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1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #149
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6 CHAIRMAN
7 Stephen P. Crosby
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9 COMMISSIONERS
10 James F. McHugh
11 Bruce W. Stebbins
12 Enrique Zuniga
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18 April 16, 2015 10:30 a.m. - 12:43 p.m.
19 HYNES CONVENTION CENTER
20 900 Boylston Street, Room 103
21 Boston, Massachusetts
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1 P R O C E E D I N G S :
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3 CHAIRMAN CROSBY: We are convening
4 the 149th meeting of the Massachusetts Gaming
5 Commission on April 16 at the Hynes Memorial
6 Auditorium.

7 First item on the agenda --
8 Actually, before we even get to the very first
9 item, I wanted to make a small announcement.
10 We've had the first of the Commissioners' terms
11 come to a conclusion and the first
12 reappointment of a Commissioner. Commissioner
13 Bruce Stebbins had completed his three-year
14 term.

15 He was originally appointed by the
16 Governor, Governor Patrick, by the Attorney
17 General, Attorney General Coakley, and by the
18 Treasurer, Treasurer Grossman. And he had to
19 be reappointed by a new governor, a new
20 treasurer, and a new attorney general. And we
21 are pleased that they saw fit to reappoint
22 Bruce to what I think is now a new five-year
23 term.

24 COMMISSIONER STEBBINS: Yes.

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1 CHAIRMAN CROSBY: That was something
2 that we were all, the other Commissioners were
3 highly invested in because of the particular --
4 among other things, the particular expertise
5 that Bruce brings in the area of economic
6 development and the leadership role that he's
7 taken in our diversity work, in our promotion
8 of tourism and our support for local businesses
9 and so forth. And we would have been
10 heartbroken if this hadn't worked out.

11 I will tell you even Attorney
12 General Coakley specifically mentioned that she

13 felt strongly that it was important to keep
14 your particular skills part of our package.
15 So, congratulations to Bruce. I wanted
16 everybody to know.

17 COMMISSIONER STEBBINS: Thank you.
18 CHAIRMAN CROSBY: With that, let's
19 do our minutes.

20 COMMISSIONER MCHUGH: Yes, Mr.
21 Chairman. The minutes are in the meeting
22 packet, the minutes for the meeting of April 2,
23 2015. They're in the packet. I would move
24 their adoption with the usual reservation of

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1 our power to change and fix typos and other
2 mechanical errors.

3 CHAIRMAN CROSBY: Second?
4 COMMISSIONER STEBBINS: Second.
5 CHAIRMAN CROSBY: I actually did
6 have a couple of comments. And I've not gone
7 back to check the transcript and my memory may
8 not be correct here. At 10:39, it says
9 Chairman Crosby presented on RFA-2 schedule
10 extension and reevaluation. I think what
11 happened was Chairman Crosby opened discussion
12 on the RFA-1 schedule extension and the
13 reevaluation topic. I don't think I presented
14 that.

15 COMMISSIONER MCHUGH: I think that
16 is right. So, we'll change presented to open
17 the discussion on.

18 CHAIRMAN CROSBY: And RFA-1. And
19 then at 11:17 it says Chairman Crosby presented
20 an overview of the plan to move the
21 application. I think actually, Chairman
22 Crosby, summarized the status of the plan to
23 continue the Region C commercial application.
24 Does that sound right to you?

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1 COMMISSIONER MCHUGH: It does. So,
2 let's make both of those changes. Those are
3 non-mechanical. So, let's make both of those.

4 CHAIRMAN CROSBY: Any other
5 comments? All in favor, aye.

6 COMMISSIONER MCHUGH: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 COMMISSIONER STEBBINS: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously. As you will have noted,
11 Commissioner Cameron is on vacation this week.

12 COMMISSIONER MCHUGH: Let me just
13 say one other thing about the minutes. The
14 times now have a hyperlink. Since Artem
15 Shtatnov left, the minutes have had times since
16 Cecelia has been aboard but not a hyperlink.

17 The hyperlink now goes to the
18 beginning of the YouTube video of the meeting.
19 And then one can easily move the bar on the
20 video to the designated time. These times are
21 synced with the times on the video not
22 necessarily the times of the day. So, it makes
23 it easier to make a transition from the minutes
24 to the video. And of course, the transcript is

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1 available on the web as well.

2 CHAIRMAN CROSBY: Great. We are
3 going to change the schedule slightly. The
4 Ombudsman report, which was item number five,
5 we are going to move up and ask Ombudsman
6 Ziemba to take over.

7 MR. ZIEMBA: Thank you, Mr.
8 Chairman. Good morning, Commissioners. Thank
9 you for taking me out of turn. I appreciate
10 that.

11 By way of updates, we have posted
12 the current RFA-2 deadline for Region C
13 consistent with the discussion at the last
14 Commission meeting. Our website states that
15 the deadline for the RFA-2 full application for
16 Region C is no sooner than July 10,
17 approximately 45 days from the prior deadline
18 of May 26.

19 As discussed at our last meeting,
20 this date will be reviewed as more facts become
21 known about the Region C's applications.

22 Another important date is June 16.
23 That is the scheduled date of the Gaming Policy
24 Advisory Committee meeting. By June 16 we hope

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1 to have the first organizational meetings of
2 the local community mitigation advisory
3 committees for the East and for the West.
4 These committees in tandem with the community
5 mitigation subcommittee to the Gaming Policy
6 Advisory Committee will be valuable sources of
7 advice to the Commission as we move forward
8 with the community mitigation fund in 2016 and
9 in future years.

10 with that, I turn to a brief
11 discussion of public notice issues in Region C.
12 Commissioners, as you know, applicants are not
13 allowed to proceed to our RFA-2 application
14 unless they have been deemed suitable by the
15 Commission. The IEB is actively reviewing
16 Region C applicants at this time.

17 In addition to this requirement, the
18 Commission's regulations 205 CMR 115.05(6)
19 specify that a host community may not hold an
20 election on a gaming proposal until the
21 Commission has determined that the applicant is
22 suitable. However, the regulation allows a
23 municipality to proceed with an election before
24 suitability if the governing body of that

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1 community votes to do so and a public education
2 campaign is commenced.

3 We have had discussions with two
4 communities in Region C, Brockton and New
5 Bedford, that are considering utilizing this
6 exception. Earlier this week, Brockton City
7 Council discussed the matter and referred it to
8 committee. Likely, by our next meeting,
9 Brockton would submit, if it chooses to utilize
10 the exception, the necessary draft notice that
11 is required to be sent to citizens explaining
12 that regardless of the local vote, all
13 applicants must be deemed suitable by the

14 Commission before they can submit a full
15 application to the Commission.
16 Brockton would also need to submit a
17 request for a waiver of timing requirements
18 included in our regulation about the sequence
19 of the local votes. The two votes that I'm
20 speaking about are the vote to proceed in
21 advance of suitability and then the vote to
22 proceed with the scheduling of the referendum.
23 New Bedford is also considering
24 utilizing this exemption. Its city council on

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1 March 30 already voted to utilize the
2 exemption. The city council has not yet
3 scheduled the date of the referendum. It plans
4 to do so in the very near future.

5 New Bedford would need to submit the
6 same citizen notice to the Commission for its
7 consideration. This notice could be sent to
8 the Commission at its next meeting or future
9 meeting. I note that New Bedford has notified
10 staff how it plans to deal with the sequencing
11 issue in regard to the scheduling of its
12 election. Shortly after it entered into a host
13 community agreement and after the Commission
14 extended the date for the RFA-1 substantial
15 completeness date, the applicant submitted a
16 request for the scheduling of an election of
17 the referendum to the city council.

18 As noted, the city council has not
19 yet scheduled this referendum. Partially, in
20 order to meet the sequencing included in our
21 regulations, the applicant is considering the
22 plan to withdraw its initial request for an
23 election and then resubmit that request now
24 that the suitability determination has been

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1 determined by the city council.

2 By submitting this new request for
3 an election, the applicant proposes that it
4 will be able to meet the requirement that a
5 governing body approve of moving forward prior
6 to suitability before the applicant submits the
7 request for the scheduling of a referendum.

8 Counsel Blue, Deputy Counsel
9 Grossman and I believe that this is a
10 reasonable method to comply with complex timing
11 issues in our regulations together with the
12 complexity of the recent determinations to move
13 the RFA-1 and RFA-2 deadlines for Region C.

14 The applicant has not submitted any
15 formal request to be determined by the
16 Commission, believes that it is in conformity
17 with our regulations, however, staff did let
18 the applicant know that we would brief the
19 Commission on Region C notice issues and timing
20 today. With that, Commissioners, I conclude my
21 report.

22 CHAIRMAN CROSBY: Questions or
23 thoughts?

24 COMMISSIONER STEBBINS: John, can

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1 you just remind us. I think we had waiver

2 requests in one of the last go-arounds. Can
3 you just remind us of some of the things the
4 community would need to do in terms of the
5 public information campaign you're talking
6 about?

7 MR. ZIEMBA: So, they have to send a
8 notice to registered voters explaining the
9 determination that communities -- excuse me
10 that applicants first need to be qualified
11 under our suitability process before they can
12 proceed to RFA-2. It makes citizens aware that
13 despite the vote, if an applicant is deemed
14 unsuitable by the Commission, they cannot
15 proceed to RFA-2.

16 Then in addition, the regulation
17 calls for other items to inform the general
18 public about that requirement over and above
19 the citizen notice. They just ask for a filing
20 of those with us.

21 COMMISSIONER ZUNIGA: So, we don't
22 have before us the waivers at this point,
23 right?

24 MR. ZIEMBA: Correct. The city

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1 council in the context of Brockton, they just
2 discussed it this past Monday. In short order,
3 they are going to take up that request.

4 COMMISSIONER ZUNIGA: The Brockton
5 applicant had been found suitable. Two
6 different parties have now come together, but
7 those parties have been found suitable before.
8 What the IEB is now doing is a suitability
9 update, which is important, but then they
10 technically have complied with the prior
11 requirement of having being found suitable?

12 MR. ZIEMBA: I'll leave this to
13 Counsel Blue, but I believe our determination
14 has always been that suitability for the
15 context of the Region C application is
16 dependent upon a review of the entire structure
17 for each of the applications. So, it is a
18 separate independent -

19 COMMISSIONER ZUNIGA: -- of the
20 elements, right.

21 MS. BLUE: It would need to be a
22 separate suitability review of this particular
23 application. While some of the parties are the
24 same, there is a different location than in the

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1 prior application.

2 There are some parties that were
3 included in the prior applications that are not
4 included in this one. So, it is an update to
5 some degree but it is also a new review as
6 well. So, they would need to go through that
7 and become suitable before they can have their
8 election.

9 COMMISSIONER ZUNIGA: Great.

10 CHAIRMAN CROSBY: We have done this
11 at least once, right? How many times have we
12 given this waiver? We gave it to Boston.

13 MR. ZIEMBA: For the suitability in
14 advance -- for the election in advance of

15 suitability, I believe it's maybe four or five
16 times.

17 CHAIRMAN CROSBY: So, this is not an
18 extraordinary.

19 MR. ZIEMBA: And the sequencing
20 issue, I believe that was only the context of
21 Boston to date where their sequence was
22 slightly out of order. And then we approved
23 the waiver for that sequencing.

24 CHAIRMAN CROSBY: Right. Okay.

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1 Great.

2 MR. ZIEMBA: Thank you.

3 COMMISSIONER ZUNIGA: Thank you.

4 COMMISSIONER MCHUGH: Thank you.

5 CHAIRMAN CROSBY: So, you are done.

6 Are you done?

7 MR. ZIEMBA: I think so.

8 CHAIRMAN CROSBY: I was thinking you
9 were doing Penn National. Thank you. We now
10 go back to item number three, administrative
11 update Executive Director Day.

12 MR. DAY: Good morning,
13 Commissioners. Under tab 3(a) you should find
14 a memorandum and a series of floor plans. And
15 we are asking the Commission today to consider
16 approving those floor plans pending final
17 inspection by the IEB as the facility begins to
18 open.

19 So, what I'd like to do if I could,
20 with us today Lance George, Mike McGrew and
21 Darlene Whitmore essentially to discuss the
22 Plainridge Park Casino floor plan. And as well
23 I think, Jennifer Pinck and Dane Wigfall are
24 here as well if we have additional questions

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1 for them. With that, I'd like to turn it over
2 to Lance.

3 CHAIRMAN CROSBY: Before you start,
4 congratulations on your opening day yesterday.
5 By all accounts from our folks who were there,
6 it was a successful start. The parking was
7 packed. So, congratulations.

8 MR. GEORGE: We appreciate that. It
9 was great to have Enrique there. Thank you.

10 COMMISSIONER ZUNIGA: Maybe I can
11 just say a word or two. It was really a great
12 day. There is so much work going on, a lot of
13 activity, a lot of patrons on the racing side,
14 a lot of visible upgrades from last year's
15 opening day or season. And just a lot of
16 excitement that I could feel just standing
17 around, watching and talking to people. So,
18 congratulations.

19 MR. GEORGE: We appreciate that.
20 The hard part now is keeping them in the racing
21 area. They want to pop in and see what's going
22 on in the other side of the building.

23 Though typically, my colleague Jack
24 Rauen would be here for an update such as this,

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1 we couldn't convince him that it made sense to
2 return from vacation early. So, we'll give

3 Jack a pass on this one.

4 With me today, I have Michael
5 McGrew, Vice President of Construction for Penn
6 National Gaming. In addition I have Darlene
7 Whitmore with JCJ Architecture. They have
8 intimate knowledge of this project.

9 Darlene's been on the job since
10 prior to Penn's involvement. So, she can
11 provide great historical context. Michael is
12 on the ground every week and will continue to
13 be on the ground through our opening process.

