

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #156

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

June 25, 2015 10:30 a.m. - 3:46 p.m.
BOSTON CONVENTION AND EXHIBITION CENTER
415 Summer Street, Room 102B
Boston, Massachusetts

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

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

CHAIRMAN CROSBY: We are ready to call to order the first meeting of the Massachusetts Gaming Commission after a casino has opened, I'm proud to say. But it is also our 156th meeting on June 25 once again at the Convention Center. As always, we'll start with the approval of minutes, Commissioner McHugh.

COMMISSIONER MCHUGH: Mr. Chairman, the minutes are in the book, in the materials and I would move their adoption as they appear there, the minutes that is of the June 18 meeting, last week's meeting. And I would move their approval in the form they appear there with the reservation of the right to correct typographical and other mechanical errors.

CHAIRMAN CROSBY: Second?

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: All in favor, aye.

COMMISSIONER MCHUGH: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

1 CHAIRMAN CROSBY: Opposed? The ayes
2 have it unanimously. Next Research and Problem
3 Gambling, Director Vander Linden.
4 Congratulations on a great first day. Your
5 GameSense booth seemed to be booked practically
6 the whole time.

7 MR. VANDER LINDEN: Yes, it was. It
8 was a great day. It was wonderful to see
9 GameSense up and running finally after all
10 sorts of discussions and planning of how to
11 launch it. Our partner with the Mass. Council
12 on Compulsive Gambling was fantastic. They
13 really set the tone for it and made sure that
14 we were in line with the GameSense philosophy
15 and approach.

16 CHAIRMAN CROSBY: And from best I
17 could tell, your GameSense advisors were all
18 really outgoing, interested, excited. They
19 seemed like a really good group.

20 COMMISSIONER ZUNIGA: Engaging.

21 CHAIRMAN CROSBY: Engaging.

22 COMMISSIONER MCHUGH: I was going to
23 make the same point. Watching them, I spent
24 some time watching them yesterday and on

1 Monday, and their ability to reach out in a
2 pleasant conversational way with people coming
3 by and get them engaged and interested and just
4 establish relationships, it was really
5 fascinating to watch. I think you've got a
6 terrific crew down there.

7 CHAIRMAN CROSBY: Meaning Marlene
8 has a terrific crew down there. Thank you very
9 much, Director Warner.

10 COMMISSIONER MCHUGH: Director
11 Warner was down there and I watched her
12 interact with people and she was terrific.
13 It's just a great operation. It's really good.

14 CHAIRMAN CROSBY: It got some press
15 coverage, which was great. What did Paul think
16 of it?

17 MR. VANDER LINDEN: Paul is here
18 today. I had some exchange with Paul during
19 the day and afterwards. He said he thought it
20 went really well.

21 This is the first GameSense
22 Information Center. This is the first
23 information center for this purpose in the
24 United States. So, I think that that was a

1 significant milestone to be able to get that to
2 a point where we were opening it and having
3 staff on the floor.

4 They were on the gaming floor. They
5 were at the GameSense Information Center. The
6 staff is fantastic. They feel comfortable
7 interacting with the patrons. They feel
8 comfortable talking about complex things like
9 probability and house advantage and all sorts
10 of things that are difficult to truly
11 understand. They are able to break it down and
12 talk to patrons in a way where they actually
13 make it fun as well.

14 CHAIRMAN CROSBY: Are there other
15 places in the states where there are
16 responsible gaming personnel on the floor most
17 of the time? I know it's nothing like this but
18 are there? I don't remember if there are any,
19 are there? I see Jay is shaking his head.

20 MR. SNOWDEN: In Ontario, yes.

21 CHAIRMAN CROSBY: Right, outside but
22 in the states. So, this is the first time
23 there's been a casino opening in the United
24 States where there are responsible gaming

1 personnel on the floor. That's extraordinary.

2 While we're patting everybody on the
3 back, Jay Snowden your group has been really so
4 willing to work with us on this. And it's a
5 credit to your organization. We really, really
6 appreciate it.

7 MR. VANDER LINDEN: I look forward
8 to advancing that piece of it, making sure the
9 GameSense advisors, the GameSense Information
10 Center it's everybody's. And it's a resource
11 for Penn. And all signs say it's going to be
12 successful.

13 CHAIRMAN CROSBY: Great. Good.
14 Well, they said quit while you're ahead, maybe
15 we ought to just shut things down and forget
16 everything.

17 COMMISSIONER CAMERON: Let's not.

18 COMMISSIONER MCHUGH: Let's rethink
19 that one.

20 CHAIRMAN CROSBY: Okay. Now go
21 ahead.

22 MR. VANDER LINDEN: We have another
23 exciting project that's underway. While we
24 have a casino now fully up and running in

1 Plainville, we also want to make sure that we
2 have services that are available in the
3 community that we have a safety net of support
4 that is out there. And this in large part
5 depends on our relationship with the
6 Massachusetts Department of Public Health,
7 which have also been fantastic partners through
8 this.

9 And they have had the foresight and
10 leadership to develop a problem gambling
11 services assessment and interim plan. What
12 that really means, I'm going to leave it to our
13 experts and consultants to my right, but I'm
14 excited about this piece of it as well. To
15 make sure that we take great work that's
16 happening in a casino that we transition that
17 out into the community.

18 And make sure that we are able to
19 offer a full range of services, all the way
20 from prevention to intervention to recovery
21 support. It's going to take some capacity
22 building, which will be explained to you, but I
23 think that we are on the right track with this
24 plan.

1 So, I'm going to turn it over to the
2 Director of Problem Gambling Services at the
3 Department of Public Health, Steve Keel. And
4 he will introduce our consultants.

5 MR. KEEL: Good morning. Can you
6 hear me? I guess you can. Good morning, Mr.
7 Chairman and Commissioners. It's good to be
8 here. What I would like to do is give an
9 overview of the strategic planning process and
10 the interim assessment plan for the Plainville
11 area and just a little bit of a background.

12 As you know, the Public Health Trust
13 Fund was created by the Expanded Gaming Act of
14 2011. It was created to provide problem
15 gambling services, ongoing evaluation of
16 gambling services and ongoing gambling
17 research. The Public Health Trust Fund is not
18 yet resourced, but the services have begun in
19 terms of research and some other areas.

20 And MOU was signed in July 2014
21 which indicates that the Public Health Trust
22 Fund resources will be determined by the Public
23 Health Trust Fund executive committee. The MOU
24 was signed by the Secretary of Health and Human

1 Services and Chairman Crosby at that time and
2 set up a committee that will be co-chaired by
3 Chairman Crosby and the designee of the
4 Secretary of Health and Human Services, Marylou
5 Sudders, who will be Dr. Monica Burrell at this
6 time, Commissioner of Public Health in
7 Massachusetts.

8 The MOU also indicates that both the
9 Mass. Gaming Commission Chairman and the
10 Commissioner of Public Health must be in
11 agreement regarding the disbursement of Public
12 Health Trust Fund resources for research and
13 problem gambling services.

14 Gambling research, I think, as you
15 heard two weeks ago Social and Economic Impacts
16 of Gambling in Mass. and the Mass. Gambling
17 Impact Cohort study is currently funded by the
18 Mass. Gaming Commission and will ultimately be
19 funded by the Public Health Trust Fund. Both
20 of those research projects are underway at this
21 time.

22 Newly funded gambling services yet
23 to be determined with the exception of the
24 planning, implementation and evaluation of the

1 responsible gaming strategy GameSense, which is
2 underway, and the development of precommitment
3 pilot study and the pilot studies are also
4 underway. To determine what services current
5 and new need to be funded and to guide service
6 delivery, problem gambling strategic plan --
7 problem gambling services strategic plan is
8 being developed.

9 The idea of the strategic plan was
10 proposed to and accepted by the Public Health
11 Trust Fund executive committee in the October
12 2014 and the January 2015 meetings. The
13 strategic planning process itself began in
14 January 2015.

15 The plan will be conducted by the
16 Educational Development Center, Massachusetts
17 Technical Assistance Partnership for Prevention
18 Unit out of Waltham, Massachusetts. EDC, as
19 it's called, has a history of developing
20 strategic plans at the national, state and
21 local levels. And EDC currently holds a
22 contract with the Substance Abuse Mental-
23 Health Services Administration Center for
24 Substance Abuse Prevention to provide extensive

1 technical assistance and training in this area
2 to all 50 states and US territories.

3 The strategic plan is slated to be
4 completed by the end of October 2015. Plan
5 developers will utilize the Substance Abuse
6 Mental-Health Services Administration strategic
7 prevention framework which has five steps:
8 assessment, capacity, planning, implementation
9 and evaluation.

10 Currently, the strategic plan is in
11 the assessment and capacity stages of
12 development. Plan developers are working
13 closely with the UMass research team, the Mass.
14 Council on Compulsive Gambling, the Mass.
15 Gaming Commission and the Department of Public
16 Health regarding gambling research data and
17 information. The GameSense responsible gaming
18 strategy will be an integral part of this plan.

19 With the Plainridge Slot Casino
20 having opened on June 24, yesterday, it's
21 necessary to give an assessment of the service
22 capacity in the Plainville area, both within
23 and outside of the gambling facility.

24 Here to give an overview of the

1 assessment to date and the service capacity in
2 the Plainville area are Emily Bhargava and Jack
3 Vondras both of the Educational Development
4 Center Mass. Technical Assistance Partnership
5 for Prevention. Thank you and I'll turn it
6 over to Emily and Jack.

7 CHAIRMAN CROSBY: Good morning.

8 MS. BHARGAVA: Good morning. Thank
9 you. It's very nice to be here. So, as Steve
10 indicated what we'll be presenting today is
11 actually an interim plan and assessment results
12 specific to the Plainville area. This was a
13 piece done ahead of the broader strategic plan,
14 which is in process right now.

15 So, as you all are aware the
16 Plainridge Park Casino has now opened. And its
17 opening is well ahead of the scheduled opening
18 of casinos in Springfield and Everett. And for
19 that reason, we did focus this assessment on
20 the Southeast region.

21 Much of which we learned what about
22 Plainville particularly and some was about the
23 region as a whole.

24 What we'll be presenting today is a

1 summary of our findings in terms of perceived
2 needs and service gaps. We learned about
3 existing resources and services. And we also
4 will share some information about programs and
5 services that are currently in development for
6 the region.

7 As far as our methodology for this
8 process, we did a review of existing literature
9 related to problem gambling services. We
10 looked at documents that were not published in
11 peer-reviewed journals but were relevant to the
12 area.

13 We conducted a number of key
14 informant interviews. We also conducted
15 surveys at two conferences. One was the Mass.
16 Council on Compulsive Gambling annual
17 conference. And the other was the Ounce of
18 Prevention conference that brings together
19 preventionists in a number of different fields
20 across the state. We also reviewed and
21 analyzed SEIGMA results specific to the
22 Southeast region.

23 So, we did find that SEIGMA
24 indicated that the Southeast region is unique

1 in a number of ways. One is that the
2 population overall is older than it is in the
3 rest of the state, more likely to be retired.
4 And it is the least racially and ethnically
5 diverse region in Massachusetts.

6 We have the highest rates reported
7 of past year and weekly gambling. And the
8 greatest percentage of respondents -- a greater
9 percentage of respondents in the Southeast
10 region than in other regions reported being
11 affected by someone else's gambling. So, the
12 question was about not their own gambling
13 practices but people around them in their
14 lives.

15 As far as perceived needs and gaps
16 in services, there was quite a variety that we
17 heard about. We heard about a need for
18 increased screening and referral. We also
19 heard about support groups that exist but we
20 heard from people that there aren't enough of
21 those groups available.

22 Insurance coverage is a challenge
23 for gambling treatment services, also for
24 screening actually. We heard about cost of

1 treatment and difficulty of transportation
2 being a barrier to access. We also heard that
3 there's often denial of gambling as a problem.

4 CHAIRMAN CROSBY: You mean by the
5 individuals or by the society?

6 MS. BHARGAVA: I was going to say
7 both actually, both came up. That's a good
8 question. We heard about stigma and shame
9 connected to gambling. Language barriers came
10 up as another barrier to services both in terms
11 of screening and treatment.

12 We heard about a lack of trained
13 clinicians who can identify and work with
14 disordered gamblers. So, some of that was
15 particular groups that lack clinicians, for
16 example particular language groups and other.
17 In was just in general, it would be nice to
18 have more.

19 We heard that there are waitlists
20 for accessing services. We also heard about a
21 number of other concerns that are on people's
22 mind in the region including potential
23 increases in traffic accidents, heart attacks,
24 crime, domestic violence, car repossession and

1 home foreclosures. So, those are a slightly
2 different category of concern not necessarily
3 related to gambling specific services but they
4 may be a result of increased gambling.

5 COMMISSIONER ZUNIGA: Remind me,
6 these findings come from your analysis of the
7 SEIGMA baseline study data or other procedures?

8 MS. BHARGAVA: The perceived needs
9 come primarily from two sources. One was
10 conversations with key stakeholders in the
11 Plainville area. And the other was the results
12 of surveys that we conducted at the two
13 conferences this year where we asked questions
14 about needs and we looked at the results from
15 the Southeast region in particular.

16 COMMISSIONER ZUNIGA: Thank you.

17 MS. BHARGAVA: So, we thought it was
18 useful to share a list of some higher risk
19 groups just to talk about what groups among
20 them might be present in the Plainville area.

21 So, we know from a variety of
22 research that males, people under 35 years old,
23 people who are unemployed, people who are
24 living below the poverty line, also certain

1 ethnic minorities, people who are employed in a
2 gaming facility, people who are unmarried and
3 seniors, meaning elders are at increased risk
4 for problem gambling.

5 We did want to note that
6 Southeastern Mass. has an older population and
7 also that many employees of the slots parlor
8 are likely to live in the region. So, those
9 are two groups that we might want to look at in
10 particular.

11 I will in a moment share what we
12 found in terms of services that are available
13 and being developed, but I wanted to share them
14 in the context of what we call a continuum of
15 care. Steve mentioned as he introduced the
16 planning process that it's important to present
17 -- to provide services at a number of different
18 levels. And we like to think of those as
19 primary prevention, secondary prevention and
20 tertiary.

21 So, what that really means is that
22 we want to make sure that services are
23 available for people before they develop any
24 kind of problem, during the development of that

1 problem perhaps when they are at risk or when
2 they are in the process of developing a problem
3 with gambling. And then after they have either
4 been diagnosed or experienced a behavioral
5 health problem like problem gambling. So, with
6 that in mind I'm going to present our findings
7 in those three categories.

8 So, as far as primary prevention and
9 this is prevention that targets the general
10 population, people who may not themselves have
11 experienced any sort of problem with gambling.
12 We know that in the Southeast region there is
13 training being done for some employee
14 assistance programs and also unions. So, that
15 people who do want more information about
16 gambling or have a concern about themselves or
17 their loved one can access information.

18 We also know that the Bureau of
19 Substance Abuse Services at the Department of
20 Public Health has developed gambling free
21 guidelines. Those guidelines are required to
22 be followed for BSAS funded programs but they
23 are also available for other institutions that
24 might want to implement them.

1 CHAIRMAN CROSBY: I don't understand
2 it. So, BSAS programs that are dealing with
3 other substance abuse issues are mandated to do
4 what?

5 MS. BHARGAVA: So, they are mandated
6 to follow the gambling free guidelines that
7 include recommendations such as not to run
8 recreational activities that involve gambling
9 like lotteries or raffles.

10 CHAIRMAN CROSBY: Is this after
11 screening for problem gambling or just on the
12 assumption that anybody with an addictive
13 problem might have trouble with gambling and
14 therefore you just offer this advice?

15 MS. BHARGAVA: It's general advice.
16 And this is in the realm of primary prevention.
17 Just as you said, it's the idea that just on
18 the off-chance that this might help someone,
19 they're recommended not to do it.

20 So, one of the settings where these
21 guidelines are quite important is in the
22 recovery centers that the Bureau of Substance
23 Abuse Services funds. And those recovery
24 centers are places where people most often in

1 recovery from substance abuse are able to
2 access services, but also people in recovery
3 from problem gambling could go.

4 The SEIGMA results are indicating
5 that there is often comorbidity between
6 substance abuse and problem gambling. Did you
7 have a question?

8 COMMISSIONER ZUNIGA: No, thank you.

9 MS. BHARGAVA: So, you all had
10 spoken quite a bit here about GameSense. The
11 GameSense program includes some primary
12 prevention measures.

13 So, the program itself is designed
14 to educate players to help them make informed
15 decisions about their play. And as you know,
16 there'll be a trained advisor on site. So,
17 they can help people establish a budget for the
18 day. They are able to provide education for
19 employees of the slots parlor.

20 And there will also be a broad
21 GameSense media campaign. And in the short
22 term, that media campaign will be focused
23 specifically on the Plainville area through
24 local cable, through newspapers, through

1 Internet as well.

2 So, a few final pieces about primary
3 prevention are that the Responsible Gaming
4 Framework that was developed here in
5 Massachusetts also supports primary prevention
6 through responsible marketing practices,
7 recommendations for responsible marketing
8 practices and some guidelines in terms of
9 limiting access to ATMs on the playing floor.
10 So, those are all measures to keep the healthy
11 population healthy.

12 So, secondary prevention as I
13 mentioned is targeting at-risk groups. Those
14 are groups that for individual or other reasons
15 are at higher risk for developing problem
16 gambling in the future. The services and the
17 programs that are currently in place are
18 voluntary self-exclusion, which is being
19 offered at Plainridge.

20 There are resources available for
21 employees in need of assistance. So, in
22 addition to general information that the
23 GameSense Centers can offer, they could provide
24 targeted individual assistance to anybody who

1 feels that they needed. The Massachusetts
2 Problem Gambling helpline provides referrals
3 when people call and they're able to do
4 screening.

5 There are also bankruptcy attorneys
6 who are knowledgeable about problem gambling in
7 the area in the Southeast region. That's an
8 area that there's some work currently to
9 expand. Some of the substance abuse treatment
10 programs are currently screening for problem
11 gambling. And we hope very soon that'll be the
12 majority, if not all of them doing that
13 screening.

14 CHAIRMAN CROSBY: Just on the point
15 that I want to make here, and this is something
16 Marlene and I have talked about, and just sort
17 of for future reference, the Legislature set up
18 the Public Health Trust Fund with the Secretary
19 of Health and Human Services not the
20 Commissioner of DPH. The Secretary decided to
21 delegate that to DPH, which make a lot of
22 sense.

23 But the reasons it's with Health and
24 Human Services is that all of the other Health

1 and Human Service agencies have a role to play
2 here. And we haven't really done much with
3 that yet. We've had our plate full, but it's
4 important at some point that Secretary Sudders
5 understands and appreciates the cross agency
6 role and all of this inter cross agency
7 screening and collaboration and so on and so
8 forth. It's just ground we haven't really
9 begun to plow yet, but it's really important
10 ground.

11 MS. BHARGAVA: I'm glad you
12 mentioned that. And as we work on the
13 development of the broader statewide strategic
14 plan for problem gambling services, we are
15 finding that screening is a tremendous
16 opportunity.

17 There are opportunities as widely
18 varied as primary care settings, Department of
19 Corrections. And many of those organizations
20 and institutions see high-risk individuals and
21 are not currently asking any questions about
22 gambling.

23 CHAIRMAN CROSBY: Right. And that's
24 what we have to work on. But as you well know,

1 it's easier to say than to do because everybody
2 wants to have their thing screened by all of
3 these different intake facilities and it's
4 tough to get on -- Everybody's busy. You don't
5 have time to ask more questions, etc. But it
6 will take secretarial intervention to make this
7 really work in due time.

8 MS. BHARGAVA: Yes. So, last and
9 very related to that is actually we found that
10 there is some training happening currently with
11 Corrections to help them better understand the
12 issue of problem gambling. So, that is another
13 cross sector initiative to make sure that
14 screening is happening.

15 COMMISSIONER STEBBINS: Are there
16 other professionals in addition to bankruptcy
17 attorneys who might witness an individual in
18 distress? Bankruptcy kind of seems to be the
19 last person you are going to see. Maybe there
20 are other folks along the way --

21 CHAIRMAN CROSBY: Next to the
22 corrections officer.

23 COMMISSIONER STEBBINS: Yes, next to
24 a corrections officer. Are there other

1 professionals, other services, I don't know, a
2 credit counselor or somebody you want to get to
3 before they get to the bankruptcy attorney who
4 might also fall into the population of people
5 we want to train, give some helpful hints to
6 what to identify?

7 MS. BHARGAVA: Absolutely. And it's
8 possible that the Mass. Council on Compulsive
9 Gambling is already reaching out to a wider
10 variety of groups than the ones that they
11 mentioned to me.

12 So, that may already be happening,
13 work with credit counselors. We can find out
14 from Marlene. And additionally, we are
15 exploring a long list of people who do
16 interface with people who might be either
17 developing or have already developed problem
18 gambling challenges before they reach treatment
19 and before they are in recovery as areas to
20 include in the broader strategic plan so that
21 we can really work on building the capacity of
22 those people to be able to intervene
23 successfully.

24 At this point, my understanding is

1 that the hotline is our primary point of
2 contact for people. So, many referrals are
3 made through there.

4 COMMISSIONER ZUNIGA: Well there's
5 one thing I've talked about with the
6 Treasurer's office. They do a lot of financial
7 education. And this would be in the realm of
8 the primary prevention. They're a vested
9 group, interested stakeholder in other things
10 we do. That's another group that comes to
11 mind.

12 MS. BHARGAVA: Great. Thank you.
13 So, I'll move onto tertiary prevention, which
14 is the realm of treatment and also recovery
15 support services. Please do interrupt if you
16 have other questions.

17 So, currently there are
18 approximately 120 private practice
19 practitioners who are certified to provide
20 problem gambling treatment services. They're
21 certified through the Massachusetts Council on
22 Compulsive Gambling. That number is increasing
23 constantly.

24 The Department of Public Health

1 provides payment for treatment services for
2 people who are not able to pay individually or
3 through their own insurance. So, that's
4 referred to as the blanket.

5 CHAIRMAN CROSBY: What is that
6 program? Is that for any addiction service or
7 what is that program?

8 MR. KEEL: This particular service
9 is for gambling. We have 120 private practice
10 practitioners that have been certified across
11 the state. But if they don't have insurance
12 that would cover it, there are resources
13 available to pay for services.

14 CHAIRMAN CROSBY: So, there's an
15 appropriation for gambling services?

16 MR. KEEL: Part of the dollars that
17 we've had available which is limited are
18 actually for that purpose, yes.

19 MS. BHARGAVA: So, there are mental-
20 health crisis teams that are called in in cases
21 of suicidality or other intensive mental-health
22 crises. Those are not specific to problem
23 gambling but they are able to address that
24 issue when it comes up.

1 The Mass. Council on Compulsive
2 Gambling is also building the capacity
3 currently of reentry programs to support
4 problem gamblers as they reenter society and
5 build a new life.

