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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #154 (Volume II)

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

June 11, 2015 1:30 p.m. - 3:10p.m.

BOSTON CONVENTION AND EXHIBITION CENTER

415 Summer Street, Room 102

Boston, Massachusetts

1 P R O C E E D I N G S :

2

3 CHAIRMAN CROSBY: We are reconvening
4 154th meeting of the Massachusetts Gaming
5 Commission. And we will go directly to item
6 number four, the Investigations and Enforcement
7 Bureau, Karen Wells Director.

8 MS. WELLS: Good afternoon, Mr.
9 Chairman and members of the Commission. As to
10 item 4(a) the Region C update, I can report to
11 the Commission that I did receive by the
12 deadline on Tuesday a term sheet between KG
13 Urban in GLPI that is currently under review
14 right now.

15 And we have a conference call
16 scheduled for tomorrow to discuss the issue of
17 qualifications for the folks and the company at
18 GLPI. So, we'll proceed accordingly, and I
19 will update the Commission as we proceed
20 through the investigation.

21 CHAIRMAN CROSBY: I just want to
22 make sure. We therefore do deem their
23 application substantially complete.

24 MS. WELLS: That would be my

1 recommendation.

2 CHAIRMAN CROSBY: Okay. Does that
3 require a vote on our part?

4 MS. BLUE: No.

5 CHAIRMAN CROSBY: No. We just
6 accept the recommendation, okay. And then what
7 remains is for you to determine who else are
8 qualifiers.

9 MS. WELLS: Correct.

10 CHAIRMAN CROSBY: And then to work
11 with probably other staff to figure out what is
12 going to be the RFA-2 timeline that coordinates
13 with whatever your needs to do the background
14 checks properly.

15 MS. WELLS: Correct. I have sent
16 notice to the applicant requiring the
17 information that had already been provided the
18 updated because so much time has gone by. So,
19 we'll get that and certain other documents by
20 the 24th.

21 And then we'll work with the
22 applicant on the GLLPI issue. So, we're
23 proceeding along with the investigation.

24 CHAIRMAN CROSBY: Okay. Great.

1 MS. WELLS: I think the second item,
2 I will turn the microphone over to Ombudsman
3 Ziemba on the KG Urban citizen notification.

4 MR. ZIEMBA: Thank you, Karen.
5 Commissioners first on my agenda is a notice to
6 New Bedford's residents regarding the
7 Commission's suitability process. At several
8 recent Commission meetings, we discussed the
9 Commission's requirements related to
10 suitability and the holding of referendum.

11 To briefly summarize, the
12 Commission's regulations prohibit the holding
13 of a host community referendum prior to the
14 Commission determining that an applicant is
15 suitable. However, a community can move
16 forward in advance of a suitability
17 determination if a community's governing body
18 votes to do so.

19 In addition to that vote, a
20 community must engage in a public education
21 campaign to inform its citizens that despite a
22 local vote, an applicant can only apply for a
23 casino license if it has been deemed suitable
24 by the Commission.

1 As part of the education campaign
2 that is required, a community must send a
3 notice describing the Commission's suitability
4 and application process to registered voters.
5 Counsel Blue and Deputy Counsel Grossman and I
6 have reviewed the proposed citizens notice
7 that's in your packet. And we've determined
8 that it is consistent with our regulations.
9 That it is substantially similar to other
10 notices that have been approved in the past.

11 As you know, there have been a
12 number of different notices that have already
13 sent in other parts of the Commonwealth.

14 I note one change to the notice that
15 is included your packet. Yesterday evening we
16 received notice that the city of New Bedford --
17 the notice that is going to be sent, will be
18 sent likely by its city election commission
19 rather than the Mayor but that doesn't impact
20 our review of whether or not it complies with
21 the regulations.

22 CHAIRMAN CROSBY: Our reg. doesn't
23 say anything about who it comes from?

24 MR. ZIEMBA: It does not. So, in

1 that regard I would recommend the citizens
2 notice that is included in your packet.

3 CHAIRMAN CROSBY: Any questions,
4 discussion? We need a vote for this, right?
5 Commissioner Stebbins?

6 COMMISSIONER STEBBINS: Mr. Chair, I
7 move that the Commission approve the community
8 citizen notice as included in the packet for
9 the New Bedford special election to be held on
10 Tuesday, June 23.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER CAMERON: Second.

13 CHAIRMAN CROSBY: You know, I just
14 want to say that there's been some note of this
15 phenomenon of moving the dates. And I recall
16 the conversation that we had back when this
17 first came up when some of the early cities
18 were looking for this.

19 And we kind of wrestled with it
20 because we originally thought that it was a
21 good idea to have the background checks
22 completed so that the people of a community get
23 the right -- have the opportunity to vote on
24 the people knowing everything about them who

1 are going to be doing this work in their town.

2 But we ultimately decided that our
3 legislation is so strongly supportive of local
4 control that so long as a community met these
5 certain conditions including this letter that
6 we really should let them determine when they
7 want to have their election.

8 And for my money that same logic
9 holds here as it did for Springfield and
10 Everett and others. Further discussion?

11 COMMISSIONER MCHUGH: I agree with
12 that.

13 CHAIRMAN CROSBY: All in favor, aye.

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 CHAIRMAN CROSBY: All opposed? The
19 ayes have it unanimously.

20 MR. ZIEMBA: Commissioners, I have
21 one other item. As you know, the Commission's
22 Region C RFA-2 deadline has been no sooner than
23 July 10. I recommend that the Commission
24 consistent with the comments from the Chairman

1 a couple of minutes ago that the Commission
2 staff review that deadline and present at a
3 Commission meeting in the very near term.

4 Although we'll need some time to
5 further review how soon the deadline can be
6 set, I believe that we can safely say that July
7 10 will not be the deadline for several
8 reasons. First, both applicants are currently
9 in the midst of a phase of the Massachusetts
10 Environmental Policy Act, MEPA review scheduled
11 to conclude on July 10. Applicants will need
12 some time to review any findings and make any
13 adjustments to their proposals based on what is
14 determined through that process.

15 And second, as we noted further time
16 will be necessary due to the review of the KG
17 Urban application by the IEB.

18 And third, it is likely that both
19 applicants will need some time to be able to
20 fully engage in discussions with surrounding
21 communities and with impacted live
22 entertainment venues prior to the RFA-2.

23 CHAIRMAN CROSBY: Okay.

24 COMMISSIONER MCHUGH: So, the

1 recommendation basically is to notify both
2 applicants that July 10 is not the deadline.
3 And that the deadline will be decided upon soon
4 as we can but it's not July 10.

5 MR. ZIEMBA: That's right.

6 COMMISSIONER ZUNIGA: Can we target
7 perhaps the next meeting of the Commission, the
8 end of June meeting or shortly thereafter for a
9 look at that timeframe, taking into account all
10 of those moving pieces? At a minimum, an order
11 of magnitude of a date, if you will, an
12 approximation?

13 MR. ZIEMBA: Yes. I think that
14 should give us sufficient time to figure out
15 what would be a good recommendation.

16 COMMISSIONER ZUNIGA: Okay.

17 CHAIRMAN CROSBY: There has been one
18 applicant who has been ready and willing and
19 waiting here for a while. So, we do want to
20 move as quickly as we can.

21 And we did do some very approximate
22 talking at a recent meeting that sort of gave
23 ballpark ideas. There's probably no point in
24 talking about it anymore because we'll get this

1 right in the next day or two -- the next week
2 or two.

3 But when do we plan to release the
4 final revised RFA-2 form itself?

5 MR. ZIEMBA: In conversations with
6 Director Day, I believe that we are planning to
7 release that by mid to late next week.

8 MR. DAY: That would be correct.
9 The revisions are all but complete. So, it's
10 just a matter of getting it assembled in the
11 right format and releasing it.

12 COMMISSIONER MCHUGH: We posted what
13 the revisions are. We just haven't reformatted
14 them, right? Or have we posted what they are?

15 MR. DAY: I don't think we have
16 posted what they are. They are basically in
17 the final reformat.

18 CHAIRMAN CROSBY: Weren't they in
19 our packets?

20 MR. ZIEMBA: They're included in the
21 packets.

22 CHAIRMAN CROSBY: They were in our
23 packages in one of the recent meetings. So,
24 they are on the website. So, if anybody,

1 either of the two applicants that wants to get
2 working on it, they're up there. And as we've
3 said many times, even though there are some
4 formatting changes, there are no substantive
5 changes.

6 So, whatever work is being done to
7 prepare for the RFA-2 form that's time well
8 spent. Anything else?

9 MR. ZIEMBA: That's it. Thank you.

10 MS. WELLS: And the last item on the
11 agenda for the Bureau is the update to the
12 Commissioners on the key gaming employee
13 licenses and the vendor licenses that have been
14 issued.

15 We have three temporary key gaming
16 employee licenses issued Tyler Evan Andrews, a
17 surveillance supervisor at Penn National,
18 Bogdan Magonski, player services supervisor at
19 Penn National or PPC, Plainridge Park Casino
20 and Ian Scott Thomas Burrell player services
21 shift manager at Penn National, PPC.

22 CHAIRMAN CROSBY: What is NMI?

23 MS. WELLS: No middle initial.

24 CHAIRMAN CROSBY: Oh, interesting.

1 MS. WELLS: That's a law enforcement
2 term.

3 So, they've complied. And the
4 memo's in your packet about the compliance with
5 the regulations to issue the license.

6 CHAIRMAN CROSBY: Okay.

7 MS. WELLS: And that's all I have
8 for you this afternoon.

9 CHAIRMAN CROSBY: Great, thank you.

10 COMMISSIONER MCHUGH: Thank you very
11 much. It makes you think of Harry S. Truman,
12 right?

13 CHAIRMAN CROSBY: Actually, no. It
14 didn't make me think of Harry S. Truman.

15 COMMISSIONER MCHUGH: He didn't have
16 a middle initial. He just made one up.

17 CHAIRMAN CROSBY: Oh, he just made
18 one up? I didn't know that. Well, you live
19 and learn. See what you'll get by coming to
20 our meetings? It's interesting.