14 In front of you today, I believe you
15 have several color-coded plans as well as a
16 memorandum from Ray Porfilio, one of the
17 technical consultants. I believe in Ray's
18 summary -- I'm going to read here. -- the
19 interior design as developed to date is
20 generally consistent with and of a similar
21 quality to the design communicated by the
22 licensee during the application process.

23 Clearly, that's what we want it to
24 read. That's what we expected to see, but good

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1 news nonetheless. I think at this point,
2 that's a good jumping off point for Michael and
3 Darlene to walk through at a high level the
4 layout of the floor. So, without further ado.

5 MR. MCGREW: Thank you,
6 Commissioners. We'd like to go onto the
7 colored floor plans, if we could. What we try
8 to demonstrate here is based on the RFA and the
9 final layout and program elements, this is the
10 entire first floor of the facility
11 demonstrating the different functions and
12 program elements as they relate to square
13 footages and the overall perspective of the
14 facility.

15 Page two is basically just a public
16 area. This area is the front of house. We
17 felt it important to show the public areas
18 separate from back of house to give you a feel
19 for where the public will be in the facility.
20 This includes the gaming floor, lobby, dining
21 bars, retail, simulcast racing, meeting room,
22 public area, restrooms and racing.

23 CHAIRMAN CROSBY: Oh, you don't have
24 a pointer, do you? Can you show where the

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1 GameSense facility will be?

2 MR. MCGREW: Yes. Do we have a
3 pointer, please? Thank you. Responsible
4 gaming, right here, right off the entrance from
5 the garage.

6 CHAIRMAN CROSBY: So, that's the
7 entrance from the garage?

8 MR. MCGREW: Yes. The orientation
9 of the facility is this is the main entry at
10 the porte cochere. This is the north entry
11 into the racing area. That's our three major
12 entry points into the facility.

13 CHAIRMAN CROSBY: Right. Okay.

14 MR. MCGREW: The next slide --

15 COMMISSIONER MCHUGH: Before we

16 leave that one, this is a matter of detail, but
17 those things that look like -- those black
18 things that look sort of like crabs, those are
19 the multi-player machines?

20 MR. GEORGE: Correct. Those are the
21 electronic table game units, correct.

22 COMMISSIONER MCHUGH: Okay.

23 MR. MCGREW: Slide three basically
24 shows us the back of house areas and shows how
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1 it communicates with the front of house space.
2 That includes our office, state offices, food
3 services, human resources, employee restrooms
4 and utilities.

5 The next slide is the entire upper
6 level, which we have two levels. This is the
7 upper level of the racing.

8 CHAIRMAN CROSBY: Excuse me, I'm
9 sorry. Could you go back one step? The deep
10 red is --

11 MR. MCGREW: Right here?

12 CHAIRMAN CROSBY: Yes. There are
13 two state offices. There's a deep red there
14 and there's a deep red up above.

15 MR. MCGREW: There's one there. And
16 there's a restroom there. That's the three
17 areas.

18 MR. GEORGE: The goal for the State
19 Police was to have a dedicated area in the
20 back. And then they wanted a satellite office
21 closer to the floor in case they needed to get
22 out there quickly. So, we were able to
23 accommodate that request.

24 CHAIRMAN CROSBY: Great.

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1 MR. MCGREW: This level, the floor
2 plan shows the upper level of the racing and
3 simulcast building. It also shows we have
4 intermediate levels that we call mezzanines.
5 They are more back of house areas. This shows
6 the entire footprint, public and back of house
7 space.

8 The next slide basically shows the
9 public space on the second level. This is the
10 multipurpose area, banquet space. This is
11 simulcast on this level.

12 The next slide basically shows the
13 back of house on the upper level to support the
14 function of that building and the casino.

15 The next slide basically is a blowup
16 of the venues to help show a little more
17 detail, the four main venues we have. We have
18 the food court, which has three venues in it,
19 B-Good Burger, Slice and The Bean. We also
20 have Revolution, which is the stage bar. We
21 have Fluties. And then we have Slacks, which
22 is located in the new racing building, which we
23 opened up to give the racing building and the
24 casino more contiguous and more efficient.

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1 The next slide is the enlargement of
2 the second level, again, showing the
3 multipurpose area along with the simulcast.

4 Make it a little easier to see.
5 We go to the next slide -- Oh,
6 that's it. As you can see we've made some
7 minor adjustments from the RFA to the final
8 square footages. That was basically to get to
9 a more efficient layout. Once we started
10 meshing the program together, we made some
11 adjustments to get a more efficient layout.
12 COMMISSIONER STEBBINS: You adjusted
13 the number of food areas in the food court
14 area. I'm just curious, how do you select?
15 You've got three choices in there now. Are
16 those flexible depending on what the market is
17 going to tell you over the first period, first
18 year or so of opening where they might flip
19 some of those or change them out?
20 MR. MCGREW: I'll let Lance speak to
21 that.
22 CHAIRMAN CROSBY: Are you lobbying
23 for some particular kind of food?
24 COMMISSIONER STEBBINS: I'm happy
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1 with the B-Good Burger. I'm just worried about
2 the other two.
3 MR. GEORGE: We have flexibility
4 with the other two. B-Good, we have a
5 franchise agreement with, I believe, it's for a
6 period of five years. So, we are hand-in-hand
7 with B-Good for the first five years. Slice
8 and The Bean are certainly easy enough to
9 change on our end.
10 COMMISSIONER STEBBINS: But you
11 originally had four or five food spots in there
12 originally.
13 MR. MCGREW: I believe we originally
14 had four. And correct me if I'm wrong, Mike,
15 but the idea was to have a coffee shop as well
16 as a pastry shop. So, with The Bean, we've
17 combined the two of those.
18 COMMISSIONER STEBBINS: Okay.
19 COMMISSIONER MCHUGH: Slacks is
20 roughly where the Flutie Pub was originally
21 going to be. And that still is accessible from
22 the outside, right -- that entrance that's on
23 the north side?
24 MR. MCGREW: Yes.
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1 COMMISSIONER MCHUGH: Is that
2 available for people under 21?
3 MR. GEORGE: It is. That's correct.
4 You can see the dark yellow path. That pathway
5 enters from the racing or what was the racing
6 facility and is open to all ages.
7 COMMISSIONER ZUNIGA: On that note,
8 can we go to the prior slide where you can
9 reference all three points of access?
10 MR. MCGREW: We can go back to the
11 very first slide.
12 COMMISSIONER ZUNIGA: I guess it's
13 the first or second one, either one.
14 MR. MCGREW: That one will work.
15 COMMISSIONER ZUNIGA: So, if you're
16 in the northern most --

17 MR. MCGREW: This is the north
18 access into the live racing/simulcast building.
19 This is the porte cochere entrance. And then
20 this is the garage entrance here.

21 COMMISSIONER ZUNIGA: The north one
22 is the only access point between the simulcast
23 and the casino, correct?

24 MR. MCGREW: Correct.

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1 COMMISSIONER ZUNIGA: There's no
2 other access from racing unless you use that
3 public space.

4 MR. MCGREW: Racing is right here.
5 You come right from racing right on up into the
6 casino.

7 COMMISSIONER ZUNIGA: Right.

8 MR. MCGREW: Yes.

9 COMMISSIONER ZUNIGA: There's
10 employee access back of the house so that you
11 can serve food on both places but not public
12 access?

13 MR. MCGREW: Correct. Well, the
14 public access enters from the -- you kind of
15 come in through the main entrance around. The
16 core of our service comes back here so we can
17 service both sides of the facility.

18 The three control points --
19 Obviously, this simulcast and racing building
20 can have under 21. We have three control
21 points right here, a checkpoint, checkpoint
22 here coming in and another checkpoint right
23 here at the entry.

24 MR. GEORGE: Security posted with ID

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1 scanners in those areas.

2 COMMISSIONER ZUNIGA: You expect
3 that maybe 80 percent, is that the figure, will
4 come on the one from the garage?

5 MR. GEORGE: That's a fair estimate,
6 yes.

7 COMMISSIONER ZUNIGA: Great.

8 CHAIRMAN CROSBY: Are you finished
9 with your presentation?

10 MR. MCGREW: I will turn it over to
11 our architect, JCJ, Darlene Whitmore. And she
12 can explain about the design concept and how we
13 implemented it.

14 MS. WHITMORE: Good morning. I'm
15 going to speak to the design concept and how we
16 integrated that into the interiors.

17 The inspiration for the design for
18 the facility came from the local history of
19 Plainville and the casino site itself, which
20 was built on a working quarry. Those elements
21 of a working quarry were built into the design,
22 which are stone, wood, metal and water as
23 outlined in our design concept in the RFA.

24 For the stone, the concept of the

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1 quarry is sprinkled throughout the building.
2 Upon your first experience arriving onto the
3 site, on the exterior is ledger stone towers,
4 which we followed those through into the

5 vestibules of the facility with stone feature
6 walls at both of the main entrances of the
7 casino, the racing entrance and the porte
8 cochere entrance. Both entrances are very
9 bright and voluminous and contain that
10 continuous ledger of feature wall in them.

11 As you enter into the casino on the
12 porte cochere side, there are several locations
13 where we feature a granite that is very similar
14 to the babingtonite, which is the state
15 mineral. It is a dark sparkly stone.

16 And we feature that on walls and
17 other locations within the facility such as the
18 racing entry. When you walk in, there is a
19 curved wall that welcomes you into the racing
20 facility made with this stone. And we have
21 some illuminated displays on that wall.

22 We also have illuminated feature
23 columns as you enter from the porte cochere or
24 the parking garage entry that draw you into the

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1 casino and directly to Flutie Sports Pub.

2 The Flutie Sports Pub entrance is
3 also made with this stone and it contains the
4 Heisman Trophy case on display. Once you get
5 into Fluties, we have an illuminated bar top
6 that has -- shows the veining of the natural
7 stone. And ledger stone walls form the portals
8 to all of the public restrooms. And natural
9 stone is found throughout the entire facility
10 at all of the bar tops, cashier counters and
11 food venues.

12 For wood, we used a variety of
13 natural wood species in our cabinetry and
14 millwork and features throughout the facility.
15 At both the porte cochere entry and the parking
16 garage entry, you walk in and there are this
17 tiger-grain wood, very exciting grains.
18 Ceiling features that step as you walk through
19 and it's flanked with the feature columns made
20 of stone.

21 Once you get to Fluties, on the
22 sidewalls where we have on display cases that
23 contain Doug Flutie's various uniforms that he
24 wore throughout his career, those walls are

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1 made with the same tiger-grain wood.

2 And we also, in between the other
3 columns where there isn't a case, there are
4 these video projection TVs that you can view
5 when you are inside the facility or outside the
6 facility. It's very exciting.

7 When you get into Slacks Oyster Bar
8 and Grill, we have an elaborate wood façade
9 with all of the doors, windows, and specialty
10 wine display cases with a floating wood slat
11 ceiling once you enter upon inside.

12 And the Revolution 1776

13 Entertainment Bar features a wood detailed bar
14 front and a beautiful dark highly grained dance
15 floor.

16 For metals, a variety of metals were
17 used throughout the venues including the high

18 limit area which will have a custom design
19 metal railing. A metal and glass feature wall
20 greets you as you walk into Fluties. A custom
21 curved metal railing separates the
22 entertainment lounge from the gaming floor.
23 And also the food court is encircled with a
24 custom metal railing. And the entry

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1 chandeliers that are between the floating wood
2 ceilings are made with metal and glass.
3 Our water imagery is found in all of
4 our textiles, our wall coverings and the carpet
5 pattern, which I'm sure you saw when you were
6 there yesterday, and it's also in the live
7 racing wall coverings.

8 So, we used stone, wood and metal
9 materials throughout with our water imagery in
10 the textiles intertwined throughout the
11 facility to complement each other and tie
12 everything together, and create a warm and
13 inviting experience for the guests.

14 COMMISSIONER MCHUGH: It sounds
15 great.

16 COMMISSIONER ZUNIGA: Remind me
17 last, Ms. Whitmore, what the origin of the
18 Slacks? There's a local reference there. What
19 was that name --

20 MR. GEORGE: I actually looked on
21 wikipedia last night to make sure I remembered
22 this. But I think his name is Benjamin Slacks
23 who was a wealthy individual in the town of
24 Plainville. So, they referred to Plainville as

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1 slackville. So, that's the tie-in there.

2 Then they changed the name based on
3 the geography, also from wikipedia, based on
4 the plains that are found in Plainville. So,
5 that's how the name got changed originally.

6 CHAIRMAN CROSBY: It was actually
7 formerly called slackville?

8 MR. GEORGE: Correct. And then they
9 named it Plainville afterwards.

10 CHAIRMAN CROSBY: Great. Is there
11 going to be any little historic marker or
12 something explaining where that comes from?

13 MR. GEORGE: Yes. We will certainly
14 decorate the interior appropriately trying to
15 illustrate the history of the town.

16 CHAIRMAN CROSBY: Great.

17 COMMISSIONER ZUNIGA: That's great.
18 And what was the state mineral?

19 MS. WHITMORE: Babingtonite.

20 COMMISSIONER ZUNIGA: Babingtonite?

21 MS. WHITMORE: Yes.

22 COMMISSIONER ZUNIGA: I'll have to
23 look it up in wikipedia.

24 MR. GEORGE: I'd have to look that

0031

1 one up as well.

2 MR. DAY: Commissioners, there's
3 also a separate building that is not attached
4 to this that houses the racing office and the
5 licensing office as well. That is not

6 completed yet but in progress.

7 CHAIRMAN CROSBY: That's great. And
8 for anybody who doesn't know, June 24 is the
9 target date. Everything's looking good?