6 So, in terms of recovery support
7 services, this is an area of tertiary
8 prevention that we think is extremely
9 important. The idea that there should be
10 support for people who are in recovery from
11 problem gambling. They in some ways could be
12 considered an at-risk group for relapse. And
13 we want to make sure that they have the
14 services that they need.

15 So, I mentioned earlier the gambling
16 free policy guidelines. Those are a support
17 for the recovery community as well.

18 There are self-help meetings
19 including Gamblers Anonymous and Bettors
20 Anonymous in the Southeast region right now.
21 Those are based on the same 12-step concept as
22 Alcoholics Anonymous.

23 And currently, through the GameSense
24 program, I believe it's through GameSense, not

1 only individuals but also their family members
2 can petition for exclusion of a person from the
3 casino. So, that's an opportunity for family
4 members to support a loved one who is in
5 recovery.

6 MR. VANDER LINDEN: That is not
7 through the GameSense program. That would be a
8 separate program.

9 MS. BHARGAVA: Okay. And the
10 Massachusetts Association (SIC) for Addiction
11 Recovery, MOAR, they are a support and advocacy
12 group that works across the state. They
13 provide support to individuals in recovery
14 primarily from substance abuse but they also
15 have members who are in recovery from problem
16 gambling.

17 We have a few more supports in terms
18 of recovery community. The Mass. Council on
19 Compulsive Gambling holds a yearly retreat,
20 which if I understand correctly they use to
21 convene an advisory board that helps them to
22 develop appropriate services and supports for
23 the recovery community. So, that's an
24 opportunity to improve the services each year

1 and to plan.

2 The Bureau of Substance Abuse
3 Services at the Department of Public Health has
4 a program or funds a program called Recovery
5 Coaches. And those Recovery Coaches are
6 available to support individuals in recovery
7 outside of clinical setting.

8 The Mass. Council also provides
9 financial literacy for people in recovery and
10 their family members. I know that something
11 that was mentioned a few minutes ago is also
12 primary prevention. So, that can be done in
13 both contexts.

14 And the Mass. Department of
15 Corrections works with people coming out of
16 prison to help them find work and housing, and
17 also to assist them in working with the
18 Department of Revenue and the IRS to address
19 other issues of integration that might be more
20 challenging for somebody who has a history of
21 problem gambling.

22 Those are the services that we
23 learned about that are currently in place in
24 the region. There are other things in the

1 state as a whole that we still may hear about
2 over the coming months that we can integrate
3 into the broader strategic plan, but this
4 really was intended to be a snapshot.

5 Because there are not dollars
6 available through the Public Health Trust Fund
7 at this point for services, we are looking at
8 this as an assessment of what's currently in
9 place, and a way for us to target the resources
10 that we do currently have to enhance the
11 services and reach the people that need them as
12 well as possible.

13 So, as far as sustainability for
14 this work, these services do not depend on
15 additional dollars. For that reason, they
16 should be able to continue until the Public
17 Health Trust Fund dollars are available.

18 And we will be conducting ongoing
19 data collection. As you know, the UMass team
20 will be doing that on a much larger scale. So,
21 as that information becomes available, these
22 services will be updated and improved in
23 response to what we learn through the data
24 collection.

1 We thought about how the services
2 will be monitored and also their impact will be
3 evaluated. And this again is just a snapshot.
4 We'll be looking at many more indicators over
5 time. And there will be an extremely detailed
6 evaluation plan in the broader statewide
7 strategic plan.

8 But as far as the Southeast region
9 and what happens in the short-term as a result
10 of the opening of Plainridge Park, we expect to
11 look at the number of treatment providers who
12 are certified in the region. We know that
13 there is quite a bit of relationship building
14 happening, some with people like credit
15 counselors and others who interface with people
16 who might be at risk for problem gambling. And
17 we'll be looking at those relationships and
18 documenting the number of them.

19 We will be tracking the number of
20 Gamblers Anonymous meetings and other support
21 groups that exist in the region. And we will
22 also be watching for compliance with or
23 adoption of the recommendations in the
24 Responsible Gaming Framework. Those are

1 recommended but if I understand correctly, not
2 required. And we hope very much that they will
3 be implemented.

4 We'll watch rates of problem
5 gambling which will be tracked through the
6 SEIGMA study. And we will also be looking at
7 the numbers of individuals whose treatment is
8 paid for through the Department of Public
9 Health allocation, the blanket.

10 And I am happy to take questions in
11 a moment, but I just wanted take a moment to
12 thank Steve Keel, Mark Vander Linden and
13 Marlene Warner for providing a tremendous
14 amount of support and information through this
15 assessment process.

16 MR. VONDRAS: And our key
17 informants.

18 MS. BHARGAVA: And of course of all
19 of our key informants, yes. Everyone has been
20 very generous with their expertise. I think
21 the next slide just says questions. I'd be
22 happy to answer any questions that you have.

23 COMMISSIONER ZUNIGA: I have one.
24 Any programs prevention or treatment, etc.

1 relative to colleges for example? Anything you
2 can tell us there? Are there areas of
3 opportunity or currently ongoing? It occurs to
4 me as you point out, it is an at-risk
5 population. And we have many colleges in this
6 state.

7 MS. BHARGAVA: So, I don't believe
8 that there are currently problem gambling
9 prevention programs in the Southeast region at
10 colleges. However, we didn't hear about those,
11 but I do know that Connecticut has some
12 prevention programs that are targeted at that
13 population. And they've done a good job
14 learning about what works well for that age
15 group.

16 Prevention initiatives really do
17 need to be targeted to a particular group.
18 Clearly, you can't do the same intervention
19 with a group of elementary school students that
20 you would do with college students.

21 And one of the promising approaches
22 for that population is to use bystander
23 intervention. Not necessarily to help people
24 recognize and address their own gambling

1 problem, but to help them recognize their
2 friend's, their colleague's, their family
3 member's problem and use that as an entry
4 point. So, we'll be exploring that as part of
5 problem.

6 MR. VONDRAS: As we move to the
7 fuller plan, there is more information on doing
8 key informant interviews with colleges in other
9 regions but not the Southeast. We didn't find
10 anything down there.

11 COMMISSIONER ZUNIGA: Okay.

12 MR. KEEL: I would just add to that
13 many of the services that you've seen discussed
14 this morning are services that are in place
15 with the dollars that we have currently had
16 through the Department of Public Health,
17 probably with the exception of the Mass. Gaming
18 Commission supporting GameSense and doing some
19 of the work that's actually taking place
20 regarding research and the evaluation of
21 GameSense.

22 One of the great things about the
23 legislation that passed in 2011 is that it does
24 in fact contain a Public Health Trust Fund.

1 And as we look ahead, one of the reasons we're
2 doing the strategic plan is so we can identify
3 the areas in which we need to invest more
4 resources and be ready for when those resources
5 are available to us so that we are in a
6 proactive stance as opposed to a reactive
7 stance.

8 We've had about \$1.5 million at the
9 most that have come from unclaimed lottery
10 receipts or dollars that I think were formally
11 from the racing commission which is now part of
12 -- has gone to the Mass. Gaming Commission.

13 But those have been the resources
14 that we've had available in the state on a good
15 year. Ordinarily, those dollars might be more
16 like \$900,000-\$1 million. The Mass. Council on
17 Compulsive Gambling has done an outstanding job
18 partnering with us and providing many of the
19 services that you heard discussed this morning.

20 So, there's great promises as we
21 look ahead in terms of the Public Health Trust
22 Fund. But as much money as it sounds like it
23 will be, we still have to be ready for priority
24 areas and places that we can probably most

1 efficiently or effectively spend those dollars
2 because they'll go very quickly.

3 COMMISSIONER STEBBINS: One of the
4 other key target population, and the SEIGMA
5 study showed this, was a higher prevalence of
6 potential gaming addiction among veterans kind
7 of post 9/11. And I'd encourage you as part of
8 the strategic plan to think about potential
9 partners.

10 Again, you have people on the ground
11 in each host community and surrounding
12 communities that are in touch with veterans
13 almost on a daily basis. And help them get the
14 training to see what those early signs are as
15 well.

16 MR. KEEL: Thank you, Commissioner
17 Stebbins. That is one of the groups that we're
18 particularly concerned about along with a
19 number of other populations that have seemed to
20 be more impacted by some of the issues related
21 to gambling. And we're looking at those
22 populations very carefully.

23 COMMISSIONER STEBBINS: Good.

24 CHAIRMAN CROSBY: I assume the

1 GameSense advisors are familiar with the
2 resources in that area that you've talked
3 about. They know who the practitioners are,
4 the certified practitioners and so forth and
5 where the GA meetings are and that sort of
6 stuff.

7 MR. KEEL: Yes. They've been in
8 training since June 4. And they spent a
9 considerable amount of time talking about the
10 resources that are available in the state.

11 The voluntary self-exclusion program
12 does I think a good job, will do a good job as
13 soon as we start seeing numbers in there of
14 making sure that there's a connection between
15 the voluntary self-exclusion enrollment process
16 and making sure that people know what services
17 are available out in the community.

18 CHAIRMAN CROSBY: Okay. Good.

19 MR. VANDER LINDEN: If I could just
20 add, we're trying to build a public health
21 approach to addressing problem gambling. And
22 that means that we prioritize prevention. And
23 it means that there's a safety net of support
24 out there for people who are impacted by

1 problem gambling.

2 I think that what was outlined today
3 says we have a public health approach. We are
4 pursuing a public health approach. It doesn't
5 mean that there aren't holes in that safety
6 net. It doesn't mean that there aren't
7 opportunities to do better prevention, which is
8 great. That's exactly what we're going to do.

9 And I think that once we have a
10 Public Health Trust Fund that is there, we are
11 going to have capacity to do some pretty great
12 things, to mend the safety net and to advance
13 the prevention.

14 COMMISSIONER MCHUGH: Great.

15 COMMISSIONER ZUNIGA: Very good.

16 CHAIRMAN CROSBY: Thank you.

17 COMMISSIONER MCHUGH: Very, very
18 helpful. Thank you.

19 CHAIRMAN CROSBY: That's it for you?

20 MR. VANDER LINDEN: That is.

21 CHAIRMAN CROSBY: Okay. Thank you.

22 Next up, Director Wells straight from her cart
23 down in the casino.

24 MS. WELLS: I've got Assistant

1 Director Bruce Band with me. I believe the
2 first item on the agenda is the opening
3 certificate. I'll turn that over to him to
4 give a report to the Commission.

5 COMMISSIONER CAMERON: If I could
6 just say kind of an overview, working with this
7 team was really a privilege for me. And I
8 think very good decisions were made, great
9 expertise to understand the issues and stay
10 with it through pretty much a 48-hour test
11 period. I know that that work went on through
12 the night.

13 Being part of the team and watching
14 the way they worked was extraordinary. And I
15 think we are in very good hands when it comes
16 to regulating and minimizing our risk. So, I'd
17 like you to, if you don't mind, some specifics
18 would be great.

19 MR. BAND: First, I would kind of
20 like to say that this detailed review wouldn't
21 have been possible at all without the hard work
22 of Burt Cain, the gaming agents, State Police,
23 Plainville Police, ABCC, our financial
24 investigators and our licensing department as

1 well. They worked tirelessly. The detail just
2 amazed me that they're able to get this early
3 in their career with us. I was really proud of
4 them.

5 During this past 48 hours, we pretty
6 much reviewed all of Penn's operations from top
7 to bottom. I don't feel that we saw anything
8 that we didn't expect to see during this time.
9 The slot department was impeccable. Their
10 operations were rock-solid all the way.

11 I think from our review, any
12 deficiencies that we saw, we have placed
13 conditions in place that give me total comfort
14 on the safeguarding and the integrity of their
15 operation going forward. And from what our
16 team reviewed, we think they're ready to move
17 forward.

18 CHAIRMAN CROSBY: You are going to
19 go through the conditions?

20 COMMISSIONER CAMERON: No. We are
21 not going to go through specific conditions.
22 Overall, what we're talking about were some
23 experience issues. And the mentors that are
24 brought in from other properties, I think will

1 minimize the risk in the process. They will
2 get stronger week to week. And they will be
3 here for another 60 days or until Mr. Band
4 feels like they are experienced enough to move
5 ahead without those mentors from other
6 properties.

7 There were many instances, and we
8 just don't think it's wise to go through those
9 individual instances or what they are because
10 that could present a risk, frankly. So
11 overall, we are talking about, and please jump
12 in, some experience issues here with the staff
13 that needs to have more experience frankly.
14 The only way to get that experience is to work
15 every day and to have those mentors there.

16 When this was brought to Penn's
17 attention, I give him credit for immediately
18 saying we understand. We recognize it as well.
19 And we're willing to bring folks in from other
20 properties for as long as you tell us they are
21 needed. So, that was a very good sign of the
22 partnership.

23 MR. BAND: And that experience level
24 really gave us a comfort level as well that the

1 operation would be operating in a safe and with
2 integrity throughout the haul.

3 CHAIRMAN CROSBY: It's worth noting,
4 it is a conundrum because in Massachusetts we
5 have put such a high priority on local hiring,
6 and Plainridge, to their credit, have hired I
7 think it's 85 percent people from
8 Massachusetts. But there's nobody in
9 Massachusetts that has any experience,
10 essentially nobody in Massachusetts that has
11 any experience in any of the major operations
12 of a casino.

13 You can do the backend. You can do
14 the food and beverage, but anything having to
15 do with the casino like the cash management and
16 the cage and the surveillance and the security.
17 So Penn, you mentioned this but it should be
18 known that Penn brought in a pretty big number.
19 More than 100 did I hear?

20 MR. BAND: 100, yes.

21 CHAIRMAN CROSBY: A whole bunch of
22 folks from out of state to lend their expertise
23 and that they'll be sticking around for a while
24 as Massachusetts residents get practice and

1 learn the techniques that are required. That's
2 great.

3 COMMISSIONER CAMERON: I'd actually
4 like to credit CFAO Lennon as well who worked
5 through the night, frankly.

6 First of all, I was very impressed.
7 He's a quick study. He learned the operation
8 quickly. He knew exactly what should be
9 happening and jumped in and personally got
10 involved with what was happening with some
11 financial accounting issues, some technology
12 issues, some challenges. And he was able to
13 lend his expertise to the team as well. So,
14 that we feel like the team out there has the
15 expertise and actually we got to see a backup
16 plan in place.

17 The fact that they knew how to
18 utilize that plan and just it was labor-
19 intensive, but it did get done and it did get
20 done well. So, I credit him with working
21 through the night to make sure that was handled
22 properly.

23 MR. BAND: Any questions?

24 CHAIRMAN CROSBY: Are you getting to

1 this? Do you have data from what transpired
2 yesterday?

3 MR. BAND: The crowds were just
4 phenomenal. We couldn't ask for any more on an
5 opening. Penn certainly handled those crowds
6 very well. They did everything they should
7 have to safeguard the patrons and their
8 employees with crowd control. It was an
9 impressive opening day.

10 CHAIRMAN CROSBY: Do you all have
11 the numbers? Are you going to be releasing
12 numbers today?

13 MS. WELLS: I think that CFO Lennon
14 -- I talked to him about that this morning.
15 So, they are going to work with them on that
16 because of the high turnout that may take a
17 little time to do that. They are going to
18 figure out what would be the periodic release
19 of any numbers and put it on a schedule.

20 CHAIRMAN CROSBY: Okay. Anything
21 else? We need an action. We need a vote,
22 right?

23 COMMISSIONER MCHUGH: I just thing
24 that in addition to complimenting the crew that

1 was down there and I know working really hard
2 all night, both on the Penn side and on our
3 side, Commissioner Cameron did a terrific job
4 of looking over --

5 MR. BAND: She was the leader of the
6 crew.

7 COMMISSIONER MCHUGH: -- and really
8 was there working with the group and solving
9 problems and doing the job that everybody
10 anticipated she'd do but doing it really,
11 really well. So, I think we all owe a vote of
12 thanks to her as well.

13 COMMISSIONER CAMERON: Thank you.

14 CHAIRMAN CROSBY: Agreed.

15 COMMISSIONER ZUNIGA: Yes. I would
16 agree. Gives credit to the team but it was a
17 great operation, a great effort of a lot of
18 people.

19 COMMISSIONER CAMERON: Again, it was
20 my privilege, frankly. I enjoyed it and
21 learned an awful lot and very proud of the
22 team.

23 CHAIRMAN CROSBY: Great.

24 COMMISSIONER STEBBINS: Nice job.

1 CHAIRMAN CROSBY: Do you want to do
2 the honors of the motion, Commissioner Cameron?

3 COMMISSIONER CAMERON: I will. So,
4 I move that we approve the operations, the
5 permanent operations certificate to Plainville
6 Gaming and Redevelopment, LLC.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER MCHUGH: Second.

9 CHAIRMAN CROSBY: Any discussion?
10 This would replace the temporary certificate
11 that was given by Commissioner Cameron a day or
12 so ago.

13 COMMISSIONER MCHUGH: And this is
14 the formal document that is needed in order for
15 Plainridge to continue its operation from this
16 day going forward. And it also lists the
17 number of slot machines and the number of
18 gaming positions that they're authorized to use
19 and employ.

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

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

1 COMMISSIONER STEBBINS: Aye.

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

4 MR. DAY: Mr. Chairman, Bruce has
5 the actual operations certificate for the
6 Commission's signature as well to bring up to
7 you. Bruce as long as you are there, also is
8 the gaming license which has already been
9 issued but also comes for the Commission's
10 signature.

11 I think we noted in the discussion
12 we probably should say at least we had
13 Massachusetts State Police had a great presence
14 down there and did an excellent job for us as
15 well.

16 CHAIRMAN CROSBY: I think we ought
17 to present these to Mr. Snowden.

18 COMMISSIONER MCHUGH: This license
19 certificate as was mentioned, the license
20 conditions and everything has been -- were
21 issued when we made the award. But the former
22 license certificate which is a statutory
23 requirement and the operating certificate go
24 together. That's the way we are handling these

1 issues.

2 CHAIRMAN CROSBY: It is my pleasure
3 to award the first casino license in the
4 history of Massachusetts to Penn National.
5 Congratulations.

6 COMMISSIONER ZUNIGA: Don't lose it.

7 MR. SNOWDEN: What's that? I missed
8 that.

9 COMMISSIONER ZUNIGA: Don't lose
10 that.

11 MR. SNOWDEN: I promise. First off,
12 I just wanted to thank all of you again. I
13 know we spent a significant amount of time
14 together the last few days, mainly Commissioner
15 Cameron, who did a great job really
16 communicating and partnering with us with the
17 challenges as they always present themselves
18 when you're working through an opening.

19 We've had as a company, I was just
20 recounting this the other day with some other
21 members of the team. I've been with Penn
22 National for less than four years. And in that
23 time, we've had nine openings or acquisitions
24 over the course of four years. So, we've

1 gotten this down to a pretty good science. But
2 nonetheless challenges do present themselves.

3 We are working through adjustments
4 this morning on items such as the electronic
5 table game limits. We're bringing some of
6 those limits down. We had tremendous
7 occupancy, 70 plus percent from 1:00 PM until
8 past 10:00 PM on the slot machines.

9 Electronic table games, the
10 occupancy was a little bit lighter. We think
11 some of that was limit driven. We had the
12 limits too high. So, we're bringing those
13 down. So, operational adjustments, you always
14 make those on-the-fly.

15 Food execution we were very pleased
16 with. Overall, again some challenges but
17 overall pleased with the food execution, slot
18 service. But we have some staffing challenges
19 due to licensing mainly in security. So, we'll
20 have some sister properties help between now
21 and the time we get ramped up.

22 Certainly, the local hiring to your
23 point Chairman of 85 plus percent
24 Massachusetts, there's pros and cons there.

1 The pros are certainly it's local. And we
2 certainly hit our diversity figures. And we're
3 very proud of the hiring reputation and the
4 results to date.

5 But certainly, it takes a while to
6 get folks trained up on the casino business.
7 And I think within you'll find short order,
8 we'll be there. And we'll have a lot of the
9 support between now and then.

10 But I do want to say too that your
11 staff has been fantastic. We operate in 17
12 jurisdictions. I wouldn't say this in every
13 jurisdiction. Some I would. But here in
14 particular, the relationship has been
15 transparent. It's been timely. It's been
16 responsive. And all of your staff is to be
17 commended for that across-the-board.

18 It's been a great working
19 relationship. And Lance George, our General
20 Manager who I told to stay back at the
21 property, I would represent us today, has had
22 nothing but great things to say. Even in the
23 more local relationships with Mr. Band, Burt,
24 we've got a great relationship with the local

1 team there. And they're really delivered and
2 stepped up as we've all been putting in long
3 hours.

4 So, I just wanted to thank you for
5 hiring a great group of executives and
6 professionals on your staff here. We're very
7 happy after the first day.

8 The one comment I would make,
9 Chairman Crosby, you had asked a question about
10 the reporting of numbers. I know a decision
11 hasn't yet been made by the Commission on how
12 you want to do that. So, jurisdiction, it
13 really depends. Most report monthly figures.

14 I would make the strong argument
15 that that's probably the best way to go. And
16 it's really from a competitive perspective.
17 State-by-state if you report daily, there's a
18 lot of transparency into promotions you ran and
19 how successful those were. And visibility into
20 things you are doing that your competitors will
21 be watching.

22 So, there's pros and cons. But
23 certainly, monthly is sort of the norm. There
24 are some jurisdictions like West Virginia,

1 Pennsylvania that report weekly. But most do
2 report monthly and I think there's certainly
3 advantages to doing that. I offer that up.

4 CHAIRMAN CROSBY: I hadn't actually
5 thought about that aspect of it.

6 MR. SNOWDEN: Some quick stats and
7 then I'm happy to turn it over for questions.
8 So, again, occupancy was running at 70 to 80
9 percent between 1:00 PM and after 10:00 PM.

10 CHAIRMAN CROSBY: What would be SOP
11 for occupancy during that period?

12 MR. SNOWDEN: Mature business,
13 you're talking this is Wednesday. So, you're
14 looking occupancy probably more in that 30
15 percent range once you're settled in.

16 Again, we are capped on devices.
17 So, I would expect our occupancy rates to be --
18 the SOP would be a bit higher than that, maybe
19 40s and 50s on a weekday. And certainly what
20 we saw yesterday would be more typical of what
21 we would see on a weekend Friday, Saturday and
22 maybe through Sunday evening, but very strong
23 occupancy.

24 The parking, of course it was Easter

1 Sunday. So, parking is going to be a challenge
2 on the first day. But we were happy with the
3 flow in and out. The State Police, the local
4 police and our security staff I think did a
5 really good job.

6 We used the track for some excess
7 parking as well as overflow for our employees.
8 So, we can provide all of the parking spaces in
9 the garage and surface parking for customers
10 who are coming to visit, patrons who are coming
11 to visit. Actually that worked out really well
12 for us.

13 It's been great working with you and
14 also the racing staff on making adjustments on
15 the fly with regards to start times and days
16 that we race because there's a lot of volume
17 coming through the facility right now.

