commission, Foxwood and Federal Bureau
2 of Labor Statistics to compile these salary
3 ranges and data based on skill set,
4 background, years of experience and such.

5 COMMISSIONER STEBBINS: Trupti, can
6 I ask you --

7 MS. BANDA: Sure.

8 COMMISSIONER STEBBINS: -- why you
9 included Foxwoods?

10 MS. BANDA: Well, it's just one of
11 the data points that we're looking at, because
12 it -- it is a casino. We wanted to be broad
13 with our search -- broad with our data points,
14 you know, so we will look at, private, public
15 and different industries as well so --

16 In addition, each job was evaluated
17 to determine appropriate FLSA, Fair -- Fair
18 Labor Standard Act classification of exempt
19 and nonexempt positions. So those salaries
20 are eligible for overtime, or salaries which
21 are not eligible for overtime, based on the
22 testing that we have to do, based on the skill
23 set of the role.

24 All elements of the plan will be

1 reviewed on an annual basis. It's important
2 to revisit the salary structure at least once
3 a year to -- and take a look at what the
4 market is doing, reviewing current job
5 descriptions to ensure they are up to date,
6 conduct job evaluations on all new positions,
7 and adjust a salary structure based on changes
8 in the market and taking a look at that.

9 So with that, that brings us to the
10 salary structure that we developed -- or that
11 was developed, and I believe that's in your
12 packet with the minimum and the maximum.
13 And --

14 COMMISSIONER ZUNIGA: I had a
15 question before we get -- we got to that,
16 Trupti.

17 MS. BANDA: Sure.

18 COMMISSIONER ZUNIGA: The prior
19 slide says conduct job evaluations on all new
20 procedures. And, you know, that -- that's
21 great, but we're also doing our year
22 evaluation, and we're not meaning here to
23 exclude, you know, the evaluation of every
24 position.

1 MS. BANDA: Exactly. So we would be
2 looking -- on an annual basis, we would look
3 at, as part of our performance management
4 process, taking a look at each employee's job
5 and how it has changed, because as an agency
6 the roles and responsibility will change. So
7 taking a look at that and making appropriate
8 market adjustments when required, and also
9 taking a look at new jobs and -- using the
10 tools that have been identified as the
11 methodology that will be used to develop a
12 salary range for that particular job.

13 COMMISSIONER ZUNIGA: Right.

14 MS. BANDA: Any other questions?

15 COMMISSIONER CAMERON: Yeah, I had a
16 question. I guess I was surprised, in looking
17 at this chart, at the range itself for a
18 particular job classification. I just -- I
19 guess I'm not -- I was surprised to see the
20 very large difference in range with the same
21 classification. Is that common? I know -- I
22 think it's a little bit uncommon in state
23 government. But it -- I know I saw all the
24 other -- all of the other data points that you

1 used to -- to put together in this -- this
2 chart. Could you just -- just struck me as a
3 large difference.

4 MS. BANDA: So some of them are
5 similar, and it does give us a lower midpoint
6 and a higher -- a lower minimum salary, and it
7 gives us the bandwidth to go to a higher,
8 upper end of the salary, so that's one of
9 them. But I will turn this part -- piece of
10 the question over to Dean, as he's certified
11 in the comp component and can articulate that
12 a little.

13 MR. VENTOLA: It just gives you a
14 little bit more flexibility in terms of
15 establishing your salaries. So the -- the low
16 point is the minimum that we would be willing
17 to pay for a particular position, and then the
18 maximum would be the most that we -- we would
19 be willing to pay for that position. And
20 where somebody falls within that range depends
21 upon their performance, their years of
22 experience, whether they're new to the job,
23 been on the job five years and -- and it also
24 provides a guideline for a way to cap that

1 job.

2 CHAIRMAN CROSBY: But the purpose of
3 this is not to give us flexibility. I mean,
4 that, maybe, is one of them. But the whole
5 points is do, sort of, a best practice.
6 What's the market bare? So Commissioner
7 Cameron's question was, is this unusual to do
8 this kind of a range?

9 MR. VENTOLA: In my experience, no.

10 CHAIRMAN CROSBY: It's not?

11 MR. VENTOLA: No.

12 CHAIRMAN CROSBY: Okay.

13 COMMISSIONER CAMERON: In the
14 private sector, it's not.

15 CHAIRMAN CROSBY: Right.

16 MR. VENTOLA: Unh-unh.

17 CHAIRMAN CROSBY: How do these
18 compare with the -- what the state's --

19 MS. BANDA: That was one of the --

20 CHAIRMAN CROSBY: I know that's one
21 of your data points, but specific that's -- if
22 we're going to be compared to anybody, that's
23 who we're going to get compared to. Where are
24 they? Where are we in relationship to that

1 today?

2 MS. BANDA: Again, that is one of
3 the data points. And, you know, we also are
4 unique in the type of skill set we would be
5 looking for with the casino experience. And
6 so, we had to be flexible and competitive.

7 So, in some cases we -- we do have
8 to go outside of the state ranges for certain
9 positions. So that's exactly the reason why
10 we actually did this project, so that we can
11 have it aligned with what the agency's needs
12 are, but also keeping in mind, some of the
13 state guidelines, and really developing our
14 own.

15 COMMISSIONER ZUNIGA: I was updated
16 to -- on these, and I've been part of that
17 subgroup that looked at this, and they -- they
18 are, indeed, comparable to a lot of the state
19 positions.

20 CHAIRMAN CROSBY: So it's not -- if
21 somebody's looking at this and comparing, does
22 the state have a similar list?

23 COMMISSIONER ZUNIGA: Well there's
24 everybody in the Open Checkbook, and we can

1 look by agency and we can by position.

2 CHAIRMAN CROSBY: No. But, I mean,
3 is there a classification structure that is
4 similar to this?

5 COMMISSIONER ZUNIGA: Yep.

6 MR. DAY: Yes, there is.

7 COMMISSIONER ZUNIGA: Yep.

8 CHAIRMAN CROSBY: So if somebody's
9 comparing them, we don't look wildly
10 different?

11 COMMISSIONER ZUNIGA: No. No. No.

12 MS. BANDA: We're not enormous
13 outliers in this. We're right there.

14 CHAIRMAN CROSBY: Right. If we were
15 and we had to be, that would be fine. But
16 just -- in anticipation of --

17 COMMISSIONER ZUNIGA: The big
18 conclusion, as far -- as I take it, is that
19 we're very much in line with our current
20 salaries and the current ranges, and the
21 comparisons to other -- other agencies,
22 including some in the public -- in the private
23 sector. But, certainly, in the public sector.

24 CHAIRMAN CROSBY: Okay. Great.

1 MS. BANDA: Okay.

2 COMMISSIONER CAMERON: Thank you.

3 MS. BANDA: Thank you.

4 CHAIRMAN CROSBY: The only -- the
5 only other question I had -- I don't know that
6 I've ever really seen one of these before, and
7 I was sort of surprised that in the
8 descriptions it didn't say anything about,
9 like, management responsibility, or clerical,
10 or, you know, no person responsible for
11 budgets. Is -- is that kind of -- is that
12 kind of substantive content, numbers a
13 person's managed, you know, that kind of
14 thing, is that not typically part of these
15 descriptions?

16 MS. BANDA: When you start getting
17 into the granular details, you would consider
18 those factors.

19 CHAIRMAN CROSBY: Right.

20 MS. BANDA: But with this, this is a
21 fraud-based, high-level, you know, in an
22 executive or senior level manager, developing
23 strategy and identifying the direction of that
24 particular agency or department, and it could

1 go for a variety of different types of
2 positions. From finance to legal to -- so we
3 didn't want to get into the specifics of that.

4 COMMISSIONER ZUNIGA: Although, some
5 of that is summarized here.

6 MS. BANDA: Yes.

7 COMMISSIONER ZUNIGA: I mean, if you
8 look at 12, certainly, for example --

9 MS. BANDA: Right.

10 COMMISSIONER ZUNIGA: -- compared to
11 13.

12 MS. BANDA: There are some who have
13 that piece.

14 COMMISSIONER ZUNIGA: There -- you
15 know, there's a key department, the management
16 for the key department in No. 12 would be the
17 equivalent of our directors.

18 MS. BANDA: Right.

19 COMMISSIONER ZUNIGA: You know,
20 there's slightly more expertise, perhaps, a
21 senior management on -- on the step above, and
22 that -- that could be the differentiator.
23 But -- but yes, a lot of the granularity gets
24 into different job descriptions. This is --

1 this is meant to be fitting of all directors,
2 of all managers, all staff.

3 CHAIRMAN CROSBY: Right.

4 COMMISSIONER STEBBINS: To
5 follow-up, that was the question I had, is
6 that, you know, for slots, you know, 12 down
7 to about nine, and they look too much grouped
8 in having the same definition that I don't
9 know how clear that's going to be for a
10 candidate in terms of where you're going to
11 place them because, you know, a difference of,
12 you know, 10 or \$12,000 by, you know, a small
13 variation in the description, I know you're
14 looking for flexibility, but some of the
15 descriptions look too similar as I was reading
16 the description.

17 CHAIRMAN CROSBY: Like seven and
18 eight, how do you distinguish between seven
19 and eight?

20 MS. BANDA: This particular salary
21 is a -- actually, an agency internal tool, and
22 then taking into consideration the candidate's
23 background, and then taking a look at some of
24 these data points and mapping out the actual

1 job details to determine, actually, the range
2 so -- or for that particular job.

3 MR. VENTOLA: You wouldn't -- you
4 wouldn't look at the -- the jobs within that
5 specific group to determine the nuances. So
6 there's -- although the descriptors are
7 similar, you would look at the content of the
8 jobs that have been approved within that
9 range, and you could see some of the nuances
10 from -- from one range to the next.

11 COMMISSIONER ZUNIGA: But one -- one
12 thing we could easily do, because we have that
13 information, is add some granularity to the --
14 that's still summary level, to some of the
15 descriptions here. For example, the one that
16 Commissioner Stebbins and Chair Crosby were
17 identifying, you know, to -- to call out the
18 differences between seven and eight, for
19 example.

20 MS. BANDA: We can certainly build
21 more detail underneath it for our descriptor.

22 COMMISSIONER ZUNIGA: It's
23 available, it's just not represented here.

24 CHAIRMAN CROSBY: Okay. All right.

1 Any other discussion? I believe we need a
2 votes on this. Commissioner Zuniga?

3 COMMISSIONER ZUNIGA: Sure. I would
4 move that the commission accept and adopt the
5 classification and compensation plan as
6 presented here in the packet today.

7 COMMISSIONER CAMERON: Second.

8 CHAIRMAN CROSBY: Subject to
9 whatever additional --

10 COMMISSIONER ZUNIGA: Yeah, subject
11 to additional I mean -- yeah, subject to
12 reflecting of additional information that's
13 available as -- in order to make it more user
14 friendly.

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

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER CAMERON: Aye.

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

22 MS. BANDA: Thank you.

23 COMMISSIONER ZUNIGA: Thank you.

24 CHAIRMAN CROSBY: Item No. 4,

1 Research and Problem Gambling,
2 Director Vander Linden.

3 MR. VANDER LINDEN: Good morning,
4 Commissioners.

5 COMMISSIONER CAMERON: Good morning.

6 CHAIRMAN CROSBY: Good morning.

7 COMMISSIONER MCHUGH: Good morning.

8 COMMISSIONER STEBBINS: Good
9 morning.

10 COMMISSIONER ZUNIGA: Good morning.

11 CHAIRMAN CROSBY: Speak into the
12 mic.

13 MR. VANDER LINDEN: Yes. Okay. So
14 March is National Problem Gambling Awareness
15 Month. Really, it's a month to highlight a
16 couple things, really. One, highlighting what
17 are -- what are the true impacts of -- of a
18 gambling disorder? What are the devastating
19 effects to gambling disorder? Not only to the
20 individual, but the ripple effects happen to
21 the -- to the family and to the community. I
22 think it provides a good, sobering insight
23 into what those impacts are.

24 It also, and kind of the other side

1 of this, it provides an opportunity to
2 highlight some of the really innovative,
3 amazing work, amazing people that are doing
4 this work. I think that we've seen some of
5 that already this month.

6 Earlier this week Chairman Crosby,
7 Commissioner Zuniga and I went to -- were here
8 in Springfield to -- for a meeting and then a
9 press conference at the Massachusetts Counsel
10 on Compulsive Gambling in the New England
11 Consortium on Problem Gambling, where we took
12 a look at and convened -- or they did, I
13 should say, regulators, advocates, the
14 industry, bringing them together to say this
15 is a common -- a common issue of common
16 concern.

17 CHAIRMAN CROSBY: All the
18 stakeholders. You know, Attorney general was
19 represented, Department of Public Health,
20 mental health from Connecticut. It was an
21 attempt to pull together all the stakeholders,
22 and got pretty good turnout. It was good.

23 MR. VANDER LINDEN: So the -- the
24 theme of that -- of that effort was that

1 gambling disorders has no borders. I think
2 borders, when they're speaking of it, includes
3 differences between all of the different
4 interested parties in this, but it also is
5 geographic borders. It included -- I think
6 the New England Consortium includes members
7 from several New England states. I'm not
8 going to be to remember them all right now.
9 But I -- I think that it, overall, was
10 highlighting the need, and it was call for
11 action to say, we really do need to take a
12 look at this issue. It's something that
13 affects the entire -- the entire region, and
14 what can we do about it? Mark, just give me
15 one minute.

16 CHAIRMAN CROSBY: Trupti. Trupti,
17 are you getting ready to leave?

18 MS. BANDA: Yeah.

19 CHAIRMAN CROSBY: Would you just
20 wait one second, because I may want to ask you
21 something about this next topic?

22 MS. BANDA: Sure.

23 CHAIRMAN CROSBY: Thanks. Sorry.

24 MR. VANDER LINDEN: It's okay. One

1 of the things we've been focusing on here in
2 our relationship with the department of public
3 health is, really, what are the -- the
4 barriers for people to access help? Reducing
5 as many barriers as we possibly can. If
6 somebody is interested -- somebody with a
7 gambling disorder is interested in getting
8 help, making sure that they don't -- they
9 don't have to go -- go exactly to the right
10 person or exactly the right place in order to
11 get that help. And I think that that
12 translates well to the work that's being done
13 by Dr. Sarah Nelson, the Cambridge Health
14 Alliance division on addiction, with their
15 National Screening Day. I'm going to let
16 her -- turn it over to Dr. Nelson, and let her
17 tell you a little more about the National
18 Screening Day and the work that they're doing
19 to reduce barriers for people to get help.

20 DR. NELSON: Thank you, Mark. Thank
21 you, commissioners and chair.

22 COMMISSIONER MCHUGH: Good morning.

23 COMMISSIONER STEBBINS: Good
24 morning.

1 CHAIRMAN CROSBY: Good morning.

2 DR. NELSON: It's my pleasure to
3 share with you the efforts we're making at the
4 division on addiction at Cambridge Health
5 Alliance to prepare for gambling expansion in
6 Massachusetts and promote awareness of problem
7 gambling and gambling disorder.

8 At the division, our work around
9 gambling includes conducting basic research,
10 working to disseminate the most up-to-date
11 gambling research in ways that are accessible
12 to everyone, and engaging in educational and
13 outreach activities that inform the public and
14 behavioral health providers about gambling,
15 gambling problems, and gambling disorder.

16 As part of these efforts, we've
17 provided training to providers within the
18 Cambridge Health Alliance about gambling
19 assessment and treatment for gambling
20 disorders. We also, last year, incorporated a
21 gambling theme into our continuing medical
22 education conference, Addiction Medicine.

23 We've also worked collaboratively
24 with the Massachusetts council on compulsive

1 gambling to provide research luncheons to
2 inform the public about our gambling work.

3 And, finally, we've published for
4 many, many years a free weekly research review
5 called The Wager, which is the weekly
6 addiction and gambling education review, that
7 takes a recent academic article about gambling
8 and summarizes it for a nonacademic audience.

9 Overall, we're calling our program
10 of research, education and outreach activities
11 as they relate to Massachusetts gambling
12 expansion CHARGE, for the Cambridge Health
13 Alliance Readiness for Gambling Expansion
14 initiative.

15 So as Mark said, and you know, March
16 is National Problem Gambling Awareness Month.
17 And during this month, the division, and many
18 other interested key stakeholders around the
19 country, are promoting awareness and education
20 programs to help people understand and
21 identify gambling related problems.

22 One of primary events that we're
23 promoting is our second annual gambling
24 disorder screening day, on March 10th this

1 year. We decided to promote brief screening
2 specifically because it's an extremely
3 valuable public health tool that can make a
4 positive public health impact through
5 identifying people who might be struggling
6 with gambling-related problems, and can also
7 create awareness among providers who might
8 have limited experience with the issue.

9 Gambling disorders are a low base
10 rate disorder in the general population, but
11 at the same, we know that meaningful numbers
12 of treatment seekers of all kinds struggle
13 with this problem. Gambling disorder rates
14 are higher in treatment populations than in
15 the general population, and, most importantly,
16 we know that very few people with gambling
17 problems seek treatment specifically for those
18 gambling problems. So people with gambling
19 problems are most likely to show up in
20 treatment for something else, often substance
21 use problems, mental health issues or physical
22 ailments. That makes screening for gambling
23 disorder particularly important among these
24 treatment providers.

1 Gambling disorder screening day is
2 an opportunity to change the situation. To
3 promote this screening day, we've created a
4 gambling disorder screening toolkit, and for
5 the past two years we've launched a grassroots
6 campaign to recruit supporters and
7 participating organizations to participate in
8 screening day.

9 Last year, the screening day on
10 March 11, 2014 was successful in raising
11 awareness about gambling disorder and
12 promoting screening and other activities
13 across the nation. The proactive support for
14 promoting this day was greater than we
15 anticipated. Many organizations provided
16 meaningful promotional support, and the
17 division was able to recruit many
18 organizations to screen for gambling disorder
19 on screening day and beyond. Partners who
20 hadn't previously screened for gambling
21 disorder identified more than 10 percent of
22 patients as being at risk for gambling
23 disorder in some of their practices, and were
24 able to refer those folks for further

1 assessment.

2 Supporting organizations promoted
3 gambling disorder screening day in a variety
4 of ways, including e-mailing their
5 distribution lists, press releases,
6 news-letter announcements, editorials,
7 distribution of screening resources, public
8 calendar posts, social media announcements,
9 Web page postings, screening magnets and
10 invitations to promote the day at public
11 forums.

12 We've, again, been extremely pleased
13 this year with the way that people have
14 received the idea of a gambling disorder
15 screening day, and several organizations
16 across the country and beyond have worked
17 again to promote March 10th this year as
18 gambling disorder screening day.

19 The organizations so far include the
20 Massachusetts Council on Compulsive gambling,
21 which has organized local providers to screen,
22 and has provided supporting materials. The
23 Bureau of Substance Abuse Services,
24 Massachusetts Department of Public Health, The

1 National Center for Responsible Gaming, The
2 University of Nevada Las Vegas International
3 Gaming Institute, The Association of Problem
4 Gambling Service Administrators, UCLA Gambling
5 Studies Program, New Hampshire Council on
6 Problem Gambling, and the social and economic
7 impacts of gambling in Massachusetts research
8 team at UMASS Amherst.

9 At the division, we've been working
10 directly with several treatment provider
11 groups to help them host their own screening
12 events this year. These groups include, among
13 others, Cambridge Health Alliance outpatient
14 addiction services and psychiatry services,
15 joining us for a second year, the North
16 Charles Institute and the Advocates,
17 Incorporated, also back for a second year,
18 Boston ASAP, the Gandara Center, Mount Auburn
19 Hospital Prevention and Recovery Center,
20 Stepping Stone, and the Behavioral Health
21 Network here in Springfield.

22 Our screening toolkit materials are
23 freely available on our Web site,
24 divisiononaddiction.org, and what we have

1 available are really four tools. The first is
2 an easy-to-read description about what is
3 gambling disorder. It defines gambling, the
4 DSM-IV and five criteria for gambling
5 disorder, and common consequences of gambling
6 disorder.

7 Second, we have a document called,
8 Why Screen for Gambling Disorder? It really
9 provides information about the need for more
10 screening, key stakeholders who might consider
11 adding screening to their practice, and
12 details about what to expect from a mental
13 health screening, and what to do with those
14 results.

15 Third, we have the actual screen,
16 which is the brief biosocial screen. It's
17 only three questions long. And the document
18 we have provides the screen itself and its
19 psychometric properties.

20 And, finally, we have a list that
21 we've prepared of local and national resources
22 that provides resources available from the
23 division, as well as agencies in Massachusetts
24 and nationally.

1 So, really, we just hope that the
2 word will continue to get out and more people
3 in groups will join in on screening on March
4 10th and beyond. And, again, we picked that
5 date because March is National Problem
6 Gambling Awareness Month, and brief screening
7 for gambling disorder is an essential part of
8 increasing awareness and helping people who
9 have gambling problems. Thank you.

10 COMMISSIONER MCHUGH: Thank you.

11 CHAIRMAN CROSBY: Questions?
12 Interest? I couldn't tell, where -- where are
13 the screenings meant to take place? Where --
14 where are you targeting for the screenings to
15 take place? This is what I wanted to have
16 Trupti here for.

17 DR. NELSON: Sure. Really, a
18 variety of places. So stakeholders can
19 include behavioral health providers, primary
20 care providers. Last year, I believe they did
21 a full screening in Plainville as well. The
22 agencies we're working with most directly are
23 substance-use agencies, so they'll be
24 screening all of their patients who show up to

1 that practice on that day. There are other
2 providers who have agreed to incorporate
3 screening more regularly into their practice
4 as well.

5 CHAIRMAN CROSBY: But is it meant to
6 be done by people already in the health
7 business, at the point of health -- in some
8 other health intervention, or are you asking
9 companies to screen their employees and
10 organizations to screen their employees? Is
11 that even plausible? Is that -- is there a
12 privacy issue? I don't know how would that
13 work, but I wasn't quite sure, still, who all
14 you're asking to do this --

15 DR. NELSON: Sure.

16 CHAIRMAN CROSBY: -- or who you'd
17 like to have do this.

18 DR. NELSON: In general, we have
19 focused on treatment providers, but I could
20 see with appropriate training -- again, it's
21 just a three-item screening device. That's
22 simple enough. The training is -- is what to
23 do once you have those results, because it's
24 easy to ask those three questions, and you

1 need to be prepared for what to do once you
2 have a positive screen. But with the
3 resources we've provided, I think anybody can
4 screen and provide those referral resources,
5 including, you know, industry as well.

6 CHAIRMAN CROSBY: Is that something
7 an organization can do, or would you have to
8 offer your employees the opportunity to be
9 screened, if they want to, or could you
10 require them or -- how would --

11 COMMISSIONER CAMERON: No. I think
12 organizations can do it. In fact, I know in
13 my former career with the New Jersey State
14 Police, we did it in-service, an all-day
15 in-service that was -- a big portion of it was
16 dedicated to health and wellness, and we had
17 both a -- an alcohol and a gambling screen as
18 part of that in-service.

19 You know, many, many casinos in New
20 Jersey, and we had -- had an issue where some
21 of our troopers developed an -- a problem, and
22 we included that in a -- in an in-service.
23 And it was a very short, couple of questions,
24 confidential, they didn't have to turn it in,

1 but just self-awareness. So, yes,
2 organizations can, in fact, decide this is an
3 important thing for them to offer.

4 CHAIRMAN CROSBY: So you're not --
5 you're not shaking your head like you think
6 this would be something -- if this is
7 important, and we're saying it is, then it
8 seems like we ought to be thinking about how
9 can we use it ourselves? How can we encourage
10 others? You know, can we encourage people in
11 state government? Should we require our
12 operators to screen their employees? There's
13 a whole range of things we can do to push
14 this, if we want to, and if it's appropriate
15 to do that.

16 MS. BANDA: Again, you know, this
17 would be something I'd have to look into a
18 little bit more, in terms of how that is
19 delivered. As part of a health fair as one of
20 the additional screening that an employee can
21 do voluntarily, sure. Mandate, I'm not -- I'm
22 not sure that, you know, I'm completely up to
23 date on whether we can do that or not, so I'd
24 have to look at that. But as part of a health

1 screening or a training, and then offering the
2 screening, if an employee would like to take
3 that, that -- that is something we can
4 definitely do.

5 CHAIRMAN CROSBY: Well, it seems to
6 me we ought to look into -- and this could be
7 a maybe -- it's a little bit different for a
8 law enforcement agency, but we are partially a
9 law enforcement agency, you see where there
10 would be a premium for state troopers. But
11 maybe this is something we ought to look into,
12 Catherine, with your help, you know, to figure
13 out is this -- you know, where are the rights
14 and wrongs on this, and where the appropriate
15 levels, and then decide whether we want to
16 really be much more aggressive. We can talk
17 to, you know, the state government about
18 making this somehow a practice in state
19 government. Maybe it should be combined with
20 other things. I don't exactly know but -- but
21 there's a tremendous potential for -- for us
22 to move on this if -- if we decide that it's
23 the right thing to do.

24 MS. BLUE: I think it certainly is

1 something that we could talk to our EAP
2 program about --

3 CHAIRMAN CROSBY: Right. Yeah.

4 MS. BLUE: And have available
5 through that. And I think they may already do
6 that. I know Trupti can look into that.

7 CHAIRMAN CROSBY: I think EAP
8 programs are mentioned in your materials.

9 MS. BLUE: Yeah. And I think on a
10 statewide basis we could certainly suggest it
11 to other commonwealth agencies that they --
12 whatever EAP they use, they might want to have
13 this program be available too.

14 MR. VANDER LINDEN: A couple years
15 ago, the National Center for Responsible
16 Gaming also developed what I think is a pretty
17 good, thorough, comprehensive guide
18 specifically targeted towards human resource
19 personnel to be able to implement -- to roll
20 out information and programs about problem
21 gambling, and I think it's another -- another
22 go-to point or document.

23 COMMISSIONER MCHUGH: On a practical
24 level, is there a disincentive to having

1 somebody do this in writing, as opposed to the
2 treatment provider asking the questions
3 verbally?