10 MR. GEORGE: Feeling good today.

11 CHAIRMAN CROSBY: Any other
12 questions, thoughts, comments?

13 COMMISSIONER STEBBINS: Do we have
14 to vote to approve this?

15 CHAIRMAN CROSBY: No. We're all
16 set.

17 MS. BLUE: I think what we want to
18 do is keep in mind that we have regulations
19 about the operations certificate that are going
20 through the formal process. So, I think before
21 we take a formal vote on this, we want to
22 consider some of the findings that have to be
23 made under that regulation.

24 we don't have to wait for it to be

0032

1 final, but we want to look at things like
2 defining the gaming area, which I think that
3 regulation requires. So, I think it's good to
4 consider this first and then come back with
5 that thought in mind.

6 COMMISSIONER STEBBINS: Okay.

7 COMMISSIONER ZUNIGA: Great.

8 CHAIRMAN CROSBY: Great.

9 COMMISSIONER MCHUGH: This is very
10 exciting. I've yet been down there, but I hope
11 to get down there and look for myself in the
12 near future.

13 COMMISSIONER ZUNIGA: Thank you.

14 CHAIRMAN CROSBY: Director Day,
15 before you go ahead, I just meant to mention
16 one thing that came out of the minutes. I kept
17 forgetting to mention it.

18 There were two votes taken, which
19 are recorded in the minutes that were proposed
20 by Mark Vander Linden from our Research and
21 Responsible Gambling. One was the vote on the
22 MORE contract which is for the PR
23 communications strategy for GameSense. One was
24 for the evaluation contract of a variety of our

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1 responsible gambling tools for Cambridge Health
2 Alliance.

3 We did vote to approve those but it
4 was subject to the approval of the Public
5 Health Trust Fund Executive Committee, which is
6 chaired by the Secretary of Health and Human
7 Services and myself, in this case her designee
8 the Commissioner of the Department of Public
9 Health. And that body did meet last week --

10 COMMISSIONER ZUNIGA: This week.

11 CHAIRMAN CROSBY: -- this week and
12 did vote to approve both of those two
13 contracts. I just wanted to mention that since
14 it was in the minutes. Okay. Back to Director
15 Day.

16 MR. DAY: Commissioners, if you'll
17 take a look at the list that is under item
18 3(b). Just for your reference, the IEB has

19 granted temporary licensing and this is the
20 process to provide that information to the
21 Commission to keep you up-to-date on those
22 temporary licenses to Stephanie Shockley, the
23 Surveillance Manager at Penn National and Barry
24 Rodes, the Food and Director (SIC) Manager.

0034

1 CHAIRMAN CROSBY: Okay.

2 MR. DAY: What I'd like to do if I
3 could is then have you refer to the next item
4 which is 3(c) the operations plan update.
5 There's two documents in there. One is a short
6 memorandum. The other document is what you are
7 used to seeing as well is the planning chart
8 that usually accompany our activities.

9 Let me just briefly take you through
10 some of the developments since our last -- we
11 last talked about the operations plan I believe
12 on 3/19. And what we have done since, of
13 course, is the finance office has implemented
14 the budget adjustments, which was a reduction
15 of about \$3.8 million that we discussed with
16 the Commission on March 19. Our finance office
17 has also reduced the annual assessment and
18 notified the licensees of the assessment due
19 and payable.

20 Our budget for 2015, it comes out at
21 about \$25.5 million and includes the \$17.5
22 million repayment to the mitigation fund. In
23 addition, although legislation has passed to
24 allow Suffolk to continue to simulcast. There

0035

1 is still uncertainty regarding the horse racing
2 industry, but we understand we'll be getting
3 additional information here in the near future.
4 I think Dr. Lightbaum might as well have some
5 comments to share with you.

6 Obviously, as everybody has
7 announced, horse racing at Plainridge opened
8 yesterday. And Dr. Lightbaum will be here to
9 talk about a few racing issues as well. And
10 I'm sure she'll have comments on the first day
11 of racing herself.

12 We continue to monitor the budget
13 expenditures with our horse racing program.
14 And we are prepared in the event that the
15 Commission in the future approves additional
16 days of thoroughbred racing, we'll be able to
17 accommodate the regulatory needs.

18 The Commission as well -- That's one
19 thing about the chart as you take a look at it,
20 it's usually on page two. What you'll see as
21 you go down, this is the whole regulation
22 section.

23 And essentially I can do a lot of
24 this by just exception. Right in the middle of

0036

1 the chart, if I can find it, right in the
2 middle the chart -- Let's keep going down a
3 little bit, right about there, I think. This
4 area here, which is called gaming equipment,
5 this is the only one that you might see as we
6 made that pending because what that particular

7 regulation now deals with is something we can
8 wait until table games.

9 Other than that as you look down the
10 rest of the chart, the regulations that the
11 Commission had started out to adopt before the
12 slot parlor opened, which are licensing of
13 vendors and employees and reporting, alcohol
14 beverage control, credit, checks, ATM, internal
15 controls including tax and financial reporting,
16 exclusion lists, security procedures for
17 minors, operating certificate and preopening
18 inspection, slot machine standards and testing,
19 self-exclusion process and the hearing process,
20 all of those regulations that the Commission
21 has put forward are either in effect or should
22 be in effect according to the normal
23 publication schedules before the slot parlor
24 opens on the 24th.

0037

1 We are also going to be in the
2 process, as the Commissioners know, to develop
3 the regulations, move them forward through the
4 Commission's process anticipating the operation
5 of the slot polar. Of course anticipation and
6 actually seeing how everything functions in the
7 end are two different things.

8 So, what we're going to be doing is
9 keeping an eye out of any areas that seem to be
10 bumps in the road relative to the operations
11 and these regulations. We'll take a look at
12 those. If they're actually justified in moving
13 forward, we'll be back to the Commission to ask
14 for changes, if necessary.

15 So, I just wanted to make sure the
16 Commission was aware. We're not going to sit
17 back and let things go forward all by itself.
18 We'll keep an eye on anything that we would
19 recommend needs a change as we move forward.

20 In addition, relative to the slot
21 parlor opening, the State Police are completing
22 selection of their MSP staff for the slot
23 parlor. We hired 12 gaming agents to provide
24 24-hour gaming regulatory presence.

0038

1 CHAIRMAN CROSBY: We've got all 12?

2 MR. DAY: Yes, we do. We did have
3 one last-minute withdrawal, which we have since
4 put someone else back in. I want to point out
5 real briefly, Bruce Band and our Human
6 Resources Officer, Trupti Banda, they've
7 definitely worked together in this process.
8 And there's a lot of work gone in to find a
9 great blend of experience and new agents as we
10 start this first venture in on-site regulatory
11 experience.

12 COMMISSIONER MCHUGH: So, with that
13 group we've got our gaming agents that we need
14 for the opening?

15 MR. DAY: I know the State Police is
16 very close. They may have already made their
17 final selection. They're very close. And we
18 have our 12 agents. We're ready to move
19 forward in that aspect.

20 We did have a training schedule,
21 about four weeks of training schedule on 5/11.
22 It will cover all kinds of areas including
23 obviously slot regulation, internal controls,
24 problem gambling as well or responsible gaming

0039

1 techniques as well.

2 This will be a four-week long series
3 of instruction. And we plan to involve the new
4 State Troopers but also our gaming agents and
5 hopefully anyone who may have work at the site
6 from the Attorney General's office or the
7 Alcohol Beverage Control Bureau as well.

8 COMMISSIONER MCHUGH: Great.

9 CHAIRMAN CROSBY: So, the training
10 is starting, did you say, May 11?

11 MR. DAY: May 11 that's correct.

12 CHAIRMAN CROSBY: Would it be
13 reasonable to have Bruce come before us on the
14 30th and give us a pretty good overview? I'd
15 really like to know what all is being done in
16 the training, how it's being done. It's a
17 really critical part of this process. I would
18 be interested in having a pretty comprehensive
19 presentation on what it's going to consist of
20 and who is going to do it and where it comes
21 from and so forth.

22 MR. DAY: I will check with Bruce.
23 We'll anticipate the 30th. We may have to move
24 it out one more Commission meeting to make sure

0040

1 that that is confirmed.

2 CHAIRMAN CROSBY: The problem with
3 that is the next Commission meeting is after
4 it's already started. Any one of us might have
5 some substantive ideas about it.

6 MR. DAY: We will get an update to
7 you on the training on the 30th.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER MCHUGH: Have we
10 reached out to the Attorney General's office to
11 solicit their interest in having people attend?

12 MR. DAY: It's my understanding we
13 have, yes, Commissioner.

14 COMMISSIONER MCHUGH: Great.

15 CHAIRMAN CROSBY: But you'll double-
16 check to make sure?

17 MR. DAY: Yes, I will.

18 CHAIRMAN CROSBY: Okay. Anything
19 else?

20 COMMISSIONER ZUNIGA: I have a few
21 questions on the schedule. Were you done with
22 your review?

23 MR. DAY: No. I had some other
24 items to keep moving forward with.

0041

1 COMMISSIONER ZUNIGA: Please do.

2 MR. DAY: In addition, we have
3 approved the surveillance plan submitted by
4 Plainridge Park. And our staff is in the
5 process of looking at and adding to about 60
6 internal control sections at this point. Our
7 primary gaming manufacturers that have applied

8 have been issued temporary licenses to allow
9 purchases, shipment and installation of
10 electronic devices. We've received and
11 processed over 200 applications for nongaming
12 vendors.

13 Licensing and IEB right now are
14 working on about 60 applications for
15 technicians that will actually do the
16 installation work for manufacturers. We are
17 working to try get that accomplished here so
18 that process can begin basically tomorrow.

19 We've added two licensing
20 specialists to process applications and two
21 temporaries to help with data entry. We are
22 finishing development of the casino alcohol
23 beverage license to bring that back to the
24 Commission hopefully in May.

0042

1 The self-exclusion program is in
2 place, the program regulations are in place and
3 the procedures and forms and training are in
4 process. As the Commission has discussed
5 before, the play management with the approval
6 of the play management project requirements,
7 with that approval we are working with the
8 licensee, the manufacturer and the evaluation
9 team to develop the system. We've certified
10 two gaming labs and are in the process of
11 selecting a lab to provide testing and on-site
12 inspection service.

13 And I wanted to have a little
14 correction here. I got a little excited. We
15 are not actually willing to develop, we're
16 actually working with Penn to develop a manual
17 task reporting system to supply that
18 requirement until such time as the management
19 system can get up and running.

20 We selected an accounting firm to
21 help with the internal controls. The travel
22 and tourism plan has been approved by the
23 Commission presented. And we've identified the
24 recipient for the area small business capacity

0043

1 grant for the Plainville area.

2 That's the end of that part of the
3 update. Commissioner Zuniga, if you had some
4 additional items, I could take a run at those
5 too.

6 COMMISSIONER ZUNIGA: You said we
7 received and processed 200 applications of
8 nongaming vendors.

9 MR. DAY: Yes, that number is
10 actually higher but approximately 200.

11 COMMISSIONER ZUNIGA: Are all of
12 those people licensed?

13 MR. DAY: The total number that
14 actually made it through license -- they are
15 registered. So, nongaming vendors submit their
16 applications. Once their application is
17 complete, then they are registered. The
18 licensing bureau notifies them of that
19 registration usually.

20 I can't tell you whether or not all

21 of those have been licensed -- or have been
22 registered at this point. I think the exact
23 number is probably closer to 250 something that
24 have actually come through.

0044

1 The Commission might recall that
2 once they are moved -- they are moved over to
3 the IEB. It's an exception testing process
4 because once they're registered, they can
5 actually supply the product that the licensee
6 needs.

7 COMMISSIONER ZUNIGA: Okay.

8 CHAIRMAN CROSBY: Anything else?

9 COMMISSIONER ZUNIGA: I just wanted
10 to check on a couple of dates. Have we
11 executed an agreement with the ABCC?

12 MR. DAY: We are very close but
13 haven't quite got the final signature. We had
14 some last minute changes again to that
15 agreement, some recommendations from ABCC. So,
16 we're looking at those before we finalize them.

17 CHAIRMAN CROSBY: Will you be
18 bringing that before us?

19 MR. DAY: No. That's an MOU. So,
20 we'll be signing that as we have the other
21 ones.

22 CHAIRMAN CROSBY: And just tell us.

23 MR. DAY: Correct, as it was with
24 MSP, with the Attorney General's office and

0045

1 this is the final one in that capacity.

2 CHAIRMAN CROSBY: Right. Okay.

3 COMMISSIONER ZUNIGA: You are
4 showing in the schedule that the licensing
5 database is operational on 6/24?

6 MR. DAY: It's actually that would
7 be a fully operational. So, what we anticipate
8 -- our last agreement with the provider of
9 services NTT will expire at the end of June.
10 So, we anticipate that's basically when we'll
11 have it pretty much fully operational.

12 The difference between that of
13 course, Commissioner Zuniga, fully operational
14 and user satisfaction is maybe two things
15 different -- are a different two things but
16 we'll continue to work on that.

17 COMMISSIONER ZUNIGA: You have the
18 play management development on 6/1. That date
19 may have to be moved further.

20 MR. DAY: That's correct.

21 Basically, last time Director Vander Linden and
22 I had a chance to do this schedule and we
23 worked up those proposed dates, of course, the
24 hope is still that it would be possible to have

0046

1 that process begin with opening.

2 Mark, and I think generally, that's
3 the process we'd like to see but also the
4 recognition that that is going to be difficult
5 to make.

6 CHAIRMAN CROSBY: But he hasn't said
7 he's going to slip it yet.

8 COMMISSIONER ZUNIGA: There's a
Page 18

9 recent question that may require development.
10 That's really in a state of flux right now. It
11 has to do with free play and the credits on
12 your player card counting towards a limit or
13 not. I was just wondering if that's
14 incorporated here or not.