21 Item number five, administrative
22 update, Executive Director Day.

23 MR. DAY: Good afternoon. Thank
24 you, Chairman Crosby. If I could, I would like

1 you to refer behind tab 5(a) please. The next
2 topic is for us just to have a brief discussion
3 about the June 18 and Plainridge Park, the
4 possibility of getting --

5 CHAIRMAN CROSBY: Did you forget the
6 bios?

7 MR. DAY: Oh, yes. I forgot one of
8 my chief tasks here. I must have reminded
9 myself about five times and still forgot it.
10 It is my understanding that we have some
11 excellent appointments to a couple of our
12 advisory committees. And I believe, Mr.
13 Chairman, you were going to give us the
14 details.

15 CHAIRMAN CROSBY: Right. I think
16 this is important. We, as you all know, after
17 the referendum was defeated, in other words,
18 the casinos were maintained, we talked at the
19 next Commission meeting about remembering that
20 it's important that 40 percent of people voted
21 against the casinos. And we wanted to be
22 mindful of their concerns and interests as
23 well.

24 And Commissioner McHugh and I

1 thought that it would be a good idea to see
2 whether we could recruit some people from the
3 anti-casino group, the repeal the deal group,
4 who would be constructive advisors albeit
5 advisors with a strong negative feeling about
6 casinos.

7 We talked Scott Harshbarger, who was
8 one of the leaders of the repeal the deal
9 effort. And he thought it was a good idea. He
10 gave us some suggestions.

11 And I'm happy to report that we now
12 will be adding two representatives from the
13 casino opposition leadership group to our
14 advisory boards. This does not mean that
15 they're not still opposed to casinos. It means
16 they understand that there are going to be
17 casinos. And they want to be represented in
18 the thought process about overseeing.

19 The first will be an addition to our
20 Gaming Policy Advisory Committee, GPAC. And
21 that individual is a person many of you are
22 familiar with, Bill Walczak. I'm going to read
23 you his resume, his brief bio.

24 Bill is most associated with the

1 redevelopment of the Codman Square area of
2 Boston. A multicultural community which was
3 founded in the 70s and became known as an area
4 for racial unrest and economic disintegration.
5 Bill was CEO and founder of the Codman Square
6 Health Center, a major factor in the
7 regeneration of the community.

8 Bill is also founding president of
9 Codman Academy Charter School. The Health
10 Center's innovating efforts have made it
11 nationally and internationally known. Bill has
12 worked on community regeneration efforts in a
13 number of countries around the world.

14 He's a founding president of the
15 Massachusetts nonprofit network and is on the
16 executive advisory council for WBUR Radio. He
17 has other distinguishing features. And as you
18 no doubt are aware, he was a candidate for
19 mayor in the last election. And we are really
20 pleased to welcome Bill to the Gaming Policy
21 Advisory Committee.

22 The second is Tom Conroy who was
23 also one of the leaders of Repeal the Deal.
24 Tom has agreed to join our Gaming Research

1 Advisory Committee. And he has quite a
2 remarkable background, served in the Mass.
3 House of Representatives from January 2007
4 until 2015. He was chair of the joint
5 committee on labor and workforce development.

6 He was a candidate for Massachusetts
7 state treasurer in 2014. And earlier than that
8 in his youth, he was legislative assistant to
9 Senator Mikulski. Tom also has 16 years of
10 experience working in the private sector as a
11 management consultant.

12 This is really interesting. Tom
13 currently serves as Vice President of
14 Government Performance for the Pew Charitable
15 Trust. In this capacity, he oversees fiscal
16 and economic policy research analysis and
17 advocacy initiatives.

18 In this role he leads Pew's work to
19 help all levels of government achieve short-
20 and long-term financial health and related
21 matters. Obviously, very relevant to the
22 financial side and financial objectives and net
23 analysis of what casinos do.

24 He has a bachelor's from Yale and a

1 master's from Johns Hopkins. So, Tom Conroy
2 will join the Gaming Research Advisory
3 Committee, Council and we really welcome him
4 and feel very, very fortunate to have good-
5 faith constructive critics of our industry be
6 willing to say okay, the industry is here.
7 Let's work with you to make it as good as we
8 possibly can. Thank you. Go ahead.

9 MR. DAY: Thank you, Mr. Chairman.
10 I'll try to start this over again. Behind tab
11 five is a memorandum that we put in the packet
12 for the Commission. My comments here will be
13 based on that memorandum.

14 The plan is at this point at the
15 Commission's special meeting on June 18, staff
16 plans to present information about Plainridge
17 Park Casino's readiness to open as described in
18 Commission regulations. I want to just touch
19 on a few of those items that will be discussed
20 as part of that presentation.

21 Of course compliance with 135, which
22 is the monitoring regulations that the
23 Commission put in place and of course permits
24 and occupancy. License agreement and

1 conditions, related infrastructure, host and
2 surrounding communities, impacted live
3 entertainment venue agreements, certificates of
4 occupancy, other ancillary services that have
5 been built to superior quality and comply with
6 conditions. Elevators, certificate of
7 operation, provision of office space for MGC,
8 tax intercept memo, MOU, slot machine
9 certification and verification of the software
10 and permitting, the casino gaming management
11 system's approval, network security plan, CMS
12 platform standards, responsible gaming plan,
13 self-exclusion, credit restriction, GameSense,
14 the progress on reaching diversity goals,
15 hiring goals, floor plan and status of
16 inspections for final approval, hours of
17 operation, internal controls including
18 consultants' reports and approval, surveillance
19 plan, emergency response plan, critical
20 incident preparedness plan, anti-money
21 laundering plan, slot management plan,
22 licensing compliance and status, an update to a
23 list of the gaming establishment employees and
24 temporary tax reporting process and payment.

1 This is not meant to be an exclusive
2 list of that information I'll be presenting to
3 the Commission, but I did want the
4 Commissioners and those listening to have a
5 perspective on how much information will go
6 into that decision on whether or not to allow
7 Plainridge Park to open.

8 As the staff make their
9 presentation, any remaining requirements, as
10 you might imagine, as both Plainridge Park and
11 our staff are working through the process to
12 get to these reports, the reports or the
13 memorandums that will be in the file will sort
14 of be a living document. They'll cut off at a
15 certain date but there will be other more
16 progress made that they will supplement as they
17 discuss it with you verbally.

18 In addition, there may very well be
19 items that still remain to be inspected and
20 approved. And we will ask the Commission to
21 add that to any decision that you might make.

22 So, based on the information that
23 will be presented at that time, we'll ask the
24 Commission to make a determination that

1 Plainridge Park Casino be open for business for
2 test play on June 22, evaluation on June 23,
3 and opening on June 24 pending any final on-
4 site inspection.

5 One thing that we hopefully will
6 consider to go with that if the Commission
7 makes that determination that PPC can open, we
8 will need the Commission to delegate a
9 Commissioner the authority to approve a
10 temporary operations certificate based on the
11 evaluation of the test and play and final
12 favorable inspection on site.

13 A final inspection checklist will be
14 completed. And on June 23 based on the
15 previous day's play, corrections will be made
16 to allow for the delegated Commissioner to
17 approve a temporary operations certificate for
18 June 24.

19 From there, we are confident that
20 will be a successful opening. And on June 25
21 at the Commission's regular meeting, the
22 Commission will need to consider a final
23 operations certificate and if needed a
24 compliance memorandum that might go with it to

1 provide that authority for PPC, Plainridge Park
2 Casino, to open full-time after that date.

3 CHAIRMAN CROSBY: I was away when we
4 originally had had the idea of a tentative
5 meeting scheduled for the 23rd, I think, just
6 in case something came up during the soft
7 opening on the 22nd. That's been changed, but
8 I gather you thought through that whatever
9 could possibly come up, we can either delegate
10 to someone to deal with or for some other
11 reason it will not require a meeting. So,
12 there's really no need to have another one
13 sitting there.

14 MR. DAY: Correct, Chairman. In the
15 end, we're hoping this meeting on the 18th,
16 which is only four days before that will allow
17 us to present a sufficient amount of
18 information so that that list of remaining to
19 do's, so to speak, is very low.

20 And then also because essentially
21 final drops and those things will be at four
22 o'clock in the morning -- might be at an early
23 time in the morning, -- I almost got too
24 carried away there. -- will be at an early time

1 the morning, it will be really inconvenient and
2 difficult for staff to get information ready in
3 order to make an afternoon meeting.

4 So, it made more sense to have the
5 on-site Commissioner with delegated authority
6 make those determinations for a temporary
7 operations certificate. And then bring that
8 back at the Commission time actually when even
9 the Plainridge officials can be there for
10 consideration of that final operations
11 certificate.

12 CHAIRMAN CROSBY: Okay.

13 COMMISSIONER ZUNIGA: That
14 delegation we can address on the 18th? Or is
15 this the delegation we already gave to
16 Commissioner Cameron?

17 MR. DAY: Thank you, Enrique. The
18 Commission has delegated to Gayle the authority
19 to approve final floor plan issues. One thing
20 that we haven't done is surveillance cameras,
21 those kind of locations.

22 Commissioner Cameron together with
23 Bruce Band and his team will go through that
24 process. And those will each be approved by

1 Commissioner Cameron hopefully incorporated
2 into the floor plan. This will be the
3 subsequent list after the July (SIC) 18
4 meeting.

5 COMMISSIONER ZUNIGA: It's fair to
6 say we'll have a full plate at our June 18
7 meeting, the special meeting all things
8 Plainridge?

9 MR. DAY: That's correct. We
10 believe so. The meeting is scheduled to start
11 at 1:30. And we believe we'll have sufficient
12 material for the Commission on that date.

13 CHAIRMAN CROSBY: Okay, great.
14 Anything else?

15 MR. DAY: Okay. Thank you very much
16 Commissioner. With that you'll find on tab
17 5(b) you'll find a memorandum from Paul
18 Connelly, Director of Licensing and copies of
19 PPC's gaming beverage license application.

20 And I'll let Paul here continue the
21 discussion about the gaming beverage license
22 application.

23 MR. CONNELLY: Thank you very much,
24 Director Day. Good afternoon, Commissioners.

1 The Division of Licensing has forwarded to you
2 Plainridge Park's application for a gaming
3 beverage license. It has done so with the
4 recommendation that it be approved.

5 There are some issues that I
6 highlighted in the memo that accompanied the
7 application itself. Before I touch on those, I
8 just wanted very briefly to discuss some of the
9 process that was behind this conclusion.

10 There was a very good collaborative
11 process, in my opinion, between the Division of
12 Licensing, Deputy General Counsel Grossman and
13 Plainridge Park to work through the issues, to
14 identify any potential issues that might appear
15 and work through them in a very collaborative
16 manner.