4 Commissioner Cameron just said that,
5 as part of their in-service day, that troopers
6 were given the form and asked to fill it out,
7 but not required to turn it in. That's
8 another way of dealing -- dealing with the
9 confidentiality piece. So are any studies to
10 show whether you get better results if you ask
11 it, or do what Commissioner Cameron said, as
12 opposed to having name and date and turning
13 the questionnaire in?

14 DR. NELSON: There aren't any
15 studies specific to gambling. What I can tell
16 you is that I believe we've done it both ways,
17 in terms of filling it out versus having
18 someone just ask you the questions. And
19 they're -- you know, it's an empirical
20 question in some ways. They're having
21 somebody actually ask you the questions is
22 more interactive, and they might be able to
23 work more proactively to help hook you up with
24 resources, if you need them. But doing it on

1 your own is a way to raise awareness without
2 having this added burden of disclosing to
3 somebody and being worried about what they
4 might think. So I think both ways would be
5 acceptable in terms of raising awareness.

6 COMMISSIONER MCHUGH: I hear that,
7 but is this question -- well, maybe I'm
8 missing something there. Is this
9 questionnaire -- it has name and date on it.
10 Is this questionnaire designed for the person
11 being screened to turn it into somebody else?

12 DR. NELSON: For last year, for the
13 treatments providers, they did turn it in.
14 So -- so for those treatment providers, they
15 gave it to all their patients who showed up on
16 that day and turned -- the folks turned it in,
17 and they recorded, kind of, an aggregate what
18 their results were in terms of how many people
19 screened positive.

20 COMMISSIONER MCHUGH: Okay. So --
21 so my question is, then, is there any
22 comparative study between that kind of a
23 modality, a written thing you turn in to your
24 treatment provider, as opposed to asking the

1 questions verbally and/or giving the people
2 something that they can fill out and keep to
3 themselves?

4 Confidentiality piece, it seems to
5 me, is what I'm getting at or wondering about.
6 Because this, particularly in a -- in an HR
7 context, it seems to me there's a huge -- may
8 well be a huge disincentive, I don't know,
9 but -- to filling something out and answering
10 these questions yes, and turning them into
11 your employer.

12 CHAIRMAN CROSBY: To your boss.
13 Right.

14 DR. NELSON: Right.

15 COMMISSIONER MCHUGH: And -- and
16 even turning them into your health care
17 providers, it seems to me, may be something
18 that --

19 DR. NELSON: When you ask about a
20 research study, I would suggest that the
21 question has to be, what's the outcome that
22 you want? Because, in terms of just raising
23 awareness and raising personal awareness for
24 people who might be beginning to experience

1 problems and not realize it, filling something
2 out and just keeping it to themselves may be a
3 first step in recognizing those problems.

4 In terms of really proactively
5 hooking people up with treatment, then, within
6 a treatment provider modality, if they're
7 there for substance use treatment, then
8 working directly with their counselor and
9 handing it in, they may be able to be more
10 directly pointed to the correct resources to
11 follow-up. But I see no problem with a
12 confidential screen, if there are worries
13 about people disclosing and not wanting to
14 disclose to somebody like a human resources
15 official.

16 COMMISSIONER MCHUGH: Yeah. I
17 hadn't really gotten to outcomes. I had
18 gotten simply to incentives.

19 DR. NELSON: Right.

20 COMMISSIONER MCHUGH: Or
21 disincentives.

22 DR. NELSON: Right. And I can see
23 that that could potentially be a disincentive,
24 if you're handing it into somebody where you

1 think there might be consequences, for sure. I
2 don't of a specific study.

3 COMMISSIONER MCHUGH: Okay. Thanks.

4 CHAIRMAN CROSBY: Mike, do your --
5 does your organization and the industry,
6 typically, do you have some kind -- I know you
7 watch out for your employees and keep an eye
8 out, but is there any kind of formal screening
9 routinely done by -- by you with your
10 employees?

11 MR. MATHIS: Yeah. You know, I
12 don't know the exact answer to that, and there
13 are others that I will follow-up. I was just
14 listening to the dialogue and curious about
15 the same thing. But I think -- I think the
16 comments of Commissioner McHugh are right. I
17 think we don't do that on site because of how
18 sensitive that issue might be on the
19 workplace. But we're -- we're about providing
20 the resources, third-party resources
21 throughout -- throughout the region. So my
22 understanding is it would be through a
23 referral. And that's -- that's -- the
24 additional protection in our cases, we have

1 strong prohibitions on our customers gaming on
2 our properties so --

3 CHAIRMAN CROSBY: Your employees.

4 MR. MATHIS: I'm sorry. Yeah. We
5 -- we --

6 CHAIRMAN CROSBY: Customers?

7 COMMISSIONER MCHUGH: That's an
8 interesting revelation right there.

9 MR. MATHIS: That's how responsible
10 we are.

11 CHAIRMAN CROSBY: I'm sorry to tell
12 Mr. Murren, there's a weird Freudian slip
13 here.

14 MR. MATHIS: That's right. We're
15 fairly progressive that way. No, but -- no.
16 So we prohibit employees from -- from gambling
17 on our properties. So to that extent, I
18 think -- but, still, the reality exists within
19 the -- in these markets that there are
20 opportunities. So I'll get you some
21 information. Maybe we can kind of help --
22 help with that dialogue.

23 CHAIRMAN CROSBY: Yeah, that would
24 be interesting.

1 DR. NELSON: One thing we can also
2 offer related to that is -- is one of the
3 resources we have is a self-help toolkit
4 available on our Web site, and I know there
5 are other groups that have this. It's
6 completely anonymous, and that is a way for
7 somebody to, very confidentially and
8 anonymously, work through these issues and
9 think about whether they have a problem or
10 not. So that could be a resource that -- that
11 people are referred to.

12 CHAIRMAN CROSBY: Yeah. I mean, and
13 that's -- that's something we could -- we
14 could do and encourage. You know, if it's
15 that kind of a tool, if it's a private,
16 confident -- you know, consciousness-raising,
17 and then offer, as Mike says, third-party
18 support, if necessary -- if you wish, we
19 could -- we could push that really hard. So,
20 you know, I think, you know, between the two
21 or three of you, maybe, let's figure -- we
22 don't got to move between now and March 10th,
23 but for next year, as our ongoing program, I
24 think being a much more active player in

1 promoting this particular step ought to be a
2 part of our whole, you know, responsible
3 gaming strategy. And, you know, we might as
4 well start at home, figure out what we can do
5 that makes sense for us and then we'll market
6 that.

7 COMMISSIONER ZUNIGA: I had a
8 related question, and I know this is the way,
9 you know, it's being done with the monthly --
10 March being the month of raising awareness,
11 but has there been discussion about, you know,
12 conducting these screens more than -- more
13 often, just as I'm -- you know as --

14 DR. NELSON: Yes. Within the
15 behavioral treatment providers that we work
16 with, we have talked with them about doing the
17 screening on a more regular basis with
18 everyone who comes through. I don't know, at
19 this point, who has agreed to that, or who
20 will be continuing to do that. But we always
21 talk about this being a first step to raise
22 awareness, but, really, that screening needs
23 to become a more part of the regular practice.

24 COMMISSIONER ZUNIGA: Right, because

1 I would imagine other substance abuse screens
2 get, you know, applied all the time.

3 DR. NELSON: Yes. And there --
4 there are certainly some substance use
5 treatment facilities and agencies that do have
6 gambling and gambling problem questions as
7 part of -- of their intake. I believe even
8 the BSAS, basic intake for substance use
9 services, has questions about gambling and
10 whether you -- you think gambling's a problem.

11 COMMISSIONER ZUNIGA: Right.

12 CHAIRMAN CROSBY: Great. Other
13 thoughts, questions?

14 COMMISSIONER ZUNIGA: That's great.

15 CHAIRMAN CROSBY: Thank you. Really
16 interesting.

17 COMMISSIONER CAMERON: Thank you,
18 Doctor.

19 CHAIRMAN CROSBY: Thank you for
20 hanging around.

21 COMMISSIONER ZUNIGA: Thank you for
22 being here.

23 CHAIRMAN CROSBY: Yeah. Just got
24 another job, Mark. All right. We are on to

1 Item No. 5, the ombudsman.

2 MR. ZIEMBA: Thank you,
3 Mr. Chairman. Can I ask MGM president,
4 Mike Mathis, Springfield president Mike Mathis
5 and his team to join us up front? And our
6 representatives from Pinck, and I'll turn this
7 over to Executive Director Day.

8 MR. DAY: Thank you, Mr. Ziemba. As
9 we start out, I just wanted to -- to just sort
10 of a little editorial comment. In particular,
11 I want to thank MGM for their work in this
12 process we were -- as we were talking about
13 scheduling and a way to begin that and what
14 might be most productive. We have had a lot
15 of discussion about it, and I think the
16 product that came out, and the time and effort
17 that MGM put into this is well worth the
18 presentation that we'll have today. So thank
19 you, Mike, and your team.

20 MR. MATHIS: And, just for the
21 record, I think I finally complied for the
22 first time with getting our materials into him
23 by Monday afternoon. 5:00 p.m. on the dot, if
24 I remember right. So, hopefully, the first of

1 a -- of a continuing compliance with that --
2 that request.

3 CHAIRMAN CROSBY: Don't let him kid
4 you. Don't let him kid you. You're not on
5 your own in that ballpark.

6 MR. MATHIS: Right.

7 MR. DAY: With that, I know
8 Mike Fitzgerald has been the point for us on
9 this, so I'd like to turn that -- turn it over
10 to Mike, if I could.

11 MR. FITZGERALD: Good morning,
12 Commissioners.

13 COMMISSIONER CAMERON: Good morning.

14 CHAIRMAN CROSBY: Good morning.

15 COMMISSIONER STEBBINS: Good
16 morning.

17 COMMISSIONER MCHUGH: Good morning.

18 COMMISSIONER ZUNIGA: Good morning.

19 MR. FITZGERALD: I'm Mike Fitzgerald
20 from Pinck & Company, the oversight project
21 manager for the Springfield casino project.

22 THE COURT REPORTER: Can he pull the
23 mic closer?

24 CHAIRMAN CROSBY: The mic closer.

1 MR. FITZGERALD: All right. I'll
2 start again. Mike Fitzgerald from
3 Pinck & Company, the oversight project manager
4 for the Springfield casino project. We're
5 here today have MGM give an update of their
6 activities since they accepted their gaming
7 license in November, and also to give a
8 six-month preliminary look-ahead schedule.

9 While the schedule isn't detailed
10 enough for us to make full comments on it,
11 Bill Perry and our scheduling consultant,
12 we've looked at their preliminary -- each
13 activity schedules, and they're on the right
14 track for moving forward. And over the next
15 few weeks we'll be working with MGM looking at
16 their full schedule and we'll be bringing that
17 to you in late spring for review and approval.
18 So I'll turn it over to Mike Mathis to give
19 you an update and introduce a new member of
20 his Springfield team.

21 MR. MATHIS: Thank you, Mike. And
22 thank you, Commissioners. Welcome back to
23 Springfield. I'm -- I'm going to introduce a
24 new member of our team shortly, but I -- we

1 wanted to provide a status update. It's been
2 118 days since the November --

3 CHAIRMAN CROSBY: But who's
4 counting?

5 MR. MATHIS: That's right, but who's
6 counting? 118 days since the November 7th
7 licensing. I checked, this morning, to see if
8 that masters your snowfall in terms of inches.
9 Not quite there yet, but the winter's not over
10 yet as I -- as I've -- as I'm seeing.

11 We've been very active, and this is
12 really an exciting -- for us, a very exciting
13 part of the development process. This is
14 where we go from the campaign and promises
15 made to promises kept, and executing on the
16 project.

17 In terms of the activity since our
18 licensure, just to give you a sense of the
19 agenda -- go ahead, Marikate. Just give us a
20 moment while we get the deck back up. I
21 promise you, it's longer than that. I
22 wouldn't have been bragging about complying
23 with the deadline. There we go. Yeah, this
24 is just a sense of some of the things that

1 you'll -- you'll hear today. I will -- I will
2 start off with some of the activity, leading
3 up too the early construction, and then hand
4 it off to my colleague, who I'll introduce in
5 a moment.

6 We are going to show you some
7 sequencing on our construction, in addition to
8 the update, talk about the construction
9 schedule, and then some of the different early
10 phases of the work. Starting with Enabling
11 Works, and then some of our outreach
12 activities. And then, philosophically, an
13 approach that we're taking on development of
14 this project, which I think will help us
15 deliver on our -- out commitment to really
16 spread the -- spread the wealth in terms of
17 opportunities to different contractors. And
18 that is the construction manager versus GC way
19 to build this project.

20 And then, lastly, Chuck, who you've
21 seen before in this setting, will give you an
22 update on historic commission. And very happy
23 to say we continue to make strides with both
24 the local and state historic commissions, and

1 I think there's a reflection of the effort and
2 the dialogue that we've had, which has been
3 very collaborative, and very happy to give you
4 that update as well. Next slide.

5 A big part of the 118 days, as my
6 CFO's has been telling me, has been shelling
7 out a bunch of -- a bunch of dollars. We paid
8 our \$85 million licensing fee shortly after
9 our November 7th licensing, we've issued our
10 \$52 million construction bond, as required by
11 the gaming act. Over the holidays, we closed
12 on \$50 million of project land, as put forth
13 in our application. This is over, really, the
14 month of December, and it compressed through
15 the holiday season, so we were running two or
16 three closings in a single day. I mean, the
17 logistics of -- as some of what we had to do
18 is a real tribute to the local team and to the
19 owners on the site so --

20 CHAIRMAN CROSBY: How many
21 properties is that?

22 MR. MATHIS: You know, that's always
23 a complicated question because there is
24 subparcels within them. But, you know, I

1 think upwards of 30 or so different parcels,
2 and maybe a dozen to 15 different owners.
3 Remember, we've -- we've closed on a number of
4 other parcels a long the way as well, so
5 that's just the activity since the licensing.

6 In addition, under our surrounding
7 community agreements, we have made our initial
8 payments. So we've made 1.75 million in
9 surrounding-community, upfront payments over
10 that period as well.

11 Additionally, we've -- we've been in
12 front of you, as you know, with a
13 comprehensive diversity plan, which you've
14 reviewed, and I believe at this point have --
15 have signed off on. And really, for me, one
16 of the -- on of the most important parts of
17 early stages of this project is bringing on
18 our initial team.

19 As you mentioned earlier, this is
20 about employment, and I'm happy to say that we
21 have our first five employees of MGM
22 Springfield on the ground. And they're faces
23 that will be familiar to you, and they come
24 from our -- our local office because they were

1 very integral during the campaign as well.

2 And then, general site activity. Go
3 ahead, Marikate. Starting with our hires,
4 Seth Stratton, who I was really pleased to
5 bring on as our vice president and general
6 counsel of MGM Springfield. Again, you've
7 seen him in front of you before. And he is a
8 -- he's -- he's a local. He's a western Mass
9 native, and has deep routes here in the
10 community. So you will see him more and more.
11 I know he's been working closely with your
12 staff. So very pleased to have him on board.

13 Seth and I are joined by four really
14 talented women. Again, all local and
15 regional. Ms. Murren is -- is handling our
16 workforce development activities, and she's
17 joined by Anita Bird, who is working as our HR
18 specialist. Very heavy focus early on on
19 workforce development. So I think that the
20 hires that we've made and the areas that
21 they're focused on are indicative to our
22 commitment to this area. And -- and we
23 believe that's really the key to this project,
24 is making sure that we have local talent and

1 we can bridge any of the skill gaps that exist
2 in this market. Amanda Gagnon, as well as
3 Shalon Brown are -- are part of the team as
4 well in administrative capacity. And we'll
5 continue to update you as we bring on new
6 people as well.

7 The gentleman to my right,
8 Brian Packer, who will be waking you through
9 the construction, 13-year veteran of company,
10 and that makes him a newbie in our company.
11 Many of our people, as you know, have -- have
12 been with us very long time, 20, 25 years
13 plus. I'm really pleased to have Brian out
14 here. He's coming off the City Center
15 project, which is a \$7 billion project. I
16 told him we don't quite have that budget for
17 Springfield, but -- but he has -- as you can
18 see from his resumé, he has developed some of
19 our -- our best and biggest projects in our
20 portfolio and in some really challenging
21 environments. So we're -- we're really
22 fortunate to have him on board.

23 He's currently working out of our
24 corporate development group. And he will

1 be -- shortly becoming a dedicated MGM
2 Springfield employee. He's going through the
3 employee registration process as we speak.
4 But we intend for him to our vice president of
5 development and construction. And he'll be --
6 he'll be walking you through some of the early
7 activities he's had on the site here. Feel
8 free to interrupt. I'm just going to keep
9 going until I am interrupted. Site prep --

10 COMMISSIONER STEBBINS: Mike, on
11 that note, then, let me go back and ask you a
12 quick question.

13 MR. MATHIS: Yep.

14 COMMISSIONER STEBBINS: Any --
15 any -- you talked about the \$1.75 million in
16 surrounding community payments. Any host
17 community payments that you've made yet, or
18 have the timeline for?

19 MR. MATHIS: Yeah. There are.
20 Solicitor Pikula's behind me and he can attest
21 to some of the discussions we've had around
22 this. Shortly after our licensing, we -- we
23 made our \$1 million community grant payment,
24 which was called out for in the host community

1 agreement. And then, we are in the process --
2 I think we also funded \$150,000 towards the
3 Franconia Golf Course Pavilion. That work, I
4 think, starts this spring, and as part of our
5 commitment to the community to provide some --
6 some kind of convention and meeting group
7 space so that we can -- they can leverage
8 the -- the local golf course.

9 Soon, I think there is a -- there is
10 a process for a series of prepayments, as you
11 may recall, of our initial 121A obligations.
12 Those obligations start when we open, but what
13 we agreed to do is to make some of those
14 payments in advance to fund, for example, some
15 of the public safety, some of the police
16 academies and buy fire -- fire equipment.
17 Those payments were to begin -- there's --
18 there's a total of 10 million of those
19 payments over the three years of development,
20 and I think the installments were 4 million,
21 3 million, and 3 million over the first three
22 years. This is a great example of our
23 collaboration between ourselves and the city.

24 What we've discussed with the city,

1 is because of their budgeting -- budgeting
2 constraints, that the first payment, which was
3 due, I think two or three weeks ago, the first
4 \$4 million payment, they asked us,
5 potentially, to push that payments and to
6 accelerate the other two payments, the
7 three -- the other \$3 million payments. So
8 we're working collaboratively to -- to put up
9 a new schedule of payments, where we'll make
10 that first payment later in the fall, and then
11 we'll accelerate the other two to occur
12 earlier. And -- and, you know, again it
13 speaks to our ability to -- to address
14 different issues that may come up,
15 notwithstanding what the agreement says.

16 Site preparation. We are -- we've
17 had extensive tenant coordination meetings.
18 Again, I think one -- as we made the
19 \$50 million closing payments on the land,
20 there was -- there was significant
21 implications with different tenants on the
22 site. And we've been really transparent over
23 the last two years, really, about some of the
24 processes around that. And part of the

1 process includes, not only coordination and
2 information, but one of the implications of
3 the extended campaign and referendum was that
4 it -- it put -- you know, it put some -- some
5 challenges into certainty and planning. So
6 we've been really accommodating, I think, from
7 our perspective. We closed on most of these
8 parcels right around the new year, but we've
9 provided for 60 to 90 days to transition out.
10 And along with that, we've made a series of
11 tenant relocation and lease termination
12 payments to help facilitate those relocations.

13 So Commissioner Stebbins, you might
14 recall in our -- in our HCA one of the things
15 we did is, we incented folks to stay within
16 the downtown Springfield area. What we didn't
17 want to do is displace them and -- and lose
18 some of the -- some of that activity in the
19 downtown. So we provided incentives that, if
20 they stayed and found locations within
21 Springfield first, and then, more importantly,
22 within the downtown area, we would provide a
23 payment towards -- towards relocation and
24 moving. So we've been making a series of

1 those payments based on people staying in the
2 area. We've lost some to other communities,
3 which I guess on balance means that we're also
4 spreading the wealth to our surrounding
5 communities, so that's a win-win as well. We
6 can proceed. And then, with that, let me hand
7 it over to -- to Brian Packer to talk about
8 some of his activity, and I'll stay here for
9 any Q and A.

10 MR. PACKER: Thanks, Mike. Thanks,
11 Mike. Thanks for the opportunity
12 Commissioners and Chair, to be here today and
13 meet you guys, and look forward to dedicating
14 here in the next two, 2-1/2 years of my life
15 in Springfield. I'll be boots on the ground
16 here working under Hunter Clayton and
17 Ken Rosevear. Hunter apologizes he can't be
18 here today, he was -- he's over in Macau.

19 And so, I come here, you know, as
20 Mike alluded to, last project was City Center,
21 \$7 billion, and I think one key thing about
22 that, it was a LEED-certified project. And
23 we're going to be bringing that same LEED
24 certification here to Springfield.

1 I'm extremely excited to be here on
2 this project. There's some really special
3 things going on in Springfield that we don't
4 see all the time in projects that we -- we do
5 build, and one is the -- the historic
6 preservation that we have here, and the fabric
7 you have downtown, and integrating our project
8 with your existing infrastructure. Excited to
9 be here in the community and actually living
10 here, and as well as bringing the jobs that
11 we're going to bring.

12 This is a very complex site.
13 There's a lot going on, as you'll see today,
14 and an extremely aggressive schedule, so we're
15 here today to talk about that schedule. And
16 as Mike alluded to earlier, we've submitted a
17 six-month look-ahead schedule. Today, I will
18 try to boil up some of those details into
19 higher-level summary items.

20 We currently have about 1600
21 activities in the schedule, of which generated
22 300 line items, that's in the details schedule
23 that we submitted. You may be asking when are
24 we going to see your full schedule, and when

1 are you going to give us a look-ahead that
2 captures the entire project?

3 We're looking to -- if we get past a
4 few of these historical issues in the next few
5 weeks, we're hoping to start preliminary
6 discussions with Pinck on -- on that issue
7 mid-March, to hopefully get you a schedule in
8 late spring that we -- both parties here
9 vetted together.

10 So here in this slide, I kind of
11 look at the project as four macro-level
12 projects. And the first thing is, we have
13 Enabling Works. And Enabling, to me, is
14 really all about clearing the site, getting
15 the site ready for what we want to do.
16 Immediately, we'll move into the garage. The
17 garage is very important on multiple levels
18 that I'll get into in a little bit. And then,
19 the hotel podium with a projected opening
20 right now, preliminarily, in spring of 2017.
21 So that is our current target.

22 CHAIRMAN CROSBY: What does the
23 podium refer to exactly? Is that --

24 MR. PACKER: Podium would be the low

1 rise, or the area where the casino would
2 actually be, food and beverage. Everything
3 outside of the tower, essentially.

4 CHAIRMAN CROSBY: Right.

5 MR. PACKER: September of '17.

6 Thank you. So the previous slide had a bar
7 for Enabling. And since that's our immediate
8 concentration right now, and in the six-month
9 look-ahead we gave you, I tried to take what
10 are some of the key points we laid out in that
11 schedule, and put them here at summary level
12 for you. And in the Enabling phase, we're
13 looking at about six different key items.

14 The first is of which we need design
15 help, obviously, especially in some of these
16 structures that will be preserved or portions
17 saved, to make sure that when we're taking
18 down the other portions around them we're
19 doing it in a way that's structurally sound
20 and safe. We need to procure the work. We
21 will get into some details of how we're
22 outreaching to the community on doing that in
23 a little bit. We have tenants Mike spoke to
24 that we're relocating. And then we get to

1 abatement demo, and actually getting the
2 buildings lowered and disposed of, or
3 salvaged, or preserved, depending on the
4 building.

5 I'm sure you're going to be asking
6 me about entitlements. We're working on those
7 not only on a building-by-building basis as
8 we're working through demolition, but we're
9 working on a global basis for the whole
10 project.

11 COMMISSIONER MCHUGH: What do you
12 mean by entitlements?

13 MR. PACKER: Government approvals,
14 the ability for us to move forward with the
15 work. All -- all agencies that we need to
16 coordinate with. And they'll be a detailed
17 slide of some of the more important
18 entitlements here -- here in a little while.

19 MR. MATHIS: And just to be clear,
20 we're not looking for any tax breaks, I know
21 that. If you want to offer them, we'd be
22 happy to take them.

23 CHAIRMAN CROSBY: Signing up for
24 Medicare.

1 MR. MATHIS: That's right.

2 CHAIRMAN CROSBY: So as a practical
3 matter, it means permitting?

4 MR. MATHIS: That's right.

5 MR. PACKER: Essentially, yes. Just
6 as all the levels, state, local, I believe we
7 have a few federal. So that gets to project
8 delivery method. How are we buying out the
9 work for Enabling, and how do we envision
10 moving forward through the project on how
11 we're actually going to contract this work
12 out.

13 There's been a lot of questions
14 related to when are you going to get a
15 full-time general contractor on site? And,
16 currently, our delivery approach is we're
17 actually using a construction management
18 approach for Enabling Works. Tishman
19 Construction has been retained as our
20 construction manager. Other delivery methods
21 for the remainder of project, we have not yet
22 awarded those. But, right now, the
23 construction management approach allows
24 flexibility, as we're looking at,

1 approximately, 19 structures and how to deal
2 with them. And so, it allows us to target,
3 procure the demolition of a couple buildings
4 together, one building at a time. It allows
5 us to -- to react real time to what's going on
6 out at the site. And so, that targeted
7 approach also give more opportunities here to
8 the local community to bid. So we're not
9 going out with one humongous project, we're
10 going out with targeted, smaller projects to
11 get this site moving. And that would,
12 obviously, then help us with our diversity and
13 local participation. It also helps with the
14 phase construction of the work that we're
15 going to end up having, from Enabling, to the
16 garage, to eventually the hotel casino.

17 I think it's important to mention
18 that there will likely be portions here where
19 we will hire a general contractor. For
20 instance, the parking garage lends itself to
21 that, to go out on the street, get a
22 design-build general contractor who does --
23 performs garage-type work all the time. So
24 you're going to see, over time here, we will

1 have a blend of construction management
2 approach and then targeted general
3 contractors.