15 MR. DAY: No. That particular
16 problem isn't incorporated. Because when we
17 did that we weren't aware of that.

18 CHAIRMAN CROSBY: And we don't yet
19 know yet whether that's going to affect the
20 schedule.

21 MR. DAY: The idea and then the
22 actual development of the software that
23 incorporates it are two different things. The
24 idea is to get it done so it can be available

0047
1 on opening.

2 COMMISSIONER ZUNIGA: And lastly you
3 have also here for June 1 about processing half
4 of the employee applications of 238. What is
5 the number now, do you know?

6 MR. DAY: The total number processed
7 all of the way through to investigations, I do
8 not know, Commissioner Zuniga. We had
9 previously anticipated about half of the
10 applications on about April 1 based on the
11 numbers we had. That is not going to occur.

12 So, we anticipate we should have at
13 least half by the first part of June.

14 COMMISSIONER ZUNIGA: Half of half
15 or half of 238?

16 MR. DAY: We should have half of the
17 total. So, if the total is going to be about
18 500, we should be at least up to 250.

19 COMMISSIONER ZUNIGA: By June 31 or
20 by June 1?

21 MR. DAY: By June 1.

22 CHAIRMAN CROSBY: You're meeting
23 with Penn, right, to do sort of a reset on
24 these numbers and try to get a realistic

0048
1 assessment of what really is going to come in
2 when so we can be ready to process whatever it
3 is. Because as we talked about it's going to
4 hit us at some point. And we need to try to
5 understand as quickly as we can what that's
6 likely to realistically to be.

7 MR. DAY: We've been having an
8 ongoing dialogue with Penn from that
9 perspective. They have been very good at
10 filing information with us, giving us estimates
11 of what they anticipate their employee license
12 application times will be.

13 And you are correct. We have
14 another meeting scheduled with Lance, as a
15 matter of fact, this Friday to sit down and
16 have a serious discussion about where we are
17 at.

18 CHAIRMAN CROSBY: Okay. Good.

19 COMMISSIONER ZUNIGA: Would love an
20 update of that meeting whenever you get a
21 chance.

22
23
24

MR. DAY: I'd be happy to do that.
COMMISSIONER ZUNIGA: Thank you.
CHAIRMAN CROSBY: Okay.

0049

1 MR. DAY: If there are no other
2 questions --

3 COMMISSIONER MCHUGH: I did have
4 one. I should know the answer to this I'm
5 sure. But on page two, the last checkmark is
6 recipient of the Plainville area small business
7 capacity building grant. What is that?

8 MR. DAY: It's essentially, and I'm
9 sure Commissioner Stebbins will provide some
10 fine-tuning if I need it, but that is a grant
11 to provide technical assistance. Essentially
12 to help where it's needed to help people build
13 particular capacities like accounting programs
14 and financial monitoring and those kinds of
15 things, I believe.

16 COMMISSIONER MCHUGH: I get it. I
17 remember that. It's building small business
18 capacity.

19 COMMISSIONER STEBBINS: Correct.
20 It's \$20,000 set aside. And hopefully -- we
21 had an applicant to the grant program. They
22 are kind of finalizing what their program is
23 going to look like. And hopefully I would
24 expect Jill would bring that back in front of

0050

1 us.

2 COMMISSIONER MCHUGH: Right. I
3 remember that discussion now. I thought it was
4 a physical building. I misread it.

5 MR. DAY: I did have as well a
6 couple of non-slot parlor items that I thought
7 was worthwhile mentioning as well, plus I also
8 promised Director Griffin that I would announce
9 this as well.

10 I think the Commissioners know but
11 it's important that schedule is the Access and
12 Opportunity Committee did have its first
13 meeting. And it was quite well attended from
14 our perspective. We have Director Griffin and
15 Ron Marlowe have been invited to give a report
16 to the Commission at the May 14 meeting on the
17 progress of that committee.

18 We also are continuing to recruit
19 for two staff attorney positions, a licensing
20 director and a gaming lab manager as we move
21 through the end of this fiscal year. With that
22 that's the end --

23 CHAIRMAN CROSBY: We should reach
24 out to MMARS to find a gaming lab manager,

0051

1 broaden our search a little.

2 MR. DAY: We have requested
3 professional help. So, we issued that RFR and
4 we are going to get some professional help to
5 try to locate that particular person. We've
6 also talked and probably will, Chairman Crosby,
7 we're going to also look at moving forward with
8 the recruitment of an engineer position or a
9 slot tech. depending on which part of the

10 industry they're from to provide that technical
11 expertise to our IT unit until such time as we
12 do have the gambling lab manager on board.
13 CHAIRMAN CROSBY: Okay. Great.
14 COMMISSIONER MCHUGH: Sounds good.
15 MR. DAY: If there are no other
16 questions, thank you very much.
17 COMMISSIONER MCHUGH: A lot of
18 detail, a lot of moving parts, succinctly
19 presented.
20 CHAIRMAN CROSBY: Thank you. We go
21 to legal division General Counsel Blue. I have
22 one question before you kickoff and which will
23 work out just about fine on timing. I got an
24 email from a selectman, the town moderator, I

0052

1 think, in Plainville. Did you see that?
2 MS. BLUE: I did, yes.
3 CHAIRMAN CROSBY: And he understands
4 that we're considering a reg. which would
5 prohibit elected officials in host communities
6 from going to the casinos in their facility --
7 for the facilities in their communities. I
8 don't think we are considering that, are we?
9 MS. BLUE: It is in one of our
10 regs., I believe internal control. There is a
11 portion in one of our regs. that talks about
12 local municipal officials and whether they can
13 attend the casino in their community.
14 COMMISSIONER ZUNIGA: But the reg.
15 says placing a wager in the casino. It does
16 not preclude anybody from attending and going
17 to the restaurant or whatever.
18 MS. BLUE: I believe it just
19 addressed wagering, it is in the regs.
20 CHAIRMAN CROSBY: He says this from
21 engaging in gaming at the facility in their
22 town.
23 COMMISSIONER ZUNIGA: And we
24 discussed this a couple of times, most recently

0053

1 the internal controls whatever version it was.
2 CHAIRMAN CROSBY: I thought, maybe
3 it was something we were talking about. I
4 thought I remembered that we thought that was
5 not our role. It was a local role. But we
6 have adopted or we are adopting --
7 COMMISSIONER ZUNIGA: That's in the
8 current reg. If we adopted them today that's
9 in the internal controls. Do you want to
10 expound on that Counsel?
11 CHAIRMAN CROSBY: Let me read the
12 email. Forgive me if this has been thoroughly
13 hashed out before, but have you all read the
14 email?
15 COMMISSIONER ZUNIGA: Yes.
16 CHAIRMAN CROSBY: Have you seen it,
17 Jim?
18 COMMISSIONER MCHUGH: I don't think
19 I've seen it.
20 CHAIRMAN CROSBY: Let me just read
21 it. This is from the moderator. If I can
22 express my strong opposition to such a rule

23 this is prohibit elected officials in any host
24 municipality from engaging in gaming at the
0054 facility in their town.

1 while I'm not a regular gambler by
2 any means, I resent the implication of such a
3 rule. If I am to understand this rule, I
4 cannot be trusted to exercise my oath as an
5 elected official while enjoying myself from
6 time to time at a casino.

7 I'm sure that there are already laws
8 and rules which sufficiently monitor the
9 behavior of elected officials in Plainridge
10 when it comes to contributions or gratuities if
11 this is the concern being addressed.

12 Such a rule is overreaching and
13 seems to smack of the violation of
14 constitutional rights as a citizen. At the
15 very least if implemented, this rule will cause
16 future nominees for elected office to give
17 pause as to whether they want to give up their
18 freedoms in order to serve in these voluntary
19 positions.

20 To follow your logic for this rule,
21 I would suggest that the ABCC also prohibit
22 elected officials from purchasing alcohol in
23 their towns where licenses are issued by the
0055

1 town. Where does it stop?

2 Most all of the elected officials in
3 Plainville have had no involvement in the
4 licensing and agreements with Plainridge. I
5 don't see how a park commissioner or a library
6 trustee who are elected officials in Plainville
7 has any impact on the goings-on at Plainridge.

8 I would suggest that state officials
9 have had more involvement in the licensing of
10 Plainridge. And so if such a rule is
11 implemented, it should also constrain state
12 officials and elected officials from abutting
13 towns who also benefit from Plainridge.

14 I am strongly opposed to such a
15 rule, welcome your comments, Luke P. Travis,
16 Esq., Town Moderator, I believe, in -- I'm
17 sorry this is Fall River. -- No, moderator. He
18 lives in Fall River but he's the moderator in
19 Plainville, right?

20 MS. BLUE: I think that's his office
21 address. His office is in Fall River and he's
22 in Plainville.

23 CHAIRMAN CROSBY: I'm sorry. He's
24 the moderator -- elected town moderator in
0056

1 Plainville. Sorry. What do you think? Does
2 it cause anybody to rethink?

3 COMMISSIONER MCHUGH: Is that the
4 set of regulations that we're to approve today?
5 I don't remember reading it.

6 MR. GROSSMAN: I can clarify that
7 point for you. That provision is actually in
8 the list of excluded persons regulations not in
9 the internal controls.

10 It came up at your last meeting

11 where you were deciding whether to keep it in
12 there for public comment purposes. And my
13 recollection is that you decided to keep it in,
14 let people comment on it. The Chair, if my
15 memory serves, did comment that that may be
16 better left to the municipalities to make that
17 judgment for themselves.

18 Those set of regulations are going
19 out for public comment shortly. We are
20 scheduling a public hearing, which should be
21 held within the next month or so. Then you can
22 make a judgment as to whether to keep that
23 provision or remove it. This I would consider
24 our first public comment on the issue.

0057

1 CHAIRMAN CROSBY: Thank you, Todd.
2 That's very helpful. John has left, Rick. But
3 would you mind making sure that he sends out to
4 his contacts, because he's got all the
5 surrounding and host community contacts, a
6 heads-up so that they do think about this?
7 Because I'd be really interested in hearing
8 other feedback from people before we make a
9 final decision.

10 Okay. Now thank you. Sorry if
11 that was slightly out of turn, but the timing
12 is perfect.

13 MS. BLUE: Good morning,
14 Commissioners. I have one item to brief you on
15 under my general update this morning. I've
16 been discussing the management of the Revere,
17 Boston and Somerville litigation with Chairman
18 Crosby and Commissioner McHugh as well with the
19 Attorney General's office. And I've also been
20 discussing with the Attorney General's office
21 their prosecution of criminal matters that are
22 arising out of the sale of the land for the
23 proposed gaming establishment in Everett.

24 As a result of these discussions and

0058

1 pursuant to the Chairman's authority under
2 Chapter 23K, we have mutually agreed with the
3 Attorney General's office that the best way to
4 handle the Revere, Somerville and Boston
5 litigation while the criminal litigation is
6 ongoing is for the Commission to secure private
7 counsel to represent the Commission in that
8 litigation.

9 The Attorney General's office will
10 then devote its time to the criminal
11 prosecution. We agree that if the Attorney
12 General were to both prosecute the criminal
13 case and to represent the Commission in the
14 Revere, Somerville and Boston litigation, it
15 may complicate the full and vigorous
16 presentation of legal issues by both the
17 Attorney General's office and the Commission's
18 counsel.

19 We are in the process of drafting
20 the necessary paperwork to appoint Anderson and
21 Kreiger as special Attorney Generals to
22 represent the Commission. I expect that that
23 paperwork will be completed either later today

24 or early tomorrow. We will also issue a joint

0059

1 statement, the Attorney General's office and
2 the Commission regarding this matter.

3 CHAIRMAN CROSBY: And that will be
4 available later on.

5 MS. BLUE: Later on, that's right.

6 I would also like to thank the Attorney
7 General's office for their very thoughtful help
8 in this matter and the cooperation that they've
9 shown us. And we look forward to working with
10 them on all the other matters that pertain to
11 expanded gaming in the Commonwealth. So, if
12 there are any questions.

13 COMMISSIONER MCHUGH: No, I have no
14 questions. We have a terrific relationship
15 with the Attorney General and had with the
16 prior administration. We have a terrific
17 relationship now.

18 This is a way to deal with these
19 litigations that are proceeding in parallel and
20 assure that both the civil litigation and the
21 criminal litigation, which started as a result
22 of our investigation and the IEB materials and
23 the materials that we forwarded to the Attorney
24 General's office. And then they did their

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1 usual fine job of following up, assuring that
2 both of those proceed vigorously.

3 And avoid either the lawyers
4 involved in either of those from tripping over
5 each other or having to worry about the impact
6 of what they're doing in one case on how the
7 other proceeds.

8 So, this is an accommodation for an
9 unusual situation. It's rare that you have a
10 situation like this. And I think it serves the
11 interest of both well.

12 COMMISSIONER ZUNIGA: It's good to
13 hear. Obviously, these matters can get complex
14 and there's a lot of nuances. But it sounds
15 like the parties agree that this is a great way
16 to move forward on the major goals. It's good
17 to hear.

18 CHAIRMAN CROSBY: Okay. Thank you.

19 MS. BLUE: Thank you. Next in your
20 packet, you have small business impact
21 statements. We have five of them for the
22 regulations pertaining to our hearing process,
23 sale and distribution of alcoholic beverages,
24 protection of minors, the operation certificate

0061

1 requirements and the exclusion list that Mr.
2 Grossman just referred to.

3 What we're asking the Commission to
4 do today is just approve those small business
5 impact statements. This begins or continues
6 actually the formal process for promulgation.
7 We anticipate there'll be a public hearing on
8 these regulations probably the third week in
9 May. We are working to put them together and
10 do the necessary advertising.