18 We ended up with approximately, I
19 didn't have a final count, but approximately
20 10,000 visitors yesterday, which was a very
21 strong number. And we've had roughly 10,000
22 people sign up for the card. We didn't capture
23 all 10,000 yesterday, but we did start to sign
24 customers up who were interested two weeks

1 before we opened.

2 People would visit the racing
3 facility. We could sign them up in advance to
4 take some of that pressure off of the facility
5 yesterday. And it worked out really well. The
6 lines for card sign up really never went past
7 50 to 75 people. Usually for an opening, it's
8 in the hundreds. So, the ability to sign
9 people up early really paid dividends here.

10 Overall, I know I also spoke to the
11 owner of B Good, which is one of our fast food
12 license entities. And yesterday was the
13 strongest day in B Good's history. They've
14 been operating for 13 years. So, great story
15 there as well. Slack's, the oyster house, had
16 great volumes.

17 It was interesting to watch the
18 demographics shift throughout the day as well.
19 During the afternoon, as you would expect motr
20 retirees. And then as those attendees went
21 home in the late afternoon, early evening a
22 younger crowd came through in the evening after
23 work, dressed up nice and having a great -- a
24 lot of smiles and laughs.

1 Crowd control was good. Again, we
2 have some staffing challenge, but we will work
3 through those with your staff of course and
4 feel very comfortable after the first day.

5 I would expect the volumes that we
6 saw yesterday to really continue probably
7 through the Fourth of July weekend and then
8 maybe fall off a bit as we head into the middle
9 of July. But feel very good overall. So,
10 thank you for all of your support and for what
11 was a great celebration yesterday.

12 CHAIRMAN CROSBY: How did your stock
13 do yesterday?

14 MR. SNOWDEN: Didn't move much. I
15 think most people have anticipated that this
16 day was coming. So, I think as you think about
17 how you report numbers, it may move a little
18 bit in one direction or another based on
19 expectations but not much movement yesterday.

20 COMMISSIONER CAMERON: I'm just
21 recalling a comment Mr. Snowden made. This was
22 Wednesday evening, I happen to be walking
23 through the floor -- I'm sorry, Tuesday evening
24 walking through the floor with Director Wells.

1 Of course, it was quiet. It wouldn't open
2 until the next day.

3 The only people working were the
4 gaming agents and the troopers and certainly
5 some of your back of the house staff. So, it
6 was very quiet on the floor. And ran into Mr.
7 Snowden. And he said take note of this. And
8 I'm looking around. It's quiet. And he said
9 you will never see this again because we will
10 open tomorrow and we will never close. So,
11 there will always be people there.

12 So, that was something that we
13 thought about and hadn't thought about. So,
14 interesting point.

15 CHAIRMAN CROSBY: The other thing,
16 this is not a surprise to you at all, but it's
17 sort of important for us remember at least for
18 me to remember, what we mostly deal with here
19 are problems. Minimizing this, minimizing
20 that, trying to resolve these complicated
21 issues, never mind all of the exogenous stuff
22 that comes flying in over the transom all the
23 time.

24 But when you're down in a moment

1 like that you realize that for most people this
2 is fun harmless entertainment. And people,
3 most people were happily looking forward to
4 this, we're excited about it. Some people
5 don't like casinos, which is fine. But you
6 forget from the perspective that we are at all
7 of the time, we're just constantly being
8 hammered by all of the difficult issues. But
9 this is innocent harmless fun for lots of
10 folks. And it was a pleasure to see that. It
11 was a pleasure to be reminded of that aspect of
12 this business.

13 MR. SNOWDEN: That's the very reason
14 why I'm proud to work in this industry. I feel
15 the same way. And I was there until the wee
16 hours last night because that's why you do
17 this. You really enjoy delivering on an
18 experience. And if you looked across the
19 gaming floor and the restaurants last night,
20 people were having a great time.

21 Doug Flutie was there himself with a
22 party of about 35 of his high school friends
23 from Natick and family members in Flutie's. It
24 was a great night.

1 COMMISSIONER ZUNIGA: I want to
2 mention something I mentioned last week to Mr.
3 Finamore, but since he reports to you I'll
4 mention it here again. I feel I speak on
5 behalf of everybody here but I'm really
6 impressed with your local team here, with your
7 development be team, Jack, with Lance,
8 everybody that they coordinate from corporate,
9 all of the team members that you call them.

10 They did a phenomenal job in my view
11 of executing and executing well. We hope and
12 we know and we trust that that same level of
13 execution you will carry to the operations
14 side, which begins. And just congratulations
15 from all of us.

16 MR. SNOWDEN: Thank you. And I'd be
17 remiss and we did a lot of thank yous
18 yesterday, sitting right behind me I've got a
19 crew of design and construction and legal team
20 from Penn National corporate that really did an
21 excellent job.

22 You think about complexities that go
23 into an opening. And you're six months out and
24 you're setting a date. We're in January and

1 setting a date for June 24. And you see all
2 that happens. Even as Commissioner Cameron was
3 there that last couple of days, they've got it
4 down to a science. And they really nailed this
5 project.

6 Doug Flutie and his family had tears
7 in their eyes as they were walking through
8 there, not so much from the sports merchandised
9 areas, but certainly he had some family photos
10 and they were very touched. All of the credit
11 goes to our design and construction team.

12 COMMISSIONER ZUNIGA: A job well
13 done.

14 CHAIRMAN CROSBY: Great. Thank you
15 very much.

16 MS. WELLS: The second item on the
17 agenda is just the update for the key gaming
18 license employee licenses issued. I have the
19 list, which is in your packet. There are 24
20 names on there. I won't read all of the names
21 individually, because you have them in your
22 packet. But just so the Commission is aware, a
23 lot of work from the IEB and licensing division
24 to get those last temporary licenses issued.

1 And you'll be seeing the full license come
2 before you at the appropriate time. That's all
3 I have unless there are any questions for me on
4 any of the agenda items.

5 CHAIRMAN CROSBY: Questions or
6 anything?

7 COMMISSIONER MCHUGH: No questions.

8 COMMISSIONER CAMERON: Thank you,
9 Director.

10 CHAIRMAN CROSBY: Director Wells,
11 great job.

12 COMMISSIONER CAMERON: Thanks for
13 all of your work for the last few days.

14 CHAIRMAN CROSBY: We're going to
15 take a quick break and we'll come back in five
16 or 10 minutes.

17
18 (A recess was taken)

19
20 CHAIRMAN CROSBY: We are ready to
21 reconvene our public meeting number 156. We
22 are going to change the schedule a little bit.
23 We are going to do -- Make sure I've got this
24 right. We are going to do the Racing Division,

1 which we think will probably be pretty quick.
2 And then we're going to do MGM before lunch.
3 Right, that's what we've agreed on, because MGM
4 has got some time sensitive issues.

5 So, Racing Division, Dr. Lightbaum.

6 DR. LIGHTBAUM: With me today is
7 Catherine Blue who is going to talk about the
8 Suffolk application.

9 MS. BLUE: Good morning,
10 Commissioners. As you may recall, we took
11 comments from interested stakeholders on June
12 11 regarding Suffolk's application for three
13 days of thoroughbred racing. And I just wanted
14 to update you as to where we are on that.

15 We have reviewed those comments.
16 We've been looking at them. We've reviewed the
17 application. And staff has now put together a
18 list of questions that we will get back to
19 Suffolk either tomorrow or Monday asking for
20 additional information.

21 These are areas where we have
22 questions about their application and some
23 additional information that we would like to
24 have so that you can review it and then make a

1 more effective decision on their application.

2 So, I would expect that this would
3 come back to you sometime in July, most likely
4 the second meeting in July. We'll put together
5 the package of the responses for you. And
6 that's where we are.

7 COMMISSIONER MCHUGH: All right.

8 CHAIRMAN CROSBY: They had
9 originally requested for a July racing date,
10 right?

11 MS. BLUE: That's correct. And when
12 I spoke to their representatives, I did advise
13 them that I thought that may not be possible
14 that the Commission may need some more time.

15 CHAIRMAN CROSBY: Right.

16 COMMISSIONER ZUNIGA: You mentioned
17 briefly, but please mention again, what
18 turnaround time might we expect from the list
19 of questions? I had a couple of my own that I
20 will tell you about. What kind of turnaround
21 might we expect?

22 MS. BLUE: I was going to ask for a
23 week to 10 days to give us enough time to
24 review it. If we can get it sooner before the

1 Commission that would be great. But if we need
2 more time to look at the responses that would
3 be fine too.

4 I think they probably will need a
5 week, a week to 10 days to get us the
6 responses.

7 COMMISSIONER ZUNIGA: Right. So,
8 you are projecting that we could address this
9 issue at the first or second meeting in July?

10 MS. BLUE: Yes. I think second is
11 more likely depending on the volume of
12 responses that we get back.

13 COMMISSIONER ZUNIGA: Right. Okay.

14 CHAIRMAN CROSBY: Okay. Anything
15 else?

16 COMMISSIONER CAMERON: If you have
17 additional questions, please get them in
18 quickly so we can get them back and they can
19 get the list back to us.

20 COMMISSIONER ZUNIGA: Yes, I do.

21 CHAIRMAN CROSBY: Are you thinking
22 that you will make a recommendation, Alex, as
23 to what you think ultimately? Where is your
24 head in this process?

1 DR. LIGHTBAUM: I think that
2 Catherine and I were going to discuss it and
3 come up with a recommendation. Obviously, all
4 of the information will be provided to you so
5 you can make your decision.

6 CHAIRMAN CROSBY: Okay. I'm finding
7 it hard to figure out what the actual critical
8 variables are. So, I'll be interested to see
9 what you have to say.

10 COMMISSIONER CAMERON: Which is why
11 we asked for additional information as well.

12 CHAIRMAN CROSBY: Right. Good. All
13 right, next?

14 DR. LIGHTBAUM: Next up, we have
15 something to add to the agenda. With the
16 opening yesterday, there was a lot of interest
17 obviously. So, the track asked to cancel live
18 racing today.

19 And I talked to Commissioner Cameron
20 yesterday and she gave verbal approval. We
21 have that on the agenda today, a letter from
22 Steve O'Toole, General Manager requesting that.
23 And then also for next week, they would like to
24 request to move their post time to 11:00 AM in

1 the morning. Again, that's to hopefully avoid
2 having the horse trailers coming in at the same
3 time that the majority of the casino patrons
4 would be coming in.

5 And I think it makes perfect sense
6 and is in the interest of the health and safety
7 of the horses.

8 CHAIRMAN CROSBY: How do they get
9 the word out when they cancel a day like that?
10 Do they have everybody on --

11 DR. LIGHTBAUM: They put it on their
12 social media. Maybe Steve can elaborate on
13 that as far as making phone calls and all.

14 MR. O'TOOLE: More important than
15 social media because this was such a late
16 blooming issue, about 3:30 or so was when we
17 started discussing it. And luckily Chris
18 McErlean was at the opening. And we could
19 gather together and put our heads together,
20 John Finamore, myself and Chris.

21 We called the Horseman's Association
22 to start getting their feel on it. A few
23 directors were there and they totally
24 understood what the logistic -- the problems

1 would be trying to race at the time when we had
2 that huge crush yesterday. Given the expertise
3 of Jay Snowden and everybody that was on board
4 yesterday, they anticipated that today would
5 probably be the same crush.

6 So, the horsemen -- We had lively
7 discussion at first and then they totally
8 understood, especially when the directors that
9 were at the site weighed in.

10 So, very quickly, I got a hold of
11 Alex. You have some messages, Commissioner, on
12 your desk phone that you can ignore now. We
13 did come to this plan, which everybody was on
14 board with. As soon as we got the okay through
15 Alex from Commissioner Cameron, my racing
16 staff, which was there yesterday as well went
17 right to work. They each took a group of
18 people to notify and we made telephone calls.

19 CHAIRMAN CROSBY: Because lots of
20 these folks aren't email folks I guess. So,
21 it's kind of hard to get the word out.

22 MR. O'TOOLE: We didn't want anyone
23 not to get the message. The race office, they
24 have an extensive list of people. And they did

1 a great job of getting the word out. Everyone
2 knew very early. By 7:00, 8:00 last night
3 everybody was informed. My staff did a good
4 job informing everyone.

5 COMMISSIONER ZUNIGA: So, you're
6 requesting to move the post time for the rest
7 of the racing days to 11 or is this a short
8 period of time?

9 MR. O'TOOLE: As you heard Jay say,
10 next week being kind of a holiday week, and
11 their expertise in opening these properties,
12 they see next week being pretty lively as well
13 given the performance from yesterday. So, we
14 are just doing it for next week. And
15 hopefully, we can go right back to our proposed
16 schedule for the remainder of the season.

17 COMMISSIONER ZUNIGA: 4:00?

18 MR. O'TOOLE: 4:00, yes.
19 Unfortunately, that seems to be the pressure
20 time.

21 COMMISSIONER CAMERON: I think it
22 makes sense. Many of the horses need to get in
23 four hours in advance for Lasix. So, you just
24 don't want to have them tied up in traffic and

1 not be able to get the treatment and have
2 issues along those lines. I think it's a good
3 decision and it is about the health and welfare
4 of the horses.

5 CHAIRMAN CROSBY: Okay. Do we need
6 to vote on either of these two things?

7 DR. LIGHTBAUM: Yes.

8 CHAIRMAN CROSBY: Both of them?

9 DR. LIGHTBAUM: Yes.

10 CHAIRMAN CROSBY: Commissioner
11 Cameron?

12 COMMISSIONER CAMERON: So, I move
13 that we approve Mr. O'Toole's request to cancel
14 live racing for today and to move post time
15 next week to 11:00 AM.

16 CHAIRMAN CROSBY: Second?

17 COMMISSIONER MCHUGH: Second.

18 CHAIRMAN CROSBY: Further

19 discussion? All in favor, aye.

20 COMMISSIONER MCHUGH: Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

1 have it unanimously.

2 MR. O'TOOLE: Thank you,
3 Commissioners.

4 DR. LIGHTBAUM: Next up is the
5 annual report for 2014. I'm not going to go
6 page by page. I will just give a few
7 highlights from the year. And then Doug
8 O'Donnell our senior financial specialist is
9 here to talk about the financial end of it.

10 Our occupational licensing for 2014
11 was very similar in numbers to 2013. We didn't
12 see much change there. Our number of rulings
13 went up. Part of that was due to some stricter
14 licensing guidelines and more fines as far as
15 driving violations go. So, just generally
16 setting the bar at a certain level and bringing
17 everybody up to speed on that.

18 Our lab that we use in Florida -- I
19 mean in California, Truesdale got their RMTC
20 accreditation. They already had other
21 accreditations, but this was the final one that
22 they got. And they received that in 2014. So,
23 they are fully accredited now.

24 For the first time, we did blood gas

1 testing at Suffolk Downs. They had been doing
2 it at the harness track for probably 20
3 something years. And this was the first time
4 we had implemented it at Suffolk Downs. That
5 brought them into compliance with the NTRA
6 guidelines.

7 We decreased the number of overages
8 that we had. In 2013, we adopted the control
9 therapeutic medication schedules. It's a
10 program they're trying to get nationwide.
11 These are for drugs that are commonly used in a
12 race horse but that you don't necessarily want
13 them to have on board on race day.

14 So, when we implemented it in 2013,
15 we did a lot of education, tried to get the
16 word out. It actually gives the veterinarians
17 and trainers some guidelines on how much they
18 can give and when they can give to comply with
19 this.

20 So, this was really a great thing
21 for the industry as a whole. We saw the
22 numbers go down quite a bit. In 2014, we only
23 had seven overages versus in 2013 when we had
24 26 overages. So, the horsemen obviously they

1 found out how to comply with the program and
2 we're doing very well on that.

3 An interesting thing is that the
4 total revenues although they continue to
5 decrease, it was a slightly less decrease
6 percentage wise than it had been in the
7 previous year. Although in general our numbers
8 for revenue go down, at least it wasn't as far
9 down as it had been going.

10 For this year we're in now, Doug and
11 I have talked about looking at Plainridge to
12 see what differences we see with the increased
13 purse money coming in this year and what that
14 might mean to the different handles and all.

15 CHAIRMAN CROSBY: Plus just the
16 traffic from the casino too.

17 DR. LIGHTBAUM: Exactly.

18 COMMISSIONER MCHUGH: The live
19 handle might go up as well.

20 CHAIRMAN CROSBY: It'll be really
21 interesting to see what happens.

22 DR. LIGHTBAUM: So, now I'll turn it
23 over to Doug.

24 CHAIRMAN CROSBY: Let me just ask a

1 couple of quick questions. I know this is an
2 idiot question, but is dash is what harness
3 races call race, average per dash which means
4 average per race. Never heard that before.

5 DR. LIGHTBAUM: Yes.

6 CHAIRMAN CROSBY: I couldn't read
7 the occupational license chart on page 18. I
8 am sure I'm doing something wrong here. For
9 example, apprentice jockey, it's got Suffolk
10 five and then it's got total 300. How do those
11 numbers read across? I can't figure out how to
12 do that.

13 DR. LIGHTBAUM: The 300 is a total
14 amount of money that was taken in.

15 CHAIRMAN CROSBY: Oh, dollars.

16 DR. LIGHTBAUM: The fee is the
17 amount. So, the fee was \$60 for the license.

18 CHAIRMAN CROSBY: I thought those
19 were people. Okay, got it. Sorry.

20 DR. LIGHTBAUM: Obviously, between
21 the two different tracks there are certain
22 categories of licenses that don't apply from
23 one track to another.

24 CHAIRMAN CROSBY: Okay, got it.

1 Thank you.

2 COMMISSIONER STEBBINS: I had also a
3 quick terminology question on the top of 22
4 special investigations, 10 per center activity?

5 DR. LIGHTBAUM: Those are people
6 where somebody has winnings and they give the
7 ticket to somebody else to cash for them.

8 CHAIRMAN CROSBY: So, they don't pay
9 taxes on it?

10 DR. LIGHTBAUM: So, they don't pay
11 taxes, exactly. Any other questions before
12 Doug speaks?

13 COMMISSIONER MCHUGH: I have a
14 couple questions for Doug after he finishes.
15 He may answer them.

16 MR. O'DONNELL: The Racing Division
17 financials start on page 28, so if you'd like
18 to go to page 28. The financials for racing
19 are done on a calendar year basis as well. We
20 had discussed that a couple of months ago when
21 we did the first annual racing report for the
22 Gaming Commission.

23 This year the line items that we're
24 showing for the revenues are \$3,205,969, which

1 is down a little bit from last year. And our
2 expenditures were \$1,935,346, which were up a
3 little bit from last year. We can discuss that
4 on the following page. The next page just
5 shows what the revenues were.

6 But on page 30, it is a breakdown of
7 our program revenues and expenditures. I
8 stated the total revenues were \$3.2 million.
9 The program expenses, which are unclaimed
10 tickets as well as the local aid were
11 \$1,603,508. And our total racing operations
12 that you see on the line item from page 28 is
13 1,935,346 which gives us a net operating amount
14 of -\$332,885.

15 However, that is a little misleading
16 because in 2014 we had one-time expenditures.
17 The first one being the audit for KPMG, which
18 was approximately \$100,000. We had additional
19 consultants in there with the horse racing
20 which are close to \$100,000.

21 We also signed a contract with
22 CHRIMS, which we are working with for auditing
23 our revenues. This was in line. We still had
24 an employee in place at the time. So, that was

1 in excess of 70 plus thousand dollars. So, in
2 aggregate that's close to \$300,000 of one-time
3 expenses for that year, which would bring our
4 net operating cost to a much, much lower level
5 probably \$25,000.

6 CHAIRMAN CROSBY: Negative 25?

7 MR. O'DONNELL: Yes, negative 25,
8 but it's much better than the 332.

9 CHAIRMAN CROSBY: I got that.

10 MR. O'DONNELL: The other programs
11 we still contribute to the health and welfare,
12 the Eighth Pole which is \$80,000. Economic
13 assistance which goes to the Suffolk backside
14 of \$20,000. And there's an additional \$110,000
15 that goes for the compulsive gamblers
16 Department of Public Health. So, that's our
17 program revenues and expenses.

18 CHAIRMAN CROSBY: Those are
19 statutory those three numbers?

20 DR. LIGHTBAUM: Yes, they are.

21 MR. O'DONNELL: Yes.

22 CHAIRMAN CROSBY: Okay. Questions?

23 COMMISSIONER MCHUGH: I had one
24 question. Some of these numbers -- This may be

1 Director Lightbaum's question, but some of
2 these numbers are really interesting. And I
3 want to talk more at some point about them.

4 On page 13, it says that the total
5 2014 purses were \$6.9 million, which is less
6 than -- which is more than, about 120 percent
7 of the total live handle. And I should know
8 this but where does the rest of the money for
9 the purses come from?

10 DR. LIGHTBAUM: A lot of the purse
11 money comes from the simulcasting.

12 COMMISSIONER MCHUGH: Comes from the
13 simulcasting?

14 DR. LIGHTBAUM: Right.

15 COMMISSIONER MCHUGH: The
16 simulcasting then is making up, if you go to
17 page 34, the simulcasting is making up about 30
18 percent of the purse for each race?

19 You have to manipulate those
20 figures, but if you divide the total purses by
21 the total races, it comes out to about a little
22 over \$12,000 per race is the purse of which the
23 live handle accounts for about \$8500. So, the
24 rest of it or about 30 percent is coming from

1 the simulcast.

2 DR. LIGHTBAUM: Right. There's also
3 the money from the premiums that goes into the
4 purse account.

5 COMMISSIONER MCHUGH: From the
6 premiums.

7 DR. LIGHTBAUM: Maybe Doug can
8 expand on some of that.

9 MR. O'DONNELL: Premiums go to the
10 purse accounts. For example, if Plainridge is
11 taking a thoroughbred signal, they pay premiums
12 to Suffolk Downs which goes to the purse
13 accounts.

14 COMMISSIONER MCHUGH: The premiums
15 go the purse accounts as well.

16 MR. O'DONNELL: Yes. And the outs
17 money as well goes to the purse accounts.

18 COMMISSIONER MCHUGH: Okay. Then
19 finally, the export simulcast numbers at the
20 bottom of page 34, the 38 million and the 6
21 million, that's the handle from bets on Suffolk
22 and Plainridge races from simulcast around the
23 country.

24 MR. O'DONNELL: Correct, on guest

1 tracks betting on live races at Suffolk and
2 Plainridge.

3 COMMISSIONER MCHUGH: Right. And
4 the import simulcast is the local bettors
5 betting on out-of-state races.

6 MR. O'DONNELL: Correct.

7 DR. LIGHTBAUM: Correct.

8 CHAIRMAN CROSBY: Well done.

9 COMMISSIONER MCHUGH: I raise that
10 because those numbers are huge compared to the
11 live handle. The live handle is two percent of
12 almost a quarter of a billion dollars that is
13 bet on these races.