4 COMMISSIONER STEBBINS: How did --
5 let me ask you a question. I think, when we
6 were going through the licensing process, and
7 this is the condition of the license, and I'm
8 encouraged by the method and the approach that
9 you take, but one of the license conditions
10 was making sure that, again, the old variation
11 of a GC overseeing the whole project, making
12 sure that we sat down with them, making sure
13 you were part of discussion at the table to
14 reinforce, you know, the diversity goals and
15 everything else to the process. So this
16 changes up that license condition.

17 And, Catherine, maybe -- how do
18 we -- how do we fit their model, which I'm
19 encouraged by, into the conditions of the
20 license criteria and making sure we're still
21 all on the same page?

22 MS. BLUE: I'll have to take a look
23 at it to see. I mean, I need to understand
24 what they're doing and then compare it to our

1 licensing conditions. But we can certainly
2 think about that.

3 CHAIRMAN CROSBY: That's a really
4 good point, Commissioner Stebbins. And,
5 certainly, in Plainville, Turner Construction,
6 which is the GC, has really been an aggressive
7 leader in the diversity in local hiring and
8 not having that -- unless Tishman can assume
9 that role --

10 MR. PACKER: Yes. I --

11 CHAIRMAN CROSBY: -- then it's a
12 step removed so it's -- that's a really
13 important link not to lose.

14 COMMISSIONER ZUNIGA: Well, Tishman
15 is not going to hold any contracts, right;
16 you're going to hold the contracts for all the
17 other employer packages?

18 MR. PACKER: It will be our -- CM
19 agency, correct, so they will be joining the
20 signing.

21 COMMISSIONER ZUNIGA: It's a CM
22 agent or adviser. So they'll -- they'll be
23 holding those contracts, so we -- you know
24 we'll be looking to -- to them for all of

1 those diversity numbers directly, as opposed
2 to Turner, which is indirectly in the case of
3 Penn. So I would actually argue that, you
4 know, the MGM team, under this project
5 delivery method, in terms of diversity, is
6 held accountable, you know, firsthand,
7 directly.

8 CHAIRMAN CROSBY: Right.

9 MR. PACKER: And we discussed, last
10 week with Pinck, that I think that we can --
11 with the -- the requirements of a general
12 contractor to track these things, we will be
13 doing the same exact thing with ourselves and
14 Tishman. And so, I would suggest we still
15 have that meeting, still have that requirement
16 just like it was a general contractor, and I
17 think we can fulfill the same goals.

18 COMMISSIONER ZUNIGA: Right.

19 COMMISSIONER STEBBINS: But I -- I'm
20 encouraged by this approach, because I think
21 as -- as you divide up in the project into
22 these smaller chunks, some of the bigger firms
23 out here in western Mass. that a year ago were
24 thinking, what piece of the work could I

1 compete for, now could essentially be assigned
2 a project and be bonded to a capacity to be
3 able to complete that project without having a
4 big GM or construction manager to come in over
5 that so --

6 CHAIRMAN CROSBY: GC.

7 COMMISSIONER STEBBINS: -- I'm
8 encouraged by the approach.

9 MR. PACKER: Thank you. And really,
10 you know, at a summary level, this just gives
11 us more control, we believe the best product,
12 and increased community participation, so it's
13 working for everybody involved. Can we go
14 back just one slide? Thanks.

15 So as -- as we look at the site
16 today, I wanted to give you a few images of
17 kind of how I see the site and how we look at
18 how we're going to attack getting things
19 moving. So here, early in the Enabling Works,
20 there's two colors with the buildings that
21 we're generally going to look at dealing with
22 early here. And yellow is the first building
23 we would -- we would like to take down, and
24 that's the Howard Street school. The yellow

1 fencing represents Phase 1 fencing, and the
2 red structures are what we're currently
3 phasing in for the demo patch -- packages
4 coming forward.

5 So as we look at the site today,
6 this kind of gives you an idea of, hey, here's
7 all the boxes we needed to start addressing
8 now and thinking about the next six months.

9 MR. MATHIS: Hey, Brian, I was just
10 going to remind the commission, the Zanetti
11 school is one of the buildings that was
12 heavily damaged by the June '11 tornado, so it
13 has not been inhabited since that tornado, and
14 I think it's close to being condemned on its
15 own. My understanding, there's been some FEMA
16 money attached to -- to relocating some --
17 some of the services that were previously in
18 that building, so that's a -- that's a very
19 natural one to start with, and it's part of
20 reason we located the garage footprint over
21 that location.

22 MR. PACKER: And so, we go over to
23 the next slide, you'll see, once we get the
24 site cleared, where the garage fits in, and

1 it's right there at Zanetti, like Mike said.
2 And so moving -- so that the Enabling Works
3 are really what the six-month look-ahead's
4 about. It's about starting the garage and
5 being able to do that. And then, the detail
6 that we're going to lay in here in -- in the
7 spring will show you the schedule to get us to
8 our casino, hotel development so --

9 CHAIRMAN CROSBY: Brian, you talked
10 about four big buckets, and ending in hotel
11 and podium.

12 MR. PACKER: Yes.

13 CHAIRMAN CROSBY: What about all the
14 other stuff, when is that --

15 MR. PACKER: At a macro level, it's
16 four big buckets to us, but all the other
17 stuff, retail, residential, that will all fill
18 -- fill in at the podium schedule.

19 CHAIRMAN CROSBY: Okay.

20 MR. PACKER: And then, we obviously
21 have some off-site buildings that we're also
22 doing, but we -- we will fill that detail in
23 in the overall schedule.

24 CHAIRMAN CROSBY: Okay. All right.

1 But podium includes -- is everything but the
2 hotel, it sounds like? The tower.

3 MR. PACKER: Yes. We kind of look
4 at it, you know, in terms of the -- the super
5 structure tower. That will come out of the
6 ground, and then we will in-fill with a
7 podium.

8 CHAIRMAN CROSBY: Because the plan
9 is to open everything at the same time; you're
10 not phasing the openings?

11 MR. PACKER: That's correct.

12 MR. MATHIS: Yeah, important
13 distinction, Mr. Chairman, the phasing of
14 construction is different than the single
15 opening of all the components.

16 CHAIRMAN CROSBY: Right.

17 MR. MATHIS: Which recommended to
18 do.

19 COMMISSIONER ZUNIGA: Well, no, you
20 will open the garage first. You know, to be
21 fair.

22 MR. MATHIS: Yeah, that's right.
23 Very -- very, very correct.

24 COMMISSIONER ZUNIGA: Which is

1 important to everybody, including us.

2 MR. MATHIS: Exactly. Yeah,
3 we've -- we've since closed down the surface
4 lots. That was part of the site preparation.
5 I'm going to take this opportunity to beat up
6 on Rob Rizzuto down the -- down the way,
7 because he said it was going to be a chaotic
8 scene downtown, and I think we handled it
9 quite well. So -- but that is correct, part
10 of the commitment is to turn it back over to
11 the public when we can following completion.
12 That's subject to construction workers parking
13 there, and some of the safety considerations
14 as well.

15 CHAIRMAN CROSBY: Right.

16 MR. PACKER: So on the schedule,
17 we've provided a six-month look-ahead that has
18 plenty of detail on the Enabling Works.
19 Earlier in the presentation, I showed you a
20 roll-up slide that had these activities in it.
21 What I try to do is, we will scroll through
22 here and -- and not cover every line item, but
23 I have three slides that boils up a lot of the
24 detail that's in here to what I think you'll

1 be interested in.

2 So I will say that this is organized
3 in some major categories, and it's about
4 getting project management in place. It's
5 about, in the next six months we're obviously
6 looking at Enabling. And we spoke about
7 design procurement, tenant relocations,
8 abatement demo. We do have some line items in
9 here, the parking garage, the hotel tower, the
10 podium residential, and some of the off-site
11 activities, just to understand long-lead items
12 right now.

13 For instance, elevators, what do we
14 want to be looking at that we procure them far
15 out in advance that we'll make sure there here
16 when we need them? And so, those major
17 categories tie in to what you see in the
18 detail here. But in a few slides, you'll see
19 my roll-up of specific demo activities and
20 some of the outreach items we're doing. So
21 we'll -- we'll scan through this here, on
22 these 10 pages, and I'll show you a few slides
23 of the detail.

24 MR. MATHIS: Yeah. I think this is

1 not meant to be legible, or a working document
2 for this group. It's just meant to indicate
3 the type of dialogue and the documentation
4 we're providing to your staff and -- and to
5 the Pinck consultants. And that -- that we
6 will continue to provide.

7 COMMISSIONER ZUNIGA: Brian and
8 Michael, who is Schedule Solutions working
9 for, Tishman or you?

10 MR. PACKER: Tishman.

11 COMMISSIONER ZUNIGA: Tishman.

12 MR. PACKER: Yes. So one of the
13 first things, obviously, to deal with on the
14 schedule is we have to hire some
15 subcontractors, and community outreach is very
16 important.

17 So the way we've been approaching it
18 in Enabling Works is, we have specific scopes
19 of works. So, for instance, we have to put up
20 a site fence we're going to be looking at
21 abatement or demolition of the buildings, and
22 so we've been scheduling community meetings,
23 one-on-ones with the contractors.

24 We put a -- a blast notification out

1 through the press and through our contacts at
2 the unions and the chamber of commerce, and we
3 let our network know, hey, if your interested
4 in performing, for instance, site-work or
5 site-fence activities, we'll schedule you for
6 a half hour when you come down, you'll meet us
7 one on one, Tishman and the subcontractors.
8 We'll get your information, and we'll also
9 walk you through the prequalification process.

10 And within about five to seven days,
11 the prequalifications forms come back, we
12 review those, and when we have a qualified
13 list of bidders, we will be going out to bid.
14 This has worked very well for us in the first
15 two meetings. The demo and abatement meetings
16 have resulted in 20-plus qualified contractors
17 and subcontractors for this work. And I'll
18 speak a little bit about, hey, how do you --
19 you know, for the Zanetti school we're not
20 able to just go out and take 25 bids, per se,
21 but how do you involve all 25 qualified
22 bidders? And that's where we get into the
23 sequencing of this work, and we look to have
24 approximately, eight demo packages, if not 10,

1 and each one of those bidders will get a
2 chance, you know, for two or three packages to
3 be involved in this project. So we're --
4 we're really trying to consciously spread the
5 wealth or give everybody an opportunity here
6 for those vendors that are qualified.

7 COMMISSIONER ZUNIGA: Is that
8 eight --

9 CHAIRMAN CROSBY: I'm sorry. No, go
10 ahead.

11 COMMISSIONER ZUNIGA: Is that eight
12 for the Zanetti, or for everything?

13 MR. PACKER: That's -- if I look
14 at -- I have, approximately, 19 structures to
15 bring down --

16 COMMISSIONER ZUNIGA: Yep.

17 MR. PACKER: -- it's -- those 19 are
18 packaged up into eight --

19 COMMISSIONER ZUNIGA: Okay.

20 MR. PACKER: -- packages. And we're
21 still working out, you know, if it's going to
22 be eight or nine or -- t it's -- it's meant to
23 make the implementation of this a little -- a
24 little more targeted, as well as give

1 opportunity.

2 COMMISSIONER ZUNIGA: And spread the
3 wealth.

4 MR. PACKER: Yes.

5 CHAIRMAN CROSBY: I agree with
6 everybody. I think it's great to be doing
7 this, and I know I'm serving you up a softball
8 here, but is there an appreciable diseconomy
9 of scale or -- to do it in smaller piece? I
10 mean, there can be a huge diseconomy of scale,
11 you wouldn't be doing it. But -- or is there
12 actually, because you got so many competitive
13 bidding steps, is there -- is there an economy
14 of scale? I don't -- which way does it work?

15 MR. PACKER: You know, I look at it
16 as, if you look at how the process has to map
17 out from the amount of environmental surveys
18 that have to take place, some of these
19 structures still have occupants in them, it
20 works out, logically, from just the schedule
21 standpoint. And we have to get the work
22 moving, and we have a lot of work to do. And
23 so, the minute it's there in front of me I
24 want to go burn it off. And that's what we're

1 trying to do here.

2 It does allow you to, when you're
3 meeting with bidders and talking about the
4 scopes, it allows you to drill down into the
5 detail. So, if I'm only talking about one
6 building with three or four bidders, we gain a
7 lot of knowledge just on that building. If I
8 was going out and just talking about 10
9 buildings, we may not get into the complete
10 detail very good. So the buy is a little more
11 specific, and, hopefully, is less change
12 orders at the end of the day.

13 CHAIRMAN CROSBY: Interesting.

14 MR. MATHIS: So you can tell that
15 Brian's new to the team and I haven't coached
16 prior, because he didn't do merely enough with
17 that softball. But I think -- I think if you
18 look at -- if you look at our project and the
19 different components of it, there are aspects
20 of it that lend itself to this approach. And
21 I think the demo of the individual buildings
22 are -- are one of those because we can tackle
23 them on a parallel track. But this overall
24 approach, and to answer your question, I think

1 there are, as Brian mentioned, the garage, for
2 example, is going to be a general contractor
3 because it's a single, continuous project.
4 But I think this approach, generally, we're
5 going to take throughout the site.

6 And one is, I think, the capacity of
7 western Mass and the -- the need to pool
8 resources and not tax any single, large
9 contractor with -- with a project of this
10 size, but it is also part of our commitment to
11 the project. And there may be, in certain
12 cases, some -- some diseconomies of scale
13 but -- I look at it more as -- on the
14 administrative side, and Brian will speak to
15 this, but this approach is very labor
16 intensive from our side.

17 You know, the CM approach where
18 we're also -- part of the contract
19 administration means that Brian and our
20 in-house staff are, in this case, meeting with
21 a series of subcontractors over very --
22 relatively small scopes of work, because we
23 want to make sure that there's not a single
24 large contractor that brings his -- his usual

1 team to a bid and exclude some of the others
2 that normally wouldn't be available to -- to
3 bid on a project like this.

4 So, you know, we'll report on that
5 as we -- as we go forward, but it does
6 represent a different way to do it, and a
7 pretty substantial commitment on our part.

8 MR. PACKER: And so, the outreach
9 meetings we have scheduled in March, we have
10 mass excavation coming up, underground MAPs
11 and site utilities, foundations and
12 waterproofing. So these are the type of
13 trades we're going to be talking to here, over
14 the next month, about the scope that'll come
15 up after we get these buildings demolished.

16 CHAIRMAN CROSBY: Brian, excuse me.
17 This is something that Commissioner Stebbins
18 has really worked on a lot, and it just -- to
19 say it again, we've learned, you probably know
20 this, that the time to make sure you get
21 diversity commitments is in advance of
22 contracting with your subs, you know.

23 MR. PACKER: That's correct.

24 CHAIRMAN CROSBY: If teams come in,

1 they've got their standard crews, you're going
2 to hit resistances six ways from Sunday. But
3 getting -- getting the process starting really
4 early on, you know, including the meetings
5 where you're sitting now down with your
6 bidders, making sure that the -- your -- your
7 employment objectives are -- I'm sure they
8 are, but I'm just -- on the table.

9 And we've learned a lot of in this
10 process that maybe you already were aware of,
11 of where the critical juncture points are, and
12 the critical leverage points are, and it's in
13 the sembling of the -- of the subs, and
14 getting the commitments from the subs, where
15 there can be either real resistance or real
16 action. So, hopefully, that's incorporated
17 into your thinking as you're putting these
18 teams together.

19 MR. PACKER: Yes. The greatest
20 point we have leverage is before we sign these
21 guys up. And before we sign them up, they
22 need to understand all of these requirements
23 and know that they have to comply. And we've
24 seen this before, and in certain communities.

1 When I went down to Beau Rivage, in
2 Mississippi after the Hurricane Katrina, they
3 were averaging about 6-percent minority,
4 women-owned business participation. And we
5 were able to get that over 20 percent, but it
6 was a cultural shift and you have to get in
7 early.

8 CHAIRMAN CROSBY: Right.

9 MR. PACKER: Because, once they're
10 signed up, if they weren't planning on doing
11 it, it's very hard to get them to do it. So
12 we're having those conversations now with
13 them --

14 CHAIRMAN CROSBY: Great.

15 MR. PACKER: -- before they get
16 actually contracted.

17 CHAIRMAN CROSBY: Great.

18 MR. MATHIS: And if I can just add
19 on to that, because this is an important
20 point, we plan to get compliance both -- both
21 philosophically, but also contractually. So
22 we're going to flow down our requirements
23 through the diversity plan that you approved.

24 CHAIRMAN CROSBY: Great.

1 MR. MATHIS: I think we're not quite
2 there in terms of a template. These early
3 works are, you know, low -- low labor
4 intensive so to speak. But we're getting
5 close to finalizing our project labor
6 agreement, which will speak to our union
7 obligations.

8 I think, coupled with -- with our
9 own internal diversity plan obligations, we
10 will make those exhibits to our -- our
11 template contract. We're not quite there yet,
12 but as you can see from some of the earlier
13 contractors that we're talking to, they're
14 both local MBE. So even on these earlier
15 works, where we don't have a formal system,
16 we're very conscious of some of the overall
17 goals.

18 CHAIRMAN CROSBY: Great.

19 MR. MATHIS: And -- and overall, we
20 have a requirement to hit -- to hit the best
21 efforts towards the targets that we talked
22 about for the overall project, so we're very
23 mindful of that.

24 MR. PACKER: Okay. So on the next

1 slide, getting into entitlements, we're going
2 to talk about permits and some entitlements
3 here. And this really goes to what I spoke
4 about earlier, when I see that 10-page,
5 six-month look-ahead, what -- what's really
6 important to me as I sit here today, and
7 trying to get across to my team what's coming
8 up and what do we have to be pushing on.

9 And in this slide you can clearly
10 see targets for demolition permits. We're
11 going to be very busy here right up through
12 July trying to get this site moving. And
13 there's a ton of work to be done. These are
14 our targets. This is what we're working
15 towards right now. And this just kind of
16 gives you an idea of what -- of what we're
17 shooting for and how much we actually have to
18 do here.

19 At a macro level, some of the
20 entitlements we are tracking, and this is
21 going to be a good segue to Chuck, a lot of
22 folks say, hey, when we going to see your --
23 the final plan for approval or -- right --
24 planning board, I'm sure is interested. Right

1 now, we are -- we have a couple of historic
2 issues we're trying to work past. Once we get
3 that information, then we can finish setting
4 certain footprints, depending on what happens
5 with certain buildings, and then we are going
6 to be moving on this list very quickly. There
7 are some more of these in the schedule, but
8 just trying to roll up, just our thought
9 process. Let's gets it on, let's start
10 tracking it, and we have individuals assigned
11 to tracking these down.

12 So with that, Chuck will --
13 actually, you know, I have one more slide, I'm
14 sorry. I'd like to talk about it. You know,
15 kind of -- we took you in this presentation
16 here, from the highest level of, you know,
17 Enabling Works, garage, casino, hotel and
18 podium, and then we talked about the Enabling
19 phase, and then the six-month look-ahead,
20 which is even more detail underneath the
21 Enabling phase.

22 We drill down, then, into the demo
23 of the structures, and the target dates I have
24 for those. And then, this last slide is the

1 first structure I'd like to take down. And
2 so, we then go and track each one of these
3 before this given structure, make sure that
4 when we're talking it down all the check
5 marks -- all the boxes are checked. And here
6 we -- we have our DP -- DEP notification plea.
7 The utility releases, we expect to get those
8 here, all of them 'em in March. We have some
9 of them already. And then, the last kind of
10 entitlement piece we're looking to cross is
11 the Massachusetts Historical Commission
12 approval for taking Zanetti down. And so
13 that's kind of -- I believe that'll be our
14 last hurdle here.

15 And, with that, I'll -- I'll turn it
16 over to Chuck, because he's going to update us
17 here on the historic commission.

18 MR. IRVING: Good morning.

19 CHAIRMAN CROSBY: Good morning.

20 COMMISSIONER MCHUGH: Good morning.

21 COMMISSIONER STEBBINS: Good
22 morning.

23 COMMISSIONER ZUNIGA: Good morning.

24 COMMISSIONER CAMERON: Good morning.

1 MR. IRVING: Chuck Irving,
2 president, Davenport Properties. Why don't we
3 just start with the lead. If you go back to
4 Brian's schedule, you can see that we're
5 anticipating getting approvals on historic
6 state and local by the end of April, and
7 demoing buildings in early summer. Based on
8 what our counsel has said, as well as yours,
9 the entitlement process could actually go
10 longer than six months from today to achieve
11 that, which would disrupt our schedule.

12 So, Chairman Crosby, you said at the
13 beginning, you might be willing to help us on
14 some things. And I think that will be an
15 issue that we'll be looking for help on. I
16 don't anticipate any problems right now, but
17 if we do hit a roadblock, as you know we're
18 trying to achieve this balance between
19 historic preservation economic development.
20 And, at some point, you know, we're going to
21 have to make a decision on which way to go on
22 some matters.

23 Our relationship with the
24 Springfield Historic Commission has been

1 fantastic. I looked back at e-mails last
2 night, and I realized that we began with them
3 in 2012, so we have had a lot of discussions
4 with that group. The buildings under
5 consideration back then ranged from 16 to 18.
6 We're down to four our five issues right now,
7 and I think that's amazing progress.

8 Tonight, Brian and I go in front of
9 the historic commission, and what we've done
10 with the historic commission since our last
11 meeting with you is get into the gritty
12 detail. We've gone into the buildings, and
13 we've looked at the structures themselves, and
14 we brought it all the way down to window
15 moldings that we might be saving.

16 The historic commission aggregated
17 their comments in our previous meeting, we've
18 listened to them. Our design team in Vegas
19 has responded, and tonight we're going to
20 present our response to that. And what we're
21 hopeful, is that we reach agreement with them
22 on every issue so that we then can go to Mass.
23 Historic and say, it's time to put our
24 agreement together.

1 There are four bodies that
2 participate in this. It's the Springfield
3 Preservation Trust, which is an advisory,
4 Springfield Historic Commission, the Mass.
5 Historic Commission, and the gaming
6 commission. Based on our interpretation, you
7 do have a very large role, and a large say in
8 this process, and so I think our final
9 presentation will be to you saying this is
10 where we are, and this is where we feel this
11 project should go.

12 I think MGM's commitment to historic
13 preservation here is phenomenal. As a non-MGM
14 employee, I can absolutely say that. I was in
15 the Zanetti school the other day with the
16 Tishman folks putting pieces of tape on the
17 pieces of wood we are going to save. And that
18 is not something that's required, that's not
19 what Jim Murren told us to do. And we're
20 excited about doing that, and we're going to
21 do that on every building. And we just hope
22 we stay on schedule while we do that.

23 COMMISSIONER STEBBINS: I do want to
24 compliment you. I know the story got passed

1 around to all of us about your effort and the
2 effort of the local historic commission to
3 kind of get out of the conference room and go
4 around and actually see these buildings
5 firsthand, and see the condition they were in,
6 and talk through a number of the issues. So I
7 applaud both you and the historic commission
8 for taking the walking tours.

9 MR. PACKER: I applaud them because
10 they went on several floors that I would not
11 go on. So they're a very dedicated group of
12 folks, and the fact that they would hold a
13 quorum in the middle of a workday and walk
14 away from their jobs and do that is just
15 amazing, and they've been a pleasure to work
16 with.

17 COMMISSIONER STEBBINS: Is the --
18 the resolution of the final location of the
19 church been -- the one you're going to move
20 somewhere, been resolved?

21 MR. IRVING: We have resolved it.
22 And in deference to the historic commission,
23 I'd love to present it first to them tonight.

24 COMMISSIONER STEBBINS: Sure.

1 MR. IRVING: But we have resolved
2 it. And I think Brian and I will be revealing
3 a lot of things tonight. And given the way
4 this process works, I'd love to tell them
5 first and then have it filter up to you. I
6 know Mike will be there with us, so he will --
7 he will share everything that happens this
8 evening.

9 MR. MATHIS: You know, one of the
10 things I was going to comment -- comment on
11 is -- and it speaks to the slide that's up on
12 the screen. You know, Chuck has been really
13 fantastic. He's been our -- our man on the
14 ground working with the local historic
15 commission.

16 But what the slide speaks to is,
17 there was a considerable -- considerable
18 amount of energy spent around the Union House
19 issue, because there was a night, reportedly,
20 that President Polk spent there in 1847. It
21 is now the Glory -- Glory shoe store that you
22 see up on the screen. But what we learned,
23 and what Chuck was great about doing, and
24 along with the historic folks is, a number of

1 people that were fighting to preserve that
2 building had not been in the building, so we
3 got them out on the -- on the ground, you see
4 that tour that -- that took place. And,
5 really, once you get into these buildings,
6 many of them are not salvageable, and
7 certainly have no tie back to the historic
8 moment that -- that people play some emotion
9 around.

10 So we've -- we've made considerable
11 strides. And I really want to thank the local
12 historic commission for abandoning their call
13 to -- to preserve Union House, after having
14 done the tour.

15 What spoke -- what Chuck spoke to in
16 terms of potentially needing your assistance,
17 and maybe it's a little bit premature is,
18 while we feel that we've made great strides
19 with the -- with the local historic
20 commission, I think our sense is that the
21 Massachusetts Historic Commission would be
22 rather deferential to -- to the efforts that
23 we've had with the -- with the local
24 historical commission. And we want to make

1 sure, to the extent that that's not the case,
2 that we -- that we can collaborate the same
3 that we have done with the locals, to make
4 sure that we're able to maintain our schedule
5 and -- and execute on many of the compromises
6 that we've made out on the site. So we're
7 confident that we can get there. I think,
8 Chuck and -- we just need to extend our
9 dialogue. We've been so focused with the
10 local historic commission, I think we need to
11 focus our job a lot now with the state, and
12 partnership with -- with Springfield.

13 I think, with that, we're -- we are
14 complete with the update. Happy to answer any
15 we questions you have, and we'll continue to
16 provide these updates. But we're very
17 excited. I'm certainly excited to have Brian
18 here, because this is when the activity really
19 starts on the site, and people can -- can
20 start to realize what it is that we're going
21 to do in terms of construction, employment and
22 -- and vendor opportunities.