11 COMMISSIONER STEBBINS: We've got to

12 take these one at a time?

13 MS. BLUE: I think you can take them
14 all together. You'll notice they have a
15 slightly different format. We think that this
16 is a much clearer format and addresses the
17 issues that are raised by the Secretary of the
18 State's office in terms of small business
19 impact statements. But they are very much --
20 they address some of the same issues for each
21 one. So, I think we could approve them
22 altogether.

23 CHAIRMAN CROSBY: And these are just
24 the five under item (b), right?

0062

1 MS. BLUE: That's correct, yes.

2 COMMISSIONER STEBBINS: Mr. Chair, I
3 would ask that the Commission approve the small
4 business impact statements for 205 CMR 101
5 hearings, 205 CMR 136 sale and distribution of
6 alcoholic beverages at gaming establishments,
7 205 CMR 150 protection of minors and underage
8 youth, 205 CMR 151 requirement for the
9 operations and conduct of gaming, and 205 CMR
10 152 exclusion list.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER MCHUGH: Second.

13 CHAIRMAN CROSBY: Any further
14 discussion? So, this has nothing to do with
15 the fact that we're going to have an
16 opportunity to think about the substance of
17 these regs. again. This is just the SBIS.

18 MS. BLUE: This is just the
19 beginning. We'll be putting them out for
20 comments. And we have other opportunities to
21 review them and revise them as needed.

22 CHAIRMAN CROSBY: Great.

23 COMMISSIONER ZUNIGA: All of these
24 regulations put a lot of the impact on our

0063

1 licensees but they don't qualify as a small
2 business so.

3 CHAIRMAN CROSBY: Right. No other
4 discussion? All in favor, aye.

5 COMMISSIONER MCHUGH: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 CHAIRMAN CROSBY: Opposed? The ayes
9 have it unanimously.

10 MS. BLUE: Thank you. Next on our
11 list is the internal controls regulation. This
12 is for final approval. This has been through
13 hearing and through comment and through
14 revisions. So, I'll let Mr. Grossman address
15 this. And hopefully we can move these to
16 promulgation stage.

17 MR. GROSSMAN: Good morning. You'll
18 recall at your last meeting we went through the
19 internal control draft. Before you today is a
20 draft that includes a number of additions and
21 adjustments based upon your comments. They are
22 in green in the draft.

23 And I'm certainly prepared to go
24 through them individually with you, if you'd

0064

1 like. Otherwise, there's really only one
2 specific comment that I wanted to make.

3 COMMISSIONER MCHUGH: Can I just ask
4 about colors? There's green and there's red.
5 Is the red the same red that were in the last
6 draft we looked at?

7 MR. GROSSMAN: Yes.

8 COMMISSIONER MCHUGH: And then
9 there's strikeouts in here. Are those the
10 strikeouts that were in the last draft as well?

11 MR. GROSSMAN: Yes. The only thing
12 that's different is the green.

13 COMMISSIONER MCHUGH: Okay. Tell me
14 though before you then get into it, why did we
15 -- And this is another thing I should know the
16 answer to. -- why did we take out the provision
17 dealing with floor plans in here?

18 MR. GROSSMAN: We moved it to the
19 operation certificate section.

20 COMMISSIONER MCHUGH: Right, great.
21 That's right. Got it. Thanks. Okay. That
22 was my only preliminary question.

23 MR. GROSSMAN: You'll see we
24 included the variance provision that was

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1 discussed for temporary variances that's on
2 page 10. That would allow more of an on the
3 floor decision to be made by the IEB as to
4 whether to grant a temporary and limited
5 variance. So, this is the language we came up
6 with for that.

7 COMMISSIONER MCHUGH: Okay. Did you
8 want to go into more detail on that?

9 MR. GROSSMAN: No.

10 COMMISSIONER MCHUGH: In the last
11 version of this, if my memory serves me, we
12 excluded the availability of a variance and the
13 variance process from certain regulations
14 dealing with credit.

15 MR. GROSSMAN: That's right.

16 COMMISSIONER MCHUGH: And we've
17 eliminated that exclusion now, or have we kept
18 it in effect by the limited scope of
19 permissible variances in the first sentence?

20 MR. GROSSMAN: We've kept it. There
21 are two separate variance provisions now. And
22 they're both on the same page, page 10. The
23 first one is up above. It's in red. We didn't
24 touch that at all. This is the language that

0066

1 was before you last week.

2 And you'll see that to your point,
3 Commissioner McHugh, the last sentence in
4 paragraph six precludes the licensee from
5 seeking a variance from the credit provisions.
6 That is from a broad permanent variance from
7 the internal control provisions.

8 The green language is different.

9 That's for a temporary limited variance. And
10 we limit it to internal control issues dealing
11 with the gaming operations.

12 COMMISSIONER ZUNIGA: This is to
Page 26

13 prevent that 3:00 phone call, 3:00 a.m. phone
14 call.

15 MR. GROSSMAN: To deal with issues
16 like that.

17 COMMISSIONER ZUNIGA: That was
18 brought up by our consultants the last time,
19 which I think is very reasonable, 48 hours.

20 CHAIRMAN CROSBY: Comments,
21 questions, anything else? Is there anything
22 else you wanted?

23 MR. GROSSMAN: There is one other.

24 CHAIRMAN CROSBY: Go ahead. Sorry.

0067

1 COMMISSIONER MCHUGH: I guess it's
2 all right. I had trouble reconciling six with
3 7(b). Maybe it's clear and I just need to
4 reread it. But I did have trouble reconciling
5 the two. Why don't you go ahead?

6 MR. GROSSMAN: Maybe it's clearer
7 only in my head.

8 COMMISSIONER MCHUGH: No, no. It's
9 probably clear to everybody but me.

10 MR. GROSSMAN: Six deals with the
11 internal controls submissions, the whole soup
12 to nuts submission by the casinos that deal
13 with everything. And we say as part of those
14 submissions and any amendments that have to be
15 made to the permanent internal control filings
16 that they can request variances from certain
17 provisions if they are able to show that what
18 they are requesting will essentially achieve
19 the same or similar outcome, provided that in
20 no instance can they request a variance from
21 the credit regulation. That has to be what is.
22 What we say it is is what it has to be.

23 what 7(b) is designed to do is to
24 allow our IEB staff through the director a

0068

1 chance to make or to allow a variance from
2 those approved internal controls for a
3 temporary period of time to address an on-site
4 issue. That's why they were put in separate
5 sections because I think they are different
6 issues.

7 COMMISSIONER MCHUGH: I am sorry
8 that I'm so obtuse. Why are they different
9 issues? It seems to me that what's in 7(b) is
10 a subset of what's in six.

11 MR. GROSSMAN: I think that's a fair
12 comment, sure.

13 COMMISSIONER MCHUGH: But how is it
14 a subset that excludes the credit regulations?
15 It doesn't say it excludes the credit
16 regulations.

17 MR. GROSSMAN: It does not say that.
18 All it says is that it has to relate to the
19 gaming operation.

20 COMMISSIONER MCHUGH: And the gaming
21 operations don't include the extension of
22 credit? Is that clear?

23 MR. GROSSMAN: Maybe it is not as
24 clear. It was clear to me, but maybe it's not

0069

1 clear.

2 COMMISSIONER MCHUGH: I just wonder
3 if we couldn't either by a subject to or except
4 for connection between those two let people
5 like me, I guess, understand that they do go
6 together and make sure that the flow and the
7 connection and the limitations are the same.
8 Or that for example, the credit regulations are
9 not -- still in 7(b) still not subject to the
10 variance procedure.

11 MR. GROSSMAN: I guess there are two
12 options. One would be just to do that to
13 specifically exclude the credit regulations
14 from the temporary limited variance. And that
15 might be the best way to do it.

16 The other, which we looked at, was
17 just putting this whole paragraph in section
18 six above so it piggybacks off of that. The
19 reason it's in seven, is because seven talks
20 about the casinos abiding by their system of
21 internal controls. So, this is an exception
22 from that.

23 But to your point, I think perhaps
24 we just add a sentence saying you can't get a

0070 1 temporary variance from the credit regs. if
2 that's the concern.

3 COMMISSIONER MCHUGH: Ideally, I
4 would favor putting it in six and having a
5 reference, an internal reference saying that
6 this is a subset of provisions. And it doesn't
7 conflict with -- Tying the two more closely
8 together so that the reader doesn't -- I'm
9 sorry. I should have discussed this with you
10 earlier but I didn't get around to looking at
11 these regs. until late.

12 MR. DAY: Commissioner Mchugh, are
13 you just saying just include 7(b) in six?

14 COMMISSIONER MCHUGH: Yes. And have
15 something that says notwithstanding 6(a), which
16 will now be 6(a), a temporary variance under
17 the following conditions from other than credit
18 regs. can be given. That's not the exact
19 language but --

20 MR. DAY: Basically, just put it in
21 six and have the same restriction.

22 COMMISSIONER MCHUGH: Yes.

23 CHAIRMAN CROSBY: And an
24 intelligible transition.

0071 1 MR. GROSSMAN: Okay.

2 CHAIRMAN CROSBY: You've got
3 something else?

4 MR. GROSSMAN: Yes. This is on page
5 48. This deals with the FinCEN, AML filings.
6 You'll recall we discussed at your last meeting
7 adding language that would require the casinos
8 to abide by the Bank Secrecy Act and develop
9 anti-money laundering processes and protocols.

10 And you had also requested that we
11 put language in requiring that the casinos
12 submit to the Commission or the IEB a copy of
13 all the currency transaction reports and

14 suspicious activity reports concurrent with
15 their filing with FinCEN. And that is what
16 this language reflects here.

17 CHAIRMAN CROSBY: This was something
18 that the Attorney General had requested.

19 MR. GROSSMAN: In broad terms,
20 that's correct. I contacted FinCEN just to
21 gain a better understanding of how the process
22 works, having after looking at their
23 regulations. And I spoke to a number of people
24 there including one of the members of their

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1 legal staff about the process.

2 As you'll see if you read through
3 the FinCEN regulations, and there's a specific
4 section that we reference here that deals
5 specifically with casinos, suspicious activity
6 reports in particular are highly confidential
7 documents. And the filing of them in and of
8 itself is generally confidential.

9 And so there was some question as to
10 whether it is the best course to require the
11 casinos to send us a copy -- And it would have
12 to be a hard copy most likely. -- of each of
13 these reports as they are filing them with
14 FinCEN. Now FinCEN has a portal that the
15 casinos go into and file these reports with
16 them. And then they maintain a hard copy as I
17 understand the process. So, we would
18 essentially be getting a hard copy.

19 And a number of jurisdictions do
20 this. So, it's not unheard of. And it's not
21 impermissible under the FinCEN regulations.

22 But what they told me is that the
23 preferred process for a Commission like ours
24 would not be to require a contemporaneous

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1 filing of the reports but instead for us to
2 request from them and go through their process
3 to gain access to their database so that we
4 could search for whatever we want when you want
5 it, instead of having all of the reports sent
6 to you as a matter of course.

7 That helps ensure the
8 confidentiality and use concerns that go along
9 with these reports. And there are certain
10 liability issues that attach to that as well in
11 the event that they are inadvertently disclosed
12 for any reason.

13 So, it seems to me at the moment
14 that the Commission should consider striking
15 the last part here of this paragraph. And
16 instead allowing us to pursue an application
17 with FinCEN so that the IEB -- And we can do it
18 on behalf of the AG or in conjunction with the
19 AG's office as well. -- gain access to the
20 FinCEN database.

21 As I understand it, the Mass. State
22 Police already have that access. So, it's
23 fairly common. Whether we could get access
24 immediately is somewhat unclear. It sounds as

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1 though they like to see you demonstrate a need

2 first. And there are provisions in the
3 regulations that address requesting individual
4 reports from FinCEN.

5 So, it might be a process that has
6 to occur over time. But in any event it's one
7 that they recommended we pursue. With that I
8 would recommend that at least at the moment
9 that we pursue that course and maybe revisit
10 the issue if it becomes necessary.

11 So, my recommendation here is that
12 we cut off paragraph 12 after the word card
13 clubs, which is four lines down. So, it would
14 basically just require the gaming licensees to
15 have in place procedures to ensure compliance
16 with the Bank Secrecy Act and FinCEN
17 regulations, period.

18 COMMISSIONER MCHUGH: Does our IEB
19 -- Do our IEB troopers have access to this as
20 part of the State Police, do we know?

21 MS. BLUE: I believe they do. They
22 have used it in suitability investigations.

23 COMMISSIONER MCHUGH: They have.
24 Okay.

0075

1 COMMISSIONER ZUNIGA: I am perfectly
2 fine with that recommendation. I'll go along
3 with that.

4 CHAIRMAN CROSBY: My only concern
5 about it is this was one that the Attorney
6 General had been interested in. And if you had
7 a chance to touch base with her staff on this
8 discussion?

9 MR. GROSSMAN: We sent this to them
10 on Monday.

11 CHAIRMAN CROSBY: Sent this?

12 MR. GROSSMAN: The language.

13 CHAIRMAN CROSBY: which we are now
14 proposing to change.

15 MR. GROSSMAN: I believe her comment
16 was that we should just have procedures in
17 place to ensure compliance with anti-money
18 laundering concerns. And this would still do
19 that. Whether we receive the reports or not
20 that's an additional tool that would be
21 helpful.

22 We are not precluding the ability
23 for us or them to get the reports. We just
24 have to follow the FinCEN regulations.

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1 COMMISSIONER MCHUGH: I'm very much
2 in favor of this course, and working with the
3 Attorney General's office to make sure that
4 they get it as well and notifying them of what
5 you found out.