14 MR. O'DONNELL: Yes. And as Alex
15 alluded to earlier, we're anticipating that
16 those live handles may increase with the
17 opening of the casino at Plainridge.

18 COMMISSIONER MCHUGH: At Plainridge,
19 right.

20 COMMISSIONER ZUNIGA: Because the
21 purse will increase.

22 DR. LIGHTBAUM: The purses will
23 increase and so the product, the live product
24 Plainridge is putting on will be more

1 interesting to people out-of-state.

2 COMMISSIONER MCHUGH: That's the
3 theory.

4 DR. LIGHTBAUM: Exactly, that's the
5 theory.

6 COMMISSIONER ZUNIGA: Right. What's
7 increasing is the purses.

8 COMMISSIONER MCHUGH: Right.

9 DR. LIGHTBAUM: Yes.

10 COMMISSIONER MCHUGH: Okay. Thanks
11 very much.

12 MR. O'DONNELL: If you go on page
13 35, it basically has a financial variance
14 report from calendar year '13 to '14. And our
15 total handle as you can see from all of the
16 facilities was down approximately 10 percent.
17 And our total revenues, everything all in was
18 down about 3.2 percent which was as Alex also
19 said earlier better than last year. Last year
20 it was 5.75 percent.

21 COMMISSIONER STEBBINS: That's an
22 almost 17 percent drop in the number of live
23 performances between the two years.

24 MR. O'DONNELL: Right. That's

1 because Suffolk was reduced from -- They were
2 at 80 races the prior year down to 62 last
3 year. That's a big drop.

4 On the next page, 36, it's the
5 analysis of the purses paid. This is done for
6 2013. This is always done a year behind,
7 because we work with the tracks in getting the
8 information and sitting down and going through
9 the calculations to determine this.

10 Bottom line is that minimum purses
11 required 2013 for Plainridge was \$1,808,707.
12 The actual purses paid exceeded that at
13 \$2,131,739. Also, with Suffolk the minimum
14 purse requirements were \$6,623,407. And they
15 paid \$9,277,664 giving them a variance, an
16 overage of \$2.6 million in purses paid.

17 COMMISSIONER MCHUGH: In light of
18 that, I just want to point out one other number
19 that I think is interesting, and then I'll at
20 least move on. Back on page 34, we had a 17
21 percent drop in live racing at Suffolk.

22 MR. O'DONNELL: Yes.

23 COMMISSIONER MCHUGH: And yet the
24 import simulcast went up by about two percent.

1 It went from \$126 to \$129 million. So, that
2 looks to me from that brief data set to be an
3 independent variable. In other words, the
4 amount of import simulcast handle is not
5 dependent on the live handle.

6 MR. O'DONNELL: On the live handle,
7 no it's not.

8 COMMISSIONER ZUNIGA: I think it
9 might be a substitution effect. If you're not
10 betting on the live racing, you might go bet on
11 the other.

12 COMMISSIONER MCHUGH: Maybe it is.
13 Maybe it's not an independent variable.

14 COMMISSIONER ZUNIGA: I'm
15 speculating.

16 COMMISSIONER MCHUGH: It's just an
17 interesting thing. I think part of this whole
18 approach to try to figure out where this is all
19 going, these are things that I think we really
20 need to take a hard look at and try to figure
21 out what really is going on here.

22 MR. O'DONNELL: It is a pretty
23 complicated system and to try to figure out
24 exactly where bets and handles are coming from,

1 it's been difficult to try to track and to try
2 to -- moving forward to try to anticipate where
3 we're going to be next year. It's been
4 difficult.

5 Industry standards, it's been on a
6 downhill slide. And it seems like it's
7 plateaued somewhat. We've seen a bump in
8 certain areas. So, it is difficult to really
9 track where it's going.

10 COMMISSIONER MCHUGH: I appreciate
11 that, but at the same time there is a ton of
12 data. And it seems to me that we really need
13 to get into the data, massage it in every way
14 conceivable and try to do our best to figure
15 out what's up and what's connected to what.
16 And what is a variable -- a dependent variable
17 and what's an independent variable in making
18 policy decisions as we go forward.

19 DR. LIGHTBAUM: And there are going
20 to be some differences. For this year, there
21 were some simulcast dispute earlier in the
22 year. So, different signals weren't being
23 sent. So, those numbers are going to be very
24 different just because of that. Nothing to do

1 with what actually happened here in
2 Massachusetts but what was happening elsewhere.

3 COMMISSIONER ZUNIGA: I think it's
4 especially relevant in what we will be thinking
5 about in the next couple of weeks with a very
6 new important variable, which is this purse
7 money, additional coming from the slots parlor
8 and the number of race days that may be before
9 us in a couple of weeks.

10 DR. LIGHTBAUM: Right.

11 CHAIRMAN CROSBY: I had one quick
12 question on 35, the loans and special payments.
13 What is that?

14 MR. O'DONNELL: Page 35?

15 CHAIRMAN CROSBY: \$566,000.

16 MR. O'DONNELL: On page 35?

17 CHAIRMAN CROSBY: I'm sorry, page
18 28. I'm sorry.

19 COMMISSIONER ZUNIGA: These are our
20 own costs maybe.

21 MR. O'DONNELL: What line item is
22 that?

23 CHAIRMAN CROSBY: TT, loans and
24 special payments.

1 COMMISSIONER ZUNIGA: Derek might
2 have -- Is Derek here?

3 MR. LENNON: Unclaimed tickets.

4 COMMISSIONER ZUNIGA: Is that the
5 unclaimed tickets, Doug?

6 MR. O'DONNELL: The monies that we
7 receive back.

8 DR. LIGHTBAUM: Yes. We take the
9 money in and then we have to give it back. So,
10 it's under receipts and expenditures.

11 CHAIRMAN CROSBY: It's a funny --
12 Loans and special payments is a funny name if
13 that's what that is.

14 COMMISSIONER ZUNIGA: These codes
15 are from MMARS. These are MMARS codes, the
16 accounting system. So, we can only work with
17 what's there.

18 COMMISSIONER MCHUGH: It doesn't
19 make it less funny.

20 CHAIRMAN CROSBY: Anything to make
21 it obscure.

22 COMMISSIONER ZUNIGA: They have to
23 standardize across agencies and we can use
24 certain codes.

1 CHAIRMAN CROSBY: Anything else?

2 COMMISSIONER CAMERON: I just have
3 an overall general comment. First of all, good
4 job on the report. Very easy to follow, the
5 format we adopted.

6 Overall a transition year, employees
7 moving from one track to another, employees
8 moving from one building to a new home, lots of
9 transition, lots of movement around to
10 accommodate gaming, frankly. I just want to
11 credit our team.

12 Dr. Lightbaum your leadership,
13 employees are motivated. They are willing to
14 accommodate. They are adjusting to the
15 changes. And frankly, that's your leadership.
16 And I know you have a good team to include
17 Doug, but I thank you and it doesn't go
18 unnoticed that that was a lot of transition to
19 handle and it was handled very well.

20 DR. LIGHTBAUM: Thank you. And the
21 team does deserve credit for being very
22 adaptable to the different things that have
23 happened this past year. Thank you.

24 MR. DAY: Commissioner Cameron, I

1 might just add as well, Doug and Alex and Carol
2 actually got us caught up again on reports.
3 So, I wanted to make sure that it was
4 recognized that they got us back on track there
5 as well.

6 COMMISSIONER ZUNIGA: It only seems
7 like a few weeks ago that we were looking at
8 2013.

9 MR. DAY: It wasn't that long ago.

10 CHAIRMAN CROSBY: Thank you. Now we
11 will switch a little bit and bring forward MGM.
12 I guess Ombudsman Ziemba, you're going to
13 orchestrate this. So, we'll be going to item
14 6(b).

15 MR. ZIEMBA: Executive Director Day
16 has a brief opening remark and I'll follow up
17 with another brief remark.

18 MR. DAY: Thanks, John. I just
19 wanted to as we start this process today for
20 MGM, is they are here to present their first
21 quarterly report ending March 2015 and present
22 their final project schedule.

23 MGM has previously presented a six-
24 month look ahead schedule. In the materials

1 today, MGM has requested Commission approval of
2 this schedule. As this is the Commission's
3 first review of the MGM final project schedule,
4 we recommend the Commission as you move
5 forward, take this schedule under advisement to
6 allow staff time for a complete evaluation by
7 Pinck and Company and other areas of due
8 diligence like a more complete review of MGM's
9 information and a consultation with the city of
10 Springfield.

11 So, I wanted to just take a minute
12 to touch on that as the Commission starts its
13 discussion and deliberation. I believe John
14 Ziemba as well has some additional comments and
15 information regarding upcoming meetings that
16 are important to the project. I just want to
17 point out Bill Perry and Mike Fitzgerald right
18 behind are here too from Pinck and Company.
19 Thank you.

20 MR. ZIEMBA: Thank you, Rick.
21 You'll hear from the MGM team that there are a
22 couple of open items that may have a bearing on
23 their schedule. Today's date for our review
24 today, it perhaps anticipates a couple of items

1 of data that would be forthcoming over the next
2 week or so.

3 Notably, tonight there is a
4 preconstruction public hearing that the Mass.
5 Department of Transportation is putting on
6 regarding the viaduct project in Springfield.
7 They're going to answer questions. Their
8 contractor is going to be available to answer
9 questions.

10 I know that that has been a concern
11 for Springfield, for MassDOT, for MGM, for us.
12 We've been working through a lot of these
13 issues trying to understand the full scope of
14 the project, its timing and its schedule.
15 Perhaps some detail, further details would be
16 available tonight and in the upcoming future
17 couple of days.

18 In addition to that public hearing,
19 there is an important schedule that is due to
20 be submitted or perhaps has been submitted to
21 the MassDOT with these projects. After a
22 notice to proceed, a schedule of the contractor
23 is submitted to MassDOT for their review and
24 approval on how the project should actually

1 occur.

2 MassDOT has put forward a number of
3 different documents regarding how they
4 anticipate the project will go forward and what
5 schedule, but that's an important document that
6 I think we all realize remains outstanding.
7 And that'll be an important data point for all
8 of our review.

9 CHAIRMAN CROSBY: When is that?

10 MR. ZIEMBA: It's usually 30 days
11 from the notice to proceed. The notice to
12 proceed, if I remember correctly was May 21,
13 May 22. So, basically today, tomorrow.

14 CHAIRMAN CROSBY: So, they at this
15 meeting tonight, they probably will have
16 whatever information is in that?

17 MR. ZIEMBA: I don't know. Perhaps,
18 I don't know. I'm not sure about that. One
19 other item is that as MGM will let you know,
20 there is a meeting scheduled with the Mass.
21 Historical Commission next week.

22 There have been a number of
23 deliberations at the local level with the
24 Springfield Historical Commission. This item

1 that remains next week will be an important one
2 that could have a bearing on their schedule as
3 well.

4 So, we thank the MGM for putting
5 forward their draft schedule. They know that
6 we'll deliberate this. We've explained to them
7 that we'll deliberate this. We'll take into
8 account all information. The city of
9 Springfield, we've had conversations with the
10 city of Springfield. They understand that it
11 is up to us to determine the full schedule
12 after deliberations with them, getting
13 information from them, all available sources.

14 So, thank the MGM team for putting
15 together this schedule based on known
16 information as of this date. That's the
17 purpose for our review. So, with that I will
18 ask Mike Mathis and Brian Packer and their
19 teams to give us a preview of their schedule
20 and also discuss a little bit about their
21 quarterly status.

22 MR. NOSAL: Thanks John. Good
23 morning or afternoon, members of the
24 Commission. Jed Nosal with the law firm Brown

1 Rudnick on behalf of MGM Springfield.

2 As Director Day said, we are here
3 for two purposes today to present our first
4 quarterly report covering the period the first
5 quarter of 2015, and also present for your
6 approval our final project schedule. As Mr.
7 Ziemba indicated, certainly we've had many
8 discussions to date about this.

9 We are certainly putting forward a
10 schedule that is based on all current
11 information that we have now. We certainly are
12 happy to continue to work with Commission staff
13 as they take a look at what the proposal is.
14 With the understanding also too that we want to
15 get that decision on our schedule at the
16 earliest possible date.

17 With that I would just introduce the
18 team that is here today. Obviously, Mr. Mathis
19 President of MGM Springfield, Brian Packer the
20 Vice President for Construction. We also have
21 Seth Stratton behind me, Vice President and
22 General Counsel as well as Rebecca Brown from
23 TEC our traffic consultants. And Mr. Davenport
24 -- excuse me Mr. Irving from Davenport. With

1 that before I make any more mistakes, I'll turn
2 it over to Mr. Packer.

3 COMMISSIONER ZUNIGA: Before you do
4 that Jed, it says here it's the first quarter
5 2015. So, is the information up until March
6 31?

7 MR. NOSAL: That's correct. We
8 pushed off doing this report until now, but
9 it's representative of that first quarter.
10 We're going to talk a little about some things
11 certainly that are coming up to keep you
12 current on our plans as well. Mr. Packer will
13 touch on some of those.

14 MR. PACKER: Great, thanks Jed.
15 Good afternoon, Chairman, Commissioners.
16 Today, we'd like to run through eight of the
17 biggest points I think in the update for the
18 first quarter. That includes the enabling
19 activities we spoke about a little bit last
20 time.

21 And if you remember there were kind
22 of four phases we talked about, enabling,
23 garage, podium and tower. So, enabling is
24 really what is currently going on at the site.

1 We'll then move to the beginning of our work on
2 the new Mission, current contractor commitments
3 on the site, diversity update. We do have a
4 WebCam installed. So, we'll give you some
5 shots of where that is. An update on
6 historical and our ongoing conversations on
7 that subject.

8 And then looking forward, kind of
9 the next 90 days what to expect.

10 CHAIRMAN CROSBY: The next 90 days
11 from last March or this next 90 days from now?

12 MR. PACKER: From last March, as
13 well as we could call it 90 to 120 probably.
14 And last but not least schedule.

15 So, in the first quarter through the
16 end of March and essentially this really
17 represents March itself, we had construction
18 fence started going in around the site. Howard
19 Street School, we had bid and began work on
20 abatement at the school which some folks also
21 know it as the Zanetti School.

22 COMMISSIONER MCHUGH: What does
23 abatement mean? Do you mean keep it from
24 falling down until you can knock it down?

1 MR. PACKER: Inside, we typically
2 perform a hazardous material survey. So, if
3 there's asbestos or led paint, we'd survey for
4 that and award the removal.

5 The demolition has been awarded. We
6 obviously haven't started that work yet but it
7 is awarded. Armory demolition and abatement
8 scope has been awarded as well. We have half
9 of the remaining demolition abatement contracts
10 that are out for bid.

11 We installed the WebCam. And last
12 year the street discontinuance coordination
13 with utility entities is in progress. This is
14 somewhat of a big deal because the site gets
15 kind of cut in thirds currently by the existing
16 street grid.

17 So, this is to discontinue portions
18 of Bliss and Howard. There's, as you can
19 imagine, a good amount of coordination with
20 utility companies to make that happen and the
21 city. So, the work on that has started.

22 The Mission, if you remember we have
23 a requirement to construct a new Mission at 10
24 Mill Street so that we'd be able to relocate

1 the Mission that's currently on our site. And
2 it currently sits within the casino footprint.

3 And so on our critical path, one of
4 the first things that's upon us is to construct
5 the new Mission so that the old Mission can
6 move. So, we received a building permit on
7 February 9. We've sent out multiple bid
8 packages throughout the city to trade
9 contractors. And we expect the majority of all
10 of these awards to be issued here in the second
11 quarter. The next time we come back to you,
12 the majority of this work should be awarded and
13 well underway.

14 So, contractor commitments through
15 the end of March. These do not just represent
16 direct vendors to MGM like Tishman, but
17 subcontractors underneath Tishman and the work
18 that has been awarded to date and the locations
19 of those contractors, home cities. We've
20 awarded abatement, temporary electrical
21 services, site utility disconnects, demolition
22 and fencing work that we spoke about earlier.

23 COMMISSIONER ZUNIGA: Mr. Packer,
24 have you rethought your original model of

1 directly contracting with some of these
2 contractors, is this just for the
3 preconstruction phase?

4 MR. PACKER: Last time we had spoke
5 about enabling, if Tishman is a construction
6 manager and they will be working with us to go
7 out to each individual trade, we have trade
8 packages. That's what we had done here with
9 enabling works. So, that is still ongoing and
10 in line with what we spoke about last time.

11 The garage and some other areas, we
12 spoke about some other opportunities
13 potentially for general contractors. We are
14 still looking at that and expect to have a
15 position on that probably in the next two
16 months. But for now it's a general contractor
17 who is bidding to trade contractors.

18 COMMISSIONER ZUNIGA: But you will
19 hold that contract separately from Tishman's
20 contract or is that going to come under
21 Tishman?

22 MR. PACKER: That contract Tishman
23 negotiates with the sub on our behalf. And
24 it's signed with Tishman on our behalf.

1 COMMISSIONER ZUNIGA: The garage.

2 MR. PACKER: The enabling works, the
3 garage the delivery method it could either be
4 handled the same way or with a direct contract
5 with Tishman or another contractor.

6 MR. MATHIS: Commissioner, Michael
7 Mathis, President of MGM Springfield. We did
8 talk to you in our last update about a couple
9 of different approaches. To answer your
10 question, I think we were considering component
11 by component as we go along what makes the most
12 sense.

13 The garage is a perfect example.
14 It's a discrete piece of work that I think
15 could be let out under the construction manager
16 sort of role the way the enabling works is. Or
17 potentially that we would cosign it ourselves
18 portions of the work or all of the work.

19 As you'll see, based on our proposed
20 revised schedule, there's a little bit more
21 time for us, if the Commission accepts it, for
22 us to look at the best way to do that. And
23 we'll provide you the update accordingly.

24 COMMISSIONER ZUNIGA: Okay.

1 MR. PACKER: On diversity, the plan
2 was adopted and approved on January 22. From
3 that plan, we've been able to start reporting
4 on construction commitments and awards that
5 we've made to date. Reporting on design
6 commitments and construction workforce where we
7 actually track workforce hours on site that
8 will begin in the second quarter 2015.

9 We spoke a little bit about outreach
10 last time. And prior to trade packages going
11 out on the street, we've been holding one-on-
12 one sessions at our offices with interested
13 trade contractors. The process is still going
14 to continue with those meetings but we have
15 also started reaching out to companies directly
16 that could help us with different trade
17 packages prior to us putting those packages out
18 on the street.

19 So, we're trying to proactively
20 identify contractors as well. Be it say
21 drywall, we may not have a drywall meeting here
22 for a certain number of months, but we can
23 actively engage and speak to diverse firms that
24 do that work now rather than waiting until the

1 packages are ready. So, we've started that
2 process.

3 Then we've also started
4 communicating with the Access and Opportunity
5 Committee on the templates for tracking
6 construction workforce to make sure that all of
7 the statistics will be in those reports once we
8 actually get the information.

9 So, that dialogue has been very
10 fruitful. Chairman Crosby was at the meeting I
11 think two weeks ago with us. And those
12 templates are actively being updated.

13 CHAIRMAN CROSBY: Both Commissioner
14 Stebbins and I were there, he by video. But I
15 just wanted to say that your participation and
16 presence there was a very constructive one.
17 You really helped that process move forward.
18 So, we appreciated that.

19 MR. PACKER: Thank you. The next is
20 a bit hard to read on the screen, but this is
21 just one of the templates that we've been
22 working on with the team. And some active
23 dialogue out of that last meeting will actually
24 update this template here later this month.

1 MR. MATHIS: Take our word for it,
2 it's a great template.

3 MR. PACKER: On the contracting
4 side, a total of four diverse firms at this
5 time representing in combination a little over
6 31 percent of our total commitment to date.

7 CHAIRMAN CROSBY: That's only a
8 point below Penn.

9 MR. PACKER: It would be a great
10 goal to keep it right there. Those are some
11 impressive numbers Penn reached. That was
12 great.

13 The WebCam is installed on the top
14 of Monarch Place looking down onto the site.
15 Over time, you'll see the hotel tower come up
16 pretty much in the center of the screen with
17 the viaduct project off to the right-hand side.

18 Historic update, the first kind of
19 step for us in this dialogue was to resolve
20 some of the concerns at the local level. And
21 we had three meetings, one on 3/4, one on 3/20
22 and one on 4/2 where we presented the
23 Springfield Historical Commission. And through
24 those series of meetings, we worked out some

1 concerns related to YWCA building.

2 We've committed to emulating that
3 façade within our project. The process really
4 worked here. We went back with three or four
5 different iterations and I think that the
6 finally one really worked out and was much
7 better than what we originally proposed.

8 We're going to reuse the dome from
9 inside 73 State. The French Church will
10 actually stay onsite now. The rear structure
11 of the armory, at the local level we had
12 discussed removing it. And the front structure
13 of the armory will be preserved as a signature
14 feature in our design.

15 We're going to preserve the Union
16 Chandler House Main Street façade and we'll
17 work that into our new façade along Main
18 Street. And a short portion of the Bliss
19 Street wall will be retained. The next slide
20 is just gives you some images of some of what
21 we had been working on here. In particular,
22 the emulated YWCA building that was the last
23 issue to get resolved.

24 COMMISSIONER STEBBINS: Brian, where

1 is the church moving to, behind the armory?

2 MR. PACKER: Behind the armory along
3 Union Street, yes.

4 MR. MATHIS: Commissioner, it will
5 bookend the skating rink.

6 MR. PACKER: Then kind of looking
7 forward in the next 90 days and in this case a
8 few days ago, our design team and city
9 representatives of Springfield, we met for kind
10 of a design spread if you will to work through
11 our host community agreement design set that we
12 presented the city with. So, we have an
13 ongoing dialogue with the city on that set. It
14 was a very fruitful meeting.

15 We hope to get those issues resolved
16 here in the next few weeks. I think everything
17 there is doable. Really this is a natural kind
18 of piece of design development. And as
19 engineering comes in and data comes in, we
20 share with them our updated sets and look
21 forward to working out that design development.

22 That will then be incorporated into
23 a site package or a site plan that is
24 coordinated with the city and their designers.

1 Then on this next Tuesday we will
2 meet with historic at the state level. We did
3 have a meeting back in April. And we expect to
4 basically provide a response to the request and
5 the feedback that we received at that meeting.

6 CHAIRMAN CROSBY: What's your
7 handicapping of that conversation?

8 MR. PACKER: That's a tough one. I
9 believe we've come back and we've worked very
10 hard internally to come back what we think is a
11 very fair, balanced and reasonable proposal.
12 It's hard for me to predict how it will be
13 received just due to the many issues that are
14 ongoing. But we have moved from where we were
15 before.

16 CHAIRMAN CROSBY: This is just me
17 speaking, just one Commissioner, but we don't
18 come to this as preservationists. We come at
19 it wearing a different perspective, but a lot
20 of us are very interested in preservation.