23 CHAIRMAN CROSBY: That's great. Any
24 other question or thoughts or --

1 COMMISSIONER MCHUGH: No. I echo
2 that. I think this is very exciting. I think
3 the progress that you're making, the detail
4 that you're using, the approaches that you're
5 using to fulfill the conditions, the license
6 conditions and keep this moving are -- are
7 really terrific. This is a very exciting
8 project, and this project looks very good. I
9 mean, this progress looks very good so it's a
10 good report. You're still going to preserve
11 the doors for the school, right?

12 MR. MATHIS: I'll defer to Chuck on
13 that. But I think we're talking about using
14 the doors of our apartments?

15 COMMISSIONER MCHUGH: Yeah.

16 MR. MATHIS: I know you liked that
17 idea since we sold it to you, better -- better
18 deliver on that. Are we still able to do
19 that, Chuck?

20 MR. IRVING: We are going to
21 preserve the doors. And we discovered this
22 week, that about half of them are a golden
23 pine that is not available anymore. And so,
24 they're very valuable doors, and we're

1 absolutely going to preserve all of them.

2 CHAIRMAN CROSBY: That's great.

3 COMMISSIONER MCHUGH: Gets better
4 and better.

5 CHAIRMAN CROSBY: You know, it's --
6 I know there's two sides to every story, and
7 there's still issues and so on and so forth,
8 and we are not on the last stop on the way,
9 the historical commission is their own
10 independent agency. But having said that,
11 we've all said this before, as an objective
12 observer just looking at it, I just think
13 you've been sensitive to historic preservation
14 to a degree that, in my experience, is
15 unprecedented.

16 So, hopefully, this -- you know,
17 you'll get your fair due for it. And, as I
18 said, I understand there are issues and so on
19 and so forth, but I -- I think it's amazing
20 that you've been as sensitive as you have to
21 an area which is desperate, you know. So I --
22 I really credit you for that.

23 MR. MATHIS: Thank you.

24 CHAIRMAN CROSBY: All right. Thank

1 you very much.

2 MR. PACKER: Than you.

3 MR. IRVING: Thank you very much.

4 COMMISSIONER MCHUGH: Thank you very
5 much.

6 CHAIRMAN CROSBY: Yeah, let's get --
7 I know we're close to lunch, but let's take a
8 little break anyway. We'll be back as close
9 to five minutes as we can.

10

11 (A recess was taken)

12

13 CHAIRMAN CROSBY: All right. We are
14 reconvened at about quarter past 12.

15 MR. ZIEMBA: Thank you,
16 Mr. Chairman. Mr. Chairman, there was just
17 one further item that I think that the MGM
18 team wanted to bring up or emphasize. We've
19 been working in tandem with the MGM team
20 regarding the Viaduct schedule. And they just
21 wanted to provide just a little bit of
22 additional detail regarding some recent
23 developments.

24 MR. IRVING: So in previous meetings

1 we've discussed that the Viaduct schedule was
2 aligned with MGM. Both schedules were
3 targeted for completion on September 2017. As
4 you may remember, the Viaduct is, basically,
5 the repair of the highway that goes along the
6 major business area of the city. DOT informed
7 the other day, that their schedule is now
8 2018, July. This is something that we all
9 need to take -- pay a lot of attention to
10 because it affects the exit ramps that abut
11 the site. And the idea of opening the casino
12 without exit ramps is a concern. John and I
13 attended a meeting with DOT last week, and
14 they assured us that that will not happen,
15 which was good.

16 CHAIRMAN CROSBY: That what will not
17 happen?

18 MR. IRVING: That -- that there will
19 be exit ramps open in 2017. Bruce, I know
20 you'll know this, what they're telling us is
21 there will be a temporary ramp as you're going
22 southbound that gets you onto Route 20. And
23 then, for people coming off of 291, you can
24 take the Dwight Street exit. And then, if

1 you're going northbound, you can take some of
2 the earliest -- earlier Columbus Ave. exits.

3 That may work, but there's no reason
4 to guess about it, so John and I have decided
5 to put together a model using the state's
6 consultant, as well as ours. And once we all
7 agree on the assumptions that go into that
8 model, such as, will there only be one lane
9 open on 91 at that time? We'll see if it
10 works. As you know, MGM's visitors will spike
11 the first month that we open. And so, the
12 last thing we want to do is have a bad
13 headline that goes with this opening.

14 I can tell you that DOT is working
15 hard with us on this. They fully acknowledge
16 this issue, and they've been good to work
17 with. But I think the results of that model
18 that we put together, that we'll probably
19 report to you within four to six weeks, will
20 tell us whether we can open on that 2017 date
21 or not.

22 MR. ZIEMBA: Mr. Chairman, one thing
23 I wanted to add is that the exact -- the
24 specifics of schedule and -- and how the

1 project is going to proceed, that will --
2 that'll come after the bids are -- the bids
3 are awarded, excuse me, and they'll work
4 directly with the contractor that's involved.

5 And, as Chuck mentioned, DOT has
6 been focusing on this issue. They're very
7 well aware of our schedule. And in my
8 communications with them they've said, hey,
9 look, we are taking a look at this at the
10 absolute top levels of management. So we
11 have -- we have every confidence that we're
12 going to be able to work with them going
13 forward on all of these concerns.

14 CHAIRMAN CROSBY: Well, do you have
15 any idea -- I think I asked John this, but
16 where -- where did this come from, all of a
17 sudden out of the clear blue sky? It's not
18 like 60 days, or 90 days, or 15 days. It was
19 10 to 12 months.

20 MR. IRVING: You know what, I'd
21 rather let DOT speak on that, but I'm hearing
22 it came more from the trades than from
23 government, and that they just needed more
24 time to prepare their bids. And, obviously,

1 DOT wants to orchestrate the most competitive
2 bid process possible. But I don't know where
3 it came from, and I think it's water under the
4 bridge because it was supposed to be awarded
5 last year. It wasn't. We're expecting the
6 award to occur in April.

7 And one of the things that makes it
8 difficult, especially for Brian, is telling
9 you what our schedule is going to be until we
10 see what they're doing, because I can't tell
11 you when we can bring precast concrete
12 underneath the highway to get to our parking
13 garage, until I see how they're working out
14 their demo schedule, or I can't tell you when
15 we can close Union Street to redo the
16 utilities, until we know that we can close it
17 off without impacting their construction. And
18 they're telling us that they can't respond to
19 that until they actually hire a contractor and
20 work out those details with the contractor.

21 So Brian's ability to report to you
22 on schedule is deeply impacted by their
23 selection of a contractor. And our timeline
24 on reporting to you on a lot of those issues

1 will be delayed by that.

2 COMMISSIONER MCHUGH: Well, I mean,
3 isn't is it possible to work both ways on
4 this? It seems to me that all this is highly
5 plastic at -- at the moment. And isn't it
6 possible to, for example, and I say this
7 knowing nothing, about -- but that's never
8 stopped me, isn't it possible to come up with
9 what an ideal, a good schedule for you would
10 be, and show that to them so that as they are
11 working to with their contractors they can
12 take that into account? And then, if you have
13 to make adjustments, yes, you make
14 adjustments, but then you know where you're
15 coming from as they're making their detailed
16 arrangements with their contractors.

17 MR. IRVING: No. I like the word
18 you used, "plastic." Because we're so early
19 in this process that we're all -- we all have
20 the luxury of sitting down and saying, what's
21 the best way of doing this?

22 District 2 is running this.
23 Al Stegman from District 2 is the guy in
24 charge. And Al has been very gracious about

1 making his whole team available to work on
2 that.

3 COMMISSIONER MCHUGH: Right.

4 MR. IRVING: So -- and MGM is also
5 funding the model that we're going to put in
6 place. I can tell you, it's a top priority
7 for us. You know, if you ask me what are my
8 major concerns I lose sleep at night, this has
9 now become one of them.

10 COMMISSIONER MCHUGH: All right.

11 CHAIRMAN CROSBY: No kidding.

12 COMMISSIONER ZUNIGA: And that's a
13 question that also we -- you alluded to this,
14 John, that everybody has of DOT. You know, if
15 -- do you know if they're bidding without
16 alternates to do at this point, to look at
17 sequencing or different alternatives?

18 MR. ZIEMBA: Well, they have some --
19 they have some tools that they can use to
20 expedite the progress of this project.

21 COMMISSIONER ZUNIGA: Yep.

22 MR. ZIEMBA: That's the way it's
23 being bid. But part of the negotiations of
24 their final contract will involve sequencing

1 and other types of issues that will
2 necessarily --

3 COMMISSIONER ZUNIGA: Shifts and --

4 CHAIRMAN CROSBY: Right. Yeah.

5 COMMISSIONER MCHUGH: Right.

6 MR. ZIEMBA: -- necessarily come
7 after the award -- or opening of the bids,
8 excuse me.

9 COMMISSIONER MCHUGH: So it's
10 important to know that this is out there as an
11 issue, but it's too early to make any
12 definitive plans or -- or even particularized
13 alarms.

14 CHAIRMAN CROSBY: But -- but I think
15 we're -- I think everybody's thinking about
16 this, but we're -- we're lucky to have this
17 much time, and we don't want to lose --

18 COMMISSIONER MCHUGH: Right. No,
19 no, no. That's right.

20 CHAIRMAN CROSBY: -- or pretty soon
21 the window won't be there, but the plasticity
22 helps.

23 COMMISSIONER MCHUGH: Right.

24 CHAIRMAN CROSBY: And I think, if a

1 there's -- if a workaround can be designed,
2 that's better than not, but that is not what
3 we were thinking about. You know, that was
4 not what we were anticipating, and that's not
5 going to be as good for anybody. It's not
6 going to be as good for MGM. It's not going
7 to be as good for the city. It's not going to
8 be as good for the people who are trying to
9 get to the facility. It's not be as going to
10 be as good for the neighborhoods.

11 COMMISSIONER ZUNIGA: For the state.

12 CHAIRMAN CROSBY: For anybody. You
13 know so -- for the state who's trying to
14 maximize revenue. So, you know, again, I'm
15 sort of like Commissioner McHugh, I don't know
16 anything about this, but I don't think she
17 should accept anything as a given yet. I
18 think we ought to take all these things as
19 open issues and look at it -- look for
20 workarounds, look at it from the bottom up,
21 look from the top down. Think of every
22 possible way we can to ameliorate this
23 problem.

24 COMMISSIONER ZUNIGA: Right. Right.

1 But the next -- if bids are due in April for
2 DOT, you know, at that point the contractor
3 will be on the hook for something. And -- and
4 a lot of -- whatever work can be done with DOT
5 between now and then, I would really encourage
6 you to explore. And I know you are already
7 having those conversations but --

8 MR. IRVING: And the only thing I
9 want to add is, the model we're going to
10 create will be designed for sensitivity,
11 because The Big E is also on September. And
12 so, we need to input in those numbers in as
13 well and say, what does this look like? And
14 the last thing MGM wants to do is create a
15 backup on the highway.

16 CHAIRMAN CROSBY: Yeah.

17 MR. IRVING: I don't think DOT does
18 either. So we're all -- we're all working
19 towards same goal here.

20 COMMISSIONER MCHUGH: Right, right.

21 CHAIRMAN CROSBY: Right.

22 COMMISSIONER MCHUGH: Right.

23 COMMISSIONER CAMERON: Thank you for
24 that, Chuck.

1 COMMISSIONER MCHUGH: Thank you.

2 CHAIRMAN CROSBY: Yes, sir.

3 MR. ZIEMBA: Thank you.

4 Mr. Chairman and Commissioners, included in
5 your packet is an update regarding the
6 applications the commission received for the
7 community -- of the 2015 Community Mitigation
8 Fund for the establishment of Community
9 Mitigation Fund reserves of \$100,000 per
10 community. We received a total of 24
11 applications for the reserve fund, including
12 three from communities that were not eligible
13 for the reserve.

14 As a reminder, when the commission
15 established the 2015 guidelines, we decided --
16 decided to establish \$100,000 reserve for all
17 surrounding communities, nearby agreement
18 communities, and communities that petitioned
19 to be a surrounding community. And those
20 three that I mentioned did not fall within
21 those three buckets.

22 So excluding those three
23 communities, we have 21 reserve fund
24 applications. One of the 21 reserve fund

1 applications was not timely filed. It was
2 received approximately -- it was received two
3 days after the deadline by e-mail, and then we
4 received the -- the written copy shortly
5 thereafter.

6 As -- as I see it, there are at
7 least two options that the commission could
8 consider regarding this late-filed
9 application. Consistent with our guidelines,
10 we could determine that the application is
11 ineligible for the 2015 reserve, or,
12 potentially, we could specify that the reserve
13 will not be established for the communities'
14 use in 2015, but we could specify the
15 commission's intention to allow the use of the
16 reserve in 2016, assuming that the community
17 timely files its application for the reserve
18 in 2016. I note --

19 CHAIRMAN CROSBY: And there are
20 other communities which could also have
21 another bite at the apple too.

22 MR. ZIEMBA: Yeah.

23 CHAIRMAN CROSBY: This wouldn't be
24 just --

1 MR. ZIEMBA: That's right. So I do
2 note that, if the commission goes ahead with
3 this second option, there were three
4 communities that chose not to ask for the
5 reserve this year, for various reasons. So
6 if -- if we went forward with the
7 determination that we would keep the reserve
8 in place, or have the intention to keep our
9 reserve in place for the one late community,
10 potentially, those other communities could be
11 in the same -- the same mix.

12 After consideration of these
13 options, I ask that the commission authorize
14 me and Executive Director Day to establish the
15 reserves. We'll notify the communities by
16 letter regarding the establishment of the
17 reserves and how they can proceed to actually
18 utilize such funding. As you remember from
19 the guidelines, all applications under the
20 reserve, they come back to the commission for
21 final approval.

22 So as communities identify either
23 specific impacts or planning purpose that they
24 want to use the funds for, they work with the

1 ombudsman's office to put together the
2 materials, we review them, and then we forward
3 them to the commission. And if the commission
4 deems -- deems it advisable to move forward
5 with that application we would then release
6 funds to the community.

7 In the letter, I recommend that the
8 commission specify that we will annually
9 reauthorize all of those -- all of those
10 reserves, but that no further application is
11 necessary to preserve the reserve.

12 So each year the commission will
13 take a look at its applications for the year,
14 but it will take into account that we have
15 these reserves established, and it would then
16 choose to reauthorize those
17 previously-authorized reserves for the
18 upcoming year. And the purpose of that is
19 that, you can foresee a situation that a
20 community may not use a reserve for, perhaps,
21 10 years. And there's some -- there's some
22 big needs for mitigation at that time, the
23 commission, at that time, could go back and --
24 and say, well, maybe we should take a look at

1 those reserves that were -- were not utilized.

2 While I recommend that we include
3 that language in that letter, I also recommend
4 that the commission, in its discussions today,
5 make it known that it is our intention that
6 the communities will utilize that reserve for
7 the foreseeable future. Notably, communities
8 will not be able to determine the range of
9 impacts until these facilities are
10 operational. And so, it is highly likely that
11 those reserves would be available for many
12 years into -- into the future of the project.

13 COMMISSIONER MCHUGH: Well, just to
14 make sure I understand. We're talking about
15 the \$100,000, right?

16 MR. ZIEMBA: That's right.

17 COMMISSIONER MCHUGH: Okay. So if
18 somebody -- a town applied for the \$100,000,
19 we say, yes, you qualify, you have the
20 \$100,000 reserve --

21 MR. ZIEMBA: That's right.

22 COMMISSIONER MCHUGH: Now you can
23 draw on it anytime over the next 10 years
24 until it's exhausted, could be the impact of

1 what you're talking about?

2 MR. ZIEMBA: Yeah. I'm not
3 specifying a specific time period.

4 COMMISSIONER MCHUGH: No, I
5 understand that.

6 MR. ZIEMBA: Yeah.

7 COMMISSIONER MCHUGH: But anytime --
8 you don't have to use all the money right now.

9 MR. ZIEMBA: That's exactly right.

10 COMMISSIONER MCHUGH: That \$100,000
11 is in your -- is a line of credit that you
12 have, and we'll approve it withdrawals from
13 it?

14 MR. ZIEMBA: That's right. When we
15 approved the guidelines, we said that the
16 funds can be utilized in 2015 or thereafter.

17 COMMISSIONER MCHUGH: Right, right.

18 MR. ZIEMBA: We didn't more
19 specificity than that.

20 COMMISSIONER MCHUGH: Right, right.
21 And with respect to the late one and the three
22 that didn't apply, the notification would say,
23 you may apply next year or the year after, at
24 the \$100,000 reserve fund approach twill be

1 available to you, so long as you apply in a
2 timely fashion in some year down the road?

3 MR. ZIEMBA: That's correct.

4 COMMISSIONER MCHUGH: Okay.

5 CHAIRMAN CROSBY: Is there -- the
6 reason we did this was because this was -- it
7 was anticipated that the -- there wouldn't be
8 any impacts by the deadline, and we wanted to
9 create an opportunity for people to get access
10 to some money for things that might happen, or
11 for some planning that we talked about. By
12 next February, people will have time -- is
13 there a need to keep it open, or couldn't they
14 apply then, under the normal apply process?

15 MR. ZIEMBA: I think the big need is
16 that we don't want communities to rush to find
17 an impact before the deadline. And so, if
18 they have the time, and they know that there's
19 not a clock that's immediately ticking, that
20 they can use these funds at the most wisely.
21 Take a look at what planning purpose.

22 CHAIRMAN CROSBY: Okay. Sort of,
23 the medium is the message, a little bit?

24 MR. ZIEMBA: Yes.

1 CHAIRMAN CROSBY: Am I right, that
2 we sort of added the planning dimension,
3 that's not really anticipated in the use of
4 the -- that was not originally anticipated in
5 the use of fund, right?

6 MR. ZIEMBA: No. That's exactly
7 right.

8 CHAIRMAN CROSBY: So that is
9 something that is distinctive about this
10 mechanism of holding that 100,000.

11 MR. ZIEMBA: That's exactly right.
12 So we obviously don't know what the 2016
13 guidelines will look like. Part of what we're
14 doing right now is, we are establishing the
15 advisory committees that were established in
16 The Expanded Gaming Act to get advice about
17 what the program should look like in the
18 future. But this -- this planning component
19 would be a recommendation from those groups,
20 but I think we thought it was a good idea
21 for -- for this year that should continue, at
22 least for that initial \$100,000 into future
23 years, if people haven't determined their
24 initial planning immediately.

1 CHAIRMAN CROSBY: Right. Okay.

2 COMMISSIONER ZUNIGA: Well, right
3 before Chairman Crosby made his second point,
4 you mentioned, I think, which is the
5 principal, we don't want anybody to rush,
6 necessarily, because there is just this --
7 this deadline. And under that principle, you
8 know, I think it only makes sense to, you
9 know, roll that -- that reserve for whoever
10 didn't make it, you know, knowing that there's
11 opportunities there for anybody and everybody
12 that qualifies in the future, right, because,
13 you know, we don't know what those future
14 impacts may be so it has to be -- you know,
15 there's an element of we have to roll it over
16 and see what happens in the future.

17 But I -- I'm also wondering, as you
18 get some of these actual requests, how to
19 incentivize and look at -- make sure that,
20 because it's our planning grants, how to make
21 sure that we're not duplicating efforts.
22 We're getting -- you know, because one
23 community's doing one thing and they maybe
24 very similar and have a lot of overlap into

1 what the community nextdoor is also thinking
2 about and planning. So I know it's -- it's
3 much easier said than -- than done, and that's
4 the way we're configured, you know, by city
5 and town. But to the extent that we can --
6 you know, and we have to see what those
7 requests are ultimately going to be first.
8 But to the extent that we can utilize,
9 leverage regional approach, regional views, I
10 would really be, you know, encouraging
11 everybody to think about it in those terms.

12 MR. ZIEMBA: Well, we've taken that
13 point and we're running with that. In our
14 meetings over the past week we've met with a
15 couple of the regional planning agencies,
16 we've talked to them about potentially hosting
17 some sort of method for communities to
18 understand that they can look at these dollars
19 regionally, but regional approaches are not
20 only limited to regional planning agencies, so
21 in our direct dialogue with -- with
22 communities we can say that they can link
23 together.

24 And I think the point that you make

1 regarding regional approaches sort of
2 emphasizes the need for having more time,
3 because if a community wants to work with
4 another community, it, obviously, will take a
5 little bit more time to put together that type
6 of approach. So it's another benefit of being
7 able to roll the reserve.

8 COMMISSIONER ZUNIGA: Yes. Good
9 segue.

10 CHAIRMAN CROSBY: You know, I'm fine
11 with it. I think it's important. I'm sort
12 of, two minds about whether to just waive the
13 deadline for this late -- in general, we try
14 to be as flexible as we can to implement the
15 spirit of our regs, as well as the detail of
16 the regs in the law. But I have a feeling
17 this mitigation fund, there are going to be a
18 lot of people not quite playing by the rules.
19 You know, late deadline -- late applications,
20 you know, stretches for what it goes for. So
21 to set very much of a precedent of waivers --
22 you know, so I like your solution of, you
23 know, let's -- we will offer this again, to
24 those communities which did not apply for it,

1 in 2016, and that solves the problem without a
2 waiver.

3 MR. ZIEMBA: And, thankfully, we
4 have the benefit of time because these
5 facilities being constructed over the next
6 couple years.

7 CHAIRMAN CROSBY: Right. Do we need
8 a motion, John?

9 MR. ZIEMBA: Sure.

10 CHAIRMAN CROSBY: Somebody?

11 COMMISSIONER ZUNIGA: I could
12 attempt it. So I would move that we accept
13 the recommendation to hold the line on the
14 deadline for the Community Mitigation Fund
15 reserve applications, and encourage anybody
16 who -- who missed that deadline, any community
17 who qualifies but did not meet that deadline,
18 to encourage -- I'm sorry, to apply for next
19 year round of community mitigation funding.

20 COMMISSIONER CAMERON: Second.

21 CHAIRMAN CROSBY: Also, the -- the
22 extended --

23 MR. ZIEMBA: Just the authorization
24 to establish the reserves, is what executive

1 director is --

2 COMMISSIONER ZUNIGA: Oh, yes. Yes.
3 And authorize Ombudsman Ziemba and Executive
4 Director Day to -- to effectuate those
5 reserves of those communities that did meet
6 those deadlines.

7 COMMISSIONER CAMERON: Second.

8 CHAIRMAN CROSBY: Any other
9 discussion? All in favor? Aye.

10 COMMISSIONER MCHUGH: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 CHAIRMAN CROSBY: Opposed? The ayes
15 have it unanimously. All right. I think we
16 are at our lunch break. It's 12:30, right on
17 time. 12:15. What do we want? I think some
18 of us are going down the street to a
19 restaurant. We might as well -- I mean, we're
20 not holding anybody up, might as well take an
21 hour; is that all right? Okay. So we will
22 come back at 1:30 for the rest of the meeting.
23 And we can leave stuff?

24 COMMISSIONER CAMERON: Yes.

1 CHAIRMAN CROSBY: Troopers, we can
2 leave stuff here, they'll be somebody here?
3 All right. Thank you.

4
5 (A recess was taken)

6
7 COMMISSIONER MCHUGH: All right.
8 It's 1:30, and I'm just making the
9 announcement that, for a variety of reasons,
10 we've decided to reconvene at two o'clock.
11 This is the primarily for the benefit of those
12 who are watching us via the live stream. So
13 we'll be back and the commission will
14 reconvene and conduct, and carry out the rest
15 of our business beginning at two o'clock.

16
17 (A recess was taken)

18
19 CHAIRMAN CROSBY: Okay. We are
20 reconvening the 146th meeting of the Mass
21 Gaming Commission at about two o'clock. Item
22 No. 7 on the agenda is General Counsel Blue.

23 MS. BLUE: Good afternoon,
24 Commissioners.

1 CHAIRMAN CROSBY: Good afternoon.

2 COMMISSIONER CAMERON: Good
3 afternoon.

4 COMMISSIONER MCHUGH: Good
5 afternoon.

6 COMMISSIONER STEBBINS: Good
7 afternoon.

8 COMMISSIONER ZUNIGA: Good
9 afternoon.

10 MS. BLUE: At our last commission
11 meeting we heard from a number of our racing
12 stakeholders, and after receiving comments,
13 the commission asked us to go back and look at
14 a number of issues. So you have in your
15 package today, three memos that address some
16 of the issues that were raised in our last
17 meeting.

18 The first memo is a memo on the
19 Economic Assistance Fund. As you may recall,
20 we had a request from the -- New England's
21 Horsemen and Benevolent Protection Association
22 for the -- basically, the balance of the fund
23 from 2014, or for the entire fund, depending
24 on how you rate the request. We've gone back

1 and looked at the fund. It's a \$20,000 fund
2 that's allocated each calendar year. The
3 purpose of the fund is for people employed at
4 the track in Suffolk County when they suffer
5 catastrophic issues or illnesses, and we have
6 consistently, over time, awarded almost the
7 entire 20,000 each year.

8 So if you look at the memo in your
9 packet, what you'll see is that in 2014 we
10 awarded about \$19,200. There's roughly \$800
11 left in the fund from 2014. And we do have
12 claims coming in now. We've had at least one
13 already in 2015. So it is the legal
14 department's recommendation that you not use
15 that fund for anything, other than individuals
16 who come forward from the track, and who make
17 claims for illnesses or other economic
18 hardship, as we have used it in the past.

19 CHAIRMAN CROSBY: Comments?

20 Questions?

21 COMMISSIONER CAMERON: Yeah. I
22 would agree with the recommendation. I've
23 seen, consistently, how we've used that money.
24 It's been an enormous help to people who are

1 really in a -- who've had a serious issue, and
2 we have used that money consistently so I -- I
3 would agree with that recommendation.

4 COMMISSIONER STEBBINS: I would
5 also. Do we need a vote or we just --

6 MS. BLUE: I think you just need to
7 instruct the legal department to respond to
8 the horsemen's request for that fund, and we
9 will just send a letter to that effect.