6 Then if we can't get it and still
7 want it to come back and amend this regulation
8 moving forward. It seems to me that having a
9 book of papers lying around with somebody's
10 suspicion about somebody's activity, it seems
11 to me that kind of information ought to be
12 closely monitored and restrained.

13 So, unless there's a significant
14 reason to get it, I think this is an

15 appropriate course. And I think that is not
16 inconsistent with the Attorney General's
17 request that their office have access to this
18 information as well.

19 CHAIRMAN CROSBY: I'm totally fine
20 with that. I just think you ought to give --
21 what we've done is sent them this and said that
22 we were going to be adopting this today, and we
23 aren't. And we just need to give them a heads-
24 up quickly and explain why.

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1 MR. DAY: Commissioners, I think the
2 added provision that if access doesn't
3 materialize in any kind of regular and
4 consistent basis that we can come back and
5 revisit this is important.

6 My personal experience I know it's
7 not always been the fastest process that in
8 trying to investigate something. The
9 information is not always available in the time
10 that you want it. So, it will be interesting
11 to see how this moves forward.

12 CHAIRMAN CROSBY: Okay. Great.

13 MR. GROSSMAN: There was just one
14 last thing. I'm sorry. We did receive some
15 last-minute comments from MGM on these internal
16 controls as a whole. By and large, I think
17 they are fair comments. I didn't know if
18 you've had a chance to see them.

19 CHAIRMAN CROSBY: Is it in the book?

20 MR. GROSSMAN: It's not the book.

21 CHAIRMAN CROSBY: I don't think I've
22 ever seen that or at least I don't remember it.

23 MR. GROSSMAN: I reviewed them with
24 Bruce Band. It was our opinion that by and

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1 large all of the comments would be things that
2 would be subject -- proper subjects for
3 variance requests in the MGM filings if that's
4 the way they want to pursue things.

5 There was one issue though that they
6 raised that we thought would warrant some
7 clarification. And that is we use the term
8 pai-gow when we refer to minimum personnel in
9 section 138.11. They suggested and we agreed
10 that we should clarify that what we mean by
11 that is pai-gow tiles and not pai-gow poker.
12 But other than that, if there's no objection,
13 we could make that clarification.

14 CHAIRMAN CROSBY: Nobody objects.

15 COMMISSIONER MCHUGH: Can I come
16 back to the previous statement though that the
17 things that they are talking about now would be
18 appropriate for a variance request.

19 CHAIRMAN CROSBY: Did you see the
20 letter?

21 COMMISSIONER MCHUGH: I didn't.

22 CHAIRMAN CROSBY: I don't think any
23 of us have seen this letter.

24 COMMISSIONER MCHUGH: I'm a little

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1 concerned without having seen the letter about
2 setting up an environment from the get-go that

3 has a general set of regulations and then go
4 ahead and ask for variances.

5 I thought that the variance concept
6 was sort of an emergency concept or we're going
7 to do things slightly differently. In any
8 event, it was not going to be a regulatory
9 device. It was going to be an exception to a
10 regulatory device, basically.

11 And we're only going to have at most
12 four licensees. If we have a set of
13 regulations and four sets of variances from
14 them from the get-go, is that a good way to
15 proceed? Rather than tackling head-on --

16 CHAIRMAN CROSBY: How can we discuss
17 this without knowing what the letter says? It
18 seems to me that this is important enough that
19 if Jed wrote it then Jen can come up and tell
20 us what's in it. Or we ought to get it.

21 I have no sense of what we're
22 talking about. So, I don't know how to react
23 to either your suggestion or your reaction to
24 the suggestion.

0080

1 wherever the letter got lost in the
2 shuffle. Somebody should figure that out,
3 because we should've seen this letter. But
4 since Jed's here --

5 MR. NOSAL: I think it's an
6 interesting discussion around the role of
7 variances. I don't know if we necessarily want
8 to get into this.

9 We had pointed out a few aspects of
10 the internal control regulations that didn't
11 match up with current MGM Resorts International
12 essentially practices, especially around the
13 issue of what the compliance committee does and
14 doesn't do. In particular, around review of
15 matters not involving essentially gifts to
16 domestic political officials but issues around
17 whether or not there are potential review of
18 issues on the Foreign Corrupt Practices Act.
19 We have a slightly different process for doing
20 that that doesn't involve the compliance
21 committee, but rather the general counsel's
22 office.

23 So, there were just some technical
24 aspects to the regulations. And I just use

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1 that one as an example that we certainly want
2 to be able to preserve that have worked well
3 that have insured. And I think what the
4 variance language anticipates is that we are
5 achieving the same result or that we have
6 something that is basically substantially
7 similar.

8 These were some of the things we
9 wanted to bring to the Commission's attention.
10 If you will consider them as particular
11 amendments to the regulations that's one way to
12 go. Certainly, discussing them in the context
13 of a variance type filing I think is
14 appropriate.

15 I think there are going to be times

16 where we are going to look to the internal
17 controls and need to make some adjustments.
18 Again, achieve the results we are attempting to
19 do but maybe do it in a slightly different way.
20 COMMISSIONER MCHUGH: Frankly, as I
21 hear you I would like to look at the letter,
22 because as I hear you, variances from things
23 designed to deal with the Foreign Corrupt
24 Practices Act and domestic political

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1 contributions are not the kinds of things I
2 would think that the Commission would, at least
3 from my standpoint, want to delegate to the
4 Executive Director to make judgments about.
5 And in addition to that what your
6 practices -- what MGM's practices are may spark
7 thinking about best practices, and help us
8 change the regs. Anyway, that's my initial
9 reaction to this.

10 CHAIRMAN CROSBY: So, the variance
11 mechanism that you had suggested this come
12 under, this is one where we have delegated to
13 the Executive Director the discretion to decide
14 which variance he might grant on his own and
15 then tell us about it. Or decide it's too
16 important and he would bring it to us, right?

17 COMMISSIONER ZUNIGA: But there's
18 also an element of, there's two places in all
19 of this as I understand them broadly, the
20 internal controls. There will be a submission
21 of their plan that the Director approves. Then
22 there will be an ongoing monitoring, I guess,
23 adherence.

24 It's like an audit program and then

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1 conducting the audit program. And I think it's
2 an element that maybe gets a little bit lost in
3 the shuffle when we are talking about
4 exceptions.

5 CHAIRMAN CROSBY: Let me just be
6 clear on this. So, what you're saying is MGM
7 will submit a set of internal controls to us
8 which we will have required match our
9 standards. And in their submission, they will
10 say we would like you to waive A, B and C
11 because although we do this, we do it in a
12 different way.

13 COMMISSIONER ZUNIGA: Not
14 necessarily. They will say here's how we
15 propose to meet all of your requirements and
16 check to see whether -- We will review them.
17 In fact, one of the updates that Director Day
18 was giving us is we have A. Bailey, an
19 accounting firm, doing just that for Penn.

20 Then there will be an ongoing
21 implementation and adherence to the internal
22 controls out of which there may be an instance
23 that something has changed or something has
24 come up and we need an exception.

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1 MR. NOSAL: And just to put the
2 discussion in context, when we discuss or the
3 overall approach to the regulations and going

4 for sets of regulations especially around
5 internal controls and others that are very
6 detailed that have very specific requirements,
7 there may be instances, again, where there is
8 something that comes up that we'd like to
9 propose to do in a different way, but that is
10 the equivalent or achieves the same result.

11 I think -- And we put at the
12 beginning of this letter we recognize
13 especially when it comes to the internal
14 controls for exactly what Commissioner Zuniga
15 said. This isn't something that's static that
16 is just going to be based on the regulations.

17 We will come to you with a plan.
18 That plan will have to be approved. And if it
19 has something in it that we want to view a
20 slightly different way, it's something that's
21 going to have to be approved as part of that
22 initial process.

23 CHAIRMAN CROSBY: So, as a practical
24 matter this particular example, at least, would

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1 not be one that you'd be going to the Executive
2 Director for a waiver maybe at some point in
3 the future. This would be something you'd be
4 asking for when you submit your internal
5 controls plan, which would come before us.

6 COMMISSIONER MCHUGH: That's not
7 what the regulation says, as I read it. It
8 says if a gaming licensee desires to
9 incorporate a provision in its internal
10 controls that is not in conformity with the
11 yada yada yada, which is our internal control
12 regulations, it may petition to do so by
13 including a proposal in its internal controls
14 filing along with a citation of the applicable
15 provision and a written explanation. The
16 Executive Director may allow the variance upon
17 a finding. It's permissible by the Executive
18 Director.

19 CHAIRMAN CROSBY: How would that
20 work?

21 MR. GROSSMAN: In this case, we'll
22 use this example. One of the things they
23 raised was that typically, as I understand it,
24 their general counsel will do a certain review

0086

1 that we have said the audit committee should
2 do. So, in their internal control filing, they
3 would submit the policies and protocols for the
4 audit committee.

5 CHAIRMAN CROSBY: This is their
6 initial filing.

7 MR. GROSSMAN: Yes, that's right.

8 CHAIRMAN CROSBY: Before anything
9 has started before we have approved their
10 internal controls.

11 MR. GROSSMAN: Right, before
12 anything. The filing comes in. We say your
13 audit committee has to do X, Y, and Z. They
14 are saying our audit committee is going to do X
15 and Y. And our general counsel is going to do
16 Z.

17 They're not saying Z doesn't get
18 done. They're just saying the general counsel
19 is going to do it and here's why. It would go
20 to the Executive Director who would either make
21 a finding that it will achieve the same result
22 and I'm going to allow that or not and I'm
23 going to disallow it. Or the third alternative
24 would be to say that this really needs to go

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1 before the Commission. I can't make this
2 decision.

3 CHAIRMAN CROSBY: Let me just
4 clarify that. The whole package as to come
5 before the Commission.

6 COMMISSIONER MCHUGH: No.

7 COMMISSIONER ZUNIGA: No, no. It's
8 correct what Commissioner MCHugh is saying. It
9 doesn't.

10 CHAIRMAN CROSBY: But I thought that
11 before operations begin, there's a threshold
12 step which is that their system of internal
13 controls has to be presented to us, to the
14 Commission for approval.

15 COMMISSIONER MCHUGH: No.

16 COMMISSIONER ZUNIGA: No, that's
17 incorrect.

18 CHAIRMAN CROSBY: So, we never
19 approve their internal control system?

20 COMMISSIONER ZUNIGA: No.

21 COMMISSIONER MCHUGH: No, it's an
22 administrative process.

23 MR. GROSSMAN: So, that's what we're
24 talking about here.

0088

1 COMMISSIONER MCHUGH: Just to take
2 that example because that's a good example. If
3 it makes sense -- These are highly
4 prescriptive, which is fine. That's what
5 they're designed to do. But if the
6 prescription could be fine-tuned by adding
7 general counsel to the process, then we have a
8 Commission determination about an important
9 element of this.

10 I come back to the idea that in
11 certain areas it seems to me we ought not be
12 delegating to the Executive Director. If we
13 can correct things and make them better and
14 more flexible and still achieve the same result
15 at this point before they're promulgated that's
16 the preferable route as far as I'm concerned.

17 And reserve these exceptions and
18 variances that the Executive Director
19 ultimately has the decision either to make or
20 to send onto us is still the locus of
21 discretion is in the Executive Director not us
22 that we ought to reserve that for minor things.

23 MR. GROSSMAN: I completely agree
24 with that. Ordinarily, I would have suggested

0089

1 that we take a step back and look at all these
2 issues very carefully. The only reason I
3 suggested that the variance route would be
4 appropriate here is I know we wanted to get

5 these internal controls approved today so we
6 could get them in place.

7 we haven't really had a chance to
8 sit down and really go through these proposals.
9 I have talked about them briefly with Mr. Band.
10 But we didn't really go through it as
11 thoroughly as ordinarily we would. So, I
12 wasn't prepared to sit before you today and
13 make a recommendation one way or the other
14 having thought through everything carefully,
15 which is the reason I just suggested they could
16 be dealt with.

17 with that being said, I completely
18 agree that the better course would be to
19 address these issues head-on.

20 COMMISSIONER MCHUGH: Remind me of
21 what the consequences are if we don't adopt
22 these today.

23 MR. GROSSMAN: It's just a timing
24 issue.

0090

1 COMMISSIONER MCHUGH: I know that
2 but what turns on the timing? What is the
3 next --

4 COMMISSIONER ZUNIGA: Penn's
5 operation.

6 MS. BLUE: It's Penn's internal
7 controls.

8 CHAIRMAN CROSBY: We've talked about
9 this last week too because I think we had the
10 same discussion at our last meeting. As a
11 practical matter, we have our internal control
12 regs. We're talking about some very, very
13 minor tweaks. So, Penn knows how to operate to
14 the vast majority or knows what the
15 requirements will be of their internal control
16 system.

17 So, maybe we should ask Penn. If we
18 were to leave this opens so we could explore
19 what MGM has raised and not address these final
20 issues until the 30th, does that materially
21 impede your ability to do what you need to do
22 in time? Yes, please, Lance.

23 MR. GEORGE: It doesn't. We're
24 actually going to spend a full day with Todd

0091

1 next Friday, I believe, or Thursday the 23rd
2 from 10:00 to 4:00 walking through every detail
3 of the internal controls. So, provided we have
4 clarity on that day and Todd knows exactly
5 what's going on, I think we're in good shape.

6 CHAIRMAN CROSBY: Okay. That sounds
7 like we could wait and let you take a look at
8 this and maybe check with the other folks too.
9 They may have the same list of stuff. I don't
10 know.