17 That included some of the issues
18 that I'm going to touch in the third bullet,
19 which will be addressed in the follow-up site
20 visit. But one point I did want to note as
21 well that I know there's a lot of information
22 in those applications. And I'm ready to answer
23 any questions you might have for me about them.

24 But one of the items you may notice,

1 there is a one o'clock closing time across the
2 majority, actually all but one of the parts of
3 the facility. And that's significant for the
4 following reason. That really brings
5 Plainridge Park in harmony with the surrounding
6 communities, which I know was a concern of some
7 people.

8 They did affirmatively set, even
9 though the law allows for 2:00 AM, they've
10 applied for 1:00 AM basically to bring
11 themselves in harmony with the surrounding
12 communities, which I think is a significant
13 point to mention.

14 COMMISSIONER CAMERON: If I could
15 touch on that piece. Early on when we started
16 having meetings with the police chiefs from not
17 only Plainville, but the surrounding
18 communities, this was a significant issue that
19 all of the chiefs identified early on. The
20 fact that they were very concerned that folks
21 would be leaving the establishments in their
22 communities, which closed at one to head over
23 to the new casino for the 2:00 AM closing.

24 I give Penn and Penn officials great

1 credit for listening and being a partner in
2 those communities, and really on their own
3 making a decision that 1:00 AM would work for
4 them and really pay attention to those public
5 safety concerns raised by the chiefs.

6 So, another example of working
7 together and coming up with this on their own.
8 Nobody really said you have to do this, but I
9 was very pleased to see this. And I know the
10 chiefs and the state police will look at this
11 as a very positive step toward being a good
12 neighbor and being concerned for public safety.

13 MR. CONNELLY: Exactly. I'd just
14 like to echo that comment that this was
15 something that they had come up with that was
16 not encouraged by me as part of the discussions
17 on the license. Also I should note, I can
18 speak obviously to the process and to my
19 recommendations, but I should mention that some
20 representatives from Penn are here if there are
21 any additional questions that you might want to
22 direct to them.

23 CHAIRMAN CROSBY: Just to say thank
24 you for your sensitivity to this issue, Lance.

1 COMMISSIONER ZUNIGA: I just have a
2 logistics question. Can they apply -- How long
3 is the term of this license? Will they be able
4 to reapply and reconsider something like this,
5 for example?

6 MR. CONNELLY: So, the license that
7 would be issued would be for three years. The
8 regulations do allow for them to come back to
9 amend. And there's a process that would
10 essentially mirror the same process they had to
11 apply for the original where they would
12 resubmit. We would examine it. We would
13 negotiate it if there was anything that we
14 didn't feel was clear or in the interest of
15 public safety or gambling.

16 COMMISSIONER MCHUGH: This is
17 another example of the cooperative and
18 collaborative process that Penn has been in
19 since the beginning. We've asked them to do a
20 number of things, including the breaks on the
21 slot machines and the like. And they have
22 responded in I think exemplary fashion to many
23 if not all of our requests as well as the job
24 they've done on the diversity. So, this is

1 getting this whole industry in Massachusetts
2 off to a good start. This is another example
3 of it. So, thanks.

4 MR. CONNELLY: So, the first issue
5 that I highlight in the memo is the issue of
6 insurance. Penn provided us -- Plainridge Park
7 provided us with evidence of insurance that in
8 my opinion is sufficient. They far exceed the
9 minimum thresholds that we require in the
10 regulations. But they do not meet the maximum
11 threshold, which in the regulations states that
12 there shall be no annual aggregate limit.

13 That being said, the level of
14 insurance that they provided us, in my opinion,
15 is frankly sufficient to cover any possible
16 occurrence that might happen there. In
17 addition, I think in my limited research, no
18 annual aggregate limit is an extremely
19 difficult limit to find if it is at all
20 possible. And I have an open question that
21 we'll continue to research if indeed such
22 policies exist. So, what Plainville Gaming
23 actually provided us I feel is sufficient.

24 COMMISSIONER CAMERON: Director

1 Connelly that opinion is shared by our Legal
2 Division as well.

3 MR. CONNELLY: Actually, I should
4 have said that upfront. Their opinion is
5 frankly in this regard more important than
6 mine. They do agree. And I followed their
7 lead to be brutally honest.

8 MR. DAY: I might add. PPC did
9 request a variance from this regulation just to
10 be clear. And in that process, our Legal
11 Division took a look at the certificate of
12 insurance. And they determined that the
13 certificate of insurance far exceeded what was
14 really was included in our regulations. So,
15 the variance wasn't necessary.

16 MR. CONNELLY: I'd like to take the
17 third bullet next.

18 COMMISSIONER MCHUGH: I'm sorry.
19 Has the variance been issued? Is this one of
20 the variances that you can issue or we have to?

21 MR. DAY: No. This is why I
22 referred this to our legal counsel because it
23 was a variance -- would have required a
24 variance to 136 as opposed to an internal

1 control. And I got that response. I am in the
2 process of formally notifying Plainridge Park
3 of that decision.

4 COMMISSIONER MCHUGH: So, it's a
5 decision. That's not something we have to --

6 MR. DAY: No. Unless the Commission
7 obviously could grant a variance if they felt
8 it was necessary, but legal has determined that
9 it's not. It's not needed.

10 COMMISSIONER MCHUGH: Okay. I'm a
11 little slow on the uptake here.

12 MR. CONNELLY: If I may, I will take
13 the third consideration first.

14 COMMISSIONER MCHUGH: Before we
15 leave that, I take it that the result is
16 conditioned on the continued existence of the
17 umbrella policy, right? So, is that something
18 -- I am sure that it'll always be but is that
19 something we should expressly require?

20 MR. DAY: The correspondence that I
21 would return to them would be with the
22 exception that any change in that certificate
23 of insurance that they provided would have to
24 give immediate notice to us.

1 COMMISSIONER MCHUGH: To us?

2 MR. DAY: To us, yes.

3 MR. CONNELLY: And additionally, as
4 the license expires in three years when they
5 reapply, proof of insurance would be part of
6 that package as well.

7 COMMISSIONER MCHUGH: No, I
8 understand that. I don't know whether -- Those
9 policies often are just an annual policy. They
10 can change from year to year.

11 MS. BLUE: Sometimes they can, yes.

12 COMMISSIONER MCHUGH: But if it
13 changes, the liability limits or any other
14 material changes occur, they have to notify us
15 right away.

16 MR. DAY: That's correct.

17 COMMISSIONER MCHUGH: Okay.

18 MR. CONNELLY: As I had mentioned
19 before, this was and as Commissioner McHugh
20 echoed, this has been a very collaborative
21 effort with Plainville. Where that appears
22 most prominently is there are some issues that
23 are still outstanding where there are promises
24 regarding some of our requirements or some of

1 our suggestions rather as a condition for the
2 license that still have not been implemented
3 but are promised to be implemented.

4 And what I'd like to do is follow up
5 on those. Specifically, there's a fence on the
6 racing apron where there is currently --
7 there's a temporary fence but previously it had
8 been open access to our parking lot. And we're
9 asking that a fence be placed there to
10 delineate the licensed from the unlicensed
11 area, as well as not allowing people to just
12 migrate out with alcoholic beverages into the
13 parking lot.

14 There are a number of places where
15 there may be unattended exits where they have
16 promised to put signage indicating that no
17 alcoholic beverages beyond this point. We
18 would like to see those placed.

19 And also, the racing entrance, new
20 racing entrance that big glass double door,
21 they're going to post someone there who
22 normally gives out brochures for the racing
23 events, but who will also take on the new duty
24 to keep an eye on that area. And if they spot

1 anyone attempting to leave with a beverage to
2 notify them in addition to signage.

3 So, there's some positive control at
4 that door making sure people don't wander out
5 into the parking lot with alcoholic beverages.
6 We would like to I think recommend that the
7 Commission recommend that that be enforced
8 before the license actually be issued.

9 The third consideration in the memo
10 is one I wanted to leave for last because I
11 think it's going to generate some additional
12 discussion is the issue of smoking. In their
13 request, PPC contemplates a smoking porch area
14 where patrons could take an alcoholic beverage
15 outside, have a cigarette or cigar in an area
16 that is outside of the physical building itself
17 but surrounded with a fence.

18 There has been much discussion, to
19 put it lightly, as to how that would work and
20 how the law and the regulations speak to
21 allowing that. And at that point, I'd like to
22 turn it over to Todd Grossman to address that
23 issue more directly.

24 MR. GROSSMAN: Thank you, Paul.

1 Good afternoon. This issue comes up as a
2 result of a provision that's contained in
3 Chapter 23K section 9(a)8(i) which requires
4 that Plainridge Park Casino agree to as they
5 have in their application maintain a smoke-free
6 environment within the gaming establishment
7 under section 22 of Chapter 270. And what
8 Chapter 270 section 22 is is the state's --
9 basically the no smoking law.

10 There is, as Paul mentioned, a
11 question as to whether smoking is allowed in
12 any fashion in the casino. And if it were
13 included as part of the gaming establishment,
14 patrons would be allowed to consume alcoholic
15 beverages.

16 If it were excluded, then patrons
17 would not be allowed to consume alcoholic
18 beverages though they may be able to smoke.

19 So, the question is whether there is
20 any interpretation of the governing laws that
21 would allow a patron to both consume an
22 alcoholic beverage and smoke. And the same
23 analysis applies really to both the smoking
24 porch and to the apron outside of the racing

1 area right in front of the racetrack.

2 And the way we have been looking at
3 it is that it is essentially -- There are a
4 couple of issues to focus on. The first is,
5 and we'll get into this a little bit later, but
6 whether these two areas can be included as part
7 of the gaming establishment. And we can set
8 that aside for the time being because we'll
9 talk about that later.

10 But assuming for the time being that
11 they can be included as part of the gaming
12 establishment, the question is what is the
13 interpretation of Chapter 23K section 9 that
14 requires licensees to maintain a smoke-free
15 environment?

16 And it's important to bear in mind
17 the entity that ultimately enforces Chapter 270
18 section 22. And in this case it's the town of
19 Plainville Board of Health. So, when we go
20 through Chapter 270 section 22 to try to figure
21 out whether smoking would generally be allowed
22 in these two areas, it seems as though it would
23 be important to understand whether the town
24 itself would allow smoking in either of these

1 areas.

2 And it is my understanding that
3 Plainridge Park Casino has consulted with the
4 Board of Health or a member thereof and learned
5 that if the area were constructed such that it
6 was not an enclosed area under the statute that
7 smoking is essentially permitted in accordance
8 with Chapter 270 section 22.