21 And our reaction, I think,
22 repeatedly has been that we've been really
23 impressed by how much attention you've paid to
24 the historical buildings. And then

1 subsequently, you had some tough negotiations
2 with the Springfield body and went even
3 further.

4 We are anxious to get this project
5 underway. We know that this is an important
6 barrier but speaking just for myself, I would
7 be inclined to be as supportive as we could
8 possibly be. There are two sides to every
9 story. And if folks who are preservationists
10 see something we've not seen, of course we'll
11 take that into consideration.

12 But for what it's worth, at least
13 this Commissioner is very inclined to be
14 supportive and helpful if we possibly can be.

15 MR. PACKER: We appreciate that.

16 COMMISSIONER MCHUGH: I want to add
17 I am more neutral at this point. But I do see
18 this as an issue that we really need to resolve
19 sooner rather than later.

20 I too have been very impressed with
21 the way MGM has gone about this. We do need to
22 get this project moving forward. And to the
23 extent that the Commission can be helpful at
24 some point in resolving that issue, I as one

1 Commissioner am prepared to be helpful.

2 MR. MATHIS: I just wanted to add,
3 we appreciate both of those comments and you've
4 made similar comments in the past as we've
5 presented our design. I think we are confident
6 that we'll get this resolved at the next
7 meeting.

8 And I say that because of the
9 history of our discussions. From our
10 perspective, we started with a very aggressive
11 preservation design in our initial design. And
12 for that reason, I think we've continued to
13 raise the bar and left less available to
14 contribute to some of the requests.

15 As you mentioned, we also had a very
16 productive but somewhat difficult conversation
17 with the local historic commission. And to
18 Brian Packer's credit, one of the major
19 elements that came out of that was the redesign
20 of our retail façade where we incorporated the
21 YWCA piece.

22 And coming out of that, we were
23 really left with five issues, five additional
24 requests from Mass. Historic. And based upon

1 the compromises we've been able to make, I
2 think we're going to be able to bridge that gap
3 come this next meeting. If we're not, I hope
4 this body as well as the other stakeholders
5 will recognize the body of work that culminated
6 in that final sort of offer.

7 But I am confident that we'll be
8 able to get this done next week.

9 CHAIRMAN CROSBY: Great.

10 COMMISSIONER ZUNIGA: Is that a
11 meeting of the Mass. Historical or is that with
12 director, with the executive director?

13 MR. IRVING: Executive director.

14 CHAIRMAN CROSBY: Good luck.

15 COMMISSIONER STEBBINS: Is there a
16 step beyond the meeting with the executive
17 director that should follow?

18 MR. ZIEMBA: There's a process in
19 the Mass. Historical Commission's regulations
20 whereby if an agreement cannot be reached
21 there's essentially a dispute resolution
22 procedure that would eventually end up before
23 the full Historic Commission. But a
24 prerequisite to that would be the end of a

1 consultative period. And I think we are
2 hopeful that next week's conversation will be a
3 productive one.

4 COMMISSIONER STEBBINS: This is the
5 last piece of the MEPA process?

6 MR. ZIEMBA: There's a couple of
7 other steps but this is an important part of
8 the MEPA process. The MEPA certificate
9 outlined that an agreement should be reached by
10 the parties, Mass. Historical Commission, Mass.
11 Gaming Commission and MGM, regarding the
12 properties that were included within the MEPA
13 submission.

14 But as we'll go over in a little
15 bit, there's also a couple of other steps that
16 are required under the MEPA law, which is the
17 writing of our Section 61 Findings. So, the
18 Mass. Historical Commission resolution could be
19 a very important part of those Section 61
20 Findings. That's a prerequisite towards
21 construction of the facility.

22 COMMISSIONER STEBBINS: All right.

23 MR. PACKER: On the project site for
24 the next 90 days, the construction team is

1 continuing enabling works and our
2 preconstruction efforts. And we're aiming to
3 complete Mission building core and shell
4 construction, the salvage work throughout the
5 site including the 73 Street dome.

6 The abatement should almost all but
7 be wrapped up on-site. Demolition of Robbie's
8 Auto and the Union Street carwash, which are
9 non-historic structures, underground storage
10 tank removal, cut and cap utilities. Our
11 schematic design documents should be complete
12 and we're going to begin construction workforce
13 diversity tracking.

14 COMMISSIONER ZUNIGA: Some of this
15 salvage work you described like the dome, are
16 you protecting and leaving it in place or
17 removing and bringing back?

18 MR. PACKER: It's removing and
19 bringing back. The dome currently sits in a
20 building in the front of 73. But it's the
21 front portion that's going to be removed.

22 So, we actually are going to take
23 that apart, work with a stained-glass expert,
24 crate it, send it to a climate controlled

1 environment until it's ready to be relocated on
2 the convention -- It's going to end up in our
3 convention area above the stairwell.

4 COMMISSIONER ZUNIGA: Good.

5 COMMISSIONER STEBBINS: Brian, a
6 quick question, because I know where the
7 Mission is being relocated to, do you happen to
8 know the square footage distance between their
9 old facility and their new facility?

10 MR. PACKER: I don't know the delta.
11 The new facility is approximately 30,000 square
12 feet.

13 COMMISSIONER STEBBINS: I've got to
14 imagine that's a lot bigger than what they were
15 in.

16 MR. PACKER: Chuck may know.

17 MR. IRVING: It's 10,000 feet
18 bigger.

19 MR. PACKER: Next slide. So, the
20 last piece is the schedule. And I'm going to
21 turn it over to Mike in a little bit. But this
22 was just to kind of bring us to where we were
23 at the last meeting and the preliminary look
24 ahead that we presented on March 5. Just kind

1 of presented in four macro areas, enabling
2 works, parking garage, hotel tower and the
3 podium with the fall of '17 targeted opening
4 day.

5 Since that time obviously, there's
6 been some developments with the viaduct project
7 and the historical approvals that we've talked
8 about here today that have led us to present
9 our final schedule.

10 And the final schedule submission is
11 shown at the fall of '18. That will be the
12 next slide, with more detail broken out in the
13 different areas of enabling, podium, garage and
14 tower. And anticipated opening date would be
15 September 5, 2018. That is tied to 30 days
16 after beneficial use. And the detailed
17 schedule submission that we have submitted that
18 would be beneficial use of the viaduct.

19 So, as I turn it over to Mike, I
20 think the key points here is with what we are
21 looking at, we obviously want to open strong.
22 We want to open with a great customer
23 experience. And we also want to do it
24 logically and in coordination with the viaduct

1 team. So, with that Mike.

2 MR. MATHIS: Thank you, Brian. I'm
3 going to hand it off to Rebecca Brown in a
4 moment from TEC to talk about the viaduct
5 project in more detail.

6 But I just want to remind the
7 Commission of the importance of the viaduct
8 project in this, the viaduct infrastructure in
9 terms of our selection of that site and I think
10 ultimately your award of the license.

11 100,000 cars pass our site daily.
12 So, it's critically important that that piece
13 of infrastructure operate frankly perfectly for
14 our opening. And for a long time those two
15 projects, our project and the viaduct
16 rehabilitation were perfectly aligned.

17 But based upon new facts and again
18 not being critical of MassDOT or any of the
19 agencies involved in that because we know some
20 of the circumstances around the delay.
21 Certainly, the transition of administrations I
22 think was part of that. But at this point, we
23 just want to make sure that we open as well as
24 we can. It goes back to the adage about you

1 only have one chance to make a first
2 impression. In our business that certainly
3 applies to our customers.

4 So, I'll circle back after Rebecca's
5 comments about some of the due diligence we did
6 about this decision. It was a difficult
7 decision to propose this new date, but
8 ultimately we think it's the right decision.
9 With that let me hand it back to Rebecca.

10 MS. BROWN: Thank you, Mike. Just
11 to give you a little bit of orientation for
12 where we are. So, looking at the board here,
13 you can see the I-91 corridor running right
14 along the river which essentially separates MGM
15 site from the river as well as the I-291
16 corridor. And one of the primary reasons why
17 this project works so well is because you can
18 see here that there are six different access
19 ramps coming from I-91 that provide access in
20 and out of the MGM facility in addition to the
21 two access ramps from the 291 corridor.

22 So, this is just showing you what
23 the study area for the I-95 viaduct project.
24 So, essentially that project is going to extend

1 the from the 291 interchange down to exit 6,
2 which is our primary access point into the MGM
3 development.

4 During the main time period of the
5 I-91 viaduct reconstruction, both of the exit 6
6 northbound -- excuse me northbound onramp and
7 the southbound offramp will be closed. In
8 addition, the exit 7 southbound offramp and
9 northbound onramps will also be closed.

10 There will be a new ramp that will
11 be created. It's just sort of to the far left
12 of this screen. It's a little bit difficult to
13 see with the orange color near the red but
14 there will be a new ramp created that will come
15 out onto Bernie Avenue that will provide a
16 connection down to West Columbus Avenue, which
17 will require all of our traffic to either come
18 off early before the viaduct project onto West
19 Columbus and travel along local roadways or
20 continue through the viaduct construction down
21 to exit 4 to turn around and come back
22 northbound.

23 Throughout the construction
24 essentially traffic will be limited to a

1 maximum of two lanes in each direction on I-91.
2 The intent is to close down the inside lanes
3 and push traffic to the outer lane and shoulder
4 so that there's two lanes of travel in the
5 first stage. And then switch that up in the
6 second phase to move the traffic into the two
7 inside lanes while they're working on the outer
8 lanes.

9 During this time period though,
10 there will be some sections of I-91 that will
11 actually be only one travel lane. That
12 includes where you can see the arrows here
13 where I-91 and I-291 merge together. So, there
14 is actually going to be only one travel lane on
15 I-91 coming southbound in that area. All of
16 that traffic will need to funnel into one lane.
17 So, the second lane is actually the traffic
18 coming from 291 merging in.

19 So, as I mentioned, during the
20 construction phase for the primary
21 construction, traffic will be limited to the
22 two lanes. This just shows the two different
23 stages where in the first stage the inside
24 lanes will be closed for construction while the

1 outer lanes will continue to process traffic.

2 In the second stage, the reverse will occur.

3 So, just some of the key features of
4 the construction phasing. As I mentioned,
5 there will be a maximum of two lanes provided
6 on I-291 throughout the construction period.
7 However, due to some of the construction
8 activities and nighttime deliveries as well
9 there will be periods where I-91 will be shut
10 down to just one travel lane in each direction,
11 which will create considerable congestion.

12 All of the traffic that's destined
13 for downtown, will be encouraged to get off of
14 I-291 and utilize East and West Columbus
15 Avenues as their primary access point. And as
16 you saw on the earlier slide, MGM is located
17 directly off of East Columbus Avenue as well.

18 So, the project schedule that
19 MassDOT is currently looking at for the I-91
20 project is for them to begin construction next
21 month in July. That would include essentially
22 their enabling phase to implement all of the
23 measures down on East and West Columbus Avenue
24 to be able to accommodate all of the detours

1 that are proposed as part of the viaduct
2 project to accommodate the changes when the
3 ramp closures actually occur.

4 The ramp closures are not actually
5 expected to occur until late this year in
6 November or December. And the ramps would be
7 reopened and the travel lanes reopened on I-91
8 in July or August 2018 based on the current
9 schedule. We understand that there are some
10 opportunities for them to reign in that
11 schedule a little bit for up to 180 days.
12 There's been incentive programs put in place to
13 try and bring that back in a little bit.

14 CHAIRMAN CROSBY: How do you phase
15 your work so that you can accommodate those
16 savings? If you target September and they get
17 it done in June, are you stuck? How do you
18 coordinate with that?

19 MR. MATHIS: The question of our
20 ability to revise our date based on the MassDOT
21 accelerating their date, is a tough question of
22 course, because it comes down to when do you
23 know? When do you have that information?

24 And we spent a lot of time looking

1 at this issue. You should know that we didn't
2 come to this proposed date without a lot of
3 consideration. We've known as late as November
4 or December that the viaduct project might be
5 pushed out. And immediately following some of
6 that information, we've had significant
7 meetings.

8 So, one of the things I think is
9 important to note about the contractual date
10 for the completion of the viaduct is that it's
11 based on the RFP documents, which we've seen.
12 We've had meetings with MassDOT and the
13 contractor. That date, again, just applying
14 the durations that are set out in the RFP is
15 August 5, 2018 for full beneficial use. That's
16 a defined term.

17 For us what's important about that
18 definition is that that is when the contractor
19 is committed to turn over the ramps and open
20 them up. That's not a final completion of the
21 work. There's some punch list. So, for us
22 that's the most important milestone.

23 To answer your question, in some of
24 those meetings we asked about the ability of

1 the MassDOT and the contractor to accelerate
2 that schedule. As you may know, there's about
3 six months of bonus payments that are available
4 to the contractor if they finish early.

5 And we asked them at this point and
6 we'll find out when we see their schedule
7 perhaps tonight, we asked them at this point if
8 they knew whether they would be able to take
9 advantage of that bonus. And MassDOT and I
10 think the contractor were pretty candid in that
11 right now they are assuming the full amount of
12 the period, but that there is the opportunity
13 potentially to trim some weeks off of that and
14 take advantage. But they didn't think they
15 certainly would be able to take advantage of
16 the full six months.

17 I think more importantly we asked
18 them when would you know whether you're going
19 to be able to do that? Is there a notification
20 requirement? What kind of notice is required?
21 Again, they were very candid that if they
22 finish early they get the bonus but they are
23 not obligated to provide any advance commitment
24 that they'll hit it.

1 So, from our perspective as we plan
2 our project a number of lead-time items go into
3 it largely related to the work that Brian is
4 going to do. But just to put it in context, at
5 some point we'll have to commit to convention
6 groups about when they can go into the
7 building. We'll have to commit to equipment
8 orders.

9 And we won't have the flexibility in
10 the fall/ winter of '17/'18 to be able to
11 change those dates. So, we'll remain as
12 flexible as we can as I'll discuss a little bit
13 later on. We are highly incentivized to get
14 open as early as we can. And the dates we're
15 talking about from our perspective are
16 hopefully outside dates.

17 We always have the ability to
18 accelerate based on new information. But can't
19 answer really succinctly what's the magic
20 trigger as to when we would be able to
21 accelerate or not based on where the project is
22 because it's pretty fluid.

23 COMMISSIONER ZUNIGA: I get all of
24 that. And I appreciate all that. However, the

1 schedule from the contractor for DOT is also
2 going to include interim milestones, I take it.
3 And you will have an indication at some point
4 as to whether they are hitting those interim
5 milestones and whether they are accelerating
6 some or delaying others.

7 Do you want to elaborate as to
8 whether you will be able to react to those
9 interim milestones based on those durations
10 that you have now extended?

11 MR. MATHIS: Again, I don't want to
12 speak for MassDOT or the contractor, but what
13 was clear from the meeting is that their
14 ability to open per their contractual schedule,
15 because as you recall there liabilities
16 attached to the contractor if they open -- the
17 same amount that they would get as a bonus,
18 they would get as a penalty for late opening.

19 And my sense from the discussion,
20 and we would take the same view, is if they are
21 able to achieve some of those milestones
22 earlier they're not going to in turn accelerate
23 those other dates when they have no contractual
24 obligation to do so, because I think that would

1 open them up to some liability.

2 So, we'll stay nimble. And like I
3 said, if we feel like they're making a lot of
4 progress on some of those milestone dates,
5 we'll have conversations with them and
6 potentially go at risk for an earlier date.

7 But it would be difficult going back
8 to the point of we want to open up properly and
9 open up right. It would be difficult for us to
10 make a commitment two years out, for example,
11 to a convention group and risk putting that
12 group out of the city because of an interim
13 milestone that given your winter, I think you
14 can appreciate the fact that you can't count
15 on anything that far early into the
16 construction schedule.

17 So, those are all of the factors why
18 we want to get to a date where we get
19 comfortable and commit to it and then start
20 driving towards it, and not risk being too
21 aggressive on earlier date that may not be
22 feasible. I hope I answered that.

23 CHAIRMAN CROSBY: If the viaduct
24 weren't an issue, what date would you be

1 targeting? Left to your own devices what would
2 your schedule be? Would it still be as it was
3 in '17 or have you already pushed on your own
4 purposes?

5 MR. MATHIS: We would be shooting
6 for fall '17 as we showed you last time. And a
7 lot of it has to do with how next week goes,
8 frankly. So, that takes a little bit of
9 pressure off based on the new schedule, but we
10 would be shooting for the fall '17.

11 COMMISSIONER MCHUGH: It's a hugely
12 complex thing. And I understand the
13 complexities. But stating the obvious, the
14 difference between the March schedule and the
15 schedule you're presenting today in terms of
16 the Commonwealth's revenues is close to a
17 couple of hundred million dollars, right?

18 MR. MATHIS: \$125 million I think in
19 direct taxes. Certainly, Rebecca, are you
20 close because I know we're dovetailing. If I
21 can, I'll return to that because I think it's
22 important that the public understand and why
23 we're making that decision and why we think in
24 the long-term is the right decision for the

1 Commonwealth.

2 COMMISSIONER MCHUGH: I say that
3 just neutrally. And I recognize there are a
4 lot of complex forces but this is a fact.
5 Okay.

6 MS. BROWN: We have had regular
7 coordination meetings with MassDOT with their
8 design consultant as well as with their
9 contractors. And we'll continue that process
10 going forward as well.

11 But through this process we've been
12 looking at the displacement of parking spaces,
13 how employee parking would be accommodated for
14 both the I-91 viaduct construction as well as
15 for the MGM construction.

16 We've evaluated different detour
17 routes for how traffic could be able to get
18 into this area during the construction phasing.
19 As well as looking at truck routing as well for
20 where those vehicles would need to go because
21 I-91 will obviously limit the access for trucks
22 to be able to get through. And then also
23 looking at staging and lay down areas.

24 So, through this coordination and

1 working with MassDOT's design consultant, VHP,
2 they had put together some analysis of the I-91
3 viaduct corridor during the construction period
4 that did not actually take into account MGM's
5 grand opening traffic as well, because we had
6 always been perceiving that MGM would open
7 after the viaduct.

8 So, their analysis didn't include
9 our numbers but even without having MGM's
10 traffic included in there, they were predicting
11 increased delays regionally in the area. They
12 were showing approximately 20-minute delays for
13 traffic coming in from each of the major
14 highways to get to the downtown corridor, which
15 in Western Massachusetts looking at sort of the
16 context of what a 20-minute delay is is a
17 pretty significant delay where that area isn't
18 used to typically seeing a delay.

19 They are also showing degraded
20 levels of service along East and West Columbus
21 Avenues coming in from the north down to the
22 exit 5 and 6 area.

23 As well as along I-91 they were also
24 showing that at that point where all of the

1 traffic would need to merge into one lane just
2 north of the 291 location that they would be
3 trying to process approximately 2100 vehicles
4 in a single lane at that point, which would
5 result in some queues extending back through to
6 about exactly the point where they have their
7 offramp proposed, their new offramp that will
8 take the traffic down onto West Columbus
9 Avenue.

10 So, if we were to add our traffic on
11 top of that we would certainly be exacerbating
12 those delays as well as extending some of those
13 queues to the point where it might exceed the
14 capacity of what MassDOT had estimated for the
15 viaduct.

16 By removing our traffic and
17 continuing on our schedule to open just after
18 the viaduct is completed, we can keep our
19 traffic out of the viaduct area to improve the
20 capacity and make sure that the contractors
21 don't have to worry about that additional
22 traffic and improve the safety for those
23 contractors as they are working as well.

24 But in addition to that it also

1 preserves the capacity for the city's downtown
2 streets so that businesses and residents can
3 continue to get efficient access in and out of
4 the city as well.

5 With that turn I can turn that over
6 to Mike to talk to some of the other impacts.

7 COMMISSIONER STEBBINS: Just a quick
8 question. Does MassDOT's calculations take
9 into consideration -- They're doing a lot of
10 work on Route 5 on the other side of the river.
11 Are what you're saying for the MassDOT numbers
12 reflective of they anticipate a lot of people
13 jumping over to Route 5 to get north and south
14 as opposed to --

15 MS. BROWN: So, most of the work
16 that's being done on Route 5 is going to be
17 completed this summer where they have a couple
18 of closures that are proposed so they can do
19 the work around the rotaries. And the ramp
20 closures that are proposed to occur as part of
21 the viaduct wouldn't occur until late this
22 year, until November or December.

23 So, they would have that work done
24 on Route 5 prior to the ramp closures here so

1 that they wouldn't have two detours impacted at
2 the same time.

3 MR. MATHIS: Thank you, Rebecca. I
4 think just in closing, we want to stress how
5 difficult a decision this is for us. And we
6 recognize the impact to the Commonwealth and to
7 the city of Springfield in terms of lost
8 revenue.

9 For MGM, it means tens of millions
10 of dollars of extra cost and carrying costs.
11 We have a significant amount of capital already
12 invested in this project. If you include the
13 campaign, we're upward of \$200 million. So, we
14 are heavily incentivized to open as quickly as
15 we can.

16 But as Rebecca mentioned, without
17 including our own traffic count, an average of
18 a 20-minute delay to get into downtown
19 Springfield is significant especially in that
20 region. And I think it's less about the actual
21 delay, but the perceived delay. If it's
22 actually 20 minutes, I suspect anybody that
23 wants to make a trip into Springfield is going
24 to assume 45 minutes. And that's just based on

1 our own experience.

2 But if you include our own traffic,
3 which is eight million visitors annually and
4 then you add to it, which is our common
5 experience is about 15 to 20 percent of our
6 premium ramp-up during the first year further
7 exacerbated. And I was just listening to Jay
8 Snowden about his opening, and we hope to have
9 the problem he had, which is a capacity issue
10 letting one guest in as one guest leaves.

11 But based on our own data, our
12 opening day traffic, visitor traffic was 100
13 percent more than it would be a year later.
14 And then averages out to 15 to 20 percent over
15 the given year. So, just imagine the
16 conditions under which an opening occurred with
17 a compromised viaduct.

18 So, we feel strongly that this is
19 the right decision. It's a difficult decision.
20 As you've seen, and I thank the city of
21 Springfield for their cooperation, we didn't
22 make this decision unilaterally. We talked to
23 your staff, as you know, in terms of
24 preparation for today.

1 And we also talked to the city of
2 Springfield and made sure that it was the right
3 decision for the city as well. And we've made
4 some economic concessions there to make it less
5 painful for them.

6 So, we do this collaboratively. We
7 believe long-term that this is the right
8 decision. And the industry is littered with
9 many examples of companies that made the wrong
10 decision for opening. And those are long-
11 lasting impacts that it takes a long time to
12 recover from.

13 So, to go back to the Commonwealth's
14 revenue question, I would tell you that the
15 amount of revenue that would be lost long-term
16 I think will offset the short-term delay
17 because in a very competitive environment we
18 may lose some of these customers frankly
19 forever.

20 CHAIRMAN CROSBY: As said, we will
21 do our own due diligence on this but I have to
22 say conceptually I totally get that. I can't
23 imagine what would happen.