10 COMMISSIONER CAMERON: Yeah. I
11 think the horsemen were not aware that we had
12 used just about the entire balance of this
13 money, so I think that they were --

14 CHAIRMAN CROSBY: In prior years,
15 you mean?

16 COMMISSIONER CAMERON: Last year, in
17 particular.

18 CHAIRMAN CROSBY: Yeah, right.

19 COMMISSIONER CAMERON: They thought
20 that that would be money that would be
21 available, and they were surprised to learn
22 that just about all of it had been -- had been
23 used for legitimate claims.

24 CHAIRMAN CROSBY: I agree.

1 COMMISSIONER ZUNIGA: Yeah. I --
2 sounds like a consensus, you know, and we're
3 all coalescing around your recommendation.

4 MS. BLUE: Okay. Thank you. The
5 second memo regards the health and welfare
6 benefits. So if you think back to our statute
7 and our regulation, of the Racehorse
8 Development Fund, 4 percent is dedicated to
9 its health and welfare benefits as the fund is
10 split between thoroughbred and standardbred.
11 And the question that --

12 CHAIRMAN CROSBY: 4 percent of each
13 side's total, right?

14 MS. BLUE: Yes. Of each side's
15 total, yes. So we discussed this at the last
16 meeting, and the question was whether the
17 commission can and should pay those funds out.
18 The legal department went back and reviewed
19 that. We believe it is appropriate to pay
20 those funds with a slight caveat, which is
21 that the language requires that the commission
22 determine how much of those funds should be
23 paid to jockeys and drivers.

24 So if you -- if you think about the

1 overall fund, the fund is designed to cover
2 jockeys, drivers, horsemen owners. It covers
3 a broad group of people. And it also says
4 that the commission shall approve what piece
5 of that fund gets paid to jockeys on the
6 thoroughbred side, and drivers on the
7 standardbred side.

8 The thoroughbred horsemen suggested
9 that we go back to the racing committee and
10 ask them to make that decision. It didn't
11 seem to be within, sort of, the -- the
12 expertise of the racing committee. We think
13 that one of -- we should do one of two things.

14 We can ask the individual
15 stakeholders what they plan to pay, or we can
16 go out and get additional comment. And you'll
17 see comments in your packet from the
18 Jockeys' Guild, who suggested that the
19 payments should be, at least, what Suffolk
20 Downs would have paid, if Suffolk Downs had
21 live racing.

22 So, right now, under our statute
23 128A, \$65,000 each year is allocated towards
24 jockey health and welfare benefits, and that

1 goes to the Jockeys' Guild. In years past,
2 Suffolk Downs has paid anywhere between 20 and
3 \$30,000 on top of that, so they get,
4 approximately, \$100,000, and the
5 Jockeys' Guild has suggested that what the
6 horsemen should contribute should be equal to
7 what Suffolk Downs would have contributed.
8 But we can also solicit additional comments or
9 additional input on that.

10 CHAIRMAN CROSBY: So the horsemen
11 would contribute 20 to 30,000 on top of the
12 65, which routinely comes from us?

13 MS. BLUE: Yes, that's right.

14 CHAIRMAN CROSBY: By our direction,
15 yeah. But that's not -- is that within our
16 authority? Because I guess it is within our
17 authority to direct that, if we wanted to?

18 MS. BLUE: The commission needs to
19 approve what is paid by each of the -- the
20 horsemen's group towards the jockeys or the
21 drivers.

22 COMMISSIONER MCHUGH: The statute
23 says that, right?

24 MS. BLUE: Yes. Mm-hmm.

1 COMMISSIONER MCHUGH: But suppose --
2 suppose the racing starts again, then 128A
3 kicks in, right?

4 MS. BLUE: It would. On the
5 thoroughbred side it certainly would, and then
6 I would -- Suffolk would be making some
7 payment, or whoever the licensee was, would be
8 making some payment to that fund as well.

9 COMMISSIONER MCHUGH: And so,
10 would -- would we still have the obligation of
11 ordering some portion of the 4 percent pay?

12 MS. BLUE: Yes. I believe so.

13 COMMISSIONER MCHUGH: So there would
14 be three sources at that point --

15 MS. BLUE: Yes.

16 COMMISSIONER MCHUGH: -- for that
17 fund?

18 MS. BLUE: There would be, yes.

19 COMMISSIONER ZUNIGA: Because it's
20 gaming license --

21 MS. BLUE: Yep.

22 COMMISSIONER ZUNIGA: -- plus 128A.

23 MS. BLUE: Yep. Plus what comes out
24 of the wagers and the premiums from the track.

1 CHAIRMAN CROSBY: What is the
2 Section 60?

3 MS. BLUE: It's the Racehorse
4 Development Fund.

5 CHAIRMAN CROSBY: But what does it
6 say?

7 COMMISSIONER MCHUGH: It sets up the
8 splits.

9 COMMISSIONER ZUNIGA: The Racehorse
10 Development Fund.

11 CHAIRMAN CROSBY: Oh, it's these
12 splits? Okay. So what's the third -- so the
13 third -- in the past there's been two
14 payments. One directed by us, which was
15 65,000, and another, which we had to approve,
16 which was Suffolk Downs, paying 20?

17 MS. BLUE: No. We didn't approve
18 Suffolk Downs.

19 CHAIRMAN CROSBY: Oh. I thought you
20 said we did.

21 MS. BLUE: They made it. So we --
22 Section 60 now introduces what appears to be
23 is a third revenue stream, which is a piece of
24 this 4 percent, that is approved by the

1 commission to be paid for jockeys and drivers.

2 COMMISSIONER ZUNIGA: And I guess
3 what the jockeys are saying, start with the --
4 level fund us like we were under 128A.

5 MS. BLUE: Yes.

6 COMMISSIONER ZUNIGA: As the first,
7 you know, first available monies to restore
8 that funding level, regardless of what happens
9 later.

10 MS. BLUE: That's right. I think
11 they're proceeding on the assumption that if
12 there is no racing, they would like to have a
13 level -- a fairly level payment for this year.

14 COMMISSIONER ZUNIGA: Yep.

15 COMMISSIONER MCHUGH: Well, how --
16 how can -- don't we have to wait to see what
17 happens on the racing front before we can make
18 that judgment, then?

19 COMMISSIONER ZUNIGA: Well, this is
20 the revenue.

21 MS. BLUE: We could. I mean, one of
22 the interesting things, if you look at the
23 comments from the Jockeys' Guild, is they --
24 they list what other tracks pay in total for

1 this. And they have higher -- or -- mostly,
2 higher numbers based on how they've divided up
3 tracks. So it may be that, you know, a little
4 extra money wouldn't be a bad idea in a
5 situation like this. I mean, Suffolk, in --
6 in the tier that that track was in, had some
7 of the lower payments. There are other --
8 other jurisdictions that put a great deal more
9 money into this than Massachusetts does.

10 So we could certainly wait until we
11 found out, because we should know that,
12 hopefully, soon. But we would need to
13 instruct the -- the various parties to let --
14 you know, to let them know that we would
15 expecting some portion of that money to be
16 paid towards this. We just don't have an
17 approved a number at this point.

18 CHAIRMAN CROSBY: Where did last
19 year's 65,000 come from?

20 MS. BLUE: It's in the statute,
21 128A.

22 COMMISSIONER ZUNIGA: 128A.

23 MS. BLUE: And it's been level for a
24 long time.

1 CHAIRMAN CROSBY: So that says
2 65,000.

3 COMMISSIONER ZUNIGA: Yeah. They --

4 CHAIRMAN CROSBY: So is -- I'm
5 sorry, I thought I understood this, but I
6 guess I don't. So the jockeys are saying that
7 they would like that 65,000, which is still
8 required?

9 MS. BLUE: Which is still there,
10 yes.

11 CHAIRMAN CROSBY: Okay. So that's
12 got to happen.

13 MS. BLUE: Yep.

14 CHAIRMAN CROSBY: And then, there is
15 an addition we have authority to direct some
16 portion of the 4 percent, that's an issue?

17 MS. BLUE: That's correct. Yes.

18 CHAIRMAN CROSBY: The 65,000 doesn't
19 come out of the 4 percent.

20 MS. BLUE: That's right.

21 CHAIRMAN CROSBY: Okay.

22 COMMISSIONER ZUNIGA: Oh, I thought
23 -- I was also misunderstanding, then. I
24 thought the request was to take The Gaming

1 Act, the 4 percent, and do that 65 or a
2 hundred?

3 MS. BLUE: The 65 is in the 128A
4 racing statute. It has been leveled for years
5 and years. So there -- there are a couple of
6 appropriations in there. The economic
7 assistance fund is one, where they're just --
8 there every year that money comes out.

9 COMMISSIONER ZUNIGA: Okay.

10 COMMISSIONER MCHUGH: And it's paid
11 by the track out of the takeout?

12 MS. BLUE: Out of the takeout, yeah.

13 COMMISSIONER ZUNIGA: Yeah. I mean,
14 there's no racing this year, we'll field that
15 next year, because this lacks -- the money's
16 here are already -- monies are available
17 already for us.

18 MS. BLUE: Yes. That's what the
19 Jockeys' Guild is -- is basing their request
20 on. They're not asking for a higher amount in
21 total. They're going on the assumption that,
22 if there is no racing they would be about
23 \$30,000 short of what they normally get. And
24 so, they would like the horsemen to contribute

1 at least that much, and the commission to
2 approve a contribution of at least that much
3 into that fund.

4 COMMISSIONER CAMERON: Well, I agree
5 with your recommendation that this is a
6 commission decision, not a committee decision.
7 I think that if we could put this out for
8 comment, which will serve two purposes, we'd
9 get more feedback from stakeholders, and,
10 secondly, it gives us the additional time to
11 hopefully understand the thoroughbred racing
12 environment, because it's my understanding
13 that that has to happen this month, a decision
14 before the simulcast runs out. So we're
15 really just a couple of weeks away from
16 knowing the landscape?

17 CHAIRMAN CROSBY: Maybe.

18 COMMISSIONER CAMERON: Well, and
19 that -- you know, again, comments -- rather,
20 additional input I think would be helpful, as
21 well as the time to understand the landscape
22 and make a good decision.

23 CHAIRMAN CROSBY: Whether we can do
24 that -- we can go ahead and authorize the

1 65,000 so they get -- they get something now
2 and then wait on --

3 MS. BLUE: You don't need to
4 authorize the 65,000.

5 CHAIRMAN CROSBY: Oh, that's just
6 going to happen?

7 MS. BLUE: Yeah. That happens
8 anyways.

9 CHAIRMAN CROSBY: So the jockey's
10 letter was irrelevant; they didn't need to
11 send us this letter?

12 MS. BLUE: No. They were trying --
13 what they were trying to show is what the
14 short -- what the total payment has been in
15 Massachusetts to jockeys over time.

16 So, you know, the shortfall that
17 they would have this year, if there were no
18 racing at Suffolk Downs, would be \$30,000.
19 And they're just using that as an example as
20 to what you may or may not choose to approve.

21 CHAIRMAN CROSBY: Right. But their
22 last paragraph says, "We would respectfully
23 request that the amount of money the
24 commission does be held at the 65,000, as if

1 we have to make that decision, which we don't?

2 MS. BLUE: Yeah. That one we don't
3 have to.

4 COMMISSIONER MCHUGH: I don't think
5 that's what they're saying. I had a lot of
6 trouble with that last paragraph yesterday
7 myself. I think that what that last paragraph
8 says is that, with the 65 and what you
9 authorize we want to add up to -- we want the
10 65 and what you authorize to add up to what
11 we're paid, which is roughly 100,000.

12 CHAIRMAN CROSBY: Well I'm -- I'm
13 seeing -- I'm sorry, you're right. You're
14 right. You're absolutely right.

15 COMMISSIONER MCHUGH: Yeah. I had
16 to read it seven times.

17 CHAIRMAN CROSBY: Okay. Yeah,
18 you're right. Okay. So they know they're
19 getting 65, they're asking us for the delta.
20 You're exactly right.

21 COMMISSIONER MCHUGH: Right.

22 MS. BLUE: Yes, that's right.

23 CHAIRMAN CROSBY: Okay.

24 COMMISSIONER MCHUGH: So I -- I like

1 Commissioner Cameron's suggestion. Let's get
2 some more comment on it. Let's wait. The
3 package that they're looking for is around
4 100,000, but maybe more if -- if we choose to
5 up the total amount that they're getting to be
6 commensurate with other tracks, and that's the
7 decision that we would have to make. So let's
8 get some more comment. Let's get a little bit
9 more time. It's not going to make any
10 difference. And then, let's revisit this when
11 we have a firmer idea, perhaps, as to what
12 racing's going to look like on the
13 thoroughbred side.

14 CHAIRMAN CROSBY: When does -- when
15 the 65 get paid, or is it -- has it been paid?

16 MS. BLUE: That I'd have to check.
17 I don't know. We pay it once -- I think once
18 a year, but I'm not sure. We'll have to ask
19 Derek.

20 CHAIRMAN CROSBY: Okay. I do
21 know -- there is some time sensitivity in the
22 sense that a lot of these accounts are
23 actually running dry, and there are people
24 that don't know whether they're going to have

1 certain kinds of benefits. You know, they've
2 -- the horsemen have talked to me about this,
3 us about this. But I think if we could
4 make -- make sure the 65 goes out as soon as
5 it can, immediately, if there's no reason not
6 to, and then hold our fire on the 4 percent
7 and get some other comment, because I agree we
8 don't have much feedback on this from other
9 stakeholders. Okay.

10 COMMISSIONER STEBBINS: Is there a
11 separate issue to be tended here with respect
12 to the harness association?

13 MS. BLUE: So the harness needs to
14 come back too. This is a first for the -- the
15 harness drivers, because they didn't have this
16 requirement that they have to tell you what
17 they're going to provide to the -- to the
18 drivers, so they have the same issue. They
19 need to come back and provide us with some
20 kind of information as to what they plan to
21 provide to the drivers, and then you would
22 have to approve that as well. This is new
23 because of the Racehorse Development Fund, so
24 it's -- it's a first time for both sides.

1 CHAIRMAN CROSBY: Could I -- could I
2 amend my thought here? This is -- I have a
3 hard time keeping these different accounts
4 separate. But the health and pension
5 benefits, as I understood it from Mr. Spadea,
6 they have an account that they may well not be
7 able to pay to keep certain benefits flowing
8 to people. And he said he's getting calls all
9 the time from people saying, help. I don't
10 know what I'm doing. What's happening here?
11 And they were anxious to get the money as
12 quickly as we could.

13 Could we, say, send out 200,000 of
14 the 262, which would -- is the 4 percent for
15 the thoroughbreds, and hold back the 62? And
16 I just picked that number, but it's for the
17 sake of discussion, hold back 62 to determine
18 whether we want to mandate that some of it go
19 to the jockeys to make up their request or
20 not? That gets them some real money quickly
21 that goes to their health and pension
22 benefits, which really are, I believe, at
23 risk, but still retains the option for us to
24 do what the jockeys have asked for? Does that

1 seem like a reasonable approach?

2 COMMISSIONER ZUNIGA: Would be --
3 the question would be what amount?

4 CHAIRMAN CROSBY: To hold back?

5 COMMISSIONER ZUNIGA: Yeah.

6 CHAIRMAN CROSBY: Well, I'm just
7 saying, if the high end is 35,000, let's just
8 make -- pick a round number and hold back --
9 hold back 62 just so we get 'em. But I think
10 they would -- I think they would be most
11 appreciative. And I think -- frankly, think
12 we have a duty to get them the money as fast
13 as we can. It's sitting there and it's meant
14 to be servicing these folks. So unless
15 there's some reason not to do that, you know,
16 that would be my suggestion on how we handle
17 that.

18 MS. BLUE: We would need to have a
19 similar situation, I think, for the drivers on
20 the standardbred side.

21 CHAIRMAN CROSBY: Yeah.

22 MS. BLUE: So, you know, whatever --
23 and I don't recall off the top of my head,
24 what the 4 percent is of their piece. It's

1 much smaller --

2 CHAIRMAN CROSBY: 87750.

3 MS. BLUE: So as long as we
4 allocated a certain portion for each fund to
5 hold back and then paid the rest of it, I
6 think the commission could do that.

7 CHAIRMAN CROSBY: The jockeys --
8 jockeys' letters only talks about jockeys,
9 right?

10 MS. BLUE: Yes. That's correct.

11 COMMISSIONER CAMERON: Yeah, because
12 they don't represent.

13 MS. BLUE: They don't represent --

14 CHAIRMAN CROSBY: No, no, the
15 drivers, but does the same -- the same model
16 hold in place --

17 MS. BLUE: Yes.

18 CHAIRMAN CROSBY: -- on the other
19 side?

20 MS. BLUE: Well, we need some more
21 input into it. I believe it does.

22 CHAIRMAN CROSBY: Okay.

23 MS. BLUE: They don't -- the
24 standardbred folks don't have allocation by

1 statute, is my understanding. So I would like
2 to get more information from the standardbred
3 folks on how they do it and how it gets paid.

4 CHAIRMAN CROSBY: Okay. So if we
5 did -- you know, basically paid out 80 percent
6 of the 262, which is around 200,000, and paid
7 out 80 percent of the 88,000, which would be
8 70,000, and held back the similar amounts for
9 both, then we can resolve this in the next
10 couple weeks.

11 COMMISSIONER CAMERON: Mr. O'Toole,
12 do you have any thoughts on the harness side?

13 MR. O'TOOLE: Good afternoon,
14 Commissioners.

15 COMMISSIONER CAMERON: Good
16 afternoon.

17 CHAIRMAN CROSBY: Good afternoon.

18 COMMISSIONER MCHUGH: Good
19 afternoon.

20 COMMISSIONER STEBBINS: Good
21 afternoon.

22 COMMISSIONER ZUNIGA: Good
23 afternoon.

24 MR. O'TOOLE: Steve O'Toole,

1 Plainridge Racecourse general manager. Thanks
2 for getting me out of the snow today. When I
3 left, we're getting another couple inches.

4 For the standardbred side, this will
5 be a new adventure for them. They have a
6 parent association called Harness Horsemen
7 International. And they have -- similar to
8 the Jockeys' Guild, they have coverage, which
9 they do participate in now as far as
10 liability, but they haven't participated for a
11 number of years in the insurance coverages for
12 health and benefits to that nature. So
13 they'll be able to go back and start that
14 again.

15 So the initial funding would be, you
16 know, a good start for them to get -- to get
17 rolling on that, so I think they'd appreciate
18 the payment. As far as separating anything
19 out for drivers and all that, that would be
20 something they'd have to determine, but this
21 is all new to them.

22 CHAIRMAN CROSBY: Because that
23 hasn't happened, there or hasn't been a
24 parallel structure in the past; is that what

1 you said?

2 MR. O'TOOLE: They did participate
3 -- they did participate until the funding got
4 so low they couldn't afford it any longer. So
5 they -- they do still participate in the HHI
6 liability coverage so that liability
7 occurrences are covered. I think it's a
8 million-dollar policy that HHA buys through
9 HHI to cover all their members in that
10 respect. But as far as health and welfare
11 benefits, they -- they're not participating in
12 that program right now.

13 CHAIRMAN CROSBY: Right.

14 MR. O'TOOLE: But there is -- there
15 is a program similar to the Jockeys' Guild
16 that's out there for them, they just haven't
17 participated in, probably, the last
18 half-a-dozen years or so.

19 COMMISSIONER ZUNIGA: And when they
20 were participating, that reserve between the
21 drivers and everyone else, how was it handled
22 for the standardbred?

23 MR. O'TOOLE: So it was equal.
24 There was no carve-out for the drivers, versus

1 the trainer, versus the grooms. It was -- it
2 was universal coverage with pretty much all
3 the same --

4 COMMISSIONER ZUNIGA: For everybody?

5 MR. O'TOOLE: Yes.

6 COMMISSIONER ZUNIGA: Everybody the
7 same?

8 MR. O'TOOLE: Yes, because the --
9 well, the Jockeys' Guild is more concentrated
10 on the jockeys, whereas the national HBPA is
11 concentrated with -- with the horsemen
12 population. So the HBPA is the New England
13 HBPA. They're an arm of the national HBPA,
14 and I think they provide the other insurances
15 for the trainers and the groomers, and the hot
16 walkers and things like that.

17 COMMISSIONER ZUNIGA: Which would
18 explain the difference in the statute,
19 perhaps, Catherine, right, there's not that
20 specific --

21 MS. BLUE: Yes.

22 COMMISSIONER ZUNIGA: -- carve-out,
23 if you will --

24 MS. BLUE: That's probably true.

1 Yes.

2 COMMISSIONER ZUNIGA: -- for the
3 statute? Thank you.

4 COMMISSIONER CAMERON: So treating
5 them equally for purposes of getting some
6 monies out now, you believe would be
7 appreciated by the -- the harness horsemen?

8 MR. O'TOOLE: I think it, so they
9 could start that process with HHI step,
10 figuring out what kind of policy they could
11 purchase and get that process rolling.

12 CHAIRMAN CROSBY: Right.

13 COMMISSIONER CAMERON: Thank you.

14 MR. O'TOOLE: Thank you.

15 CHAIRMAN CROSBY: So we would look
16 for feedback from the thoroughbred
17 stakeholders --

18 COMMISSIONER CAMERON: Any
19 stakeholder, right?

20 CHAIRMAN CROSBY: -- and, but also
21 it's, sort of, still going to be inviting the
22 standardbred people to take a look at this and
23 see whether they want to have a similar model.

24 MS. BLUE: Yes.

1 CHAIRMAN CROSBY: Right. Okay.

2 COMMISSIONER ZUNIGA: But we would
3 still reserve, maybe 20 percent, I guess,
4 right?

5 CHAIRMAN CROSBY: Of both.

6 COMMISSIONER ZUNIGA: Of both. Even
7 though, at least with standardbred we might
8 not have to because everything goes to the
9 same pool.

10 COMMISSIONER CAMERON: Okay.

11 CHAIRMAN CROSBY: Right.

12 COMMISSIONER CAMERON: Until we have
13 more comment, I think that's appropriate.

14 CHAIRMAN CROSBY: Okay.

15 MS. BLUE: So if you could -- if you
16 vote to approve the payment and holding back
17 the 20 percent, we'll go get started on that.

18 CHAIRMAN CROSBY: Commissioner
19 Cameron, do you want to take a crack at it?

20 COMMISSIONER CAMERON: So I move
21 that we -- that we distribute a portion of the
22 4 percent for both harness and -- and
23 thoroughbred racing, holding back a 20-percent
24 until we understand, better, the landscape.

1 We also -- that's a separate -- the comment is
2 separate so --

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER ZUNIGA: Second.

5 CHAIRMAN CROSBY: Any discussion
6 further? All in favor? Aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 CHAIRMAN CROSBY: Opposed? The ayes
12 have it unanimously.

13 MS. BLUE: Thank you.

14 COMMISSIONER ZUNIGA: Thank you.

15 MS. BLUE: The second memo in your
16 package deals with the payment of the
17 16 percent, which goes to the thoroughbred and
18 standardbred breeding programs. We went back
19 and reviewed that. Under Chapter 128, which
20 is the agriculture statute, as opposed to
21 128A, which is the racing statute, the
22 Massachusetts Thoroughbred Breeders
23 Association is recognized as the association.
24 They are recognized by statute, so the

1 commission does not have to take any further
2 action to recognize them.

3 The Standardbred Owners of
4 Massachusetts is the group that you have
5 recognized in the past for the standardbred
6 owners, and -- and they've submitted a request
7 for this payment so we have -- so we generally
8 approve them as the group for the breeders
9 every year in front of the commission.

10 So we believe that you could make
11 the 16-percent payments to both groups. The
12 Racehorse Development Fund says it goes into
13 an account that they set up, each one of them
14 sets up, and we could, with your approval,
15 making those payments as well.

16 COMMISSIONER CAMERON: General
17 Counsel Blue, we authorized -- I was reading
18 that in the minutes. We authorized 8 percent,
19 because that's what the request was, and
20 then -- so do we have to amend that
21 authorization that we --

22 MS. BLUE: Well, the 8 percent is a
23 different number. The 8 percent is under the
24 agriculture statute.

1 COMMISSIONER CAMERON: Right.

2 MS. BLUE: And that's the limit that
3 they can use for their total for marketing and
4 other nonbreeding activities.

5 So I would recommend that we -- we
6 pay them the entire amount that's due under
7 the racehorse development, subject to the fact
8 that, when we request that they show us
9 documentation, that they have not spent more
10 than the 8 percent on their marketing.

11 COMMISSIONER CAMERON: No. I agree
12 with -- with that. I just didn't know if we
13 had to amend our prior motion, which
14 authorized 8 percent.

15 MS. BLUE: I think we can do it
16 here.

17 CHAIRMAN CROSBY: Well, it was eight
18 of the 16.

19 COMMISSIONER CAMERON: It was?

20 CHAIRMAN CROSBY: It was eight of
21 the 16, right.

22 MS. BLUE: Yes. But that -- the
23 eight --

24 COMMISSIONER CAMERON: But we're now

1 going to give the whole 16, not just the
2 eight.

3 MS. BLUE: When they talked about
4 the eight, they're talking about the separate
5 part of the statute.

6 CHAIRMAN CROSBY: Right.

7 MS. BLUE: I think that they can
8 probably use more than just the marketing
9 money. The 8 percent is all they can use for
10 marketing.

11 CHAIRMAN CROSBY: Right.

12 MS. BLUE: Our Racehorse Development
13 Fund does entitle them to the entire 16.

14 CHAIRMAN CROSBY: Right. Yeah, I
15 totally agree. I think we should definitely
16 do that as soon as we possibly can. Any other
17 discussion or different views?

18 COMMISSIONER ZUNIGA: And this is
19 similar, right, it has the same split, the
20 75/25?

21 CHAIRMAN CROSBY: Right. It's
22 1,000,050 for the thoroughbred breeders, and
23 350,000 for the standardbred.
24 Commissioner Cameron?