9 So, 270, 22 draws a distinction
10 between enclosed areas and unenclosed areas.
11 And the closest analogy that we were able to
12 draw was to the treatment under Chapter 270 of
13 bars and taverns and restaurants. And it seems
14 as though that smoking would be permitted in
15 bars, taverns and restaurant so long as it is
16 in an unenclosed area. And that is consistent
17 with our understanding of the town of
18 Plainville's handling of these two areas.

19 Now I think it is also important to
20 bear in mind, as I understand it, the town does
21 not issue a permit or anything of that nature
22 for smoking areas or anything like that. They
23 would just essentially enforce any violations.

24 In fact, the town also has bylaws

1 that govern smoking within the town of
2 Plainville that further define enclosed areas.
3 And they say essentially that it would have to
4 have a roof for starters. Neither of these
5 areas will have a roof. So, the town
6 essentially has determined that this is not an
7 enclosed area and smoking would be allowed.

8 Accordingly, instead of us parsing
9 the statute and trying to interpret it, it
10 seems to a point that we can rely on the town
11 of Plainville Board of Health to interpret the
12 statute as they are charged with doing to make
13 a determination as to whether smoking is
14 allowed there.

15 Although, the Commission should
16 consider a potential reading of Chapter 23K
17 section 9 where it says that there shall be a
18 smoke-free environment within the gaming
19 establishment under section 22 Chapter 270.

20 So, we have to think about why the
21 Legislature chose to use that language it did.
22 Why didn't it just say that the licensee shall
23 maintain a smoke-free environment in the gaming
24 establishment, period? Why is it that t chose

1 to say in accordance with Chapter 270 section
2 22?

3 And furthermore, it is important, I
4 think, that we give meaning to all parts of
5 that provision as we have done in other
6 instances. And not limit it to a reading where
7 we just say that the licensee shall maintain a
8 smoke-free environment in the gaming
9 establishment, period.

10 It's important that we read Chapter
11 270 section 22 into the provision. And what
12 that does is it provides guidance as to where
13 within a particular premises, whether it's a
14 bar or restaurant as would be similar to our
15 situation or otherwise, what the requirements
16 would be to allow smoking in a particular area.

17 And here, they basically say if it's
18 an enclosed area, there can't be any smoking.
19 So, clearly inside the casino there wouldn't be
20 smoking allowed. That is why Chapter 270
21 section 22 is important. But to provide
22 meaning to it, we also have to read in where
23 smoking would be allowed under 270, 22.

24 And that would be presumably in

1 areas that unenclosed, which is what these two
2 areas are, which is presumably the point where
3 the Board of Health came in and said smoking is
4 allowed.

5 So, that's basically a long-winded
6 explanation of what this one provision in the
7 statute can be interpreted to say. And at the
8 end of the day, I guess the recommendation is
9 that the Commission determine whether these
10 areas are in or out of the gaming establishment
11 but that we defer in part anyway to the Board
12 of Health to interpret whether the
13 applicability of Chapter 270 section 22 to
14 determine whether smoking is allowed in these
15 particular areas.

16 COMMISSIONER MCHUGH: As I
17 understand it, the statutory construction were
18 we to do it on our own and the Board of
19 Health's application of that all wind up in the
20 same place.

21 That 23K section 9 says as you said
22 at the relevant portion the operator has to
23 maintain a smoke-free environment within the
24 gaming establishment under section 22 of

1 Chapter 270. And then if you go to Chapter 270
2 section 22 and specifically subparagraph B(1),
3 it says that it shall be the responsibility of
4 the employer to provide a smoke-free
5 environment for all employees working in an
6 enclosed workplace.

7 So, under 23K as it incorporates
8 270, smoking is prohibited in an enclosed
9 environment.

10 This is not an enclosed environment
11 or at least the Board of Health has determined
12 that it's not an enclosed environment.
13 Therefore, smoking is not prohibited either by
14 the statute or by the town's approach to
15 enforcing smoking rules. Is that essentially
16 -- Is that right that both the town and our own
17 independent construction of the statute wind up
18 in the same place?

19 MR. GROSSMAN: I think that's
20 exactly right. We start with what we
21 understand the town to have said, and we see
22 how they got there. And it makes sense to us.
23 And that's exactly right.

24 CHAIRMAN CROSBY: Why would the

1 Legislature put in the reference to smoke-free
2 establishment at all? Why not just say as to
3 smoking, the gaming establishment will be
4 subject to whatever that other section is?

5 MR. GROSSMAN: I think your question
6 to put a finer point on it is why doesn't this
7 just say maintain a smoke-free environment
8 under section 22 Chapter 270 and not say in the
9 gaming establishment?

10 CHAIRMAN CROSBY: Right, that's what
11 I'm asking.

12 MR. GROSSMAN: In thinking about
13 that point, all I could come up with was they
14 wanted to ensure that it was clear what they
15 were talking about, and that it not be the
16 whole premises of the plot of land or any other
17 particular areas.

18 That it be applicable to the gaming
19 establishment. It's a good point. You can ask
20 that question. You can ask the other question.
21 Why did they need to add Chapter 270 section 22
22 at all? But I think in order to give any
23 meaning to Chapter 270 section 22, you would
24 have to read it to allow smoking in those

1 portions of the gaming establishment that are
2 essentially unenclosed, which is what I think
3 the Board of Health has essentially said.

4 COMMISSIONER MCHUGH: Well, if we're
5 looking for the legislative purpose, one can
6 devein a legislative purpose to protect
7 employees not patrons. That would be an
8 underlying rationale for what they did.

9 So, the smoke-free environment
10 provisions of 23K are aimed at protecting
11 employees just as the general smoking law,
12 antismoking is aimed at protecting employees.
13 I haven't read the whole statute. I'm sure you
14 have. But that seems to me from these snippets
15 to be a rationale that comfortably underlines
16 both provisions.

17 MR. GROSSMAN: I think one could ask
18 why they included this provision at all. And I
19 think the answer to that question is just to
20 hammer home the importance and to bring to
21 everyone's attention that there's certainly --
22 that the smoking law does apply to the casino
23 even though parts of -- there have been
24 exceptions carved out in other areas, the

1 alcoholic beverage area and whatever.

2 But here they said no, this applies.
3 If they didn't say anything, I think it still
4 would have applied. But here I think they were
5 just trying to highlight the point that it
6 does. But not that it applies any differently
7 than it would apply anywhere else.

8 COMMISSIONER ZUNIGA: Especially
9 when compared to other states where smoking is
10 allowed indoors on casinos.

11 MR. GROSSMAN: Ultimately, if it
12 weren't an issue as to whether drinking would
13 be allowed in this particular area, it might be
14 something that may never have even come before
15 the Commission. They would have just had the
16 smoking porch. If people weren't going to
17 drink there, you may have never even considered
18 whether it was okay.

19 We just assumed that the Board of
20 Health is okay with it that it's okay. It only
21 became an issue once we learned that there was
22 an interest in allowing patrons to consume
23 alcoholic beverages there.

24 CHAIRMAN CROSBY: So, that sentence

1 -- 23K does refer to employees, right?

2 MR. GROSSMAN: No. It just says a
3 smoke-free environment within the gaming
4 establishment. Then it cites the Chapter 270
5 which references smoke-free workplace.

6 CHAIRMAN CROSBY: So, it's by
7 reference not directly.

8 COMMISSIONER CAMERON: So, our
9 interpretation is as far as the racing apron
10 nothing will change meaning as of now they can
11 be outside having a drink as well smoking. And
12 where it is new is the smoking porch, because
13 obviously that didn't exist before. But that
14 also would be very similar to the apron. In
15 fact, someone could step outside with a drink
16 and smoke in this area that is not enclosed.

17 MR. GROSSMAN: Right.

18 COMMISSIONER ZUNIGA: I'm fine with
19 that.

20 CHAIRMAN CROSBY: I am too.
21 Commissioner Stebbins?

22 COMMISSIONER STEBBINS: I am too.

23 CHAIRMAN CROSBY: Do we a vote on
24 all of these?

1 COMMISSIONER MCHUGH: I think so.
2 We have to grant the license.

3 MS. BLUE: It would be the alcohol
4 beverage license which is before you to grant
5 the license, yes.

6 CHAIRMAN CROSBY: As discussed not
7 as presented. Anything else on the license?
8 Do we have a motion?

9 COMMISSIONER MCHUGH: I move that
10 the Plainridge Park be granted the liquor
11 license in conformity with the license laid out
12 in the materials before us and with the
13 conditions set out in the covering memorandum
14 that is also included in the materials.

15 CHAIRMAN: The smoking porch does
16 not set out -- was left open in the memo. So,
17 if you amend it to include our discussion about
18 the smoking porch?

19 COMMISSIONER MCHUGH: Let me reframe
20 that. I move that the Commission approve the
21 gaming beverage license application for
22 Plainville Gaming and Redevelopment, LLC as set
23 out in the materials with the requirement and
24 condition that if there's any change to the

1 insurance policy now in effect that Plainville
2 Gaming and Redevelopment, LLC immediately
3 notify the Commission.

4 Second condition that they comply
5 with the punch list items, we'll call them that
6 are included in the third bullet of the
7 memorandum to the Commission from Paul Connelly
8 dated June 8, 2015 which also is in the
9 materials. And that the smoking porch and
10 apron be included within the gaming
11 establishment and that smoking be permitted in
12 both areas so long as those area are unenclosed
13 to the satisfaction of the Plainville Board of
14 Health.

15 CHAIRMAN CROSBY: Do you need a
16 reference to alcohol too?

17 MS. BLUE: Well, you're approving
18 the license. Those areas will be covered by
19 the license.

20 COMMISSIONER ZUNIGA: By including
21 it in the gaming establishment we have.

22 MS. BLUE: And they're also included
23 in the description of the license. The license
24 describes particular areas where the alcohol

1 can be sold and consumed.

2 CHAIRMAN CROSBY: All right. Do we
3 have a second?

4 COMMISSIONER ZUNIGA: I second that.

5 CHAIRMAN CROSBY: Further
6 discussion? All in favor, aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

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

13 COMMISSIONER CAMERON: Good work.

14 COMMISSIONER ZUNIGA: Thank you.

15 COMMISSIONER MCHUGH: Very good.

16 Thank you both.

17 CHAIRMAN CROSBY: Next up?

18 MR. DAY: Commissioners, behind the
19 next tab you will find the budget documents.
20 The budget presentation would be 5(c). Our
21 plan today is to review the proposed Commission
22 budget and to try to answer any questions the
23 Commission might have, consider any input as
24 well and then come back to you on June 25.