24 There's even the potential other

1 problem which is that there's going to be a lot
2 of unhappy folks when that construction is
3 going on, never mind the casino. You don't
4 want folks driving up and down 91 to think it's
5 the casino that's causing them to have these
6 20-minute delays.

7 So, there's going to be a lot of
8 unhappy campers for a while while that's going
9 on. So, just conceptually, it makes all the
10 sense to me to be conservative about it. Not
11 my normal instinct, but in this case you don't
12 want to be wrong on this one.

13 COMMISSIONER ZUNIGA: I get it too.
14 And I do remain very curious as to what may
15 transpire in the very short-term either by this
16 meeting or the submission at DOT. And then
17 further, the other big piece of the puzzle here
18 with your progress with the Historical
19 Commission. If that results in your ability to
20 kind of modify, fine-tune or whatever the case
21 may be your overall plan and schedule, it'd be
22 great to see those additional considerations.

23 COMMISSIONER CAMERON: I would agree
24 that this is a legitimate reason to rethink

1 your timetable. Observing 495 and Route 1
2 yesterday with improved roadways I think kind
3 of makes that point.

4 CHAIRMAN CROSBY: Right.

5 MR. MATHIS: If I can, I just want
6 to make sure that the record reflects the
7 letter of support you received from the city of
8 Springfield. It articulates some of the
9 concessions we made to reach an agreement with
10 the city.

11 I want to thank that Mayor and Kevin
12 Kennedy for working with us. It was a
13 collaborative effort given a very difficult
14 situation. And I think that's the spirit of
15 our relationship with them and with the
16 Commonwealth is to make sure we make the right
17 decision and support each other.

18 Then I think in closing I want to
19 acknowledge the historic moment that was
20 yesterday and congratulate our friends. We
21 were once fierce competitors, but I think
22 everything works out for the best. They have a
23 great opportunity in Plainville. I saw the
24 facility Monday night and they're going to do

1 extremely well.

2 Fortunately, it took me an hour and
3 a half to get there. So, I don't think we're
4 going to compete for too many customers. So,
5 I'm really supporting them.

6 Also, to the staff's credit and to
7 Penn's credit, I talked to Jay Snowden outside
8 and congratulated him. And he was more than
9 happy to share some of the lessons learned,
10 which you always learn. No matter how many
11 times you do one of these openings, there are
12 lessons learned from the regulator's side and
13 from the operator's side.

14 But off the camera with no one
15 watching, he was very complimentary about your
16 staff's willingness to work with them on some
17 of the challenges that came up. And that was
18 really reassuring. And it certainly doesn't
19 surprise us. So, looking forward to opening
20 this project in 2018 and delivering on the many
21 promises we've made about what it will do for
22 Western Mass.

23 CHAIRMAN CROSBY: Great. We can't
24 wait either.

1 COMMISSIONER ZUNIGA: Thank you.

2 COMMISSIONER CAMERON: Thank you.

3 COMMISSIONER MCHUGH: Thank you,
4 very much. Thank you.

5 CHAIRMAN CROSBY: It being five
6 after one, we will adjourn for a lunch break of
7 how long, 45 minutes. So, let's say at 1:45,
8 we will pick up again.

9

10 (A recess was taken)

11

12 CHAIRMAN CROSBY: We will reconvene
13 at about five or six of 2:00 on public meeting
14 number 156. And we are back to Ombudsman
15 Ziemba.

16 MR. ZIEMBA: Thank you, Mr.
17 Chairman. With your approval I would like to
18 just invert a little bit of my presentation
19 today. There's a quicker item that we just
20 touched upon at the last segment of this
21 presentation regarding Section 61 Findings. As
22 it's a quick matter, I would like to just talk
23 about that quickly and then we can get into the
24 Region C schedule.

1 So Commissioners, the Section 61
2 Findings matter is meant as a reminder of
3 actions that the Commission still must take in
4 regard to the so-called Section 61 Findings in
5 Regions A, B and C upon the award of a
6 conditional license. Pursuant to the
7 Commission's regulations, after a project
8 receives its final Massachusetts Environmental
9 Policy Act approval, MEPA approval, the
10 Commission is required to issue findings
11 pursuant to MGL Chapter 30 Section 61 and
12 applicable MEPA regulations.

13 The purpose of such findings as
14 required by law is to determine whether a
15 project is likely directly or indirectly to
16 cause any damage to the environment and make
17 any finding describing the damage to the
18 environment and confirming that all feasible
19 measures have been taken to avoid or minimize
20 the damage to the environment. These findings
21 are then incorporated into our conditional
22 license.

23 This review can occur at the same
24 time as the Commission's review of project

1 schedules, for example in the MGM related
2 matter, for approval pursuant to the
3 Commission's project monitoring regulations 205
4 CMR 135.

5 So, what I was hoping to do was just
6 provide a reminder that even after we make our
7 awards, we still are required under MEPA under
8 Section 61 to go back and reevaluate our
9 conditional license and confirm that we are
10 taking all measures, all feasible measures to
11 avoid or minimize damage to the environment.

12 COMMISSIONER MCHUGH: As a
13 consequence, in terms of the applicant's
14 ability to move forward, the Section 61
15 Findings are essential, nothing can happen
16 until they are issued.

17 MR. ZIEMBA: Yes. No significant
18 damage to the environment, yes, exactly.
19 Great.

20 Now I will move onto the Region C
21 timetable discussion. Commissioners, at the
22 July 11 (SIC) meeting, the Commission
23 determined that the July 10 deadline previously
24 anticipated for Region C would no longer be the

1 deadline for this current round.

2 In your packet, we have put several
3 proposals for potential schedules. These could
4 be further adjusted as well however they are
5 provided for reference for this discussion.

6 Also in packet are letters from KG
7 Urban, Kopelman and Paige on behalf of New
8 Bedford, and Mass Gaming and Entertainment on
9 the application deadlines. And also we
10 received last night another letter from
11 Greenberg Traurig on behalf of KG Urban.

12 These are in response to a request
13 for comments that the Commission issued in May
14 asking about our application deadline. The
15 responses were as follows: New Bedford
16 requested a September 30 date citing a more
17 complete application that's possible with that
18 date including more final design and mitigation
19 information.

20 KG Urban requested September 30
21 noting the need for time-consuming studies as
22 part of the RFA-2 application and stating that
23 successful applicants such as MGM and Wynn had
24 at least six months between the host community

1 agreement and the RFA-2 deadline.

2 Greenberg Traurig supports the
3 September 30 date. And they noted the need to
4 do these studies and also they noted that they
5 have to refile their ENF filing, environmental
6 notification filing pursuant to the MEPA
7 process.

8 Mass Gaming and Entertainment
9 recommended July 24, two weeks after the date
10 that they expect to receive their ENF
11 certificate from MEPA. I do note that the
12 comment that we received from MG&E was received
13 quite some time ago before some changes were
14 fully known, such as the changes that we are
15 making to the application to make it a little
16 bit more efficient and a little bit more
17 digestible.

18 In conversations that I've had with
19 the MG&E team, they have told me that I should
20 express to the Commission that they would be
21 supportive of an application deadline that's 60
22 days after the application is made available to
23 all parties.

24 And we're on the cusp of issuing

1 that final RFA-2 application.

2 CHAIRMAN CROSBY: So that would be
3 August 30, more or less.

4 MR. ZIEMBA: Essentially, yes.
5 Before taking you through the alternatives, I'd
6 just like to provide one more bit of background
7 information.

8 In addition to the other
9 requirements of the application such as
10 successful referendum, host community
11 agreements, etc. pursuant to 205 CMR 120.01 an
12 RFA application must also include at least a
13 certificate from the Secretary of Energy and
14 Environmental Affairs following the filing of
15 an environmental notification form.

16 The MG&E proposal is anticipating
17 the receipt of its certificate by July 10. But
18 KG Urban, as I noted, citing changes that it is
19 making in its design of its proposal just
20 recently withdrew their ENF filing. So, that
21 their ENF certificate is no longer expected by
22 July 10.

23 If KG Urban resubmits by July 15, a
24 certificate could be issued by August 21. If

1 it resubmits by July 31, the MEPA Environmental
2 Monitor states that a decision could be issued
3 by September 11 assuming no extensions.

4 With that we have modeled several
5 RFA-2 dates included in your packet including
6 the now defunct July 10 deadline. And we
7 included that due to just be demonstrative of
8 the number of different things that have to
9 occur after the RFA-2 deadline that are rather
10 resource intensive. And I'll describe that in
11 a second.

12 We also included a model of
13 September 14, a model of October 14 and then
14 September 30 model. The September 30 model
15 corresponds with that which was requested by
16 the KG Urban team and New Bedford.

17 As you'll see from the charts, there
18 are both early potential award dates and later
19 potential award dates, and that these
20 correspond with the process that we would have
21 to undergo in the event that there are not
22 agreements between surrounding communities and
23 applicants or impacted live entertainment
24 venues and applicants at the time of their

1 applications.

2 We in the past have experienced
3 significant delays in our licensing process
4 because applicants and surrounding communities
5 or applicants and ILEVs, so-called ILEVs have
6 not reached agreement. And as a result, they
7 must go through our regulation process and go
8 through full arbitration at the latest date.
9 Those delays could be rather significant.

10 So with that as a backdrop, the
11 scenario one that we have in your packet, which
12 is an October 14 date -- before I get into the
13 three dates, one thing that I wanted to mention
14 is that what we are using as a baseline for all
15 of these different schedules is September 30 as
16 a reasonable time that we believe the IEB could
17 bring back their background review and the
18 Commission could determine suitability for the
19 KG Urban applicant.

20 We've had discussions with IEB.
21 That is a tight deadline but IEB believes that
22 it is a doable deadline.

23 COMMISSIONER ZUNIGA: Can I jump on
24 that because last time we spoke, maybe two

1 meetings ago, the applicant that is not yet
2 deemed suitable had not submitted all of their
3 BEDs. And we asked them that day do one or
4 both of two things, send us an executed term
5 sheet, which they did or submit all of the
6 appropriate or corresponding BEDs. Where do we
7 stand, and I know that Director Wells isn't
8 here, where do we stand on that?

9 MR. DAY: I can help out. I talked
10 to Director Wells a little bit. What I can
11 confirm is that she has not received material
12 requested already. Why I comment on that, I
13 don't know the particular parts that she has
14 not received, Commissioner Zuniga, but I do
15 know some is already late.

16 I just want to mention one other
17 thing just from the aspect -- and I also
18 understand that two and a half months if it was
19 September 30 for the deadline for the RFA-2
20 from IEB's perspective that is only two and a
21 half months because they would also have to
22 have a suitability hearing. So, that's going
23 to be completed earlier, have to be completed
24 at least a couple of weeks earlier.

1 COMMISSIONER ZUNIGA: Yes. But all
2 of that depends on whether they have anything
3 to review there, right?

4 MR. DAY: Exactly. It depends on
5 whether or not they turn anything in timely.

6 COMMISSIONER ZUNIGA: Precisely.

7 CHAIRMAN CROSBY: Attorney Conroy
8 was looking like he had some other data or
9 something.

10 MR. CONROY: Sure. Thank you,
11 Commissioners. Kevin Conroy from Foley Hoag
12 representing KG Urban.

13 We did receive a letter from Karen
14 Wells I think about two weeks ago requesting
15 that we submit information as of yesterday.
16 Yesterday, and this may be because it's new
17 information to Rick that it happened yesterday,
18 yesterday we supplied a very healthy production
19 of the forms that Karen was requesting for both
20 Foxwoods as well as KG Urban.

21 You'll remember that many of the
22 Foxwoods folks and KG Urban had already
23 submitted forms. These were updates to the
24 forms. We provided nearly all of the

1 information that Karen had requested yesterday.

2 In addition to that, Karen has
3 requested information from GLPI with a deadline
4 of next week. And that is something that is
5 being worked on as well.

6 I know Karen is not here to talk
7 about this. I can tell you that we're working
8 pretty closely with Karen. So far, I know we
9 are striving to meet her deadlines and we have
10 submitted a fair amount of information. But I
11 appreciate that all happened yesterday. And we
12 probably submitted about 4:00 yesterday. So,
13 that may be new information that hasn't gotten
14 to Rick.

15 CHAIRMAN CROSBY: It sounds like --
16 sorry.

17 COMMISSIONER ZUNIGA: I was as going
18 to perhaps ask a similar question, is it fair
19 to say that you received the whole scope of
20 licensing -- you've had the scope of licensing
21 discussion? You know how many qualifiers?
22 Without getting into any details, is it your
23 understanding that everybody that needs to be
24 qualifier has been identified and you are

1 working on those forms?

2 MR. CONROY: Again, I'm hesitant to
3 speak for Karen on these issues. I do know
4 we've had a scope of licensing meeting about
5 Foxwoods. And the IEB has identified
6 qualifiers for Foxwoods. We have submitted
7 information about those.

8 That same process has occurred for
9 KG Urban. We've submitted information for
10 those. We have recently received or GLPI has
11 recently received a list of its potential
12 qualifiers. That is under discussion with
13 Karen. So, I think much of what you are saying
14 has been accomplished but probably not all of
15 it.

16 CHAIRMAN CROSBY: It sounded like
17 Karen had given you a deadline of yesterday for
18 all of the stuff from Foxwoods and KG Urban.
19 And you didn't get them all of the stuff it
20 sounds like.

21 MR. CONROY: I think we got nearly
22 all of the stuff, Chairman. And we've had some
23 discussions with Karen about the stuff that we
24 did not provide.

1 Again, I'm feeling a little
2 uncomfortable speaking for Karen, one of the
3 things we had discussed with Karen is that a
4 number of our principles were involved in the
5 referendum which ended Tuesday. Karen did for
6 a few of those principles allow us to submit
7 just financial information and not the full
8 packet.

9 She thought that would be a useful
10 way to begin the investigation so she could
11 give us some time on a number of our principles
12 who were involved with the referendum.

13 CHAIRMAN MCHUGH: I think we really
14 need to hear from Director Wells.

15 CHAIRMAN CROSBY: Yes. Okay. Thank
16 you.

17 MR. ZIEMBA: Commissioners with that
18 as a backdrop, if you take a look at the chart
19 that begins scenario two October 14, 2015,
20 you'll see from that chart that if October 14
21 is the RFA-2 deadline, September 30 being the
22 anticipated date for completion of the
23 suitability determination, the early date
24 assuming no arbitrations of any surrounding

1 community or ILEV could be as early as February
2 5, 2016.

3 If there are arbitrations that go to
4 the full amount that could extend to April 8.
5 And that doesn't account for our prior policy
6 of flex 14, which we have not yet adopted for
7 Region C.

8 COMMISSIONER MCHUGH: Where does the
9 114 days come from? Is that what we used
10 before actually?

11 MR. ZIEMBA: Yes. It's a reasonable
12 amount based on how long we think that it would
13 take for us to do our complete reviews. But
14 obviously, we have never actually had reviews
15 that weren't interrupted without issues
16 regarding surrounding communities or ILEV
17 disputes.

18 COMMISSIONER MCHUGH: I know that.
19 But just the baseline of 114 days, is that the
20 baseline unaffected by arbitration and ILEV
21 disputes that we used the last time?

22 MR. ZIEMBA: That's right.

23 MR. DAY: The shortest period that
24 it was finished in was four months, actually a

1 little under five months. So, it's about four
2 and three quarter months.

3 COMMISSIONER MCHUGH: I know, but
4 all of those involved at least some
5 arbitrations, right?

6 MR. ZIEMBA: That's right.

7 COMMISSIONER MCHUGH: I just
8 wondered 114 days is four months, right? And I
9 just wondered whether -- We've done this three
10 times now. -- whether or not we can do it
11 faster. I just put that out there.

12 COMMISSIONER ZUNIGA: That's a
13 relevant question.

14 CHAIRMAN CROSBY: This is
15 independent of arbitrations.

16 COMMISSIONER MCHUGH: That's what I
17 mean.

18 COMMISSIONER ZUNIGA: I think that's
19 what's going to drive the schedule ultimately.
20 Regardless of the 114, the history that we had
21 was mostly driven by the surrounding community
22 petitions and voluntary disbursements etc.,
23 etc. because everybody went arbitration at
24 least with one community and often more than

1 one.

2 COMMISSIONER MCHUGH: In the slots,
3 nobody went to arbitration in the slots. The
4 Southeast may be one big happy family down
5 there.

6 COMMISSIONER ZUNIGA: The Category 1
7 is significantly bigger.

8 MR. ZIEMBA: They did proceed to
9 arbitration. There was no full arbitration in
10 the slots involving the Raynham applicant.

11 CHAIRMAN CROSBY: When the letter
12 from somebody representing KG Urban or New
13 Bedford said that A and B had six months, was
14 that with arbitration?

15 MR. ZIEMBA: That was six months
16 between the time of the host community
17 agreement and the filing of the RFA-2.

18 CHAIRMAN CROSBY: The host community
19 agreement and RFA-2, the filing of the RFA-2.

20 MR. ZIEMBA: Correct.

21 CHAIRMAN CROSBY: So, that did not
22 count.

23 MR. ZIEMBA: That doesn't count
24 after the RFA-2.

1 CHAIRMAN CROSBY: It doesn't count
2 the arbitration.

3 COMMISSIONER CAMERON: I think
4 Commissioner McHugh's question is a good one
5 though, because I believe we could do it
6 quicker. I understand that the unknown is
7 arbitration, but as far as our process, I
8 believe that we are experienced. I think there
9 can be some efficiencies in that process.

10 COMMISSIONER ZUNIGA: But the
11 problem is that the efficiencies don't -- We
12 only have the ability to affect our own
13 process. And what ultimately tends to drive to
14 schedule is the arbitration.

15 I'm going to ask a question just on
16 this. The best case scenario is without
17 arbitration. How many surrounding community
18 agreements have we seen so far?

19 MR. ZIEMBA: Zero.

20 COMMISSIONER ZUNIGA: And that's
21 part of my point. If you don't have any of
22 this done because everybody is concentrating on
23 first the referendum -- first the host
24 community agreement and then the referendum,

1 all of the surrounding community agreements
2 have a tendency to fall to the wayside.

3 CHAIRMAN CROSBY: One thing I will
4 mention in regard to the 114, there are certain
5 statutory limits and deadlines that are built
6 into the 114. For example, we cannot call a
7 host community hearing. It has to be 30 days
8 after we establish notice. And then we cannot
9 make a decision no earlier than 30 days after
10 the conclusion of a hearing.

11 Generally because we have allowed a
12 10-day period for petitioning of surrounding
13 communities, we want to least know at the end
14 of that 10-day that nobody petitioned so that
15 we can send proper notice to all of the proper
16 surrounding communities.

17 COMMISSIONER ZUNIGA: And all of
18 that gets triggered until the RFA-2 has been
19 completed, correct?

20 MR. ZIEMBA: That's right.

21 COMMISSIONER ZUNIGA: Which is why
22 the arbitration process can only begin at that
23 time.

24 MR. ZIEMBA: Right.

1 CHAIRMAN CROSBY: This is a little
2 bit academic. The date that really matters is
3 when we are we going to require the RFA-2's to
4 be in. That is a meaningful date.

5 We'll then get moving and move as
6 fast as we can and see what happens with
7 arbitrations and so forth. And we'll get done
8 what we get done. It'd be nice for everybody
9 to have a rough idea. So, this is helpful. If
10 it's 114 versus 92 or 130, it doesn't make any
11 difference. For this purpose, it's going to be
12 what it is.

13 So, the reality of the question
14 that we have to deal with is when do we require
15 the RFA-2's to come in? The rest of it is
16 really pretty academic.

17 COMMISSIONER ZUNIGA: Yes. And
18 therein lies the question as to who is driving
19 that schedule, what activity is driving that
20 schedule and that's the investigation.

21 CHAIRMAN CROSBY: It sounded like
22 Karen said September 30 was a date that she was
23 comfortable with.

24 MR. DAY: I want to make sure I make

1 it pretty clear because I did say to Director
2 Wells I would, she said September 30 would be
3 in her opinion be a target. It's a very tight
4 date and it's dependent on what we were talking
5 about is whether or not the paperwork all comes
6 in that they require as well. That was the
7 input I had back. And if any of that slips,
8 it'd be difficult keep it.

9 CHAIRMAN CROSBY: If we said
10 September 30 and the background checks weren't
11 completed, then we would just say to people
12 sorry, you got your paper in late or there were
13 some problems. And we will receive your RFA-2
14 in a week or two, right?

15 We do want the process to go along.
16 And we do know that deadlines help. Is it
17 reasonable to pick what she is saying is an
18 aggressive but doable deadline if everybody
19 plays their role, realizing that if it doesn't
20 work out, we can slip.

21 MR. ZIEMBA: Just on that point, a
22 couple of options if we do not get suitability
23 done by that deadline. Obviously, the first
24 option would be to extend that deadline. And

1 as you mentioned, Chairman, the other option
2 would be can you submit the application in
3 advance of your suitability determination. You
4 could do that but that would require a change
5 of our regulations because our regulations
6 require that suitability be determined prior to
7 submittal of the RFA-2.

8 COMMISSIONER ZUNIGA: I may be the
9 only one here, but I'm not a big fan of
10 extending deadlines. We arrived at RFA-1 where
11 we are, but this one is one that I think is
12 very important for the process. We have the
13 applicants that we're going to have. There's
14 not going to be any new applicants.

15 I think we ought to think hard about
16 the RFA-2 deadline so that everybody's -- now
17 they're both on the same notice and can
18 complete what is now their responsibility to
19 complete with the caveat that we still have
20 this role in the investigatory piece which
21 ultimately drives the schedule.

22 I don't want to have a deadline that
23 we know we can just extend the next time it
24 suits the process. I'd rather just set a

1 deadline that we're going to keep to.

2 COMMISSIONER CAMERON: That's really
3 hard to do, Commissioner, with investigation.

4 COMMISSIONER ZUNIGA: Which was the
5 whole genesis of the Phase 1 and Phase 2,
6 right? That was the whole idea on having first
7 you're going to get your suitability
8 determination. And that's a deadline for Phase
9 1. And then you're going to have your
10 technical response, which is a deadline for
11 Phase 2.

12 COMMISSIONER CAMERON: Okay. But we
13 are where we are now and that is we have a
14 complete investigation to perform.

15 I am comfortable. I did speak to
16 Director Wells personally about this. It's a
17 target. It's a doable target, but if something
18 happens in the investigation that could happen
19 no matter what the deadline is.

20 So, I guess I'm saying I'm
21 comfortable with September 30. And if
22 something unforeseen happens then we would make
23 an adjustment as we have done in the past. But
24 I agree with the Chairman that setting that

1 deadline is important. And expecting people to
2 get their paperwork in and answer any questions
3 in a timely fashion, additional requests for
4 information, which always happen in an
5 investigation.

6 COMMISSIONER ZUNIGA: On that train
7 of thought, why don't we set October or
8 November for that matter? If the investigation
9 is perceived to be tight, why do we have to
10 make it tight?