11 was your list, Jed, exhaustive or
12 was this examples of the kinds --

13 MR. NOSAL: It was not. It's fairly
14 targeted. There are essentially three issues.
15 It was really recognizing some flexibility of
16 the audit committee not to actually perform
17 every function that's listed under --

18 CHAIRMAN CROSBY: By exhaustive I
19 meant had you identified what you thought all
20 of the problems were going to be or did you
21 just give us three examples and you thought
22 there might be --

23 MR. NOSAL: We certainly have
24 ongoing stuff in terms regarding things. We

0092
1 pulled out what we thought was important what
2 we wanted to bring to the Commission's
3 attention before you voted.

4 CHAIRMAN CROSBY: Okay. We'd be all
5 right to wait.

6 MR. DAY: Commissioners one thing to
7 keep in mind, and I understand what Penn is
8 saying is part of the delay, the regs. wouldn't
9 be effective until after the opening, just for
10 a practical basis. I think we talked about
11 that that's something everybody can accommodate
12 but --

13 CHAIRMAN CROSBY: Why wouldn't they
14 be effective? We could do emergency regs. if
15 we needed.

16 COMMISSIONER MCHUGH: This is the
17 end.

18 MS. BLUE: This is the end. Once
19 you approve it, these have already been through
20 a hearing. So, once you approve it we would
21 file it. They would be effective upon
22 publication. So, it's a couple of weeks. It
23 would be close. It would be fairly close.

24 CHAIRMAN CROSBY: The meeting would

0093
1 be April 30. There'd be two months before
2 opening. June 24 is opening.

3 MR. DAY: That's true.

4 COMMISSIONER ZUNIGA: We could
5 always approve by emergency, couldn't we?

6 MS. BLUE: We could do that. The
7 Secretary of State's office is uncomfortable
8 when do that having gone through the process.
9 They would prefer we finish the process and
10 then file.

11 CHAIRMAN CROSBY: But if it's two
12 weeks we have a month's slip time.

13 MR. DAY: You're correct. We should
14 still be able to make that date because this is
15 final approval.

16 CHAIRMAN CROSBY: Okay.

17 MR. GROSSMAN: You need an automatic
18 variance that says they have to submit it 60
19 days in advance. We've pulled in all kinds of
20 other things, but we can deal with it.

21 COMMISSIONER MCHUGH: I'd prefer
22 that.

23 COMMISSIONER ZUNIGA: Me too. I'd
24 love to read that letter and understand those

0094
1 points.

2 CHAIRMAN CROSBY: Right. Okay.
3 Anything else?

4 MR. GROSSMAN: That's all.

5 COMMISSIONER MCHUGH: Thank you,
Page 37

6 Counsel

7 CHAIRMAN CROSBY: Let's take a brief
8 break, before we get to our last item, which I
9 think will be racing.

10
11 (A recess was taken)

12
13 CHAIRMAN CROSBY: We are ready to
14 reconvene public meeting number 149. And we
15 have one topic left, which is Racing Division,
16 Dr. Lightbaum.

17 DR. LIGHTBAUM: Good afternoon, Mr.
18 Chairman and Commissioners. As you know, first
19 of all, I'll start off with Plainridge. We had
20 their opening day yesterday. And Commissioner
21 Zuniga came out and watched the staff in action
22 with the Racing Division and got a tour of the
23 new plant.

24 He also attended the pre-race

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1 meeting that we have with the horsemen at the
2 beginning of year, the racing officials,
3 management, our judges, myself all met with the
4 horsemen and went over a few different things
5 that had changed this year and things we were
6 looking for. That was nice to have him at that
7 meeting.

8 COMMISSIONER ZUNIGA: Alex, let me
9 mention something. Just congratulations on the
10 start. There's a lot of work that happens
11 behind the scenes. The people at Penn
12 deservedly get a lot of congratulations. But
13 our employees with the leadership of Alex have
14 done a great job in just the look, the feel and
15 the professionalism that is evident in
16 everything that you are doing, as was very
17 evident yesterday to me. And it was really,
18 really good to see.

19 DR. LIGHTBAUM: Thank you, very
20 much. We had a great day yesterday. They had
21 nine races. Six of those had eight horses in.
22 So, the fields were good. We've got another
23 eight races that they're going to be racing
24 today. So, that's good.

0096

1 The track surface was in good shape.
2 we didn't have any complaints about that. A
3 couple of things that we've added this year
4 with the licensing is we can accept credit
5 cards this year and we're doing multi-year
6 licenses. Both of those features have been
7 well received by the licensees. We've done
8 about a little over 400 licenses in the past
9 month. So, we're getting a lot of people in,
10 which is good.

11 One of the big upgrades that they've
12 done since Penn came in is all-new AV equipment
13 for the judges stand. So, they've got high-
14 definition TVs, a whole new system that they
15 really like. It enables them to do a lot more
16 up there. So, that's been a great tool for our
17 judges to have.

18 We had a number of things with the

19 construction going on. It was almost like a
20 reopening of racing. So, there were a number
21 of issues that we were going over with Penn.
22 And they were very cooperative about getting
23 the different things on our punch list done in
24 time for racing to start. So, I really

0097

1 appreciate that.

2 If there's nothing else, I will go
3 onto the Lasix work group that we had. The
4 Lasix work group met three times. And in
5 between those times, we all did various
6 research.

7 Members of that group included the
8 veterinarian from each track that administered
9 the Lasix, a member of each horseman's
10 association, one of our judges, one of our
11 stewards, legal counsel for the Gaming
12 Commission, myself and Steve O'Toole from
13 Plainridge.

14 We finally came to some agreements.
15 One of them is that we felt that having the
16 private vets administer the Lasix again this
17 year made sense economically. We all agreed
18 that we felt the judges should have some leeway
19 as to the timing.

20 We felt that scratches were
21 detrimental to racing and to the horse owners.
22 And we also felt that if we did decide to grant
23 some leeway to the program that it should be
24 the exception rather than the rule. We wanted

0098

1 to maintain the four-hour rule.

2 So, basically the recommendation we
3 came up with was to stay with the four-hour
4 rule but if a horse showed up within 15 minutes
5 of that leeway, we would allow them to get the
6 Lasix and race. They would automatically be
7 fined. And then after that if they got beyond
8 the three hours and 45 minutes before post,
9 then they would be scratched. So, we went
10 ahead and incorporated that into our standard
11 operating procedures and put the letter into
12 the Gaming Commission with that recommendation.

13 COMMISSIONER MCHUGH: What practical
14 difference does the 15 minutes make? To put it
15 another way, how often would somebody who
16 missed the four-hour deadline benefit from the
17 15-minute variance provision?

18 DR. LIGHTBAUM: We found that most
19 of the ones that were late last year were
20 within that 15-minute time period. What this
21 does is once the four-hour limit is reached,
22 then we know that those people are late, and
23 efforts can be made to contact them and find
24 out did they just forget or were they held up?

0099

1 And try to get them in before the 15 minutes is
2 up.

3 COMMISSIONER MCHUGH: I see. Okay.

4 COMMISSIONER STEBBINS: I was just
5 going to ask a question. You talk about the
6 fines and the progressive fines for somebody

7 who kind of has a track record for doing this.
8 Remind me again what the fines are and what the
9 progression is.

10 DR. LIGHTBAUM: We're going to start
11 with \$100 fine, which is what they gave for a
12 late scratch last year. And they felt that
13 that was enough to deter people. That when
14 they got that fine they weren't late again.

15 And we left it up to the judge's
16 discretion as to what the progressive fine was
17 going to be if somebody was late again and they
18 already received the \$100 fine. Because like
19 we said, we don't want people to just have this
20 become the way they do business or whatever.
21 This is going to be the exception. And it will
22 allow them to race, but it's not going to
23 become a normal thing.

24 CHAIRMAN CROSBY: That was my first

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1 -- when I first read it, I was thinking now
2 they know they've got to be there three hours
3 and 45 minutes before. But since you kept the
4 fine in place that really makes good sense to
5 me, I think, to accomplish -- to do what you
6 said which is to keep it from becoming the new
7 normal.

8 DR. LIGHTBAUM: Yes. And certainly,
9 if we needed to revisit next year or even
10 partway through the year if we need to revisit
11 it, we can.

12 CHAIRMAN CROSBY: Right. Mr.
13 O'Toole you are fine with it? Do you have any
14 other comments on it?

15 MR. O'TOOLE: No. I think it's a
16 good way to proceed because last year, as Alex
17 pointed out, there was a few circumstances
18 where the horses were just in that timeframe of
19 being late and they were scratched. But it was
20 circumstances beyond their control where we
21 have so many shipped in horses mostly coming
22 down from Maine. We had a couple of times when
23 495 was tied up pretty well and they would not
24 have been scratched but they would have been

0101

1 fined.

2 And also, once someone is late and
3 they know it's going to be a progressive fine,
4 I'm sure that they will leave a little bit
5 earlier just to not be in those circumstances
6 again.

7 It does help. It helps the owners.
8 It helps the trainers. Again, when we were in
9 the discussions in the working group, I made
10 the comment Alex we don't want to make this a
11 three-hour and 45 minute rule just like what
12 you were saying, no longer a four-hour rule.

13 So, I think this is a great way to
14 proceed. And it does build in a little
15 protection not only for the horsemen but also
16 for the track because the track suffers. The
17 handle suffers. And horsemen's purses suffer
18 when horses are scratched out of the fields.

19 COMMISSIONER ZUNIGA: I think this

20 working group is a great approach. Again, it's
21 great that you've done it. Will you continue
22 that working group? What are the plans for it?

23 DR. LIGHTBAUM: We were just charged
24 with the two discussions. Actually, one of the

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1 other things was the post-race blood gas
2 testing, which we also discussed in that group.
3 So, those were the two issues that we were
4 charged with discussing.

5 But certainly that's something that
6 would be great if along the line we have other
7 issues that come up, it's great to have that
8 group there, a group of basically experts and
9 people who are involved with it that we can tap
10 into.

11 Just speaking on the post-race blood
12 gas testing, we also came up with a
13 recommendation on that that we move away from
14 that. And instead do more extensive testing on
15 the regular blood and urine samples that we
16 would be obtaining from those horses anyway.

17 That actually lets us cover more
18 different drugs. And it's not cost prohibitive
19 because in the past year there may be three or
20 four horses that the judges might've wanted to
21 do this with. So, it's not cost prohibitive on
22 our part. And it also doesn't make the
23 trainers have to stay around for the two hours
24 after the race. We thought that would be good.

0103

1 COMMISSIONER ZUNIGA: And the same
2 lab that we send our samples to would be able
3 to do that?

4 DR. LIGHTBAUM: Yes. It would be
5 the same lab. And our test barn coordinator
6 would just note on the sheet that she sends to
7 the lab to do that extra testing.

8 COMMISSIONER ZUNIGA: Right.

9 CHAIRMAN CROSBY: Great. I think
10 Commissioner Mchugh had a point of
11 clarification about something else you talked
12 about.

13 COMMISSIONER MCHUGH: I listened to
14 your thoughts, Dr. Lightbaum, at the beginning
15 and you mentioned credit cards. Those are the
16 credit cards for payment of license fees?

17 DR. LIGHTBAUM: Yes.

18 COMMISSIONER MCHUGH: Not patrons.

19 DR. LIGHTBAUM: Right. It's for
20 licensees like trainers, groomers, owners.

21 COMMISSIONER MCHUGH: Good. I just
22 thought that needed clarification. Thank you.

23 CHAIRMAN CROSBY: Okay, next up.

24 DR. LIGHTBAUM: Now I'll turn it

0104

1 over to Doug, our Senior Financial expert to
2 talk about the cap. fund.

3 MR. O'DONNELL: Good afternoon, Mr.
4 Chairman and Commissioners. What you have in
5 front of you is a memorandum addressed to the
6 Massachusetts Gaming Commission regarding
7 Plainridge Racecourse request for the Capital

8 Improvement Trust Fund money.

9 This is a request for consideration
10 to purchase and install split-mile markers with
11 an additional scope of work totaling \$13,820.
12 This request was originally submitted by Mr.
13 O'Toole, the General Manager, back on February
14 9. It was also submitted to Dixon Salo, who is
15 the architectural firm that's contracted with
16 the state to review these proposals.

17 Dixon Salo did in fact send us a
18 letter recommending that this RFC be approved
19 by the Gaming Commission. In the packet, you
20 will find a quote from Horsemen's Track for the
21 cost of the mile markers at \$10,420 as well as
22 the installation and scope of work for \$3,400.

23 Currently, Plainridge has \$238,000
24 in their cap. fund. So, there is obviously

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1 sufficient funds in there. The process is if
2 this RFC is approved by the Commission and the
3 work is completed, Dixon Salo will go out and
4 inspect the work that has been done. And if it
5 is to their satisfaction, they will submit an
6 approval letter to us to request that the funds
7 can be distributed to Plainridge Racecourse.
8 And a vote is required to move forward on this.

9 COMMISSIONER STEBBINS: Are you
10 replacing existing markers?

11 MR. O'TOOLE: We are. As
12 Commissioner McHugh pointed out in previous
13 meetings, all of the storm water drain-off from
14 the entire property flows under the racetrack
15 and into a filtration field and into a pond
16 that was then repurposed for irrigation.

17 So, the infield has been disturbed.

18 This request is a component and actually a
19 complement to some of the finish work of the
20 project, but these types of things weren't
21 included in the scope of the ongoing project
22 that's going on right now.

23 So, these will replace the ones that
24 are out there. They're more decorative.

0106
1 They're more weather resistant. The other ones
2 are old. When we finish off the infield, it'll
3 be a good complement to the aesthetics of the
4 infield and the racing.

5 COMMISSIONER ZUNIGA: I was able to
6 see some of that firsthand yesterday with
7 Steve. Steve remind me, the sign with the time
8 that would be a future request from these
9 monies? You had mentioned that you were
10 thinking about trying to replace some of that
11 signage.