1 So, we're not asking at this point
2 that the Commission take a vote on the budget
3 but just we're here to provide information.

4 Also wanted to mention that this is
5 our first budget where we've been able to
6 involve our licensees that were represented in
7 a work group. I know both Derek and I found
8 their input very helpful and very open. And in
9 many of the cases, we adopted their
10 suggestions.

11 So with that I'd like to turn it
12 over to our CFAO, Derek Lennon.

13 MR. LENNON: Thank you, Rick. Good
14 afternoon Mr. Chairman and fellow
15 Commissioners. Agnes and I are pleased to be
16 here today to present to you the FY16 MGC
17 preliminary budget.

18 As Director Day just pointed out,
19 this is a budget presentation and there is no
20 action required of the Commission today. We'll
21 be coming back on June 25 with any suggested
22 changes from you or items for consideration if
23 you decide to open this up for public comment.

24 In your packet, you have a

1 memorandum and three attachments. I'll attempt
2 to summarize the memorandum so people don't
3 have to hear me read 12 pages of numbers and
4 spreadsheets.

5 But the attachments for the public
6 and for your intake, attachment A is a list of
7 spending and revenues by account. Attachment B
8 and C are detailed level spending reports of
9 MGC anticipated budget items.

10 Attachment B represents spending at
11 the account division, object class, object code
12 and then budget item. Attachment C is the
13 exact same information except it's ordered a
14 little different. It goes by object class then
15 object code and so on.

16 This is a higher level transparency
17 than we presented the budget in the past. It's
18 the same level of information we gave to our
19 licensees prior to them coming into the
20 meeting.

21 The MGC preliminary fiscal year 2016
22 budget totals \$31.58 million. This includes
23 \$28.3 million in spending for gaming
24 operations, which funds 70.48 FTEs, two

1 contractors and three interns. Out of that
2 estimated 70.48 FTEs, eight would be new hires
3 in this coming year.

4 It also includes \$1.75 million in
5 racing operation funding which has five FTEs
6 and one contract position built in. Then
7 there's an additional \$1.7 million or racing
8 payments to licensees and host communities.

9 The MGC office administration and
10 finance worked with each division director to
11 develop both spending and employee projections
12 for FY16. Director Day pointed out those
13 recommendations were reviewed by a team of the
14 Executive Director, Treasurer Zuniga, Agnes and
15 I.

16 The review resulted in a reduction
17 of eight proposed FTEs. So, we were at 16. We
18 dropped down to eight based on this review. It
19 also led to around \$1.3 million in spending
20 reductions before it ever got to the licensees.

21 The revised spending recommendations
22 were then presented to representatives from
23 Wynn, Penn and MGM. They had two weeks to take
24 in all of that information. We gave them, as I

1 said, the same level report that you see here.
2 Plus we gave them our salaries and our
3 projected hires for the year by each division.

4 I thought it was a very productive
5 meeting. It was three and a half to four
6 hours. We went through every single item of
7 spending. We went through every single
8 employee. We went through every single
9 anticipated hire and the anticipated hire date.
10 And we had some very honest and positive
11 feedback.

12 As a result of those meetings, we
13 cut our budget another one million dollars,
14 1.075 to be exact. The licensees had asked for
15 a little more than that. But we did agree with
16 quite a bit of what they recommended, with the
17 majority those cuts coming from the oversight
18 budget management of anticipated spending.

19 Just to summarize where our budget
20 is, the Gaming Control Fund in FY16 is
21 approximately a 14.8 percent increase over the
22 FY15 funding level. I know that sounds high.
23 And conducting a meaningful analysis year-over-
24 year is very difficult when the agency is still

1 in startup mode and has one-time costs in both
2 fiscal years, '15 and '16, as well as
3 significant new costs associated with the
4 opening up of the Plainridge Park Casino and
5 annualizing out those costs.

6 To try to put meaning to it, I've
7 attached a chart in the memorandum, but I'll
8 just talk to the high levels of them. Payroll
9 is increasing by \$1.57 million. This comes
10 from an annualization of some of the new hires
11 in FY15. The most notable of those are the 12
12 new gaming agents that came on.

13 Then there are the eight new
14 positions. So, that's 20 positions that we've
15 basically added to the budget this year to help
16 staff up and be ready to regulate the opening
17 of the Plainridge Park Casino.

18 Pension related costs which are
19 associated, a percentage of payroll, are going
20 up by about a half million dollar, \$496,000.
21 We'll be moving into our permanent -- I'm
22 sorry. Pension related costs are going up
23 associated with that.

24 Space rental costs are going up by

1 \$496,000. That's a result of us moving from
2 temporary space into permanent space. And
3 we've been getting a great deal on temporary
4 space in downtown Boston. We're paying about
5 \$18 a square foot, which is unheard of. And
6 we'll be going to market rates space once we
7 get into space that's built out.

8 Consultant costs, which is a key
9 point that the Commission has asked us to keep
10 track of are actually decreasing this year.
11 They're going down by \$1.3 million. The main
12 piece of that is the IEB doing investigations
13 in-house now. So, we're relying much less on
14 contractors to do our investigations.

15 Cost for our police enforcement have
16 increased by \$1.2 million. That is
17 representative of the cost of the details of
18 Plainridge Park Casino. The Attorney General's
19 office costs has increased by \$1.1 million.
20 That includes 10 new FTEs, leasing of space for
21 them and the corresponding build-out of that
22 space.

23 Grant funding has decreased by \$1.27
24 million, which is a combination of SEIGMA's

1 baseline study cost decreasing and less grants
2 being anticipated from the Ombudsman's office
3 as we move out of this application stage and
4 into the licensee regulations stage.

5 And finally, IT costs are scheduled
6 to increase by \$1.5 million as a result of the
7 CMS becoming operational for three quarters of
8 FY16.

9 One thing that the Commission has
10 asked staff to be cognizant of is our cost in
11 relation to other gaming regulatory bodies.
12 The sentiment is shared by our licensees as
13 they fund the majority of our costs either
14 through the per slot machine fee, which is just
15 under \$4.5 million, or the cost assessment,
16 which you'll hear later on would be about \$22.2
17 million.

18 In order to make sure that we're not
19 becoming an outlier, you first must understand
20 that comparing agency to agency or regulatory
21 body to regulatory body is a very difficult
22 task based on the intricacies of each different
23 law.

24 For example, Massachusetts has a

1 \$28.3 million budget under the Gaming Control
2 Fund. However, that funding includes \$1.9
3 million for the state Attorney General's
4 office. And reimbursements for these costs are
5 required by statute. We don't have any
6 authority to decrease that funding. They are
7 required by statute. So, we have zero
8 discretion on that.

9 \$3.2 million in state police costs
10 are related -- are included in this budget.
11 475 of that is for the AG's office police
12 detail. The rest is between Plainridge Park
13 and our internal investigations.

14 And then we have another \$4.6
15 million in responsible gaming related
16 expenditures, which in future years will be
17 funded from the Public Health Trust Fund.

18 The last thing that's in our budget
19 that's a little unique is \$1 million in
20 anticipated costs for Region C. If you reduce
21 the Commission's budget by those items, the
22 internal costs, the regulatory costs would be
23 closer to \$17.6 million down from \$28.3. So,
24 you're cutting more than \$10 million out of our

1 budget.

2 Included in your memorandum are
3 quick charts for Colorado, Maryland and Ohio in
4 an attempt to do a side-by-side analysis. Once
5 again, each one of these are different. On
6 June 25, we're going to come back to you with a
7 six-state comparison that goes in depth. It
8 actually lies them out side-by-side, we'll
9 include Pennsylvania and Michigan which we did
10 last year, add them into Ohio, Colorado,
11 Massachusetts and Maryland.

12 CHAIRMAN CROSBY: I think you did a
13 good job. I know how difficult it is to get
14 apples to apples because these deal are
15 structured so differently, the regulatory
16 structure is so different.

17 But Maryland looks to me like it
18 also has the lottery. It has five venues. And
19 its costs, if you take out the costs of the
20 slot machines is only \$13 million. I'm not
21 sure what's going on there but that's the only
22 one that sort of on the face of it seems like
23 an outlier and makes us look high.

24 MR. LENNON: So, their costs are \$13

1 million. Their tax rate is 67 percent on slots
2 and 20 percent on table games. So, their tax
3 rate is much higher than ours is to begin with.

4 They also don't include, and this is
5 what I'll get into on the 25th but none of
6 their finance, legal, basic support staff are
7 included in their funding levels. That's all
8 picked up by the lottery appropriation. And
9 the \$13 million --

10 CHAIRMAN CROSBY: So, this does not
11 include the lottery?

12 MR. LENNON: No. That's just the
13 gaming side. The lottery is another couple of
14 hundred million in spending.

15 COMMISSIONER ZUNIGA: Or some of the
16 legal because it's really one agency.

17 MR. LENNON: Yes, correct. So, if
18 you look at that \$85 million number, you've got
19 payroll built into there. You have some
20 contract items. There's \$4 million built in
21 for a CMS system in Maryland.

22 CHAIRMAN CROSBY: That's in the \$85
23 million that you're taking out?

24 MR. LENNON: No. I'm only taking --

1 So, the chart probably didn't come across well.
2 I'm only taking \$55 million out and then I
3 think another \$9 million out because 55 is
4 paying for the leased costs and \$9 million is
5 paying for the debt service to service the old
6 piece -- machines that they actually bought.
7 And then starting next year, they're not going
8 to lease machines any longer.

9 COMMISSIONER ZUNIGA: You almost
10 would have to add the lotteries of
11 Massachusetts to our costs, for example, to
12 make a better comparison but that is not the
13 point.

14 MR. LENNON: That is not the point.
15 The point is to try and understand and cross-
16 reference these is almost next to impossible
17 and especially once you start getting into
18 effective tax rates.

19 CHAIRMAN CROSBY: That is a
20 different matter though. That's the second
21 phase of the defense if we need one.

22 MR. LENNON: Correct. So, we'll
23 come back to you on the 25th with a better
24 side-by-side-by-side chart. But we do

1 understand that we have to be cognizant. We
2 have one facility open at this point.