11 COMMISSIONER CAMERON: Well, I think
12 the same thing could happen. People think I
13 have until X, so they don't necessarily move it
14 as quickly.

15 Again, I asked that direct question
16 of Director Wells. And she said that is a
17 doable target date after she has done her
18 scoping and assessed her resources to complete
19 this investigation.

20 For us to move it back because we
21 think she may need more time, I think we are
22 better off sticking with a tight deadline and
23 hopefully they'll be able to meet that
24 deadline.

1 CHAIRMAN CROSBY: There are two
2 variables in the arbitration. One is when we
3 get the information. And it sounds like Karen
4 is being very aggressive now with the KG team.
5 And she will continue to be. At some point, if
6 they don't make deadlines, it's going to begin
7 go be a problem for them not us.

8 The second variable is the
9 investigation itself if you come across a
10 problem. And we totally can't predict that.
11 But I think we should keep the heat on KG.
12 There is a benefit. It is important to get
13 this done as quickly as we can.

14 MG&E has been ready for quite a
15 while. We have I think for good reasons, we
16 have extended the process for purposes of
17 competition which is in the Commonwealth's
18 interest, but there's a lot of vested interest
19 that are legitimate that want this to happen
20 sooner than later. And deadlines do have a way
21 of helping things happen. So, I would go along
22 with the 30th too.

23 COMMISSIONER ZUNIGA: With September
24 30?

1 CHAIRMAN CROSBY: As the date,
2 right.

3 COMMISSIONER ZUNIGA: And we may not
4 be in much disagreement. All I'm saying is I
5 really would like to set a deadline that we are
6 all going to keep to.

7 CHAIRMAN CROSBY: Well, the key
8 thing there is to beat up on KG's team to get
9 their stuff in.

10 COMMISSIONER ZUNIGA: Which we've
11 been doing for a while which is why my question
12 was they knew who was potentially going to be
13 submitting these BEDs I don't know how many
14 weeks ago, months ago.

15 We've had a number of discussions on
16 the substantial completion notion. I'm not
17 going to remember them all but there was all
18 this facilitation, meetings, all these people,
19 scope of licensing not required but available
20 that have now passed.

21 COMMISSIONER MCHUGH: Your point is
22 that deadlines are deadlines and that we ought
23 to regard them as such. And we ought to set
24 therefor a deadline that's immovable.

1 And I guess my approach to deadlines
2 is deadlines are useful devices to drive an
3 outcome, but they're not in and of themselves
4 the goal. So, I think that's a philosophical
5 difference that's cropped up before.

6 COMMISSIONER ZUNIGA: This
7 philosophical difference doesn't come in a
8 vacuum. This deadline has been moved how many
9 times. So, if we were talking about the first
10 time, actually I went along with, right, the
11 first three or four times.

12 COMMISSIONER MCHUGH: I get your
13 point. I get your point. It's just a
14 different approach.

15 COMMISSIONER ZUNIGA: Well, I'm
16 concerned and that's my approach, that we start
17 doing too much of this to the point that we are
18 undermining our own process. We're losing
19 credibility.

20 COMMISSIONER MCHUGH: I get it.

21 COMMISSIONER ZUNIGA: And we are
22 treating at least one other parties unfairly.
23 I think that's something that we should
24 consider, which is why -- I'm not married to

1 September 30.

2 I'm saying can we set a deadline
3 that for this Phase 2 we are now feel confident
4 -- And if we're not feeling confident today,
5 maybe we can come back to this. -- that we can
6 now feel confident that the parties are going
7 to abide by, do their best effort, submit
8 everything and give the IEB enough time for us
9 to do our job and accomplish all of those
10 goals. Maybe setting a deadline right now is
11 premature.

12 CHAIRMAN CROSBY: I just don't think
13 -- We're making more of this than needs be made
14 of it. Director Wells said she was satisfied
15 with the 30th as a reasonable date to target.
16 Let's do it.

17 I guess it's time for us to have a
18 vote on something. Commissioner somebody,
19 anybody want to take a stab?

20 COMMISSIONER CAMERON: I move that
21 in order for all parties to be clear I move
22 that the RFA-2 deadline at this point is
23 September 30.

24 CHAIRMAN CROSBY: With a huge

1 reluctance to change. Second?

2 COMMISSIONER MCHUGH: Second.

3 CHAIRMAN CROSBY: Further
4 discussion?

5 COMMISSIONER ZUNIGA: I think we
6 ought to be thinking about that date being
7 later. I'm not suggesting -- I never suggested
8 it should be earlier. I'm suggesting that that
9 date ought to be well thought and understood
10 and with the real kickback -- we have
11 everything that we needed in terms of forms
12 from all of the qualifiers that were identified
13 and then at that point September, October or
14 whenever would have been a much better date for
15 us to go forward.

16 COMMISSIONER CAMERON: I'm going to
17 rely on Director Wells.

18 COMMISSIONER ZUNIGA: Who's not
19 here.

20 COMMISSIONER CAMERON: But I did
21 speak to her today as did Ombudsman Ziemba.
22 She is comfortable with that as a target date.
23 And I'm going to rely on her expertise and her
24 ability to evaluate this.

1 CHAIRMAN CROSBY: Anybody else
2 discussion?

3 COMMISSIONER STEBBINS: Just for
4 clarification, so we go with the 9/30 date.
5 Then Karen is suggesting, at least according to
6 your draft, she's going to have suitability
7 done by August 31?

8 MR. ZIEMBA: Yes. She would have to
9 have it -- If the RFA-2 deadline, you could
10 have it possibly the same day.

11 CHAIRMAN CROSBY: I didn't follow
12 what you guys were just talking about.

13 MR. DAY: I believe what
14 Commissioner Stebbins was talking about is the
15 need to have -- the suitability date would have
16 to be before September 30 because of the
17 hearing process. If you do do the development
18 of the report, schedule the hearing, it's
19 probably somewhere around actually 8/31.

20 COMMISSIONER STEBBINS: However, on
21 the 10/14 date you have 9/30 as the date of
22 suitability, final date of suitability,
23 correct?

24 MR. DAY: And 10/14 was the RFA-2?

1 COMMISSIONER STEBBINS: Yes, RFA-2
2 and approval of the applicant's suitability by
3 9/30.

4 MR. ZIEMBA: In essence, if the
5 deadline was 9/30, it would have to be done by
6 August 30 -- excuse me, by September 29 it
7 would have to be concluded. And here in this
8 model, it shows August 31, but I'm not sure
9 that that's actually realistic.

10 CHAIRMAN CROSBY: Commissioner
11 Cameron?

12 COMMISSIONER CAMERON: I thought
13 that that was investigative time we were
14 talking. And now you're saying -- You had that
15 direct conversation with Director Wells that
16 that pushes it back to the end of August?

17 MR. ZIEMBA: No, no, no. So, what
18 we're saying is despite this notation, and
19 perhaps this is an errant, the suitability
20 would have to be determined prior to the RFA-2
21 submission.

22 COMMISSIONER CAMERON: Correct.

23 MR. ZIEMBA: If it were completed by
24 the 29 September, they could file their RFA-2

1 application the next day.

2 CHAIRMAN CROSBY: Are we talking
3 about -- Director Wells is going to finish her
4 investigation. And then she is going to then
5 make a recommendation. If the applicant
6 disagrees with it, they have the right to a
7 hearing, which can be within 30-day period.
8 So, are we saying that 9/30 is the end of the
9 investigation or does that include the hearing?

10 MR. DAY: 9/30 wouldn't be the end
11 of the investigation. That would have to be
12 the suitability finding. The investigation
13 would have to be at least two weeks, maybe more
14 depending on whether or not there was a
15 complaint or whether the finding was disputed.

16 CHAIRMAN CROSBY: Whether there's a
17 hearing --

18 MR. ZIEMBA: The Commission's
19 determination of suitability.

20 CHAIRMAN CROSBY: The Commission's
21 determination of suitability.

22 MR. ZIEMBA: Correct.

23 MR. DAY: The report would have to
24 be early.

1 CHAIRMAN CROSBY: That's what Karen
2 agreed to.

3 COMMISSIONER ZUNIGA: In a worst-
4 case scenario, the investigation would have to
5 be done by when?

6 MR. DAY: We've estimated that it be
7 done by about 30 days ahead because of the
8 deadlines and the hearing process.

9 COMMISSIONER ZUNIGA: End of August?

10 MR. DAY: Yes. If there was no
11 dispute then it could be later. And there is
12 some flexibility in that. Part of what
13 Commissioner Cameron we're talking about is the
14 reports have to be prepared, all of the notices
15 sent and that kind of stuff. In order to find
16 suitability it'd have to be before September
17 30.

18 CHAIRMAN CROSBY: It seems to me
19 maybe there's a misunderstanding here. I'm not
20 sure that I know at least and now it sounds
21 like Commissioner Cameron who talked with Karen
22 isn't sure that she knows what Karen was
23 agreeing to.

24 So, if that's the case either we

1 ought to give her a quick call and find out or
2 maybe we should do what Commissioner Zuniga
3 suggested, which is wait until we've got the
4 facts straight.

5 MR. ZIEMBA: What I discussed with
6 her and what we discussed with her in a meeting
7 was the RFA-2 deadline of 9/30.

8 MR. DAY: Correct.

9 CHAIRMAN CROSBY: So, she knows that
10 would include the possibility of a hearing on
11 the investigation -

12 MR. ZIEMBA: That's right.

13 CHAIRMAN CROSBY: -- after the
14 investigation or the suitability decision. So,
15 it is clear what she agreed to?

16 COMMISSIONER CAMERON: I don't know.

17 COMMISSIONER ZUNIGA: I may be
18 beating a dead horse here, but if you assume
19 that 9/30 is -- 9/29 is the suitability
20 determination of the Commission and you have to
21 assume a worst-case scenario in which 30 days
22 prior to that the investigation ought to have
23 to be done in August and then you have to
24 assume the investigation takes quite a bit of

1 time. That's fine. But we don't yet all of
2 the documentation. We have a period that is
3 very much unknown. And that has been my point
4 all along.

5 MR. ZIEMBA: Commissioners, what I
6 recommend is why don't we have Karen here at
7 the next meeting and we can set the schedule at
8 that time.

9 CHAIRMAN CROSBY: Either that or
10 have somebody give her a call right now and
11 just square this away.

12 MR. ZIEMBA: What we both stated is
13 that Karen feels that this is a very tight
14 deadline. She really feels that this is a
15 tight deadline. We'd have to utilize outside
16 resources to get that accomplished.

17 So, to the extent if she were here,
18 I think she would tell you this is a tight
19 deadline. I'm not sure I can make it. I'm
20 viewing it as a target.

21 COMMISSIONER ZUNIGA: And I know why
22 she cannot tell us because she doesn't yet have
23 that documentation that she asked for.

24 COMMISSIONER CAMERON: No. You just

1 don't know what the issues are, until you
2 conduct the investigation, you don't know what
3 you are going to find.

4 COMMISSIONER ZUNIGA: In addition to
5 that.

6 COMMISSIONER CAMERON: I think the
7 misunderstanding is having until the end of
8 September to complete the investigation.
9 That's where I think -- That's what I thought I
10 was discussing with Director Wells.

11 MR. ZIEMBA: Perhaps somebody could
12 call her while I move onto the next item.

13 CHAIRMAN CROSBY: Janice is calling
14 her right now. So, let's move onto other
15 business.

16 MR. ZIEMBA: The next item of
17 business, Commissioners, in your packet we have
18 recommendations regarding appointments to
19 various Gaming Policy Advisory Committee
20 subcommittees. As you've heard me previously
21 report, we are very pleased that the work of
22 the Local Community Mitigation Advisory
23 Committees has begun.

24 There are three different levels

1 under the Gaming Policy Advisory Committee.
2 There's the Gaming Policy Advisory Committee
3 that sits at the top of the structure. In the
4 middle level there is the subcommittee,
5 Subcommittee on Addiction Services,
6 Subcommittee on Public Safety and then
7 Subcommittee on Community Mitigation.

8 And at the closest level, the ground
9 level is the Local Community Mitigation
10 Advisory Committees, one for each of the
11 Category 1 gaming regions. And as of now, we
12 have one in Region A and one in Region B.
13 Those committees are comprised of all of the
14 surrounding communities, a host community
15 member and then four appointees of the
16 Commission in addition to the regional planning
17 agency representative.

18 In the four appointees of the
19 Commission, there is one Chamber of Commerce
20 representative, one regional economic
21 development organization representative and two
22 human service provider representatives.

23 I thank Commissioner Stebbins and
24 Director Griffin helping me find the slate of

1 experienced professionals that I recommend for
2 designation. Their biographies are included in
3 your packet. I would just briefly summarize
4 their backgrounds.

5 Let me start with Region B. We're
6 recommending Rick Sullivan as the regional
7 economic development representative. Rick is
8 the President and CEO of the Economic
9 Development Council of Western Massachusetts.
10 Prior to this role, he served as Governor
11 Patrick's Chief of Staff and Secretary of
12 Energy and Environmental Affairs. He also
13 served as Mayor of Westfield from 1994 to 2007
14 and is a past president of the Mass. Mayors
15 Association.

16 Kate Kane is the Chamber of Commerce
17 recommendation. She is the managing director
18 for Northwestern Mutual in Springfield and has
19 worked for MassMutual since 1986. She has
20 extensive volunteer work and has received
21 numerous awards including the Citizen of the
22 Year award from the affiliated chambers of
23 commerce and was twice selected as woman of the
24 year.

1 And Ellen Patashnick, she has over
2 20 years' experience in human services. She
3 was the Director of the Holyoke and Robert Van
4 Wart Department of Children and Family Services
5 offices. She has worked extensively with pre-
6 delinquent youth and their families and is
7 currently a volunteer disaster responder and
8 instructor for the American Red Cross.

9 Now to Region A, we're recommending
10 Linda Bass, Executive Director of the Metro
11 North Regional Employment Board, which is
12 responsible for policy development and
13 programmatic oversight of workforce development
14 program serving a 20-community region. She's
15 been with the board for almost 20 years and has
16 a master of arts in psychology.

17 Colin Kelly is the recommendation
18 for a Chamber of Commerce representative. He
19 is a corporate director for Schnitzer Steel
20 Industries. He was elected to the Everett
21 Common Council in 1989 where he served for 11
22 years. He has had businesses in Everett and
23 Charlestown and has contributed much of his
24 spare time to community service and charitable

1 organization work.

2 And Edward Powell is the human
3 service representative recommendation. He is
4 the Vice President for Community Engagement at
5 the Justice Resource Initiative, worked for
6 StreetSafe Boston focused on violence
7 prevention as the Executive Director. And has
8 worked on transportation with Boston Public
9 Schools. He has also received numerous awards
10 including the Roxbury African-American Ball
11 Community Service award, other community
12 service awards and a diamond educator's mentor
13 award.

14 I recommend that the Commission
15 appoint these members for a one-year term and
16 that they would sit at the pleasure of the
17 Commission.

18 CHAIRMAN CROSBY: Thoughts?

19 COMMISSIONER ZUNIGA: Why one year?
20 These are all great individuals by the way,
21 but --

22 MR. ZIEMBA: One year is also the
23 term of the leadership positions at the Local
24 Community Mitigation Advisory Committee. So,

1 the chair of the LCMAC is elected for one year
2 by its members. And there's also one-year term
3 for the representatives to the subcommittee on
4 community mitigation.

5 And we thought that this one-year
6 term would match that. And that we could
7 reauthorize that one-year term at the end of
8 that term, assuming that that's the direction
9 we choose to go.

10 They would sit at the pleasure of
11 the Commission just in the event that if there
12 are any difficulties that came up with
13 potential conflict or other issues that would
14 be at the pleasure of the Commission.

15 COMMISSIONER ZUNIGA: How many
16 meetings do you anticipate these subcommittees
17 could realistically conduct?

18 MR. ZIEMBA: Right now, we're
19 operating a meeting once a month. And the
20 meetings go for approximately an hour and a
21 half. The Subcommittee on Community Mitigation
22 would also be about once a month for an hour
23 and a half. Those meetings, monthly meetings
24 would likely go through September, October

1 maybe into November.

2 Then they could slow down after that
3 to potentially quarterly or every two months.
4 The goal of the Local Community Mitigation
5 Advisory Committee, the near term goal is to
6 help us set our community mitigation fund
7 policies for the 2016 funding round. And what
8 we've anticipated is that we would try to
9 promulgate regulations in the fall. So, a lot
10 of the policy work has to occur now.

11 In regard to meetings, I will note
12 that we just cancelled our July meeting because
13 we were just in some conversations with the
14 ethics commission regarding some potential
15 restrictions of both serving the Commission as
16 an advisor and working at the local level on
17 community mitigation fund applications.

18 And we're trying to work out those
19 issues with the ethics commission. They've
20 been very helpful to date. But while we're
21 working on those issues, we thought it would be
22 best to cancel the near term meeting in July.

23 COMMISSIONER CAMERON: Very
24 impressive group. Congrats on your ability to

1 recruit the quality of folks and they're
2 willing to serve.

3 COMMISSIONER ZUNIGA: Likewise.
4 It's great that they're willing to come to
5 these meetings.

6 MR. ZIEMBA: So, I think that that
7 requires vote.

8 CHAIRMAN CROSBY: It doesn't say so
9 on here. Does that mean anything? But it
10 does?

11 MS. BLUE: Yes.

12 CHAIRMAN CROSBY: Somebody,
13 Commissioner Stebbins?

14 COMMISSIONER STEBBINS: Sure. Mr.
15 Chair, I move that the Commission approve the
16 following appointments to the Local Community
17 Mitigation Advisory Committees for Region A,
18 Colin Kelly, Linda Bass and Ed Powell, for
19 Region B, Kate Kane, Richard Sullivan and Ellen
20 Patashnick for a one-year term.

21 CHAIRMAN CROSBY: Second?

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Further
24 discussion? All in favor, aye.

1 COMMISSIONER MCHUGH: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 COMMISSIONER STEBBINS: Aye.

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

7 MR. ZIEMBA: Thank you.

8 COMMISSIONER ZUNIGA: Do we need
9 anything similar to the Community Mitigation
10 Advisory Committees, no.

11 MR. ZIEMBA: Yes, Commissioner. In
12 addition to these appointments, the Commission,
13 pursuant to section 68 shall appoint
14 representatives to three Gaming Policy Advisory
15 Committee, GPAC subcommittees, the Subcommittee
16 on Community Mitigation, Public Safety and
17 Addiction Services.

18 The legislation that establishes
19 these committees specifies that a member of the
20 Commission shall serve on the Public Safety
21 Subcommittee. The language for the other two
22 committees is more flexible allowing a
23 representative to serve the committees.

24 Given that the public safety

1 committee must be a member, I recommend that
2 Commissioner Cameron for obvious reasons serve
3 as the representative on the Public Safety
4 Committee with the assistance of Director
5 Wells, myself and Mary Thurlow.

6 COMMISSIONER ZUNIGA: I think that's
7 a very good recommendation.

8 COMMISSIONER STEBBINS: Has she
9 agreed?

10 MR. ZIEMBA: I've had some
11 discussions with her. I believe she agrees to
12 do that.

13 COMMISSIONER CAMERON: I'd be happy
14 to.

15 MR. ZIEMBA: On the other two
16 committees, the Commission could appoint a
17 Commissioner, Executive Director Day or a
18 director such as myself and Mark Vander Linden.
19 Or if the Commission so chooses, they could
20 choose an outside representative. However, I
21 would recommend that it should be either a
22 Commissioner or an internal appointment.

23 COMMISSIONER STEBBINS: This is
24 addiction services?

1 MR. ZIEMBA: Addiction services and
2 community mitigation.

3 COMMISSIONER ZUNIGA: And we're
4 going to treat these as public meetings or not
5 necessarily?

6 MR. ZIEMBA: Yes. To date we've had
7 a stenographer. They've been publicly noticed.

8 COMMISSIONER MCHUGH: For addiction
9 services why not -- I'd recommend Mark Vander
10 Linden.

11 COMMISSIONER STEBBINS: I would
12 second that.

13 CHAIRMAN CROSBY: What about
14 community mitigation, do you have something to
15 say on that?

16 COMMISSIONER ZUNIGA: Besides John?

17 COMMISSIONER STEBBINS: Do you want
18 us to recommend you, John?

19 MR. ZIEMBA: I don't know.

20 COMMISSIONER STEBBINS: Let's put it
21 this way, you have to be there anyways.

22 MR. ZIEMBA: I would be there.

23 COMMISSIONER MCHUGH: You're the
24 logical person for that one.

1 CHAIRMAN CROSBY: It seems right.

2 COMMISSIONER STEBBINS: Mr. Chair, I
3 would move that the Commission approve the
4 appointment of our Ombudsman John Ziemba to the
5 position of representative of the Commission on
6 the Community Mitigation Advisory Committee and
7 Mark Vander Linden as representative of the
8 Commission on the Subcommittee on Addiction
9 Services.

10 CHAIRMAN CROSBY: And Commissioner
11 Cameron as the Commission member on Public
12 Safety.

13 COMMISSIONER STEBBINS: How could I
14 forget, Commissioner Cameron as the member of
15 the Commission on Public Safety.

16 CHAIRMAN CROSBY: Second?

17 COMMISSIONER ZUNIGA: Second.

18 CHAIRMAN CROSBY: Further
19 discussion? All in favor, aye.

20 COMMISSIONER MCHUGH: Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

1 have it unanimously.

2 MR. ZIEMBA: Thank you. My final
3 matter today is an update regarding the Gaming
4 Policy Advisory Committee. Last week, Gaming
5 Policy Advisory Committee, GPAC, met again to
6 help the Commission develop effective gaming
7 policies. Among the highlights were Chairman
8 Crosby's summary of the status of Regions A, B
9 and C and his explanation of where the
10 significant funding will come from as a result
11 of both the gaming revenues and also as a
12 result of the licensing fees.

13 Would you like me to jump back into
14 the Region C?

15 CHAIRMAN CROSBY: Might as well
16 finish it up.

17 MR. ZIEMBA: Chairman Crosby
18 discussed the numerous different important
19 initiatives that receive funding including
20 transportation, community colleges,
21 manufacturing and community mitigation and very
22 notably local aid.

23 We also had an update regarding the
24 Local Community Advisory Committees. And just

1 following the meeting, Mark Vander Linden and
2 his research team gave an update regarding the
3 research activities.

4 Executive Director Day did a great
5 job in presenting the latest and greatest on
6 the Plainridge opening and all of the work that
7 went into that.

8 But the one item that I wanted to
9 highlight and perhaps Chairman Crosby might
10 want to weigh in here is the conversation that
11 occurred regarding the CORI issue. There was
12 significant debate within the committee on the
13 CORI issue. It was a very enlightened
14 conversation. So, I'll leave some of the
15 thoughts to Chairman Crosby.

16 One thing I will note is that one of
17 the members recommended that we take another
18 look at getting additional data. We had the
19 Michael and Carroll report that we had
20 submitted to the Legislature giving the
21 experience in other jurisdictions of what the
22 standards were in other jurisdictions.