12 MR. O'TOOLE: The infield tote
13 board?

14 COMMISSIONER ZUNIGA: Yes.

15 MR. O'TOOLE: Our infield tote board
16 is old. It wasn't part of the original
17 project. I do have two buckets, if you will.
18 I have a capital expenditure bucket from Penn.
19 I also have this ongoing bucket.

20 The tote board is an expensive item,

21 but we've been looking at a two-year timetable
22 to replace our tote board. But I think we
23 might to be able to even get it done for next
24 season. So, that's maybe a combination of the

0107

1 two buckets to get that done.

2 COMMISSIONER ZUNIGA: Great.

3 MR. O'TOOLE: We do have a few other
4 projects that I'll be keeping Doug busy with
5 around the facility that weren't in the scope
6 of the project that's going on now.

7 COMMISSIONER ZUNIGA: Great.

8 CHAIRMAN CROSBY: This raises an
9 aspect of the racing process that I don't
10 really understand. When I first looked at
11 this, it seemed to me like it was a pretty
12 bureaucratic way to spend \$13,000. I look at
13 the reg. And I guess -- I mean at the
14 memorandum, and it looks like the process is
15 prescribed by law. So, we have to hire an
16 architect to make a decision on this. Do you
17 have any idea what we paid the architect for
18 this opinion?

19 MR. O'DONNELL: I'm not exactly sure
20 of the fee. It is different every time they do
21 come out to inspect depending on the scope of
22 the work and what they have to review.

23 CHAIRMAN CROSBY: I guess there's
24 nothing we can do about it. It seems to me it

0108

1 was back in February when you asked for
2 permission. It's now four months later. If
3 there's any way we could expedite this
4 particularly for relatively minor expenditures.
5 I don't know if there is but maybe it's worth,
6 Catherine, you could help take a look at this.

7 If there's anything we could do to
8 at least have the option of considering
9 delegating the ability say for us to say to the
10 Division to make these decisions or something
11 like that. It just seems like a real pain in
12 the neck for a relatively modest expense.

13 COMMISSIONER ZUNIGA: Absolutely.
14 And there's a lot that we could mirror
15 currently what we have, especially capital
16 expenditures on the Gaming Act, once a year for
17 example, for all capital improvements which is
18 what the Gaming Act prescribes.

19 COMMISSIONER MCHUGH: Isn't this one
20 example of a number of little hidden canyons
21 and bureaucratic bends that are embodied in
22 128A and 128C?

23 COMMISSIONER ZUNIGA: Yes.

24 COMMISSIONER MCHUGH: A cry out for

0109

1 a reorganization of the whole thing.

2 MR. O'TOOLE: It is. The cap. fund
3 and the promo. fund, essentially we are holding
4 tank for the racetracks on that. That's their
5 money that we're holding.

6 COMMISSIONER STEBBINS: They come
7 back to us and apply for their own money.

8 COMMISSIONER MCHUGH: Right. So,

9 examples of things like that.

10 CHAIRMAN CROSBY: So, I think we are
11 still planning on an omnibus redo. We need to
12 figure out whether we're going to have
13 thoroughbred racing. Let's be keeping a check
14 sheet somewhere, because it seems like we are
15 all of a mind that this is a little silly. If
16 we can figure out either in the interim how to
17 get around it or at least at the time -- the
18 Legislature is asking us to come back and say
19 how should we handle racing in the future. So,
20 add this to our list.

21 MR. O'TOOLE: Obviously, when the
22 Racing Commission was in effect and I was
23 dealing with the Racing Commission, they were
24 very involved and wanted to know what projects

0110
1 we would be doing and how these monies would be
2 spent. That we would actually be re-investing
3 in the facility for the patrons, for the
4 horsemen.

5 This was created, I think, back
6 probably in the 80s to make sure that there
7 were capital improvements being done all of the
8 time.

9 CHAIRMAN CROSBY: Yes. I can
10 understand there is a public-policy kernel in
11 there somewhere, but this may not be the way to
12 accomplish it.

13 COMMISSIONER MCHUGH: Right.

14 COMMISSIONER STEBBINS: Mr.
15 Chairman, keeping your mention of the word
16 silliness in mind, but I will move that the
17 Commission approve the Plainridge Racecourse
18 request for Capital Improvement Trust Fund
19 monies project HHCITF2015-1 for \$13,820 subject
20 to final review and approval of the project by
21 our architectural firm.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER ZUNIGA: Second.

24 CHAIRMAN CROSBY: Further

0111
1 discussion? All in favor, aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously. Is that it? You got
7 another one?

8 MR. O'DONNELL: Yes, just an update
9 on the local aid distributions. What you have
10 in front of you is a computation for the
11 quarterly payments to local aid.

12 How this is done is it's six months
13 in arrears for the handles. And it's .35
14 percent of that handle, which is distributed to
15 the local towns where racing takes place which
16 would be Boston, Revere, Plainville and
17 Raynham.

18 Again, this is done on a quarterly
19 basis. It's an appropriation with an
20 obligation ceiling annually of \$1,150,000. And
21 we have never exceeded -- Since I've been here,

22 we've never exceed that amount. This has been
23 approved. The checks have been cut and written
24 for this quarter. So, that is taken care of.

0112

1 It's just something that we wanted to -- We
2 don't need a vote on this. We just wanted to
3 bring it in front of the Commission to make you
4 aware.

5 COMMISSIONER STEBBINS: Doug, why
6 did they ever have a cap, do you know?

7 MR. O'DONNELL: I'm not sure, Bruce.
8 I believe that was instituted a number of years
9 ago when the handles were considerably higher.
10 where if it was on a .35 percent basis it would
11 have certainly exceeded that \$1.15 million.

12 CHAIRMAN CROSBY: Okay. Thank you.
13 Next up?

14 DR. LIGHTBAUM: Next up is
15 Plainridge's request for approval of their key
16 operating personnel and their racing officials.
17 This again is something that we do every year
18 and does require a vote by the Commission.

19 All of these people have put in
20 their applications and paid for them. They've
21 had their USTA and RCI records checked.
22 They've been signed off by our judges' panel.
23 Most of them have been also signed off by the
24 State Police, but we do have a few that are

0113

1 still going through the background check.
2 Everybody has been fingerprinted except for two
3 that are going to be fingerprinted today, the
4 last two.

5 what we usually do with these since
6 sometimes the background checks take a little
7 bit with the State Police is we ask for
8 approval pending the completion of their
9 background checks and approval by the State
10 Police.

11 CHAIRMAN CROSBY: Questions? Did
12 you give Mr. O'Toole a real good scrubbing?

13 COMMISSIONER ZUNIGA: I just want to
14 keep the faces to the names. Tony Ristaino, he
15 gave the introduction at the meeting yesterday?

16 MR. O'TOOLE: That was Anthony
17 Salerno, presiding judge.

18 COMMISSIONER ZUNIGA: Okay. Good.

19 MR. O'TOOLE: Most of these -- I'm
20 happy to report that most of the officials and
21 key operating personnel are back this year.
22 But there are a couple of additions to the
23 staff. Jay Savastano, it's the first time he's
24 been up for approval. He's new to the

0114

1 operation as assistant racing services manager
2 to Lenny Calderone.

3 Jay's expertise is in social media.
4 So, we're going to try to tie into the USTA
5 program there with our social media. And Dr.
6 Jeremy Murdock is a new addition as a racing
7 veterinarian. I think that's about it.
8 Everybody else has been with us for quite some
9 time.

10 I'd also like to take the
11 opportunity to thank Alex and echo your
12 thoughts. It's been a little bit of a rocky
13 road there the last month or so getting
14 everything whipped into shape for racing with
15 the winter we had. I know that Alex and her
16 staff dealing with the temporary trailer set up
17 and everything. We hope we accommodated her
18 needs, but I know sometimes we've fallen a
19 little short. She isn't afraid to crack the
20 whip on me, but I hope we've responded well.
21 And she's been doing a great job.

22 COMMISSIONER ZUNIGA: It's good to
23 hear.

24 CHAIRMAN CROSBY: Commissioner

0115

1 Stebbins, do you want to move?

2 COMMISSIONER STEBBINS: There's a
3 second page?

4 DR. LIGHTBAUM: There is a second
5 page. There is one addition, Tracy.

6 COMMISSIONER STEBBINS: Mr. Chair, I
7 move that the Commission approve the Plainridge
8 Park Casino request for approval of the
9 following key operating personnel and racing
10 officials for the 2015 racing season pursuant
11 to any final background checks that need to be
12 completed by the IEB.

13 CHAIRMAN CROSBY: Second?

14 COMMISSIONER MCHUGH: Second.

15 CHAIRMAN CROSBY: Further

16 discussion? All in favor, aye.

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

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

22 MR. O'TOOLE: Thank you.

23 CHAIRMAN CROSBY: Is that it, Dr.

24 Lightbaum?

0116

1 DR. LIGHTBAUM: Yes, that's it.

2 Thank you very much.

3 CHAIRMAN CROSBY: Mr. Day, I think
4 that's everything.

5 MR. DAY: I have nothing further.

6 CHAIRMAN CROSBY: I just have one
7 announcement. I am told that we will be having
8 our next two meetings, April 30 and therefore
9 May 14 in this facility. Some of our friends
10 went to the wrong place, went to the Convention
11 Center. But we will be here at the Hynes for
12 each of our next two meetings. Anything else?

13 COMMISSIONER ZUNIGA: Motion to
14 adjourn.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER STEBBINS: Second.

17 CHAIRMAN CROSBY: All favor, aye.

18 COMMISSIONER MCHUGH: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 CHAIRMAN CROSBY: Thank you.

22 COMMISSIONER ZUNIGA: Was there

23 going to be a discussion or an update on
24 thoroughbred racing or their application?

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1 MR. DAY: Not at this time. We've
2 heard some informal information, but we really
3 have -- nothing different has been received at
4 this point.

5 COMMISSIONER ZUNIGA: All right. I
6 misunderstood.

7 CHAIRMAN CROSBY: Thank you.

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9 (Meeting concluded at 12:42 p.m.)

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1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission April
- 3 16, 2015 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission April
- 5 2, 2015 Meeting Minutes
- 6 3. March 31, 2015 Epstein Joslin Architects,
- 7 Inc. Memorandum Regarding Plainridge Park
- 8 Casino Design Review 3: Interiors
- 9 4. Plainville Park Casino Floor Plans
- 10 5. April 16, 2015 Massachusetts Gaming
- 11 Commission Memorandum Regarding Temporary
- 12 Key Gaming Employee Licenses Issued
- 13 6. April 13, 2015 Massachusetts Gaming
- 14 Commission Memorandum Regarding Operations
- 15 Plan for the Second Half FY15 - Update
- 16 7. MGC 04-08-2015 Schedule Update/Slot Parlor
- 17 Activities
- 18 8. April 16, 2015 Massachusetts Gaming
- 19 Commission Racing Division Memorandum
- 20 Regarding Plainridge Racecourse Request
- 21 for Capital Improvement Trust Fund Monies
- 22 with attachments
- 23 9. April 10, 2015 Massachusetts Gaming
- 24 Commission Memorandum Regarding Plainridge

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- 1 Key Operating Personnel and Racing
- 2 Officials with attachments
- 3 10. Small Business Impact Statement 205 CMR
- 4 101, Adjudicatory Proceedings
- 5 11. Small Business Impact Statement 205 CMR
- 6 136 Sale and Distribution of Alcoholic
- 7 Beverages at Gaming Establishments
- 8 12. Small Business Impact Statement 205 CMR
- 9 150 Protection of Minors and Underage
- 10 Youth

- 11 13. Small Business Impact Statement 205 CMR
12 151 Operations and Conduct of Gaming at a
13 Gaming Establishment
14 14. Small Business Impact Statement 205 CMR
15 152 Individuals Excluded from a Gaming
16 Establishment
17 15. Amended Small Business Impact Statement
18 205 CMR 138 Uniform Standards of
19 Accounting Procedures and Internal
20 Controls
21 16. 205 CMR 138 Uniform Standards of
22 Accounting Procedures and Internal
23 Controls - DRAFT
24

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- 1 GUEST SPEAKERS:
2 Lance George, Penn National
3 Mike McGrew, Penn National
4 Darlene Whitmore, JCJ Architecture
5 Jed Nosal, Esq., Brown Rudnick (for MGM)
6 Steve O'Toole, Plainridge Racecourse
7
8
9 MASSACHUSETTS GAMING COMMISSION STAFF:
10 Catherine Blue, General Counsel
11 Richard Day, Executive Director
12 Todd Grossman, Deputy General Counsel
13 Dr. Alex Lightbaum, Interim Director of Racing
14 Doug O'Donnell, Senior Financial Analyst
15 John Ziemba, Ombudsman
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C E R T I F I C A T E

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2
3 I, Laurie J. Jordan, an Approved Court
4 Reporter, do hereby certify that the foregoing
5 is a true and accurate transcript from the
6 record of the proceedings.
7

8 I, Laurie J. Jordan, further certify that the
9 foregoing is in compliance with the
10 Administrative Office of the Trial Court
11 Directive on Transcript Format.

12 I, Laurie J. Jordan, further certify I neither
13 am counsel for, related to, nor employed by any
14 of the parties to the action in which this
15 hearing was taken and further that I am not
16 financially nor otherwise interested in the
17 outcome of this action.
18 Proceedings recorded by Verbatim means, and
19 transcript produced from computer.

20 WITNESS MY HAND this 18th day of April,
21 2015.
22

23 LAURIE J. JORDAN My Commission expires:

24 Notary Public Massachusetts Gaming Commission_149-RUSH.txt
May 11, 2018