3 We need to make sure that we keep a
4 competitive environment. We need to make sure
5 that part of the key of this law was to keep a
6 competitive environment for our licensees, and
7 make these facilities that can keep going on.

8 So, we do understand that. That
9 message is loud and clear. It's carried out
10 through Director Day. It's carried out through
11 our licensees. And it's carried out through
12 you. So, we are working towards that.

13 Some of the major items just as
14 highlights included in the FY16 budget. So,
15 I've touched on increases, but the total dollar
16 amounts, and these are all in the attachments,
17 we have \$1 million for rent, \$717,000 for
18 oversight project management services. We cut
19 that budget in half as a request from the
20 licensees. That's all funded under the finance
21 office.

22 Under the legal division we have
23 outside counsel and litigation defense costs
24 built in for \$759,000 and \$1.9 million for the

1 AG's operations.

2 Under the IT department, we have
3 \$700,000 for applications development, which
4 includes any addition or tweaks we want to make
5 to the licensing system as well as a document
6 management system. Then we have \$2 million for
7 the CMS. The only significant amount of
8 spending under the Commissioner's office is the
9 \$800,000 that's revenue neutral that we have
10 built in for Region C. If we do those
11 investigations, we collect the revenue. If we
12 don't, we don't we don't have the expenditures
13 or the revenue.

14 COMMISSIONER ZUNIGA: It looks like
15 we're doing them as of today.

16 MR. LENNON: Then we'll be
17 collecting the revenue and making the
18 expenditures. Under the responsible gaming we
19 have SEIGMA and the cohort studies are \$2.2
20 million. Then responsible gaming branding,
21 advertising, evaluation, education and staffing
22 of on-site centers makes up another \$2.2
23 million.

24 Under the IEB we have \$3.2 million

1 for state police costs. That's it under the
2 IEB.

3 COMMISSIONER CAMERON: I know one of
4 our responsibilities, although we don't have
5 oversight, is to make sure there isn't
6 duplication with the AG's office. And I
7 believe between Director Wells and your
8 efforts, we are ensuring that that's the case;
9 is that correct?

10 MR. LENNON: That is correct. We
11 are working with the AG's office to collaborate
12 and make sure that there is no cross over
13 duplication of services that there's a clear
14 delineation of where our role is and where
15 their role is. So, that is a requirement of
16 the statute to the point that we can.

17 There's also levels where we can't
18 understand what's going on over there. It's
19 set up that way for a reason.

20 COMMISSIONER CAMERON: Yes. Okay.
21 Thank you.

22 MR. LENNON: Those are the major
23 spending issues. On the revenue side, we've
24 anticipated Region C application grant

1 investigation revenue at \$1.4 million, slots
2 and fees revenues at \$4.5 million, licensing
3 fee revenue at \$200,000 and the remaining gap
4 is \$22.2 million, which would be an assessment
5 on the industry.

6 If you take a look at our \$28.3
7 million budget, 26.7 of it we're looking at
8 coming from the industry between the slot fee
9 and the assessment.

10 The chart on the bottom of page 11
11 and the top of page 12 of the memorandum shows
12 how the assessment would be divided by
13 licensee. This formula is derived by following
14 section 56 of Chapter 23K of the Mass. General
15 laws and further defined through 205 CMR 121.

16 Based on conversations with our
17 licensees combined with the flexibility
18 contained in that regulation, I recommend that
19 we bill the assessment on a quarterly basis.
20 We've already billed for the slots fees. That
21 means coming July 1, we'd have \$4.5 million in
22 the bank to start off the year.

23 So, taking in a quarter of the
24 assessment would not put us in a precarious

1 position. And it gives the licensees some time
2 to do better cash management and hold on and
3 invest the money where they would do a better
4 job of it.

5 On the Racing Division side, their
6 operational budget is projected to be \$1.579
7 million in spending. We are projecting \$1.662
8 million in revenues. So, this is a new thing
9 for the Racing Division where their spending
10 will not outpace revenue.

11 It's not a good reason for that.
12 It's because we don't have live thoroughbred
13 racing. So, the main spending from the
14 appropriation in FY16 will be payroll, \$623,000
15 in straight payroll, \$310,000 on seasonal
16 positions.

17 The seasonal budget is cut about 50
18 percent from what we projected for FY15 at the
19 beginning of the year when we thought we were
20 going to have a full racing season for the
21 thoroughbred industry. We're projecting
22 \$200,000 in lab costs and drug testing. Once
23 again that's also down due to the fact that we
24 won't have thoroughbred racing. So, it's half

1 the cost. Then \$165,000 of statutory spending
2 requirements make up the remaining of those
3 costs.

4 Revenues in FY16 while there's still
5 not a great story on the racing side, they'll
6 exceed expenditures as I noted earlier. The
7 most notable side of that is the fact that we
8 don't have the seasonal costs or the drug
9 testing costs. So, there's about a half
10 million dollar cut to the racing budget for
11 this year from thoroughbred not being here.

12 And thoroughbred racing, I don't
13 have the numbers in front of me but I thought
14 that it only produced about \$90,000 in
15 revenues. So, you're making up about \$410,000
16 between the loss of spending versus the loss of
17 revenue.

18 This concludes the budget
19 presentation. If you have any questions,
20 comments, we're more than pleased to answer
21 them.

22 If you'd like to open up for public
23 comment, we would ask that you leave it open
24 until close of business Friday, June 19. That

1 way we can get in all of responses, formulate
2 them and get them into the package for the June
3 25 meeting so that we can make a final
4 recommendation to you so we can get the budget
5 approved by July 1.

6 COMMISSIONER MCHUGH: I do have some
7 questions, but I'm not going to raise them
8 today. I haven't had a chance to talk to you.
9 And I will come and talk to one or both of you
10 about it.

11 But I will say that the questions
12 that I have are questions I can't ask because
13 it's so clearly laid out and so detailed. It's
14 in the details that I have some questions. I
15 think this presentation is terrific. And I
16 think breaking it down the several different
17 ways you have helps analysis and helps
18 comprehension.

19 So, I'd be in favor as one person of
20 putting it out for comment right now the way it
21 is. It's pretty close to where I think we're
22 going to wind up. So, I think that's great.

23 COMMISSIONER CAMERON: I would agree
24 with the comments. Also I commend. It's very

1 apparent the amount of work. I'm aware of some
2 of the behind-the-scenes work that went into
3 this. And the format is very understandable.
4 I thank you both for the work.

5 COMMISSIONER ZUNIGA: I'm going to
6 emphasize that. And I'm going to emphasize a
7 couple of the comments you made because I think
8 it's a great evolution of where we were three
9 years ago and then two years ago and a year
10 ago.

11 CHAIRMAN CROSBY: That's when you
12 had his job.

13 COMMISSIONER ZUNIGA: Exactly, the
14 presentation has improved dramatically, hasn't
15 it? It's those trends that I think are
16 important to highlight. Again, Derek has done
17 a great job laying it all out here and talking
18 to a little bit of that.

19 If you take our total employee
20 compensation and consultants, add them up
21 together on the two years, we have a very close
22 number, a difference of about \$200,000.

23 CHAIRMAN CROSBY: One year to
24 another.

1 COMMISSIONER ZUNIGA: One year to
2 another. What that has meant is that we have
3 taken a lot of that in-house. Whereas last
4 year we were spending a lot more in
5 consultants, we are doing more and being more
6 cost-effective because we have that
7 intelligence in-house. And part of it is just
8 the evolution.

9 Another aspect of that in my book is
10 that we now have the capability and the
11 intelligence and the skill in-house. And that
12 is very, very important from a building an
13 agency and from a long-term perspective.

14 It's a trend that I think might
15 continue a little bit, perhaps at a less pace
16 but looking at the total number as I just
17 suggested is an important benchmark. And that
18 has remained stable.

19 There's other elements here. By
20 necessity we have a big increase on operational
21 services, which you highlighted. A lot of it
22 comes from now the division of gaming
23 enforcement at the Attorney General ramping up
24 itself. And Commissioner Cameron spoke about

1 that duplication and efforts. And that will
2 continue to evolve at some level.

3 And I would also say that the total
4 budget variance, the overall \$3 million
5 increase, if you will, from last year to this
6 year is very well laid out and understand the
7 ball here because of those activities that now
8 we have both in-house are associated with the
9 oversight of the Plainridge and the staffing up
10 of those gaming agents, etc.

11 And my prediction is that that
12 variance will be less next year or perhaps a
13 little bit the year after that but once the
14 other casinos come in line, we might see
15 another little bit of a bump closely related to
16 that added activity.

17 But I think it is great work that
18 you've done with the support of your staff and
19 others, and involving the input of our
20 licensees which is very important. And I thank
21 you for this work.

22 COMMISSIONER STEBBINS: I echo those
23 comments. Great presentation great to read.
24 I'm sure Agnes did most of the work even though

1 we're going to give Derek credit for it.

2 MR. LENNON: She and Maria did.

3 COMMISSIONER STEBBINS: And Maria,
4 absolutely. She wouldn't let us forget that.
5 The only thing I would suggest or recommend is
6 there was some speculation, I know we're going
7 to hear more about this at the meeting on the
8 25th with potential delays at least in the
9 opening of one of our licensees. I now we'll
10 learn more about that in two weeks, but just
11 invite you to go back and again review new FTEs
12 for next year considering that we might see
13 again, a delay in opening. And just taking one
14 more assessment and look at those positions and
15 the timing for those.

16 MR. LENNON: Okay, will do.

17 COMMISSIONER STEBBINS: But great
18 work, very good work.

19 MR. LENNON: Thank you.

20 CHAIRMAN CROSBY: Anything else? I
21 guess we have nothing else to do. Thank you
22 very much.

23 MR. LENNON: Thank you.

24 MR. DAY: That gets us to tab 5(d)

1 and the recommendations from Interim Director
2 Lightbaum on racing officials.

3 DR. LIGHTBAUM: Thank you, Director
4 Day. Good afternoon, Chairman and
5 Commissioners. Steve O'Toole, Director of
6 Racing for Plainridge Racecourse has asked for
7 two key operating officials and a racing
8 official to be approved today.

9 These people are already licensed by
10 us in other capacities. So, they're already
11 through the background check and have been
12 fingerprinted. They're just moving into
13 different positions. One of them is Jason's
14 Savastano for mutuel manager, Christine Lynch
15 for assistant racing services manager and then
16 Ann Marie Mancini as a fill-in judge.