1 COMMISSIONER CAMERON: So I move
2 that we authorize the entire 16 percent
3 distribution from the Racehorse Development
4 Fund to -- the 16 percent to the Massachusetts
5 Thoroughbred Breeders Association, and the
6 16 percent of the split of the Standardbred
7 Owners of Massachusetts.

8 COMMISSIONER ZUNIGA: Standardbred
9 breed -- breeders, right? Yeah, owners.
10 That's right.

11 COMMISSIONER CAMERON: Owners. It's
12 the name of the organization.

13 COMMISSIONER ZUNIGA: Okay. Second.

14 CHAIRMAN CROSBY: Now, what are we
15 doing -- the thoroughbreds, we don't know
16 whether there's going to be a race or not. We
17 don't have anybody to give purse money to, and
18 we understand there may be a change in how the
19 purse money's used anyway, directed to be
20 used, but the standardbred, they're racing
21 now. Should we be giving that 16 -- it's
22 certainly not going to go to less. It
23 might -- it's possible we might decide it
24 someday, or the racehorse -- the racing

1 committee might decide it some day, if there
2 is no thoroughbred racing, to change the
3 percentages. But, at the moment, it's 75/25
4 and, certainly, standardbred isn't going to be
5 going down, so should we not consider
6 authorizing -- or maybe we don't have to
7 authorize the payment to the standardbred
8 purse holders' purses?

9 MS. BLUE: Well, based upon the
10 action by the commission today, we've now
11 taken care of all of the breeding money, and
12 then all of the health and welfare money
13 leaves only the purse account money.

14 CHAIRMAN CROSBY: Right.

15 MS. BLUE: And because the
16 standardbreds are racing, I would suggest to
17 the commission that we authorize making the
18 purse money payments to the standardbred.

19 CHAIRMAN CROSBY: Right.

20 MS. BLUE: It goes into an account.
21 They will have to enter into an agreement with
22 their horsemen, as they always do, and they
23 can determine how to allocate that money. But
24 I think we should make that payment at this

1 point.

2 CHAIRMAN CROSBY: Right. Okay.
3 Good. Just out of curiosity, Steve, you know,
4 if this -- there's \$2,000,187 in the Racehorse
5 Development Fund will come to the purse
6 account, what does that do to the -- your
7 purses?

8 COMMISSIONER ZUNIGA: Builds them
9 up.

10 CHAIRMAN CROSBY: Well, I know that.
11 I mean, how much? How significant is that?

12 MR. O'TOOLE: So it's very
13 significant because right -- going into this
14 year, Penn National overpaid the purses last
15 year about \$850,000.

16 CHAIRMAN CROSBY: Wow.

17 MR. O'TOOLE: So the -- you know,
18 there's an ebb and flow to the purse accounts
19 in good times and in bad times. So right now,
20 that flow is in the negative for the -- for
21 the purse accounts. So this will help
22 replenish that. We'll be able to start off
23 with where we were last year, if not, maybe a
24 few dollars more. And then, as handled

1 increases the purses of -- handled money comes
2 into the purse account, as well as operations
3 that begin in June, sometime in June --

4 CHAIRMAN CROSBY: I misunderstood.
5 You said Penn national, they had a subsidy of
6 850,000?

7 MR. O'TOOLE: Correct.

8 CHAIRMAN CROSBY: Okay. And what
9 was the total purse amount?

10 MR. O'TOOLE: That we paid last
11 year?

12 CHAIRMAN CROSBY: Yeah.

13 MR. O'TOOLE: 2.2, \$2.3 million.

14 CHAIRMAN CROSBY: 2.2. So this is
15 almost doubling the total -- total purse
16 amount?

17 MR. O'TOOLE: I just -- just using
18 the figures that are out there for projections
19 and everything, it looked like about a four to
20 \$5 million purse account.

21 CHAIRMAN CROSBY: Counting?

22 MR. O'TOOLE: For this coming year.

23 CHAIRMAN CROSBY: Counting racehorse
24 development money?

1 MR. O'TOOLE: Yes.

2 CHAIRMAN CROSBY: Yeah, okay. So
3 it's 40 to 50 percent of the total. Wow.

4 MR. O'TOOLE: Yes.

5 COMMISSIONER ZUNIGA: I'm sure it's
6 public.

7 CHAIRMAN CROSBY: Yeah. Well,
8 that's great. I think we should get that out
9 there ASAP. Commissioner Cameron?

10 MR. O'TOOLE: Thank you.

11 CHAIRMAN CROSBY: Thanks, Steve.

12 COMMISSIONER CAMERON: No. I --
13 that's --

14 CHAIRMAN CROSBY: No I thought -- we
15 need to move to authorize the payment, right?

16 MS. BLUE: If you would.

17 COMMISSIONER CAMERON: Okay. So I
18 authorize that we -- we provide the 80 percent
19 purse account to the standardbred -- to the --
20 I want to say it's the same --

21 MS. BLUE: It's the purse account
22 money to the standardbred licensee.

23 COMMISSIONER CAMERON: So it's the
24 purse account -- the 80 percent to the purse

1 account to the standardbred licensee.

2 COMMISSIONER ZUNIGA: Second.

3 CHAIRMAN CROSBY: Any other
4 discussion? All in favor? Aye.

5 COMMISSIONER MCHUGH: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously. Great. So the one -- so
11 we're still sitting on 6-1/2 million for the
12 thoroughbreds, and we will await progress for
13 what we do with that.

14 COMMISSIONER ZUNIGA: And we're
15 sitting on -- and we're sitting on 20 percent
16 of the four -- of the 4 percent.

17 CHAIRMAN CROSBY: Of the four.

18 MS. BLUE: Of the health and
19 welfare.

20 CHAIRMAN CROSBY: Right. Great.
21 That's very helpful. Thank you.

22 MS. BLUE: Next in your packet, we
23 have two amended small business impact
24 statements. We've included the regs with

1 them, but you have already approved the regs,
2 they're just there for your benefit. These
3 are the amended small business impact for 205
4 CMR 149, which is the Racehorse Development
5 Fund regulations. And for the amendments to
6 205 CMR 134, which is licensing regulations.
7 Once you approve the amended small business
8 impact statements, we'll file these and
9 they'll be ready to go after they're posted.
10 So we've been through the whole formal
11 process.

12 CHAIRMAN CROSBY: Sure it's all
13 right? Anybody? Any thoughts, questions,
14 issues? Do we have a motion?

15 COMMISSIONER ZUNIGA: Sure. I can
16 move that the commission approve submitting
17 the amended small business impact statement
18 for regulations 205 CMR 149, the Racehorse
19 Development Fund regulations, as well as
20 regulations 205 CMR 134, the licensing
21 regulations, as presented here in the packet
22 today.

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: Any other

1 discussion? All in favor? Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes
7 have it unanimously.

8 MS. BLUE: While we're doing the
9 small business impact statements, if we would
10 just skip ahead a little bit, we have two
11 small business impact statements. They're
12 under the IEB section, but really they're
13 should be -- they're more legal-department
14 focused.

15 These are the small business impact
16 statements for 205 CMR 139. And 140, these
17 are the continuing disclosure and reporting
18 obligations, and the gaming -- gross gaming
19 revenue and tax remittance and reporting.
20 This will start us through the formal process
21 on these regulations, so if you could approve
22 the small business impact statements, we'll
23 get that process started.

24 COMMISSIONER ZUNIGA: And these

1 regulations we also approved last time --

2 MS. BLUE: Yes.

3 COMMISSIONER ZUNIGA: -- if I
4 remember correctly, on the taxes --

5 MS. BLUE: Yes.

6 COMMISSIONER ZUNIGA: -- the gross
7 gaming revenues have been --

8 MS. BLUE: To start through.

9 CHAIRMAN CROSBY: Discussion?
10 Motion, Commissioner?

11 COMMISSIONER ZUNIGA: Sure. I would
12 move that this commission approve the
13 submission of thee small business impact
14 statement on regulations 205 CMR 139, the
15 continuing disclosure and reporting
16 obligations of gaming licensees and
17 qualifiers' regulations, as well as the small
18 business impact statement for 205 CMR 140, the
19 gross gaming revenue tax remittance and
20 reporting regulations as presented here in the
21 packet.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER CAMERON: Second.

24 CHAIRMAN CROSBY: Any further

1 discussion? All in favor? Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes
7 have it unanimously.

8 MS. BLUE: And then, finally under
9 legal, we have, for your consideration today,
10 a policy. This is one more of the pieces of
11 our ongoing records management, overall
12 records management type policy. And this is a
13 policy regarding the removal of the applicant
14 materials from the commission's Web site.

15 We have a lot of the applicants'
16 materials from the very first -- from RFA1s
17 and RFA2s for both successful and unsuccessful
18 applicants still on our Web site. And we
19 wanted to put into a practice into place
20 whereby we move some of those. We archive
21 them. So we don't -- we don't get rid of them
22 or anything, we archive them. But we leave up
23 just those materials pertaining to the
24 successful applicants. And that frees up some

1 space, and then allows people to see, you
2 know, what's going on with the current
3 applicants. It also acknowledges that some of
4 the other material gets stale over time. A
5 lot of that stuff is now two, sometimes close
6 to three years old. So if we implement this
7 policy, it will -- it will allow us to take
8 some materials down, but we will still be
9 keeping them in an archive.

10 CHAIRMAN CROSBY: And on a ongoing
11 basis, your recommendation would be that when
12 we make a decision, like, a Region C decision,
13 if we make one, that upon the decision the
14 materials would come down immediately for the
15 losers?

16 MS. BLUE: I think we were going to
17 leave them up for about a year, if they're
18 unsuccessful --

19 CHAIRMAN CROSBY: Oh, it was a year?

20 MS. BLUE: -- and then we would take
21 them down. It does allow folks to go back and
22 look at them. We do, oftentimes, get requests
23 for some of those materials so it just makes
24 it a little simpler. We'd leave them up for a

1 little period of time.

2 CHAIRMAN CROSBY: Well, that's not
3 what it says here.

4 COMMISSIONER MCHUGH: Well, it says,
5 "take it down upon the award of the license."

6 CHAIRMAN CROSBY: Right.

7 MS. BLUE: Upon the award?

8 CHAIRMAN CROSBY: Right.

9 MS. BLUE: Okay. We leave the
10 successful.

11 COMMISSIONER CAMERON: Successful.

12 COMMISSIONER MCHUGH: Right.

13 Successful stays up for the life of the
14 license unsuccessful comes down with the
15 award.

16 MS. BLUE: With the award.

17 CHAIRMAN CROSBY: I'm agnostic on
18 the point, if you think ought to -- it would
19 be better to leave it up for a little while,
20 Catherine.

21 MS. BLUE: I don't think so. I
22 think -- it will be available. You know, as
23 long as it's readily available, if someone
24 asks for it, then, I think we're fine.

1 COMMISSIONER CAMERON: Do you need a
2 motion?

3 MS. BLUE: Yes. And then we'll add
4 this to our list of policies.

5 CHAIRMAN CROSBY: Anybody?

6 COMMISSIONER CAMERON: So I move
7 that we approve the removal of applicant
8 materials from the commission Web site policy
9 as outlined here in this -- in this report.

10 COMMISSIONER STEBBINS: Second.

11 CHAIRMAN CROSBY: Is there any other
12 stuff that we have up that we need to think
13 about whether to bring down or not, that we
14 need to follow a policy?

15 MS. BLUE: I'm sure there is. We
16 should get with Elaine and have a conversation
17 about what's there. We could give some
18 thought to archiving certain periods of
19 time --

20 CHAIRMAN CROSBY: Right.

21 MS. BLUE: -- that don't need to be
22 as readily available, but can be available if
23 needed. So it's something for us to consider.

24 CHAIRMAN CROSBY: Right. Okay. Any

1 further discussion? All in favor? Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes
7 have it unanimously.

8 MS. BLUE: That's all for legal.

9 COMMISSIONER CAMERON: Thank you.

10 CHAIRMAN CROSBY: Thank you.

11 COMMISSIONER ZUNIGA: Thanks very
12 much.

13 CHAIRMAN CROSBY: We now get to
14 Item 7, the IEB. Director Wells.

15 COMMISSIONER ZUNIGA: Counselor
16 Blue, was there a 205 CMR 151 part of the
17 packet for a reason?

18 CHAIRMAN CROSBY: I think that's
19 what came late.

20 MS. BLUE: 205 CMR 151.

21 COMMISSIONER STEBBINS: That's the
22 operations --

23 MS. BLUE: I don't see that on the
24 agenda. Which one?

1 COMMISSIONER ZUNIGA: Okay. Then --

2 CHAIRMAN CROSBY: It was left on our
3 places.

4 COMMISSIONER ZUNIGA: It was left on
5 our places.

6 MS. BLUE: Oh, the operations
7 certificate, it's here; it's going to come up
8 under IEB.

9 COMMISSIONER ZUNIGA: Okay.

10 CHAIRMAN CROSBY: Oh, 7C, that's
11 right, yeah.

12 MS. BLUE: Yep.

13 MS. WELLS: Good afternoon,
14 Commissioners.

15 COMMISSIONER CAMERON: Good
16 afternoon.

17 CHAIRMAN CROSBY: Good afternoon.

18 COMMISSIONER MCHUGH: Good
19 afternoon.

20 COMMISSIONER STEBBINS: Good
21 afternoon.

22 COMMISSIONER ZUNIGA: Good
23 afternoon.

24 MS. WELLS: I believe General

1 Counsel Blue has just confirmed that she took
2 care of agenda Item 7A, the approval of that
3 SBIS, so I'll move on with the IEB section of
4 the agenda this morning, to 7B, which is the
5 temporary license request. So for your
6 consideration this morning I have three
7 requests from Penn National for temporary
8 licenses from primary vendors.

9 The first request is for
10 Konami Gaming. Konami Gaming was incorporated
11 in the state of Nevada in January of 1997, is
12 a wholly-owned subsidiary of
13 Konami Corporation of America, a holding
14 company, which, in turn, is a wholly-owned
15 subsidiary of Konami Corporation, the parent
16 company. Konami Gaming is a designer and
17 manufacturer of slot machines and the SYNKROS
18 casino management system for the global gaming
19 market.

20 Konami Corporation was founded in
21 March of 1969 as a jukebox rental and repair
22 business by Kagemasa Kozuki, the current
23 chairman in Japan, and is currently a
24 multidimensional Japanese holding company,

1 which conducts business through its various
2 subsidiaries, which are publishers of toys,
3 trading cards, animate, slot machines, arcade
4 cabinets and video games, as well as operators
5 of some health and fitness clubs in Japan.
6 There are eight entities, which are deemed
7 qualifiers under this application filing for
8 Konami Gaming, as well as the investigation
9 also extends to eight individual qualifiers.

10 Konami Gaming is currently licensed
11 in at least 37 states and licensed by,
12 approximately, eight international gaming
13 jurisdictions. Inquiries into various
14 jurisdictions proved licensure by
15 Konami Gaming to be in good standing. The
16 investigation relative to the criminal civil
17 and financial background, the applicant to
18 date, or it's affiliated entities and
19 individual qualifiers, has not produced any
20 information that would preclude a finding that
21 Konami Gaming possess the requisite
22 qualifications for the issuance of a temporary
23 gaming vendor primary license of the
24 Commonwealth of Massachusetts.

1 So the finding by the IEB is that
2 it's reasonably likely that the -- the license
3 would be issued upon completion of the
4 investigation presented -- presentation to the
5 commission. And that's the standard.

6 So I don't know if the commission
7 wants to potentially vote on these separately,
8 or I can go through each of three requests?

9 COMMISSIONER ZUNIGA: You have three
10 requests --

11 MS. WELLS: Yes.

12 COMMISSIONER ZUNIGA: -- for gaming
13 vendor primaries?

14 MS. WELLS: Primaries. They're all
15 primaries. Do you want me to go through all
16 three, or do you want to do the vote one at a
17 time?

18 COMMISSIONER CAMERON: So you have a
19 short summary for all three just like the one
20 you just read?

21 MS. WELLS: Correct. Similar, yes.

22 COMMISSIONER CAMERON: I think
23 that's fine.

24 MS. WELLS: Okay, go through? The

1 second request for temporary license, also
2 from Penn National, is from Modern Gaming
3 East, LLC. Modern was incorporated in the
4 state of New Jersey in January of 2005. Its
5 office is located in Ventnor, Jersey, and is
6 primarily a sales organization whose members
7 have a combined 44 years experience selling
8 gaming and nongaming equipment to the
9 regulated U.S. gaming market.

10 Modern currently acts as a sales
11 agent for gaming and nongaming products,
12 including slot machines, slot machine
13 peripherals and components, and will providing
14 this type of service to Massachusetts casinos.
15 The peripherals and components include LCD
16 monitors, laser printer and billing acceptors.

17 Modern currently acts as a sales
18 agent for Konami Gaming, which I previously
19 spoke about, in certain states, and intends to
20 act as Konami's sales agent in Massachusetts.
21 All agreements with casinos are entered into
22 between Konami and the casino. Modern acts as
23 the sales agent only. In its entirety, the
24 Modern Gaming application consists of one

1 entity qualifier and two individual
2 qualifiers.

3 Modern Gaming is currently licensed
4 in at least seven gaming jurisdictions. And
5 inquiries into various jurisdictions proved
6 licensure by Modern and its qualifiers to be
7 in good standing.

8 So similar to the Konami
9 application, the -- the finding by the IEB is
10 they're reasonably likely to be licensed upon
11 completion of the investigation and
12 presentation to the commission.

13 The third petition for temporary
14 licensure by Penn National is for Ainsworth
15 Game Technology. The specific entity seeking
16 a primary gaming vendor license is Ainsworth
17 Game Technology, Inc., I'll refer to as the
18 applicant. It was incorporated in the state
19 of Florida in 2006, has a current principal
20 business address in Las Vegas, Nevada. It is
21 100-percent owned by AGT Party, Limited, a
22 nontrading, Australian proprietary company
23 in -- incorporated in Newington South Wales --
24 in Newington New South Wales, pardon me,

1 February 15th of 2001. AGT Party Limited is a
2 wholly-owned -- is wholly-owned by the parent
3 company, Ainsworth Game Technology Limited,
4 and serves as a holder of investments of
5 international companies.

6 Ainsworth Game Technology, Limited
7 is an Australian-based manufacturer and
8 supplier of gaming machines, software and
9 associated gaming-related equipment
10 headquartered at New South Wales.

11 Ainsworth Game Technology is a
12 publicly-traded company listed on the
13 Australian Securities Exchange under AGI and
14 registered with the Australian Securities and
15 Investments Commission in 1995.

16 The applicant, a subsidiary of
17 Ainsworth Game Technology, Limited, provides
18 sales, marketing distribution and technical
19 support of slot machines and related equipment
20 to casinos in the Americas.

21 The applicant registered as a
22 foreign corporation with the Massachusetts
23 Secretary of State on April 10, 2014. Along
24 with the applicant, two additional entities

1 and nine individuals have determined -- have
2 been determined to be qualifiers.

3 While the applicant, which is
4 registered, qualified or licensed by over 100
5 agencies and jurisdictions, including
6 Pennsylvania, Ohio, Missouri, New Jersey and
7 Nevada is reasonably likely to be licensed
8 upon completion of the investigation, there
9 are certain historical issues, which the IEB
10 has identified, and will thoroughly review and
11 investigate, which include information from
12 1981 to 1984, the criminal history of
13 Ainsworth Game Technology, Limited CEO and
14 current qualifier related to issues in the
15 Oregon Tribal Gaming Commission that is
16 approximately 30 to -- 30, yeah, now 31 years
17 old.

18 So subsequent to that, in 1997 the
19 Colorado Limited Gaming Control Commission
20 issued a notice of denial against Aristocrat's
21 manufacturer and distributor license, in part,
22 because of Leonard H. Ainsworth's influence in
23 an association with an Aristocrat.

24 In August of 2008, there was an

1 issue where the Oregon State Police found
2 Ainsworth Game Technology Limited not suitable
3 to do business in Oregon in August of 2008
4 based on information about one of the
5 principals. The company challenged the
6 finding, and in August of 2010 reached an
7 agreement with the OSP and Oregon Department
8 of Justice, and the OSP substantively has
9 withdrawn this finding of not suitable and
10 replaced it with a revised determination,
11 which clarifies the ability of each tribe to
12 enter into a contract with the company.

13 And then, in 2011 Missouri Gaming
14 Commission issued an order of denial for
15 Ainsworth Game Technology and found two
16 principals unsuited -- unsuitable for
17 licensure. After an appeal by Ainsworth, the
18 Missouri Gaming Commission ultimately approved
19 the application in 2014.

20 So there is some historical
21 information there. However, based on the
22 current status of licensure of the company in
23 numerous jurisdictions, it's reasonably likely
24 that they will be issued a license by the

1 commission, but I wanted to alert the
2 commission that we will be looking into these
3 issues and confirming there's nothing that the
4 commission would need to -- it would rise to
5 the level the commission would want to deny
6 the license.

7 COMMISSIONER CAMERON: So, Director,
8 you're asking for temporary licenses --

9 MS. WELLS: Yes.

10 COMMISSIONER CAMERON: -- for these
11 three entities?

12 MS. WELLS: Correct. Well,
13 Penn National is. We're -- we're -- the
14 finding is that they're reasonably likely to
15 be issued the license.

16 COMMISSIONER CAMERON: And you've
17 looked at Ainsworth enough, you feel like, to
18 -- to recommend them at this point, but you'll
19 be -- you'll be doing more work?

20 MS. WELLS: Correct.

21 COMMISSIONER MCHUGH: What's
22 Ainsworth's role; are they related to
23 Aristocrat?

24 MS. WELLS: Yeah, there's a

1 connection. I don't know. Do you know the
2 specifics on --

3 COMMISSIONER MCHUGH: Are they a sub
4 of Aristocrat?

5 MS. WELLS: Well, no. I think there
6 was a -- one of the principals had worked -- I
7 can't remember if it was Ainsworth came before
8 Aristocrat, or Aristocrat became before
9 Ainsworth and then -- and they're -- at the
10 same time, and then there was a split-off. So
11 they're -- they're connected historically, but
12 now they are two separate entities.

13 COMMISSIONER MCHUGH: I see. I see.
14 Okay.

15 COMMISSIONER ZUNIGA: And what
16 does -- what does Ainsworth do? What kind
17 of -- what kind of equipment -- similar to
18 Aristocrat? Is this --

19 MS. WELLS: Yeah. So they're --
20 they're both a product of the gaming
21 equipment.

22 COMMISSIONER ZUNIGA: So
23 technology -- technology for gaming equipment.

24 CHAIRMAN CROSBY: And the problem in

1 the 80s was with Mr. Ainsworth?

2 MS. WELLS: Correct. You know, I
3 want to make sure I'm disclosing information
4 that may potentially should -- that should be
5 redacted in a public setting, but it was --
6 there was a -- make sure I'm expressing this
7 correctly, a criminal history issue of an
8 individual who had the connection with
9 Ainsworth Game Technology, but it's very old
10 history.

11 CHAIRMAN CROSBY: Is the same --

12 COMMISSIONER MCHUGH: Right. But we
13 don't know who the individual was? I mean,
14 you may know --

15 MS. WELLS: Right.

16 COMMISSIONER MCHUGH: -- but you're
17 not -- you're not saying the individual.

18 CHAIRMAN CROSBY: Well, you
19 identified, just now, somebody named
20 Ainsworth.

21 MS. WELLS: No, no, no. It's got a
22 different name. I'm just -- I don't know if I
23 should check with legal whether -- at this
24 point, I'd prefer to --

1 MS. BLUE: This would be -- this is
2 a -- it sounds like a criminal history issue,
3 which we would obviously redact a report we
4 were going to do. I think, what is important
5 for the commission to know is, there does seem
6 to be some sort of issue. It is very old.
7 The IEB will need to look into it to determine
8 that it has no ongoing impact. But the
9 request, I believe, Karen, is that -- for a
10 temporary license subject to IEB further
11 investigation.

12 COMMISSIONER STEBBINS: I know Penn
13 made these applications. Do we know, or have
14 we heard from Penn that they plan to do
15 immediate business with all three of these?

16 MS. WELLS: Yes. So I had requested
17 from Penn, the list of the primary vendors
18 that they planned on doing business with, and
19 these were included in that list.

20 COMMISSIONER CAMERON: And if we
21 were to wait until you complete the Ainsworth
22 investigation, that would put them at a
23 competitive disadvantage?

24 MS. WELLS: Correct.

1 COMMISSIONER MCHUGH: That would put
2 Ainsworth or Penn, or both?

3 MS. WELLS: Yeah. I would say,
4 both.

5 CHAIRMAN CROSBY: Did Ainsworth have
6 time to get their application so that they
7 could have been properly checked? Why are we
8 -- why do we not --

9 MS. WELLS: Well it -- it takes a
10 long time to do the full investigation, as you
11 know, for a primary vendor as a step down from
12 license investigations, but that would
13 incorporate travel to other jurisdictions to
14 look at information and interviews with
15 qualifiers so --

16 CHAIRMAN CROSBY: When did you get
17 the application?

18 MS. WELLS: I don't have the date of
19 the transmittal.

20 CHAIRMAN CROSBY: More or less?
21 Pardon?

22 MS. WELLS: I don't have the date of
23 the transmittal. I would say --

24 CHAIRMAN CROSBY: More or less?

1 MS. WELLS: -- months.

2 CHAIRMAN CROSBY: Months ago?

3 MS. WELLS: Maybe -- I -- you know,
4 I'd have to look.

5 CHAIRMAN CROSBY: So you're not
6 asking for a temporary for them because they
7 weren't timely, because they were -- didn't
8 get around --

9 MS. WELLS: No, no, no. All of
10 these primary vendor investigations, the
11 expectation is these will take many, many
12 months. Say, six to nine months, potentially,
13 to do, depending on the volume and what else
14 the IEB has going on at the same time. My
15 expectation is that all of these vendors are
16 going to be requesting temporary licenses and
17 potentially getting them if they are -- if
18 it's appropriate before the investigation is
19 complete. So this is no surprise. It's not
20 as if they're getting a temporary license
21 because their investigation wasn't done in
22 time or some delay either by the applicant or
23 the commission.