17 In Steve's letter, he asks for her
18 to be approved for a specific date, the June 21
19 date. And we discussed it and we're asking at
20 this time that she be approved for the rest of
21 the meet as a fill-in when needed so we don't
22 have to come back for that request and
23 approval.

24 CHAIRMAN CROSBY: All right.

1 Commissioner Cameron?

2 COMMISSIONER CAMERON: This is the
3 normal course of business. We've made these
4 approvals before. This is certainly an
5 appropriate request.

6 And Mr. Chair, I move that we
7 approve the request of Plainridge Park Casino
8 to approve their June 4, 2015 update to their
9 list of key operating personnel and racing
10 officials.

11 CHAIRMAN CROSBY: As amended by the
12 extension of Ms. what's her name?

13 DR. LIGHTBAUM: Ann Marie Mancini as
14 fill-in judge.

15 COMMISSIONER STEBBINS: Second.

16 CHAIRMAN CROSBY: Any other
17 discussion. Commissioner McHugh were you going
18 to say something?

19 COMMISSIONER MCHUGH: No. I was but
20 I'm not.

21 CHAIRMAN CROSBY: Anything else?
22 All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

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

5 COMMISSIONER CAMERON: Thank you.

6 DR. LIGHTBAUM: Thank you.

7 MR. DAY: Thank you, Commissioners.

8 The next item there isn't an insert under a
9 particular tab. I'd like Todd -- would you
10 join me?

11 MR. GROSSMAN: Sure.

12 MR. DAY: What I'd like to do is
13 have a brief discussion. I'm bringing up the
14 hired guns just in case the discussion gets too
15 technical.

16 The title of this particular topic
17 is the Department of Revenue tax and child
18 support intercept MOU. It's an agreement
19 between the Plainridge Park Casino and the
20 Department of Revenue.

21 I want to talk briefly because the
22 agreement is designed to address statutory
23 withholding requirements for tax and child
24 support debt for any jackpots in excess of

1 \$1200. The MOU allows a casino management
2 system to be used at the facility, the casino
3 facility for the intercept requirement. This
4 program has been modified to interface directly
5 with DOR's interagency data services web
6 platform.

7 Apparently, the gaming system at
8 Plainridge will query the IDS system at Revenue
9 with a Social Security number and determine
10 whether there is a match and whether there's an
11 amount due.

12 If a match, then the IDS system
13 transmits the amount of the jackpot to be
14 intercepted and the transaction code. The
15 agreement we're talking about, it identifies
16 essentially who has a debt and requires that to
17 be paid before the jackpot is paid.

18 The agreement is between PPC and
19 DOR. And the approach is that the Commission
20 would sign off on the agreement and would
21 enforce the agreement but is not a direct party
22 to the agreement.

23 There's two options here. It's not
24 final at this point. There may be more than

1 two, but there's two that I thought of at this
2 point. The agreement is not final. I
3 understand it is very close. The Commission
4 could ask us to bring that full agreement back
5 on the 18th for the Commission to look at more
6 directly on.

7 Or if the Commission was willing to
8 delegate me the authority to sign that
9 agreement on behalf of the Commission. That
10 would work as well and then we'd bring the
11 final executed agreement back to the
12 Commission. It might help with our ability as
13 we get closer to the 18th and get where we need
14 to test the system, we'd be able to do that go
15 and go ahead with that process.

16 So, I think either way we can make
17 work. And if there's more discussion about the
18 agreement itself or anything that Todd might
19 want to add, Mr. Grossman is here to help me
20 out.

21 COMMISSIONER ZUNIGA: Just from my
22 understanding, this query will be happening --
23 Is it your understanding that the query of this
24 database will be happening in real time?

1 MR. DAY: Yes, with the exception I
2 understand at this point that the DOR
3 information is only updated every 24 hours.
4 But that when there is a jackpot hit, there
5 will be a query.

6 COMMISSIONER ZUNIGA: It would be a
7 real-time query?

8 MR. DAY: Yes.

9 COMMISSIONER ZUNIGA: That's great.

10 CHAIRMAN CROSBY: So Todd, they've
11 got the system that they were talking about
12 when we met with them quite a while ago.

13 MR. GROSSMAN: That's my
14 understanding.

15 CHAIRMAN CROSBY: They couldn't do
16 this. And they said --

17 COMMISSIONER ZUNIGA: It was going
18 to be a two-month lag.

19 CHAIRMAN CROSBY: And that it was
20 going to be done on paper. They said there's a
21 system coming. And there was one in Louisiana
22 or someplace that was similar. But it sounded
23 like it was way off. But apparently they've
24 got it.

1 MR. GROSSMAN: I believe so. And
2 I'm not exactly certain about the particulars
3 of the system. But John Glennon has worked
4 closely with DOR in its development and
5 implementation. And this is kind of the last
6 piece of the puzzle is Plainridge Park agreeing
7 to certain information, security type
8 procedures in order to receive the data.

9 That's primarily what the MOU talks
10 about which is why we are a party to it but not
11 really obliged to do much except enforce it,
12 help DOR audit Plainridge in the event that
13 that's necessary.

14 MR. DAY: I think conceptually what
15 it actually become is almost like internal
16 controls and how to handle those situations.

17 COMMISSIONER ZUNIGA: For whatever
18 it's worth, there was a small cost that
19 Plainridge picked up that the bill was
20 forwarded to DOR and DOR said no, it's not
21 ours.

22 CHAIRMAN CROSBY: Okay. I'd be
23 perfectly happy to delegate it to Director Day
24 to sign off when he feels it's ready.

1 COMMISSIONER ZUNIGA: Same here.

2 CHAIRMAN CROSBY: Do we want a
3 motion to that effect?

4 MR. DAY: Please.

5 COMMISSIONER ZUNIGA: I can easily
6 move that the Commission delegate authority to
7 Director Day to sign off on the MOU between DOR
8 and Plainridge Park Casino when applicable.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER CAMERON: Second.

11 CHAIRMAN CROSBY: Any further
12 discussion? All in favor, aye.

13 COMMISSIONER MCHUGH: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 COMMISSIONER STEBBINS: Aye.

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

19 MR. DAY: Thank you, Commissioners.
20 And that gets to the end of my report. And now
21 I'll turn this over to Todd and Catherine.

22 CHAIRMAN CROSBY: Okay, General
23 Counsel Blue.

24 MS. BLUE: The next item on your

1 agenda is a memo put together by Attorney
2 Grossman regarding the gaming establishment.
3 As you might recall, we engaged in a very
4 thorough analysis when we looked at the
5 definition of the gaming establishment for the
6 Region A licensees.

7 And we thought that this was an
8 appropriate time to run the Plainridge
9 establishment through that same analysis and
10 give the Commission an opportunity to look at
11 that question and determine whether they wanted
12 to make any revisions in the definition of the
13 gaming analysis -- gaming establishment rather.

14 So, this is the same analysis we
15 used in the past. The memo goes through the
16 steps that we went through and makes some
17 recommendations.

18 We are here to answer any questions
19 you may have, discuss any concerns that you
20 might have on reading the memo.

21 COMMISSIONER MCHUGH: I think just
22 to put that in perspective, when we initially
23 granted the license to Plainridge, we basically
24 included the entire -- all of the property that

1 they owned in this and essentially said we'll
2 worry about precision later.

3 We were a year away from any
4 opening. And we also had no real experience
5 with the practicalities of the considerations
6 we needed to take into account in dealing with
7 this.

8 So, we start from that position, but
9 we start from that position because we
10 approached it in a include everything and we'll
11 weed things out if necessary standpoint. So,
12 that's what brings us to today, if my memory
13 serves me.

14 MS. BLUE: That's correct.

15 CHAIRMAN CROSBY: Do you want to
16 present or shall we take it as it lays?

17 MS. BLUE: I think we can probably
18 take your questions. Plainridge is unique in
19 that it has a racetrack. That's another thing
20 that we have looked out over time. What is the
21 appropriate the Commission's regulatory
22 interest when you have a racetrack that is also
23 regulated under other statutes?

24 I think what you will see is our

1 recommendation, and Todd you can correct me if
2 I'm wrong, we think that it could be a good
3 idea to take the actual track and some of the
4 backside, the surface parking lots out of the
5 definition of gaming establishment. And
6 regulate those matters where they need to be
7 regulated under Chapter 128A.

8 COMMISSIONER ZUNIGA: I agree. A
9 very concrete example of that is 19-year-olds
10 are allowed under the racing statute to place
11 wagers, if I'm not mistaken, in the simulcast
12 area whereas that's not the case in the gaming
13 establishment. So, small differences like that
14 can be significant in terms of the regulatory
15 matters.

16 MS. BLUE: That's right. Things
17 like licensing, the occupational licensees on
18 the track, licensing vendors that provide goods
19 and services to the track but not to the gaming
20 establishment, those kinds of issues.

21 On the flipside things like we
22 discussed this morning, where alcoholic
23 beverages can be consumed and purchased make a
24 difference too. So, we think if you go through

1 the analysis, we think there are some good
2 reasons why certain parts should be exempted.

3 COMMISSIONER CAMERON: I was just
4 going to say I would agree as well. But the
5 piece here on the smoking porch is left. I
6 think we made that decision earlier, so this is
7 a little bit incomplete but we concluded that
8 discussion earlier.

9 MS. BLUE: That's correct. That
10 area would be included in the gaming
11 establishment.

12 COMMISSIONER MCHUGH: It also is so,
13 and this thoughtful and comprehensive memo I
14 think makes it pretty clear, that the side-by-
15 side existence of two different regulatory
16 schemes creates issues that need to be
17 addressed at some point probably through
18 legislative changes that will integrate more
19 thoroughly the racing side and the gaming side.
20 Or at least deal with those two pieces of our
21 regulatory responsibility in a manner that has
22 been thought through in a comprehensive
23 fashion.

24 And no matter how you work some of

1 those issues out, you can't solve those issues
2 and make them sandpaper smooth with a
3 designation of a gaming establishment.

4 This what you've done here strikes
5 me as the right balance for now with the notion
6 that later we figure out when the racing and
7 gaming licenses regulatory schemes are put
8 together more smoothly what the real balance
9 ought to be.

10 So, I think this is a good and
11 thoughtful analysis of what we ought to do
12 right now for the reasons stated in the memo.