24 CHAIRMAN CROSBY: Well -- go ahead.

1 Whoever --

2 COMMISSIONER STEBBINS: Yeah.
3 Gaming vendor primary. So we're expecting,
4 and hopefully Penn has shared this with you,
5 that there's going to be an ongoing business
6 relationship with these folks, proceeding out
7 past their opening date?

8 MS. WELLS: There may be -- yeah.
9 For example, maintenance of machines or they
10 may buy more machines or new machines, or
11 trade out machines. Those kinds of things.

12 COMMISSIONER STEBBINS: I mean,
13 it's -- it's less of a risk, I think, at this
14 category that we do the temporary then come in
15 and do the business.

16 MS. WELLS: Yeah, right.

17 COMMISSIONER STEBBINS: And walk
18 away before we conclude the --

19 MS. WELLS: Right.

20 CHAIRMAN CROSBY: Well, you know --

21 COMMISSIONER ZUNIGA: I was going to
22 chime in. I, for one, am comfortable with --
23 you know, with the recommendations for the
24 temporary license, even with this historical

1 topic on the last one. I don't know if my
2 colleagues feel differently, but I'm prepared
3 to act on the recommendation of the IEB.

4 COMMISSIONER CAMERON: Well, I think
5 we've routinely received very sound
6 recommendations from the IEB. And the fact
7 that they were licensed in over a hundred
8 jurisdictions, you know, is probably part of
9 the reason why you're making this
10 recommendation to us. So I --

11 MS. WELLS: That is correct.

12 COMMISSIONER CAMERON: -- I am
13 comfortable as well with the -- with the
14 recommendation, and the full investigation
15 will take place, and if something changes
16 you'll advise us.

17 MS. WELLS: Yes.

18 COMMISSIONER STEBBINS: I agree. I
19 would move that the commission approve
20 temporary gaming vendor primary license for
21 Modern Gaming, Konami and Ainsworth Game
22 Technology, Inc. Did I get all three names
23 right?

24 MS. WELLS: That's correct.

1 COMMISSIONER STEBBINS: Okay.

2 CHAIRMAN CROSBY: Second?

3 COMMISSIONER CAMERON: Second.

4 CHAIRMAN CROSBY: I tend to agree
5 with the commissioners. If feels like
6 story -- going through the story makes it feel
7 like there's some -- a company that's got some
8 things that are fast and loose. But I think,
9 if you recommend it, then I think it would --
10 I think it's appropriate to go along with your
11 recommendation. Any other -- any other
12 discussion? All in favor? Aye.

13 COMMISSIONER MCHUGH: Aye.

14 COMMISSIONER STEBBINS: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 CHAIRMAN CROSBY: Opposed? The ayes
18 have it unanimously.

19 COMMISSIONER MCHUGH: I would just
20 add that I think the record ought to reflect
21 that -- that there's no individual names that
22 have been indicated as the -- as the
23 individuals who had some troubles in the past.

24 MS. WELLS: Right.

1 COMMISSIONER MCHUGH: That's yet to
2 be determined.

3 MS. WELLS: Correct.

4 COMMISSIONER MCHUGH: We don't --
5 that's not anything the commission is -- it's
6 any part of the commission's record. And
7 whatever -- whatever individuals that are,
8 perhaps, involved in something, is yet to be
9 determined.

10 MS. WELLS: That is correct. Thank
11 you. And if the commission will indulge me, I
12 realize it's not on the agenda for today, but
13 it's something that was not called to my
14 attention 'til about 4:10 or 4:15 yesterday
15 afternoon, I thought the commission may be
16 want to be aware.

17 As to Region C, the applicants for
18 licensure, for casino license in that area, I
19 did -- as the commission knows, the deadline
20 for submission for all the materials for the
21 RFA1 application, including the BEDs and PhD
22 apps for the qualifiers identifying the
23 operator, the equity and the -- and the entire
24 structure, are due on the 16th, that's what

1 the commission decided. I had reached out --

2 COMMISSIONER ZUNIGA: I'm sorry.

3 Which -- what was that -- that date again?

4 CHAIRMAN CROSBY: March 16th.

5 MS. WELLS: The 16th is when the --
6 basically --

7 COMMISSIONER ZUNIGA: March 16th?

8 MS. WELLS: -- March 16 is when the
9 application is due. So they have to provide
10 their structure, they have to identify their
11 operator and identify their equity
12 contribution to the project.

13 And I received -- I had sent
14 deficiency letters to two of the potential
15 applicants for that due date. Received -- in
16 that letter I sent to the Crossroads
17 application, I indicated -- we had had
18 conversations that there's information
19 missing, and we had spoken and scheduled a
20 scoping meeting for tomorrow, March 6th. And
21 in the letter, I had indicated that materials
22 identifying who -- who the -- what the
23 structure is and identifying their qualifiers,
24 it should be submitted to the IEB, which was

1 Monday.

2 I got a note from -- e-mail from the
3 lawyer from Crossroads, indicating they wanted
4 to postpone the scoping meeting until the
5 following week, which -- on the 10th or the
6 11th. I responded back to the attorney
7 indicating they had missed the deadline for
8 submitting materials to the IEB for us to
9 review, that March 2nd deadline that I had
10 set, and indicated if they had -- they would
11 provide those materials by the end -- by, I
12 think, four o'clock on Friday -- on Wednesday,
13 yesterday, the 4th, that I could postpone the
14 scoping meeting 'til the Monday -- Monday,
15 what's the date on Monday? Monday, March 9th
16 in the morning. I did receive an e-mail back
17 from the attorney that reads, "Karen, my
18 clients were not able to finalize their
19 agreement by your four o'clock deadline. No
20 further information.

21 So I just wanted to bring that to
22 the commission's attention, if the commission
23 wanted to weigh in or give direction on what
24 you'd like to me to do at this point. The

1 procedure has been that the applicant, for all
2 our licenses, provides information to the
3 commission so that we can do a
4 scope-of-licensing process and identify who
5 the qualifiers are, write up a letter to give
6 to the potential applicant, and then that is
7 the basis for their submission on any
8 particular deadline for applications.

9 So I'm in a -- a bit of a bind here
10 because I don't know, you know, if the
11 commission wants me to extend the internal
12 deadlines that we have, or if the commission
13 has a position on that the problem, you know,
14 that we have is that staff needs time to
15 review the submissions they give us, then we
16 have to schedule the meeting, meet with the
17 applicant, and then after that we have to
18 draft the letter back to the applicant
19 identifying the qualifiers, and then after
20 that, they have to make sure that all their
21 applications meet the requirements of the
22 scoping letter.

23 So that's the process, and just
24 wanted to bring that to commission's attention

1 in case there's any comment or direction you'd
2 like to give to me.

3 COMMISSIONER MCHUGH: Well, it seems
4 to me that, as we look at the structure, and I
5 don't think we've discussed this before, but
6 the deadline for submission of materials is
7 the deadline that the commission sets. All
8 right. That's been true in every case.

9 And what the IEB has done with the
10 scoping meetings and the like, is provide a
11 service to the applicants, so that the
12 applicants will have an understanding of what
13 stuff has to be turned in by the deadline.

14 And it seems to me that the IEB has
15 extended itself, and has set the internal
16 deadlines that you just discussed so that the
17 applicant will have the opportunity to fulfill
18 its obligations in giving the IEB a full list
19 of things when the deadline for submission
20 arrives.

21 If the applicant chooses not to
22 comply with the IEB's request for information
23 and meetings, and the like, in a way that
24 gives the IEB a reasonable chance to respond,

1 then, when the deadline arrives and they
2 submit materials, the IEB may go through them
3 and find that they're still in complete and
4 that, in this case, is the end of the game.

5 So it seems to me that you've --
6 you've set now a deadline, you can do what you
7 can do, what you choose to do -- this is one
8 approach. I'm just think out loud here. You
9 can do what you can do. You can do what you
10 choose to do. But if, in the end, their
11 materials are incomplete that -- that's the
12 end of the ballgame. And it's -- and if it's
13 incomplete because they didn't talk with you
14 beforehand and -- and give you an opportunity
15 to tell you them what you need -- that's --
16 that's on them. That is how it --

17 COMMISSIONER ZUNIGA: I agree
18 entirely. I think your characterization of
19 the service is key here. And that's something
20 that you have been doing quite a bit, trying
21 to anticipate who needs -- you know, trying to
22 anticipate questions, who would need to be
23 submitting those BEDs, which are lengthy in
24 nature, and thus the service, but the deadline

1 is the deadline, and it's still in the future.
2 I suggest you see what happens when that
3 deadline, you know, comes to fruition.

4 CHAIRMAN CROSBY: I hadn't really
5 thought about it that way, but you -- there's
6 no requirement that they have a scoping
7 meeting. If they call you will up and say we
8 don't want to do a scoping meeting. We've
9 done this many times, we know who the
10 qualifiers are, and they bring in -- and
11 what the structure -- what you're going to
12 need, and then they submit it and, in fact,
13 they do there's no -- no harm, right? They
14 don't -- Jim characterized this as a service.
15 And it -- although you have -- really want
16 them to do it so that everything does, in
17 fact, come in on time, if they choose not to,
18 that's fine, right?

19 MS. WELLS: I think --

20 COMMISSIONER ZUNIGA: You could then
21 -- you could, at the time, deem them to be
22 incomplete, just like Commissioner McHugh --
23 yeah, Commissioner McHugh has suggested, as a
24 possible scenario.

1 MS. WELLS: Yeah. I think just in a
2 practical of what happens if they submit and
3 there's one individual qualifier. Were they
4 really -- you know, I look at it when the IEB,
5 who does an evaluation, and, you know, we have
6 this person be a qualifier, does that knock
7 them out of the box? Or do we say, okay,
8 we'll give you a little time because it's only
9 one qualifier? That -- that potentially,
10 creates some confusion, but I think that the
11 solution that Commissioner McHugh suggested is
12 definitely work around and that helps me.

13 CHAIRMAN CROSBY: And you do have to
14 come back, after these deadlines and tell us
15 whether they're substantially complete or not.
16 That is -- that is a judgment you've had to
17 make --

18 MS. WELLS: Right.

19 COMMISSIONER ZUNIGA: In the past.

20 CHAIRMAN CROSBY: -- repeatedly.
21 Right. So you're perfectly capable of doing
22 that.

23 MS. WELLS: Yep.

24 COMMISSIONER CAMERON: I think what

1 you're hearing is they've had opportunities to
2 work with you, to receive the information they
3 would have needed to do this in a complete
4 way. And that, we're not going to necessarily
5 be sympathetic to a very limited submission at
6 this point, because they've had many
7 opportunities to put the whole package
8 together, and to speak with you and use your
9 services. So I think the deadline will be the
10 deadline. And as far as I'm concerned, there
11 won't be a lot of room for a less-than,
12 substantially-complete submission at that
13 point.

14 COMMISSIONER STEBBINS: I agree with
15 my colleagues. I guess the question is, do
16 you want to take the time that they've asked
17 for next week to sit down with them as close
18 as they are to the deadline of the 16th and
19 spend time with them?

20 MS. WELLS: Well, I would want to
21 see their submission first. That's why I've
22 requested that, to see if it's a good use of
23 the resources. Obviously, we have an enormous
24 amount of work going on right now, so I'd like

1 to see the submissions and then scheduled
2 that. But, I've been readily accessible to
3 all the applicants, so I'm never going to turn
4 anyone away that is needing help. That's
5 just, you know, not how we operate, but it's,
6 obviously, frustrating.

7 COMMISSIONER CAMERON: At this
8 point, they're not even asking for next week.
9 You offered next week and they said they
10 couldn't meet the deadline, correct?

11 MS. WELLS: I -- they asked for the
12 10th or the 11th. I responded, if you can get
13 your paperwork in by the 4th, I can meet with
14 you on the 9th. And they said they couldn't
15 make the deadline of the 4th, and that's how
16 it was left.

17 COMMISSIONER STEBBINS: So the
18 ball's in their court.

19 MS. WELLS: Correct.

20 CHAIRMAN CROSBY: Yeah. And
21 Commissioner McHugh said, how you choose to
22 handle it, it's up to you.

23 MS. WELLS: Okay.

24 CHAIRMAN CROSBY: And I agree with

1 that.

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

3 CHAIRMAN CROSBY: Okay. Thank you
4 very much. All right. We are now at Item 8?

5 MR. DAY: We're still on Item 7.

6 MS. WELLS: You've got letter C.

7 CHAIRMAN CROSBY: Right. 7C. Okay.
8 Right.

9 MS. LILLIOS: Good afternoon,
10 Commissioners.

11 CHAIRMAN CROSBY: Good afternoon.

12 COMMISSIONER MCHUGH: Good
13 afternoon.

14 COMMISSIONER STEBBINS: Good
15 afternoon.

16 COMMISSIONER ZUNIGA: Good
17 afternoon.

18 COMMISSIONER CAMERON: Good
19 afternoon.

20 MS. LILLIOS: Before you is a draft
21 of a regulation, which you're seeing as a
22 group for the first time. It's 205 CMR 151
23 dealing with the operation certificate for the
24 gaming establishment. And the statutory

1 authority for this regulation drives primarily
2 from Section 25A of Chapter 23K. And this
3 draft was prepared with the collective efforts
4 of Bruce Band and Todd Grossman.

5 There are five sections in the
6 regulation. The first states that, before
7 opening, the gaming establishment has to
8 request and obtain an operation certificate
9 from the commission. And the certificate
10 issues only after the commission conducts all
11 of its reviews, tests and inspections that are
12 required by law, the regulations, and required
13 by the commission.

14 Also included in the first section,
15 in Subsection 3, is a nonexclusive checklist
16 of items that the IEB will review, inspect and
17 test, including the licensee's system of
18 internal controls, their compliance with 23K.
19 There's a requirement that each licensee
20 provide a list of -- a complete list of
21 employees, a confirmation that the gaming area
22 and other nongaming amenities are built to a
23 superior quality, and confirmation that the
24 license -- all of the conditions of each of

1 the gaming licensee's license are met, and
2 that there is an emergency response plan on
3 file with the fire and police departments in
4 the host community.

5 The second section requires approval
6 of the gaming establishment floor plan of the
7 gaming area, simulcast area and restricted
8 areas. specifically to confirm the security
9 features. And this is a requirement of
10 Section 25C of 23K. And this section
11 specifies what needs to be included on the
12 layout of the floor plan, such as equipment
13 positions and the location of security
14 features, as detailed in subsections A through
15 U.

16 The third section addresses the test
17 period, during which the IEB assesses
18 compliance, including the IEB notifying the
19 licensee of the schedule, and the terms and
20 conditions of the test period.

21 The fourth section states that the
22 operation certificate itself, once issued,
23 remains in effect for the duration of the
24 license, and the licensee must operate in

1 accordance with the terms of the certificate.

2 And the fifth section addresses
3 amendments to the operation certificate and
4 outlines a process whereby the licensee may
5 partition the commission to -- for amendments.

6 So that's a summary of the
7 regulation before you. And Bruce Band and I
8 will try to answer any questions that you
9 have. We are -- we will be asking that this
10 enter into the formal process at this point.

11 CHAIRMAN CROSBY: Questions?

12 COMMISSIONER STEBBINS: I just -- I
13 had quick comment, a quick question. In
14 15101, this is, I think, maybe a little bit to
15 detailed, but the second sentence in that
16 paragraph doesn't make a lot of sense.

17 MS. LILLIOS: Subsection 1 of the --

18 COMMISSIONER STEBBINS: Yeah.

19 MS. LILLIOS: The operation
20 certificate --

21 COMMISSIONER STEBBINS: Shall not
22 issue until --

23 MS. LILLIOS: -- shall not issue
24 until the commission --

1 COMMISSIONER STEBBINS: I think it's
2 -- I think it's just the words that are --

3 MS. LILLIOS: Okay. We'll take a
4 look at that.

5 COMMISSIONER STEBBINS: I don't want
6 to be too detailed about it but -- and help me
7 out under -- can you just walk through 15104,
8 Subsection 1? Help me understand the timing
9 of when an effective date would be
10 established. You touched on it but --

11 MR. BAND: I think this would be set
12 up and stuff during the meetings with Penn in
13 the development stage we'll be having now
14 between opening, and what we'd expect in a
15 test period.

16 COMMISSIONER STEBBINS: Okay. With?

17 MR. BAND: With -- with live slots
18 it will probably be, you know, real coin being
19 played but how we would monitor their system,
20 table games, and the next opening will be a
21 little more detailed.

22 COMMISSIONER STEBBINS: Okay. So --
23 and it's from effective date point A carried
24 through whatever the life of the license is,

1 five years or 15 years.

2 MR. BAND: Yeah.

3 COMMISSIONER STEBBINS: Okay.

4 CHAIRMAN CROSBY: Bruce, what
5 exactly does the test period consist of?

6 MR. BAND: The test period, it
7 really gives us to a chance to look at them
8 operate. Historically, at various casinos and
9 jurisdictions that we've dealt in, some --
10 some of the property that had trouble, like,
11 balancing their banks, they can't count their
12 money properly. And these are things that we
13 want to know before we issue a license. There
14 is one property in New Jersey, it took them
15 three weeks to account for \$600,000 that was
16 missing, that was locked in some room that
17 nobody knew about. It's little things like
18 this, that when you get close, sometimes
19 they're not quite ready as you like to look
20 at. From a regulatory standpoint, we want to
21 know they're on solid ground, has properly
22 trained all their people. The surveillance
23 people know -- know their system and --

24 CHAIRMAN CROSBY: But how do you do

1 that?

2 MR. BAND: You actually ut people in
3 the -- in the areas to observe. It's almost
4 like a continuous audit. The end of the
5 night, you actually let them go through the
6 count process, make sure they can balance all
7 things.

8 CHAIRMAN CROSBY: So this is like a
9 soft launch, you have customers there?

10 MR. BAND: Yes, you do. With a slot
11 parlor it's a little different than a mixed
12 one. The slot parlor, it all has to be live
13 money because of the slot machine. If you had
14 table games in the mix, you would actually
15 have what we call play money so it wouldn't
16 really count. And at least, at that point, we
17 could test the dealers to see if they could
18 catch people cheating or -- or anything like
19 that. So it's to test the system, see how
20 well-trained there are, how ready they are.

21 CHAIRMAN CROSBY: But so you -- you
22 actually bring real people in, in this case.

23 MR. BAND: Yeah.

24 CHAIRMAN CROSBY: For some number of

1 hours or days, or something?

2 MR. BAND: Yes. And that's what
3 we'd set out to determine.

4 CHAIRMAN CROSBY: Okay.

5 MR. BAND: In the scheme of things
6 you -- let's say if you did it for an
7 eight-hour period, you'd want to see all their
8 shifts during that eight-hour period for --
9 you know, somebody didn't bring in their
10 strongest team just for us to see. We want to
11 see everybody.

12 CHAIRMAN CROSBY: Right, right.

13 COMMISSIONER ZUNIGA: How -- how
14 long is that test period, typically, Bruce?

15 MR. BAND: Usually, for something
16 like a slot parlor, I would envision it being
17 one or two days, unless we encountered
18 problems. And, at which point, they would
19 have an opportunity to rectify the problems
20 and let us look at it again. I don't foresee
21 that in this case, but you just never know for
22 sure.

23 COMMISSIONER ZUNIGA: Many of the
24 requirements in this first section are, you

1 now, pointed to you cannot operate until you
2 get the certificate, and to get the
3 certificate you have to have done of all these
4 things. Many of them, or some of them way in
5 advance of, say, even a test period, like the
6 system of getting approval of the system of
7 internal controls and --

8 MR. BAND: Yes.

9 COMMISSIONER ZUNIGA: -- all kinds
10 of other things. I'm not suggesting, you
11 know, any of these should be in regulations,
12 but have you get a sense as to how soon, how
13 early certain things have to fall into place
14 so that that -- this test period and eventual
15 opening can happen?

16 MR. BAND: From a regulatory
17 standpoint, I'd certainly like to see those
18 fall in place as soon as possible. But these
19 things sometimes take a little longer than you
20 anticipate. I think everything in this is
21 certainly doable, and they're working towards
22 that now so --

23 CHAIRMAN CROSBY: Great.

24 MR. DAY: Commissioners, I might --

1 I might add that I did, because we wanted to
2 make sure, at least Penn is the one that's
3 coming up for opening, so I checked this set
4 of draft regulations with their compliance
5 people too, to see if they found any
6 particular problems. They made two
7 suggestions and we corrected those.

8 COMMISSIONER MCHUGH: Good.

9 COMMISSIONER ZUNIGA: Real-time
10 comment.

11 CHAIRMAN CROSBY: Okay. Any other
12 -- any other questions or thoughts?

13 COMMISSIONER ZUNIGA: This is
14 submission to start the formal process?

15 MS. LILLIOS: That's correct.

16 COMMISSIONER ZUNIGA: Okay. So you
17 need a vote?

18 MS. LILLIOS: We need a vote.

19 COMMISSIONER ZUNIGA: Based on more
20 comments, I could -- I'd be happy to make a
21 motion to start the formal process of
22 promulgation of regulations 205 CMR 151, the
23 requirements for operations and conduct of
24 gaming at a gaming establishment, as submitted

1 in the packet here today.

2 CHAIRMAN CROSBY: Second? Any
3 further discussion? All in favor? Aye.

4 COMMISSIONER MCHUGH: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 COMMISSIONER CAMERON: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 CHAIRMAN CROSBY: Opposed? The ayes
9 have it, surprisingly, unanimously.

10 MS. LILLIOS: Thank you.

11 COMMISSIONER CAMERON: Thank you.

12 CHAIRMAN CROSBY: And Item 8.

13 MR. GLENNON: Good afternoon.

14 COMMISSIONER STEBBINS: Good
15 afternoon.

16 CHAIRMAN CROSBY: Good afternoon.

17 COMMISSIONER CAMERON: Good
18 afternoon.

19 MR. GLENNON: Good afternoon. I
20 want to step a little bit out of turn.
21 Generally, our technology presentations and
22 stuff is dry, so I can't imagine that many
23 people are tuning in, but there is one person
24 that tunes -- that tunes in that I want to say

1 hi to. Hi, mom. My 93 year-old mother makes
2 a habit of tuning in when I'm on the agenda so
3 I wanted to acknowledge --

4 CHAIRMAN CROSBY: Great.

5 COMMISSIONER MCHUGH: Great.

6 CHAIRMAN CROSBY: Welcome.

7 MR. GLENNON: So I'm here to update
8 for you today on a number of things. I think
9 the first thing is our support of the process
10 to try to get Penn opened and not to be in the
11 way of that, and there's some things that have
12 to happen -- oh, we're doing regulations
13 first, I'm sorry. Let me take a step back.

14 We are proposing a softening of the
15 regulations that we promulgated related to the
16 gaming standards. And after discussions with
17 licensees and some of our vendors, including
18 G-Tech, it became apparent that some of the
19 requirements that we have put in the original
20 set of regulations were too tight, and maybe
21 even didn't allow for a proper competition or
22 mix of games on the floor and -- and really
23 weren't providing us as regulators with any
24 substantive additional information that we're

1 going to need to regulate.

2 So the language here proposes that
3 we soften the requirements for -- not soften,
4 but define them a little bit differently, we
5 require G2S or SASS protocol, but we've taken
6 out the date and some of the restrictive
7 language. So I think that is the essence of
8 the what the change is. I think it's going to
9 be perceived favorably by all concerned, and I
10 would recommend that we move that forward.

11 In addition, we did take a look at
12 language related to progressive slots and
13 kiosks that Bruce Band had brought forward
14 from New Jersey. And upon review of that
15 additional language, it's covered by the GLI
16 standards that we adopted by reference for
17 those particular areas. So we -- you know, we
18 did do the review. We sat down, we looked,
19 and there was not anything distinctively
20 different between the language that -- that
21 Bruce brought that we were looking at, and
22 regulate the standards which -- of GLI put
23 forward in those to areas. So it's on the
24 agenda, but we chose not to make any changes

1 to our regulations relating to those two
2 things.

3 COMMISSIONER MCHUGH: So where --
4 where are we with these regulations, now that
5 we're amending them?

6 MR. GLENNON: So this -- the
7 language you see here is the -- the first pass
8 in the process to make the changes that I
9 just, kind of, highlighted.

10 COMMISSIONER MCHUGH: These
11 regulations are not in the formal.

12 MR. GLENNON: They are regulations.
13 These are --

14 COMMISSIONER MCHUGH: That's right.

15 MR. GLENNON: These are changes to
16 regulations that are promulgated and already
17 filed so --

18 COMMISSIONER MCHUGH: So we need to
19 put these changes through the formal process?

20 MR. GLENNON: Indeed.

21 COMMISSIONER MCHUGH: I have just
22 one question. It really isn't about the
23 regulations. It's about my understanding of
24 the -- of the CMS.

1 MR. GLENNON: Okay.

2 COMMISSIONER MCHUGH: The first
3 sentence of four says "near real-time stream
4 of data." There is a lag there.

5 MR. GLENNON: So --

6 COMMISSIONER MCHUGH: This is a
7 technology question, not a regulatory --

8 MR. GLENNON: Yeah, so, I think near
9 real-time, when we first put our regulations
10 together, I think some of the conversations
11 we've had with -- with GLI when the words real
12 time were in, I was convinced that near real
13 time was the appropriate way to put it because
14 there is some latency, and information is
15 passed to multiple levels. Information is
16 stored with the game. If the game loses
17 connectivity with the site controllers, which
18 collect local data, then -- you know, until
19 that connection's restored, the data's stored
20 at the game.

21 COMMISSIONER MCHUGH: Right.

22 MR. GLENNON: And then, subsequently
23 from that, at the local level, if the site
24 controller, which is collecting the data from

1 the machine, loses connectivity with the
2 central management system, that data is stored
3 and forward when connectivity is replaced. So
4 that's the reason for making the nuance
5 distinction.

6 COMMISSIONER MCHUGH: Okay. Thanks.

7 CHAIRMAN CROSBY: Anybody else?

8 COMMISSIONER ZUNIGA: And the way
9 this language is written, you've let it --
10 it's broad enough, but as long as it's
11 compliant, the communication protocol is
12 compliant with the central monitoring system,
13 then we'd -- we'd be okay, is the way my
14 read -- am I reading this properly here?

15 MR. GLENNON: I think industry
16 standards is what we're saying. There are two
17 industry standards. We will accept either --
18 either one of them.

19 COMMISSIONER ZUNIGA: But if we
20 don't have, or if we sunset the central
21 monitoring system would this be mute?

22 MR. GLENNON: I don't think it -- I
23 don't think it would have an impact.

24 COMMISSIONER ZUNIGA: Okay.

1 CHAIRMAN CROSBY: Anything else? Do
2 we need a motion to start these in the
3 process?

4 MS. BLUE: (Nodding her head up and
5 down)

6 CHAIRMAN CROSBY: Commissioner
7 McHugh?

8 COMMISSIONER MCHUGH: I move that
9 the amendments to 205 CMR 143.01 and 143.16 as
10 they -- those amendments are contained in the
11 packet for today's meeting, be approved by the
12 commission for commencement of the formal
13 adoption process.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Any further
17 discussion? All in favor? Aye.

18 COMMISSIONER MCHUGH: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Opposed? The ayes
23 have it unanimously.

24 MR. GLENNON: Thank you very much.

1 So on the second item, we're going to talk a
2 little bit about the Gaming Technology
3 Laboratory, an update on that.

4 You know, we just talked about the
5 regulations. And what we have to do with the
6 Gaming Technology Laboratory is stand-up
7 business processes that enact the regulations,
8 operationalize them, and allow us to work with
9 our licensees, the manufacturers and the labs.

10 And so, in February we put out a
11 draft of those business policies and practices
12 for comment. And what you have in your
13 package is that initial draft, along with
14 feedback and our response, similar to the way
15 we did it with the regulations. But as we did
16 this process, one thing became apparent.
17 Getting that full document vetted and in
18 shape, we weren't going to have time to do
19 that before we needed to certify laboratories.
20 So we pulled out the laboratory certification
21 piece of that, finalized it, and so -- and
22 earlier this week we posted the requirements
23 for an independent laboratory to become
24 certified by the commonwealth, along with

1 applications on our Web site. And we expect
2 that the qualified labs that do this type of
3 work will apply in short order. Actually,
4 I've asked for those applications by mid next
5 week.

6 There is a new form associated with
7 those. The MGC vendor background
8 investigation form that was created by Loretta
9 and the IEB team, and that the will be the
10 information which we use to do the background
11 check. And I expect, and I hope, be able to
12 get enough information to bring qualified
13 laboratories back before you on the 19th, in
14 two weeks, to certify them contingent upon the
15 outcome of the background -- more detailed
16 background investigations.

17 The laboratories that do this work
18 are certified in, literally, hundreds of
19 jurisdictions around the world, and I -- I
20 really find, you know, just based on my
21 dealings with them, I don't think we're going
22 to find something in their background, or in
23 our investigations that's going to cause us
24 any -- any real concerns. But having said

1 that, we have a process, we're adhering to it,
2 they'll be an application along with a fee,
3 and I hope to bring those -- that back.

4 The reason for doing this in such an
5 expedited way is that we need the services of
6 these laboratories to support Penn in the
7 opening of the Plainridge Park Casino. We
8 need to engage them to help us get through the
9 process and with -- with some workarounds,
10 because the full business processes that we're
11 looking to stand up, we're not there yet. So
12 that's the reason for doing the certification.

13 One of the issues, one of the
14 challenges with supporting Penn's opening, is
15 getting product, the electronic gaming
16 machines into the commonwealth prior to our
17 permitting process, our certification and
18 permitting process. So we've answered a lot
19 of questions of vendors, who are selling to
20 Penn, about how we're going to do that. I've
21 asked Bruce to sit at the table here and talk
22 with the -- you know, answer any questions.
23 But we will stand up on the Web site next
24 week, the workaround process to allow devices

1 to be brought in.

2 So I think -- and, Bruce, correct me
3 if I'm wrong, if a manufacturer has been
4 licensed by the commission, as you did Konami
5 and others today, Bruce and IEB will work to
6 bring machines that are -- have not yet been
7 certified and permitted into a secure
8 warehouse here in the commonwealth to allow
9 the timing and logistics of building the
10 gaming floor to happen, and then subsequent to
11 that we will work on the permitting, the
12 certification and the permitting these
13 platforms so that that gets done before
14 opening. And that's where we'll work with the
15 labs.

16 So I hope I haven't confused you
17 with, kind of, a roundabout explanation of --
18 of why we're moving quickly to certify the
19 labs and how we're supporting Penn's opening.
20 So let me stop there and -- and entertain any
21 questions about that.

22 COMMISSIONER MCHUGH: If you
23 bring -- if these machines come into the
24 commonwealth in the fashion you've just

1 described, what's tested is a specimen of that
2 machine, not every one of these machines,
3 right?

4 MR. GLENNON: Correct.

5 COMMISSIONER MCHUGH: And so the
6 testing can go on at the -- certified testing
7 -- independent testing lab of the -- of the
8 specimen machine, the programs, the coin
9 changers, all aspects of it, and then the
10 certification comes and all machines that meet
11 the specs that were tested, then are approved
12 and can be deployed; is that -- is that how
13 this works?

14 MR. GLENNON: Yeah. So in -- in a
15 lot of cases these -- because we adopt GLI
16 standards almost in their entirety as they're
17 written, the machines -- our standard, they're
18 similar to the standards of other
19 jurisdictions. So, in some cases, it will be
20 a transfer of certificate. The testing has
21 been done for that particular platform version
22 of software. It won't -- you know, GLI or BMM
23 won't have to do it again. They'll issue a
24 certificate that says this machine has been

1 tested to meet.

2 But the way our process works, we
3 will take a certification from the lab, that
4 the platform meets our standards. We will
5 then permit that particular instance or
6 configuration, and then vendors can sell, and
7 then individual instances of the asset will be
8 registered to us. That's the way -- those are
9 the terminologies that have got to be
10 confusing. Certification says it meets the
11 standard.

12 There is one additional test, which
13 we need to decide where that testing takes
14 place. It's the interoperability test that
15 says that that machine, that particular
16 configuration plays nice with CMS or, you
17 know, plugs into our system as well as the
18 house system. I think we're going to figure
19 out where we do that. One of the reasons for
20 having a gaming lab at our headquarters is to
21 do some interoperability testing. I'm not
22 sure that we want to do it all. I think
23 that's a conversation we're going to have with
24 G-Tech and the labs that do the standards

1 testing, to see if we can find some -- you
2 know, some efficiencies there.

3 COMMISSIONER ZUNIGA: Do the labs do
4 that kind of interoperability testing?

5 MR. GLENNON: I believe in some
6 jurisdictions they do. In the places that we
7 went to look - and Derek made this point to me
8 when we were talking about this - in most of
9 the jurisdiction -- in all of the
10 jurisdictions, actually, that we went to visit
11 that had central systems, there was a lab
12 doing, you know, secondary interoperability
13 testing for the central management system, you
14 know, at the commission or the -- the lottery
15 headquarters. I'm not sure that that's the
16 most efficient model. We're looking to, I
17 think, not minimize the work, but I think
18 we're looking to have the burden of the
19 testing be on our -- on the labs, they're
20 doing it on our behalf.

21 So I think it's something that's to
22 be determined. I think we'll have a lab, and
23 I think I'm going to look to G-Tech to say
24 what is going to make them comfortable. That

1 they can do complete testing to make sure
2 that, you know, the devices that are coming
3 into the jurisdictions don't cause any
4 problems and work well with the CMS.

5 COMMISSIONER MCHUGH: But then --
6 then that test -- that test also has to be a
7 test of the deployed machines in the
8 configuration that they're deployed, then,
9 that configuration interfacing with the CMS,
10 that's probably the last piece of that, right?

11 MR. GLENNON: Yep. So that's -- I
12 mean, that's what we're doing, you know, with
13 the labs, and I think it will -- all things
14 considered, I think will not end up being any
15 kind of encumbrance to, you know, the critical
16 path to opening Plainridge. We're going to
17 have to do some workaround. Bruce will have
18 to work with the manufacturers to bring
19 inventory into that secure warehouse prior to
20 testing. But I think that there was a lot of
21 angst around these procedures that went out
22 because people thought we were going to have
23 to, you know, nail them before we could --
24 they could ship product in. So we're working

1 with them. I think it's an important message
2 to get out.

3 COMMISSIONER ZUNIGA: Just in terms
4 -- in terms of process, the ITLs would respond
5 to get certified, you'll do your thing and,
6 you know, certify them, then who chooses
7 what -- what test -- what test -- what lab to
8 go?

9 MR. GLENNON: So the business
10 relationship in the case of the manufacturer
11 is, it's the manufacturer's choice who to do
12 business with based on the cost. The
13 remuneration is from the manufacturer to the
14 lab to get the certificate that it meets our
15 standards.

16 That having been said, it is the
17 commission's plan to engage in an open
18 procurement, one of the labs that we certify,
19 to assist us on a professional consulting
20 basis. We need to certify the game floor as
21 part of the opening procedures, and I don't
22 know -- Frank may be -- Frank Neborsky is also
23 here from Power Strategies, and I have to
24 credit Frank with helping me with the

1 process of -- not only -- and Stephanie Maddox
2 as well, another principal, with building the
3 processes, what would you say is -- in terms
4 of opening the gaming floor, what support will
5 we need from an ITL -- CITL?

6 MR. NEBORSKY: Generally -- good
7 afternoon, counsel.

8 COMMISSIONER MCHUGH: Good
9 afternoon.

10 MR. NEBORSKY: Generally, they come
11 in --

12 CHAIRMAN CROSBY: Identify your --
13 identify yourself, please.

14 MR. NEBORSKY: I'm sorry. I'm
15 Frank Neborsky, Power Strategies. Generally,
16 the certified independent test last will come
17 in and provide certification for the games, do
18 the testing in accordance with the standards
19 of the commonwealth, perform any on-floor test
20 that may be necessary to ensure that the game
21 communicates with the system from an
22 accounting standpoint. And then, likewise,
23 the systems are communicating back with the
24 CMS system to make sure that that information

1 is being properly reported as well.

2 They verify that the certification
3 that they did in their lab, wherever that site
4 may be, that the product, the programs,
5 software, firmware, and associated equipment
6 that's included in the cabinet that was
7 delivered and then subsequently installed on
8 the floor, meets the standard, and meets the
9 criteria that they use to test, and everything
10 is regulated and -- and properly affirm that
11 it is what they tested and what's being
12 installed on the floor.

13 MR. GLENNON: So long answer, you
14 know, we'll be engaging labs to support us in
15 some validation for opening. But an ongoing
16 basis, the relationship is between the
17 manufacturers and the labs.

18 COMMISSIONER ZUNIGA: So they've
19 been alerted of this time frame, which is a
20 tight time frame, the ITLs?

21 MR. GLENNON: Yes. I've kept them
22 up -- I mean, I think they were very anxiously
23 waiting having the applications to be able to
24 fill out because they realized that the time

1 is short as well. So, yes, they were
2 prepared.

3 COMMISSIONER ZUNIGA: Great.

4 MR. GLENNON: So, I mean, I really,
5 I think, was looking to share, in a general
6 sense, the overall business processes, the
7 fact that we received a lot of feedback and
8 we've responded in the documents. And I think
9 what we need to do now is take that first
10 draft, incorporate our responses into those,
11 you know, into the business processes, change
12 them where necessary, and then come back out
13 with another iteration. But it's a
14 conversation. I'm really grateful to all the
15 people that have participated. You know,
16 both -- two of the premier labs in the
17 country, along with a number of manufacturers,
18 you know, and have willingly helped us. And,
19 again, these are not regulations, these are
20 our business processes. But it makes sense
21 to, kind of, have everybody be on the same
22 page, to use best practices as we do this.

23 The other thing that will come out
24 of the eventual document is, we will be able

1 to understand where can we automate some of
2 the hand-off of this information? We'll
3 certainly use the portal that was created for
4 the licensing management system to allow
5 manager -- manufacturers to apply for their
6 permits. I think the data that comes from
7 independent test labs, its result -- that are
8 our results and related to configuration of
9 the machines, I see the need to populate that
10 into the central management system. These are
11 things we can -- we need to figure out. I
12 don't think there is software that does this
13 type of hand-off. But whatever we can
14 automate in our business processes with our
15 partners is going to make doing business
16 easier.

17 And so, I think, underlying what we
18 have here what -- what we get out is going to
19 be, really, an articulation of how we doing
20 -- how we're going to be doing business in
21 what is a pretty complex relationship between
22 us, the licensees, the manufacturers and the
23 testing labs. So that's the update. And can
24 I entertain any questions on any of the

1 material.

2 COMMISSIONER MCHUGH: Well, I looked
3 through this and read as much as -- as I
4 could. I got it yesterday. I have a couple
5 comments that I -- very small comments that I
6 want that I want to take up with you offline.

7 MR. GLENNON: Okay.

8 COMMISSIONER MCHUGH: But overall, I
9 think this is really a thoughtful and
10 thorough, and highly-detailed plan, and a very
11 thoughtful treatment of all the -- the issues
12 that were raised by the people who commented
13 on them.

14 MR. GLENNON: Thank you.

15 COMMISSIONER MCHUGH: And it's also,
16 frankly, presented in a format that's easy to
17 access and understand, so I think this is -- a
18 first-rate -- a first-rate job.

19 I had a question, and I don't know
20 whether we've resolved it, and we need not
21 even take it up today. But I do think at some
22 point we have -- that we need to take it up,
23 if we haven't. Maybe I was -- I just forgot.
24 And that is, what on a going-forward basis is

1 going to -- do we envision will be done by our
2 lab and by independent outsiders? I don't
3 know that we've ever really sketched that out
4 in -- in a broad form. Maybe we haven't. And
5 if we haven't, we certainly don't need to take
6 that up today out of the blue, but I think we
7 do need to think about that. I'd like to know
8 about that.

9 MR. GLENNON: Okay. I mean I --
10 yeah, I'd be more than happy to talk to that
11 sure.

12 CHAIRMAN CROSBY: I think we --
13 well, I think we have talked about this back
14 when we made the decision, but it was a long
15 time ago, and I certainly don't remember very
16 much about it. And I don't really know what's
17 happened. Other than this update, I've sort
18 of lost track of whatever happened in the lab.
19 So I think it might be -- so I have some of
20 the same thoughts. I think it might be a good
21 idea to put us -- put you on the agenda next
22 session, if we can, to just get an update, or
23 you and Rick, you know, to talk about what --
24 why we doing the lab? What is the interface?

1 What is the status, et cetera?

2 MR. GLENNON: I'd be more than happy
3 to give you that update.

4 COMMISSIONER MCHUGH: I think that
5 would be really helpful. Particularly, now
6 since we're beginning staff it up.

7 MR. GLENNON: Well, I mean, I think
8 it's a conversation -- I did have a brief with
9 Commissioner Cameron and Stebbins on, you
10 know, what we see using the space and the
11 headquarters for, and why we're allocating
12 space and what we're going to do. So, I
13 think, let me prepare something that kind of
14 articulates that in a -- in a way that
15 everybody can understand, maybe some crayon
16 drawings or something, and I'll bring that
17 back.

18 COMMISSIONER MCHUGH: Right. Okay.
19 The second thing, and I do want to talk about
20 this for a second, because I do want to make
21 sure we're on the same page, is on page three
22 of the application, which is page 125 of the
23 packet. I don't know if we can bring that up,
24 but it's -- it's a section that deals with the

1 public records law. And the sentence that
2 caught my eye there is, "Please note the
3 commission will use its best efforts to
4 protect any information it deems subject to an
5 exemption." I'm concerned that that is
6 inconsistent with our policy with respect to
7 redactions.

8 The policy, with respect to
9 redactions that we -- or may be inconsistent
10 with it so that's why I wanted to have this
11 discussion. The policy with respect to
12 redactions that we adopted not too long ago
13 says that we will redact the things that the
14 public records law requires us to redact. It
15 does not say that we will redact and keep from
16 public disclosure everything we are able under
17 the Public Records Act, to keep from public
18 disclosure.

19 And this is an issue that arose when
20 we were dealing with the RFA2 applications and
21 some of the RFA1 applications. And it seems
22 to me that this is inconsistent with that
23 policy, if we are saying that we will not
24 release information that we are entitled to

1 withhold under the public records law, and the
2 applicants rely on that when, in fact, we've
3 said something different in the policy.

4 MS. BLUE: So we do have our
5 redaction policy. The reality is, however,
6 that we have very few exemptions to use
7 anyways. So a lot of the information, I think
8 what we'll have to do, John, is make clear to
9 people involved that, while there are
10 exceptions under the public records law, they
11 don't apply to the vast majority of the
12 information that we take in. So we really
13 only will end up redacting the things that we
14 are obligated to redact, which is generally
15 personal information.

16 COMMISSIONER MCHUGH: Right.

17 MS. BLUE: And we just need to make
18 that clear. I mean, many of our -- we had an
19 exemption for applicants when we took in the
20 RFA1 and RFA2, but that exemption only applies
21 to applicants, and these folks don't fall into
22 that so --

23 COMMISSIONER MCHUGH: Right.

24 MS. BLUE: We just need to let them

1 know what they're -- what they're looking at
2 so that they can plan accordingly.

3 MR. GLENNON: So is it saying that
4 you, you know, don't include any proprietary
5 or IP that you don't want, potentially,
6 publicly available, yes?

7 COMMISSIONER MCHUGH: However you
8 choose to phrase this. I'm just --

9 MR. GLENNON: Okay. All right.
10 Yeah.

11 COMMISSIONER MCHUGH: -- you need
12 consult over that.

13 MR. GLENNON: Yeah.

14 COMMISSIONER MCHUGH: I just don't
15 want to appear to over promise here.

16 MR. GLENNON: Okay.

17 COMMISSIONER MCHUGH: And that --
18 that can be a big deal.

19 MR. GLENNON: Okay. Well, let me
20 circle with Loretta and make sure I get the
21 both language right because I really just took
22 the form from IEB and put it in the package
23 so -- and I don't want to have something
24 submitted that we then have to go back and

1 say, you need to pull some of this out because
2 it looks like it's something you don't want
3 anybody to see so --

4 COMMISSIONER MCHUGH: Yeah. They
5 may not be able to pull it out.

6 COMMISSIONER STEBBINS: John, I had
7 a quick question. It's under the document,
8 Qualifications and Conditions Certification.

9 MR. GLENNON: Okay.

10 COMMISSIONER STEBBINS: And it's
11 just down at the top of the page, page --
12 which is page 117 of the packet.

13 MR. GLENNON: Okay.

14 COMMISSIONER STEBBINS: Number 11,
15 you know, "shall allow up to three MGC
16 employees to visit annually to inspect," and
17 it talks about the laboratory covering our
18 costs, I'm a little uneasy with that.

19 MR. GLENNON: Okay. Well so --
20 first of all, I took, liberally, from Iowa's
21 qualifications, so that's kind of the genesis
22 of this, we made some changes to be specific
23 to us. One of the things that we talked about
24 with labs was we were going to certify them

1 one time, and then they need to reapply every
2 year with any changes, and then they would
3 give us up to \$2,000 for remuneration for us
4 to audit them. And I think what this is
5 calling out is the ability to annually go and
6 make sure that they are employing best
7 practices in their record-keeping, in their
8 testing methodologies in the work that they're
9 doing on our behalf. Is it the facts that
10 we're asking them to pay?

11 COMMISSIONER STEBBINS: Well, I have
12 no problems. You know, I would view it as --
13 you know, if they're vendors of ours, I
14 question whether there should be some
15 restrictions on how many times we can visit,
16 how many of our team can actually go out and
17 visit. I just wasn't sure in the remuneration
18 of, or reimbursement of, you know, our travel
19 or out-of state car -- you know, just doesn't
20 seem to blend with how we assess and have an
21 operational budget.

22 MR. GLENNON: And, you know what, I
23 -- I certainly would make -- be willing to
24 make changes to that. Like covering a trip

1 for one person for an audit. I don't see a
2 team of three people going, frankly. I think
3 the gaming lab manager would want to make a
4 point to visit. Frankly, these labs conduct
5 multiple sessions for regulators a year and
6 invite us to participate. You know, get
7 together with your fellow regulators, let's
8 talk about, you know, what best practices are.
9 So I think there'll be opportunities for us to
10 do those audits in New Jersey and Las Vegas,
11 and not make it a burden. But I'm -- you
12 know, I'll rework --

13 COMMISSIONER STEBBINS: Let's just
14 relook at that.

15 MR. GLENNON: Yeah, no. I'll
16 definitely rework the language.

17 COMMISSIONER STEBBINS: I agree.
18 Touching base, you know, visiting their labs,
19 is -- we've had an opportunity to do, I think
20 all five of us as commissioners, it's a good
21 sound business practice but --

22 MR. GLENNON: Kind of wanted to
23 institutionalize our right to do it once a
24 year, if we wanted to so -- regardless of who

1 pays for the travel expenses.

2 CHAIRMAN CROSBY: John, you got a
3 request from Derek Smith from Scientific Games
4 to follow-up with a conference call. Did you
5 do guys have that?

6 MR. GLENNON: No. There wasn't
7 enough time. He, basically, asked early this
8 week. I've only talked with Global Cash, but
9 I told Derek that -- I let him know that our
10 responses would be in the packet, and that we
11 would talk subsequent to this meeting about
12 our responses. So I will follow-up with
13 Derek. He's been -- he's one of the people in
14 the industry that I think has responded
15 whenever we've asked, whether it's responsible
16 gaming or for comments, and Derek is from
17 Valley, which is now part of another company,
18 Sci Games.

19 COMMISSIONER CAMERON: John, you
20 have -- this was a lot of work, first of all,
21 all of these comments and responding to them.
22 Did our consultant assist you with that?

23 MR. GLENNON: In a great way.
24 Absolutely. Yes.

1 COMMISSIONER CAMERON: And they will
2 continue to assist you because you have a lot
3 of to be reviewed.

4 MR. GLENNON: Right. It's a
5 work-in-progress, and I think we need to get
6 through it all. We need to have the back-end
7 conversations with the people that gave us the
8 original comments. In some cases, I think
9 we're just going to make a decision that we're
10 going to do it in one way.

11 One particular cause of angst was
12 the fact that we're requiring individual
13 configurations, meaning a gaming machine, the
14 software, the bill acceptor, the printer, to
15 be treated as a single configuration. One of
16 the questions was, you know, can't we certify
17 a bill acceptor and then just plug it in with
18 a combination of whatever we want? And the
19 answer is no, because I think in my -- and I'm
20 open to interpretation here, a configuration
21 is the combination of all the components that
22 make up the gaming system. So to say that a
23 bill acceptor is certified but without
24 plugging it into the machine that it's with

1 and calling that the system, I think it's a
2 mistake. It makes it more complex, and we may
3 have to look at our permitting cost, because
4 we charge \$500 for a configuration, and that
5 may be a little bit onerous when you look at
6 the fact that we're going to be permitting
7 individual combinations of the different
8 devices.

9 Most vendors -- I mean, most
10 licensees will choose one type of bill
11 acceptor and one type of printer, so it's not
12 that problematic. But that was one of the
13 more, I think, substantive comments that bears
14 additional --

15 COMMISSIONER ZUNIGA: Did that come
16 from multiple -- from different people?

17 MR. GLENNON: No, just one.

18 COMMISSIONER ZUNIGA: Just one?

19 MR. NEBORSKY: Aristocrat and IGT
20 both mentioned it, I believe.

21 MR. GLENNON: So that bears further
22 discussion.

23 CHAIRMAN CROSBY: Anything else?

24 COMMISSIONER ZUNIGA: Well, I too

1 see that there's been a lot of work that has
2 been done, you know, on this round, and I
3 think you're showing a lot of great progress.

4 MR. GLENNON: Thank you.

5 COMMISSIONER ZUNIGA: Thank you.

6 MR. GLENNON: Item last is we have
7 another round of candidates for the gaming lab
8 manager positions, some Skype interviews, and
9 I'm hopeful there on that. Thank you very
10 much.

11 CHAIRMAN CROSBY: Okay. All right.
12 Thank you. Director Day, I think we're at the
13 end of the list?

14 MR. DAY: I have nothing else.

15 CHAIRMAN CROSBY: Anybody else? All
16 right. Do we have a motion to adjourn?

17 COMMISSIONER ZUNIGA: So moved.

18 CHAIRMAN CROSBY: All in favor?

19 Aye.

20 COMMISSIONER MCHUGH: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 CHAIRMAN CROSBY: All right.

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COMMISSIONER CAMERON: Okay.

CHAIRMAN CROSBY: We are adjourned.

(Proceeding concluded 3:43 p.m.)

1 GUEST SPEAKERS:

2 Sarah Nelson, Ph.D, Cambridge Health Alliance

3 Michael Mathis, President, MGM Springfield

4 Michael Fitzgerald, Pinck & Company

5 Brian Packer, MGM Springfield

6 Chuck Irving, Davenport Properties

7 Stephen O'Toole, General Manager, Plainridge

8 Racecourse

9 Frank Neborksy, Power Strategies

10

11 MASSACHUSETTS GAMING COMMISSION STAFF:

12 Rick Day, Executive Director

13 Trupti Banda, HR Director

14 Dean Ventola, HR Business Partner

15 Mark Vander Linden, Director of Research and

16 Responsible Gaming

17 John Ziemba, Ombudsman

18 Catherine Blue, Deputy General Counsel

19 Karen Wells, Director, IEB

20 Loretta Lillios, Deputy General Counsel

21 Bruce Band, Deputy Director, IEB

22 John Glennon, Chief Information Officer

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C E R T I F I C A T E

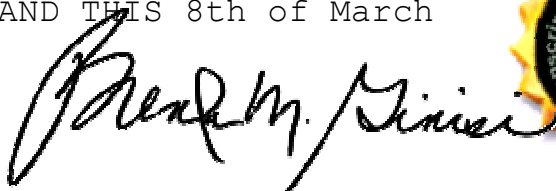
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I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

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

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

WITNESS MY HAND THIS 8th of March 2015.



BRENDA M. GINISI
Notary Public

My Commission expires:
June 18, 2021