13 COMMISSIONER ZUNIGA: Remind me, the
14 sunsets of the current Chapters 128A and C were
15 extended recently but are set to sunset --

16 MS. BLUE: 2016.

17 COMMISSIONER ZUNIGA: 2016.

18 MS. BLUE: Yes, in the summer.

19 COMMISSIONER ZUNIGA: That's the
20 date that you were alluding to Commissioner on
21 that future time for legislative
22 recommendations.

23 CHAIRMAN CROSBY: Are the parking
24 lots not part of the gaming establishment in

1 our other facilities?

2 MS. BLUE: Surface lots are not,
3 garages are. And that goes through the
4 definition of a structure that's related to the
5 gaming area. So, in our prior decisions we
6 took out surface parking lots and we left in
7 garages.

8 CHAIRMAN CROSBY: That's the same
9 with internal roadways? Internal roadways are
10 not included.

11 MS. BLUE: That's correct.

12 CHAIRMAN CROSBY: Okay.

13 COMMISSIONER MCHUGH: We may have to
14 revisit and fine-tune some of this with respect
15 to MGM. But basically that's true there as
16 well.

17 CHAIRMAN CROSBY: That is part of
18 what I was thinking is for all of our
19 licensees, we ought to be very careful here
20 that we don't stub our toe by doing something
21 here that has a ripple effect into somebody
22 else.

23 I don't understand this bullet
24 point. Police jurisdiction relative to the

1 premises of the gaming establishment has been
2 addressed by MOU. However, absent the MOU, if
3 the racing area were excluded from the gaming
4 establishment that exclusion may affect the
5 jurisdictional parameters of the gaming
6 enforcement unit. I don't get that.

7 MS. BLUE: By statute, our statute
8 talks about exclusive and concurrent
9 jurisdiction of the state police versus the
10 local police department. And if you read our
11 statute, there is a reading of it that
12 basically says the state police have the
13 exclusive jurisdiction over things in a gaming
14 establishment. And if the gaming establishment
15 is very broad that could mean that they have
16 the whole premises.

17 There is an MOU between the state
18 police and Plainville that is specific to that
19 property. And they worked out these issues in
20 a way that both sides are comfortable.

21 So, we think that by defining the
22 gaming establishment this way, we don't have to
23 address that point. But in our other gaming
24 establishments as we move forward those MOUs

1 have yet to be worked out. There may be issues
2 we have to resolve there.

3 COMMISSIONER CAMERON: Each MOU will
4 be specific to that facility. And I think
5 that's the right way to move forward. And all
6 of the law enforcement folks have that same
7 understanding and believe it's the right way to
8 operate as well.

9 MS. BLUE: Yes, we agree with that.

10 CHAIRMAN CROSBY: Okay. So, in the
11 old racing areas like the simulcast areas, this
12 definition will just simply supersede whatever
13 pre-existing racing regulations there were for
14 those areas?

15 MS. BLUE: No. Simulcasting and
16 racing wagering will be covered by those rules
17 under 128C. What it does in those areas is a
18 couple of things. We will most likely license
19 pari-mutuel clerks for example under the same
20 rules that we license gaming employees on the
21 theory that placing a wager is placing a wager.

22 In terms of things like Commissioner
23 Zuniga pointed out, in age differences, we will
24 have to set up security boundaries so that

1 people of certain ages can only go where
2 they're allowed to go.

3 But the rules to wagering and the
4 rules to placing a wager will remain the same
5 but it will impact licensing. It'll impact for
6 example, the sale of alcoholic beverages in the
7 racing part of the gaming establishment because
8 that will be covered by the same license as the
9 rest of the gaming establishment.

10 It will require food service
11 employees that are in the racing building to be
12 licensed like gaming registrants under the
13 gaming statute.

14 CHAIRMAN CROSBY: Will the pari-
15 mutuel clerks be licensed twice now?

16 MS. BLUE: No. They'll be licensed
17 once under the gaming regulation laws.

18 CHAIRMAN CROSBY: So, it does just
19 sort of supersede. Wherever there's a
20 conflict, gaming supersedes?

21 MS. BLUE: In that particular
22 instance it does. It doesn't in all instances.
23 For employee licensing, yes, in that part it
24 will. Other employee licensing for racing will

1 continue as it has in the past for racing
2 licenses.

3 CHAIRMAN CROSBY: But that will be
4 outside the gaming establishment?

5 MS. BLUE: Yes.

6 COMMISSIONER ZUNIGA: Well, the
7 racing and track is excluded from the gaming
8 establishment.

9 MS. BLUE: That's the recommendation
10 we're making.

11 COMMISSIONER ZUNIGA: That's the
12 recommendation.

13 MS. BLUE: But the wagering portion
14 is part of the gaming establishment. That's
15 why the pari-mutuel clerks will be licensed
16 differently.

17 COMMISSIONER MCHUGH: It's in the
18 building.

19 CHAIRMAN CROSBY: I'm sure this is
20 just a typo, but just to make sure there is no
21 misunderstanding, on the conclusion on the last
22 page, in the first sentence it says recommend
23 exclude the property entrance all of the
24 external roadways. I think it means internal

1 roadways.

2 MR. GROSSMAN: That's right.

3 COMMISSIONER ZUNIGA: We're not
4 including Route 1.

5 MS. BLUE: Can't include Route 1.

6 CHAIRMAN CROSBY: Or we're not
7 including Horizon Way, for example. Well,
8 other places it uses internal. Okay. Any
9 further discussion?

10 COMMISSIONER ZUNIGA: Is there a
11 vote needed?

12 MR. GROSSMAN: I think there is. I
13 would just make one more comment, if I may.
14 This may or may not be helpful. Subsequent to
15 putting this together and putting this in the
16 packet, I was sent actually a clearer map of
17 the property, which may be helpful to delineate
18 the smoking porch, the apron area and kind of
19 the boundary where the fence that Mr. Connelly
20 was talking about will be located.

21 So, if there's no objection, we
22 could substitute the bigger map for the smaller
23 map.

24 I also just noticed that the porte

1 cochere in Exhibit C here is not included. It
2 probably should be included. The overhang area
3 right out in front of the casino. So, I would
4 also with your assent include that as part of
5 the gaming establishment as well.

6 So essentially, it would be as
7 depicted in Exhibit C except it would kind of
8 clarify those three points.

9 COMMISSIONER MCHUGH: I see. I
10 thought that line did go around the porte
11 cochere, but I see it doesn't.

12 MR. GROSSMAN: I missed that. I
13 thought it did at first but I see it doesn't.
14 As you can see, you can't see the smoking
15 porch. You also can't see where that fence
16 would be out back. On the bigger map you can
17 see all of that a little bit clearer.

18 COMMISSIONER MCHUGH: Right.

19 CHAIRMAN CROSBY: This feels to me
20 like a Commissioner McHugh motion.

21 COMMISSIONER MCHUGH: I'd move that
22 we accept the definition of the gaming
23 establishment -- strike that.

24 I move that we accept the boundaries

1 of the gaming establishment as depicted on
2 Exhibit C to the Grossman memorandum of June
3 11, 2015 that's in the packet with the addition
4 to the gaming establishment of the porte
5 cochere area and the smoking porch. And that
6 we substitute for Exhibit C a larger map that
7 more clearly shows the boundaries of the
8 structure.

9 CHAIRMAN CROSBY: And the fenced in
10 area?

11 MR. GROSSMAN: It would include the
12 apron. It's included here too but the pen is
13 too big. But it'll be a little more clearer.

14 COMMISSIONER MCHUGH: The apron
15 area, but it's also included in this one too.
16 So, it does include the apron area.

17 CHAIRMAN CROSBY: So, that motion
18 got what you were looking for?

19 MR. GROSSMAN: Yes.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER ZUNIGA: Second.

22 CHAIRMAN CROSBY: Any further
23 discussion? All in favor, aye.

24 COMMISSIONER MCHUGH: Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously.

6 COMMISSIONER MCHUGH: Good work.

7 CHAIRMAN CROSBY: Good lawyering.
8 Good easily read stuff. Thank you. I think
9 that's it. Is that the end of yours, General
10 Counsel Blue?

11 MS. BLUE: Yes, that's all we have.

12 CHAIRMAN CROSBY: On item seven, any
13 other business unexpected? We then I think
14 will adjourn. It is now 3:10. I think we will
15 adjourn this meeting. And then at 3:30
16 reconvene with our hearing on the proposal from
17 Suffolk Downs for certain racing dates.

18 Do we have a motion to adjourn?

19 COMMISSIONER ZUNIGA: So moved.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER CAMERON: Second.

22 CHAIRMAN CROSBY: All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

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COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

(Meeting adjourned at 3:10 p.m.)

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission June 11,
3 2015 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission May 28,
5 2015 Meeting Minutes
- 6 3. UMass Presentation Results from Baseline
7 Phase of the SEIGMA Study
- 8 4. New Bedford Citizen Notice
- 9 5. Massachusetts Gaming Commission June 11,
10 2015 Memorandum Regarding Temporary Key
11 Gaming Employee Licenses Issued
- 12 6. Biography of Bill Walczak
- 13 7. Biography of Thomas Conroy
- 14 8. Massachusetts Gaming Commission June 5,
15 2105 Memorandum Regarding June 18 Meeting
16 with Reports/Memorandum and Supporting
17 Documents Due for the Packet on June 15th
- 18 9. Massachusetts Gaming Commission June 8,
19 2015 Memorandum Regarding Gaming Beverage
20 License Application: Plainville Gaming
21 and Redevelopment, LLC with attachments

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- 1 10. Massachusetts Gaming Commission June 11,
2 2015 Memorandum Regarding Fiscal Year 2016
3 Initial Budget Recommendations with
4 attachments
- 5 11. Massachusetts Gaming Commission June 5,
6 2015 Memorandum Regarding Plainridge Key
7 Operating Personnel and Racing Officials
8 Update with attachment
- 9 12. Massachusetts Gaming Commission June 11,
10 2015 Memorandum Regarding Location of
11 Gaming Establishment at Plainridge Park
12 Casino with attachments

13
14 MASSACHUSETTS GAMING COMMISSION STAFF:
15 Agnes Beaulieu, Accounting and Finance
16 Catherine Blue, General Counsel
17 Paul Connelly, Director of Licensing
18 Richard Day, Executive Director
19 Todd Grossman, Deputy General Counsel
20 Derek Lennon, CFAO
21 Karen Wells, Director IEB
22 John Ziemba, Ombudsman

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C E R T I F I C A T E

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

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

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

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

WITNESS MY HAND this 15th day of June, 2015.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018