23 And the recommendation to us was
24 that maybe we should take a look at that a

1 little bit further such that not only we look
2 at the actual standard, but what occurred in
3 practice as a result of those. If a
4 jurisdiction had a more looser CORI standard,
5 was there any increase in crime as a result of
6 that. And conversely if they have a tightened
7 standard did that have any impact on potential
8 instances at the facilities.

9 CHAIRMAN CROSBY: Do you want to
10 speak to that?

11 COMMISSIONER ZUNIGA: Why don't you.

12 CHAIRMAN CROSBY: This initiative
13 has come from a variety of places, but on the
14 GPAC it's from Brian Lang from Unite Here who
15 is very mindful of the likelihood that there
16 will be people who have committed felonies or
17 whatever the various kinds of problematic
18 criminal behavior is within the past 10 years
19 who might very well be in a better place and
20 trying to get a job and trying to make
21 something of themselves and that this was a
22 problem. He's been very passionate about it.
23 He's met with the Senate President, other
24 legislators.

1 The other side, there are some
2 representatives on the GPAC who I think are
3 just sort of philosophically more conservative
4 on the issue and have much more of a penalty
5 punishment kind of mindset.

6 But also there was an argument that
7 there's people out there who don't have
8 criminal records, who've played by the rules
9 who if the jobs are opened up to people who do
10 have criminal records, the people who don't
11 have criminal records might not get the job.
12 So, it was an interesting conversation. It was
13 a fairly passionate conversation.

14 We agreed to do this more research.
15 I think this is a bit of a stretch whether we
16 can get any data that suggests stricter or lose
17 CORI records affects crime rates. But we'll do
18 what we can.

19 But meanwhile there is a coalition
20 that's working on this. And as a practical
21 matter, there is not much more hiring to be
22 done for a while now. So, it's not an urgent
23 issue until we start hiring in the other two
24 casinos. So, there's time to try to figure out

1 how to do this. Anything else?

2 COMMISSIONER ZUNIGA: I think that's
3 a great summary. The fine point that not just
4 Brian Lang but a couple of other people who may
5 be part of this coalition of CORI reform, if
6 you will, were trying to make is some of the
7 people with backgrounds would not have access
8 to very sensitive areas. Nobody is saying they
9 would be eligible to be a key gaming employee
10 or anything like that access to secure areas or
11 credit, etc.

12 CHAIRMAN CROSBY: The proposal is
13 only to give the Commission the ability to
14 waive -- the discretion if we chose. There
15 were two other quick things at that meeting
16 that I think are worth commenting on.

17 Bill Walczak, who was one of the
18 leaders of the Repeal the Deal initiative
19 appeared as a member the Commission -- of the
20 advisory committee for the first time and spoke
21 up about his real interest is trying to figure
22 out how to protect vulnerable people from the
23 potential risks in gambling. And we put him
24 together with Mark. And he's going to get an

1 in-depth briefing on the stuff we're already
2 doing. I think we'll benefit from his
3 insights.

4 Representative Ferrante from do you
5 remember where, Shrewsbury? But she's one of
6 the house appointments, wanted to make sure
7 that we have arts and culture -- impact on arts
8 and culture incorporated into the SEIGMA
9 project. And that we are monitoring the ILEVs
10 properly to make sure there are no negative
11 impact on the Impacted Live Entertainment
12 Venues.

13 That one we're pretty much doing.
14 We're working with the SEIGMA team to make sure
15 that we have some ability to get some kind of
16 data at least attendance and number of
17 performances and stuff like that on arts and
18 cultural stuff.

19 MR. ZIEMBA: She's from Gloucester.

20 COMMISSIONER ZUNIGA: Another good
21 request that I think we should follow up on and
22 I know we will or are in the process of, the
23 GPAC members wanted to visit the facility.
24 Because a lot of the discussion around the CORI

1 issues some suggested may come from not
2 understanding the controls that are in place
3 around access and the back of the house and
4 things like that. And that would be a good
5 thing for others to see, members of the GPAC to
6 see.

7 CHAIRMAN CROSBY: Now we've ruined
8 Director Wells's day.

9 COMMISSIONER MCHUGH: Excuse me for
10 a second. Are we finished with this?

11 CHAIRMAN CROSBY: We're finished
12 with this.

13 COMMISSIONER MCHUGH: We don't need
14 a vote on you?

15 COMMISSIONER ZUNIGA: We took it.

16 MR. ZIEMBA: I think we did that
17 one.

18 COMMISSIONER MCHUGH: That's right.
19 Okay.

20 CHAIRMAN CROSBY: Were you watching
21 the discussion?

22 MS. WELLS: No, no. I was otherwise
23 engaged.

24 CHAIRMAN CROSBY: We were

1 considering whether to move forward on
2 September 30 as the RFA-2 date. The critical
3 issue being is that a reasonable deadline for
4 you to have the background checks completed.
5 And we weren't sure we understood exactly where
6 you were coming from on this. We do want a
7 deadline but we don't want a deadline which is
8 unrealistic.

9 COMMISSIONER CAMERON: The point
10 we're struggling with is, if there's going to
11 be a hearing, then that could back it up to
12 August 31, which I didn't think was the
13 understanding I had with you earlier about this
14 conversation. That's where we were trying to
15 get real information from you as an assessment
16 of what you think it'll take.

17 MS. WELLS: I would start off by
18 saying I was advised by Cyrus Pitre who is the
19 Chief Enforcement Counsel of Pennsylvania for
20 investigations not to use the term deadline but
21 target date. And that was helpful to me.

22 I would be comfortable setting sort
23 of the target date to complete by the end of
24 September. You never you know what you're

1 going to turn up in an investigation. From
2 what I have gleaned so far in just a cursory
3 look of what we are dealing with, should there
4 be some kind of hearing required, we would plan
5 for that in advance by way of briefing the
6 applicant in advance as we go as soon as we
7 know there would be a hearing on that.

8 And then complete the report
9 contemporaneously with briefing on their issues
10 so they would be able to prepare for a hearing
11 in a shorter period of time. I think that
12 would be helpful. I'm quite confident that
13 Attorney Conroy could work in that environment.
14 We've worked together on other matters before
15 and that's been a good relationship.

16 I have been in touch -- I met with
17 Michael and Carroll, the law firm that's going
18 be working on the investigation as consultants
19 on that. We talked about this deadline for the
20 RFA-2, the target date for the investigation,
21 they assured me they were comfortable with it
22 but they also have the caveat you never know
23 what's going to come up.

24 The one issue I would just bring

1 forward for the Commission's attention is that
2 meeting this target date is also dependent on
3 the cooperation of the applicant getting
4 materials in on time.

5 So, for example, I set that we need
6 certain materials by yesterday. I did get a
7 packet with KG Urban materials and Foxwoods
8 materials but there were a few things missing
9 in the packet. So, setting deadlines has to be
10 met by the applicant as well. And I know
11 they're trying to get these things together.
12 And I know that part of the reason they didn't
13 have the materials, they were working on the
14 vote, which was the day before. So, I
15 understand that. I can be reasonable.

16 But because we're in such a
17 compressed timeframe, it's really important for
18 the applicant when I set a deadline to meet the
19 deadline and get the materials in. For
20 example, the GLPI information, I set a deadline
21 of July 3, which I don't think is unreasonable.
22 The request is that when we set at deadline
23 meet the deadline so we can hit the target date
24 for the investigation to be complete.

1 COMMISSIONER STEBBINS: How long ago
2 did you set the deadline for the July 3
3 material?

4 MS. WELLS: I don't have the letter
5 in front of me. I think I sent the letter out
6 last week, but I don't know the exact date.

7 COMMISSIONER ZUNIGA: Is it fair to
8 say that you've completed the scope of
9 licensing?

10 MS. WELLS: The one outstanding
11 matter on the scope of licensing, Michael and
12 Carroll are going to meet regarding the
13 Foxwoods operations team. They really haven't
14 identified their management team for the
15 operations. So, they're going to set something
16 up and have a conversation with them about
17 what's the management team.

18 Because as you may recall from the
19 prior investigation, they had this Foxwoods,
20 LLC. And they had a three-member board for the
21 LLC. Even though they have the decision-making
22 authority, really operationally, those three
23 people aren't going to run the casinos. I'd
24 like some more information on that to see if

1 that would identify any further qualifiers.
2 But as far as the KG Urban and GLPI that is
3 completed.

4 COMMISSIONER ZUNIGA: Did I hear you
5 say that it's a tight target date?

6 MS. WELLS: Yes. Given the
7 experience, when we've done these before if you
8 can recall initially we were doing 11 if these
9 investigations simultaneously. But we had well
10 over 100 contract employees working on those
11 investigations.

12 Here we have a scaled down group.
13 We have Michael and Carroll's employees. We
14 have the advantage of Foxwoods, part of that
15 group they've been through the process. It's
16 slightly different. This is a different deal.

17 KG Urban is a new group. So, we'll
18 be looking at those again. However, we
19 initially looked at those when they first had
20 their application. We just have to refresh the
21 information. GLPI, some of those qualifiers
22 are the same that went through the Penn
23 National application. So, those are the same.

24 So, we have some advantages which

1 would make it quicker to complete the
2 investigation the other ones. But historically
3 I think the soonest we finished an
4 investigation was about four months.

5 COMMISSIONER CAMERON: So Director,
6 you are comfortable with a September 30 target
7 date?

8 MS. WELLS: Yes.

9 MR. DAY: I don't belabor the point,
10 but I want to make sure we are all speaking
11 about the same thing. That would be September
12 30 target date for completion of suitability.

13 MS. WELLS: Correct.

14 COMMISSIONER STEBBINS: So, that
15 moves the RFA-2 deadline date according to your
16 recommendations, John, to October 14?

17 MR. ZIEMBA: No. I think what
18 you're saying is that it would be completed
19 instead of September 30, September 29.

20 MR. DAY: September 29, yes. So,
21 the RFA-2 date would be September 30.

22 MS. WELLS: I would suggest that we
23 should plan for potentially a hearing that last
24 week if we need it and work backwards from

1 there. If for whatever reason we don't need an
2 adjudicatory hearing, it's just a public
3 hearing, we have a date.

4 I think we would plan with the
5 attorneys for that. And just be forthcoming
6 with the information so that they can plan
7 accordingly. They shouldn't be 24 hours to
8 prepare for a hearing. We need to give them
9 some notice.

10 COMMISSIONER ZUNIGA: You missed the
11 discussion but why wouldn't we set a deadline
12 of October 30 say?

13 MS. WELLS: That would be agreeable
14 to me because that gives me more breathing
15 room, but my understanding is the competing
16 interest in the Commission getting going on
17 that. We've got a situation, we have one
18 applicant that's already suitable and the
19 second applicant that's at the beginning of the
20 process.

21 And my understanding is you wanted
22 to close the gap between the two. So, that was
23 the policy reason for doing that. But I don't
24 know if there was further discussion I was not

1 a participant in.

2 COMMISSIONER CAMERON: It was really
3 about you assessing and your ability to be
4 comfortable with a target date. That's very
5 helpful information. The fact that you would
6 be preparing ahead of time if indeed you could
7 decide ahead of time about a hearing and they
8 would have time to prepare as you were
9 completing the investigation.

10 MS. WELLS: Right.

11 COMMISSIONER CAMERON: That's the
12 piece we did not have.

13 CHAIRMAN CROSBY: We have a motion
14 on the table to adopt September 30 as the
15 deadline for submission of the RFA-2, which
16 presumes a target date of the end of September
17 for a suitability decision. Do we have further
18 discussion on this? All in favor, aye.

19 COMMISSIONER MCHUGH: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: All opposed?

23 COMMISSIONER ZUNIGA: No.

24 CHAIRMAN CROSBY: The ayes have it

1 four to one. Thank you. Sorry we had to roust
2 you out.

3 COMMISSIONER STEBBINS: Good thing
4 we weren't in Springfield.

5 COMMISSIONER CAMERON: Thank you.

6 MR. ZIEMBA: That's the end of my
7 report, Mr. Chairman.

8 CHAIRMAN CROSBY: Now we are to
9 number seven administrative update, Director
10 Day.

11 MR. DAY: Thank you, Mr. Chairman.
12 We've got two items on the administrative side.
13 One is the budget. And the other is a hopeful
14 discussion about adding an enhanced leave
15 policy.

16 First this afternoon, Derek Lennon,
17 our CFAO has joined me. Our initial budget
18 presentation and discussion was on June 11.
19 Our process before this presentation included
20 divisional identification of needs, internal
21 review with our agency directors, executive
22 team and the finance workgroup. And followed
23 by all that we had a review with our agency
24 directors.

1 Following the presentation on June
2 1, we presented the budget for comment, public
3 comment. We have not received any comments to
4 this date, unless there is something more
5 recent.

6 In addition, we asked Derek to add
7 Michigan and Pennsylvania to our comparison
8 list of other agencies so we could see how the
9 Commission compared against our peer agencies,
10 which he has done. He will talk to the
11 Commission about.

12 Derek has also provided us under
13 this tab really the table, not the full set of
14 documents we had before, but the table which
15 presents the budget and the revenues by object
16 class.

17 With that we hope as you look at our
18 2016 proposed budget for consideration that
19 you'll approve that budget. With that I'll
20 pass this to Derek so he can take you through
21 the greater detail, Derek.

22 MR. LENNON: Thank you, Rick. Good
23 afternoon, Commissioners. Two weeks ago we
24 reported preliminary fiscal year 2016 budget

1 recommendations of \$31.58 million, just a recap
2 of the high level of the numbers. This
3 included \$28.3 million in spending for gaming
4 operations funding 70.48 FTEs, two contractors,
5 three interns and required a \$22.2 million
6 assessment on the industry.

7 It also included \$1.57 million in
8 racing operations funding, and an additional
9 \$1.7 million of racing payments to licensees in
10 host communities.

11 As Rick mentioned, we asked for
12 public comment on this and received none.

13 I committed to returning here this
14 week to provide you with a comparison of MGC's
15 FY16 budget in relation to five other
16 jurisdictions, Michigan, Pennsylvania,
17 Colorado, Ohio and Maryland.

18 As I reported two weeks ago, to
19 truly draw a comparison is virtually impossible
20 as each jurisdiction has aspects of the law
21 that make it unique. Therefore, we tried to
22 pull out key aspects of the law, each of the
23 laws and look at total cost of FTEs, number of
24 FTEs, contracted costs, what's in those

1 contracted course, other state agency costs
2 that are borne by the industry, tax rates and
3 revenue generated total gross gaming revenue,
4 number of venues, and then the cost of
5 regulation as a percentage of revenue generated
6 as well as a percentage of gross gaming
7 revenue.

8 For purposes of full transparency
9 and disclosure, the tax revenue generated and
10 total gross gaming revenue for Massachusetts as
11 reported in this chart is representative of
12 what we expect to have when Category 1
13 facilities are open, not what we actually have
14 to date, where all other facilities are actuals
15 and all other jurisdictions are actuals.

16 What the comparison would lead me to
17 conclude, and this is once again me, I'm not
18 speaking for anyone else in the agency, is that
19 our staffing numbers are not alarming. If you
20 take a look at where we are, we have a majority
21 of our support staff already in place.

22 FTE expansions will come mainly in
23 the IEB Division with gaming agents. If we
24 hold industry standards of 10 to 13 per

1 facility, you add that to the 70, we're right
2 around 100, 104 positions if we had three
3 facilities. If we only had two, we're below
4 those levels.

5 Our contracted costs are I still
6 among the highest. This is an area that we
7 have to keep track of. While we did see a drop
8 of 20 percent in our consultant costs from FY16
9 compared to FY15, there are specific
10 legislative requirements such as law
11 enforcement presence 24/7 at our facilities, AG
12 Office required funding, responsible gaming
13 commitments of at least \$5 million. Those
14 three combined \$9.7 million will always add to
15 our contracted costs. It will always be in our
16 budget, which a lot of other jurisdictions
17 don't have, don't have that level of funding
18 requirement.

19 If you take a look at Ohio, there's
20 no state police costs there. Their gaming
21 enforcement agents have arrest authority. If
22 you take a look at Maryland, they don't send
23 any money over for state police. If you take a
24 look at Pennsylvania, it's a separate item

1 that's funded in the budget. It's not funded
2 under the Gaming Control Commission's line
3 item.

4 So, really drawing the true
5 comparisons is difficult when you're just
6 looking at these types of categories.

7 The final piece to look at are the
8 costs that are held in our budget for other
9 state agencies in comparison to other
10 jurisdictions. So, we just went over State
11 Police, the Attorney General's office costs
12 vary from agency to agency and from
13 jurisdiction to jurisdiction. Some
14 jurisdictions, it's the lottery that runs it.
15 So, it's just one division. If you take a look
16 I think it's Maryland once again in the comment
17 section their overhead staff. So, their legal
18 department, their finance department is not
19 funded at all in that line item. It's all
20 funded under the lottery item. So, to draw an
21 apple to apple comparison really gets
22 difficult.

23 One of the things that you pointed
24 out and that we realized is that we need to

1 keep ourselves as competitive as possible in
2 this market. I think if you look at the tax
3 rates of other jurisdictions in this
4 comparison, and please let me note that while
5 we've chosen Michigan and Pennsylvania as
6 jurisdictions we like to compare ourselves to,
7 our licensees actually chose the other three
8 that are on this list.

9 So, it's not that we're just picking
10 the ones we like and want to see ourselves
11 compared to. Massachusetts offers a
12 competitive tax rate and is lower than most
13 other jurisdictions when you add it all
14 together.

15 CHAIRMAN CROSBY: Is the tax rate on
16 this chart?

17 MR. LENNON: It is. It's on the
18 bottom. So, if you look at tax revenue
19 generated, the comment section under each one
20 of those puts the tax rates for each
21 jurisdiction.

22 CHAIRMAN CROSBY: Got it.

23 MR. LENNON: The comment section
24 next to each one of those there. While I've

1 always advocated against using a metric to
2 compare ourselves to other jurisdictions, the
3 easiest one to look at would be the cost of
4 regulating as a percentage of gross gaming
5 revenue.

6 And if you look at this where we are
7 currently falls pretty much aligned with all of
8 the other jurisdictions. Even I did a quick
9 off the back of an envelope assessment, to add
10 State Police contingent of 13 and a contingent
11 of 13 gaming officers would add about \$1.8
12 million to \$2 million per facility. If you
13 anticipate us going up two facilities, it'd be
14 about \$3.6 million. If you anticipate three,
15 then you go up 4.8. With each \$1.8 million,
16 you're adding about .1 percent to our cost of
17 regulation as a percentage of gross gaming
18 revenue. So, the max we'd get up to is about
19 2.3, 2.35 percent.

20 CHAIRMAN CROSBY: You're assuming
21 gross gaming revenue from all four licensees.

22 MR. LENNON: From all four, correct.
23 So, if we kept expanding and our projections
24 held, we'd be at about 2.3, which is still

1 reasonable.

2 COMMISSIONER ZUNIGA: What you just
3 described would hold all of our other costs
4 steady.

5 MR. LENNON: All of our other costs
6 steady. That's assuming that we didn't cut
7 back on more consultant costs.

8 COMMISSIONER ZUNIGA: That we didn't
9 hire more people.

10 MR. LENNON: No. That includes
11 hiring more people. That's the gaming agents
12 and State Police.

13 COMMISSIONER ZUNIGA: Outside of the
14 variable costs of the gaming agents and the
15 State Police, in other words, holding steady
16 our current levels at the central office, if
17 you will, for FTEs.

18 MR. LENNON: Yes.

19 COMMISSIONER ZUNIGA: Holding steady
20 our level of spending and rent.

21 MR. LENNON: Rent is locked in.
22 That goes up marginally each year. We have
23 that 10-year lease that we just signed. Can't
24 get out of that.

1 CHAIRMAN CROSBY: This is really
2 helpful really well done. If you would send me
3 this electronically, I want to send it out to
4 some folks.

5 MR. LENNON: Absolutely.

6 COMMISSIONER ZUNIGA: This is very
7 helpful. The only thing here is the timing
8 difference between -- You're assuming gross
9 gaming revenues that we don't have and that's
10 good. They are in the future. Some of them
11 are three years into the future.

12 And just finding out the amount of
13 budget that we have to have in the meantime I
14 think in my view is very important and will
15 continue to look at. I think there is two
16 elements in this budget that I'm just
17 remembering that I'm thinking maybe we may not
18 need to spend right away.

19 Maybe we can defer to the next year
20 or the year after that now we've done a lot of
21 testing of machines for example. And I'm
22 specifically thinking of two positions for the
23 slots lab, for the lab that are in the current
24 budget that I'm not sure that we need for this

1 budget because we've already done a lot of
2 testing that's required to be done. There will
3 not be a lot of testing for the foreseeable
4 future.

5 MR. LENNON: One of the things we
6 committed to Commissioner Stebbins asked us to
7 take a look at all of the positions. There are
8 eight new position that were included in this
9 budget and evaluate whether we still needed
10 them.

11 Rick and I have sat down and
12 reviewed them. We've talked to the division
13 directors. While we still would like to
14 advocate for them, what we have committed to do
15 is we will bring them to the Commissioner
16 that's the lead of that area, talk to that
17 Commissioner about it, see what they think
18 about it, get a full explanation of why we
19 think we need it, what the benefits of the
20 position would be. See if there's further
21 discussion that's needed before we ever post a
22 position.

23 So, we hear loud and clear what you
24 are saying. Evaluate everything, contracts,

1 new positions, any expansion given that
2 schedules have changed.

3 COMMISSIONER ZUNIGA: The same is
4 true for project monitoring.

5 MR. LENNON: The project monitoring
6 unfortunately -- Oh, yes, the OPM yes, correct.

7 CHAIRMAN CROSBY: Derek, I assume
8 you did this but you've added in to our \$28
9 million budget the incremental eight gaming
10 agents and State Police that would be required
11 in these three facilities.

12 MR. LENNON: No, I have not. I said
13 if I did that, it would add about .1 percent
14 increase.

15 CHAIRMAN CROSBY: We should make
16 that change because that's not a fair
17 comparison. We're counting it against gross
18 gaming revenue, but it's not our full cost
19 structure. Before I send this out, I'd like to
20 have you flush that so there's no big chunk
21 missing, even if it's only .1 percent.

22 MR. LENNON: Yes.

23 CHAIRMAN CROSBY: Anybody else?

24 COMMISSIONER STEBBINS: I appreciate

1 our CFAO and Director Day going back to look at
2 those positions, and their willingness to be a
3 little more thoughtful and strategic as we move
4 forward through the fiscal year. Again, heard
5 today how calendars may get pushed back and
6 that affects FTE hiring. So, I appreciate that
7 approach.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER CAMERON: I think that
10 was a really good request to make,
11 Commissioner, to take a look at those case-by-
12 case basis.

13 CHAIRMAN CROSBY: What's next?

14 COMMISSIONER STEBBINS: Do you need
15 a motion to approve it?

16 MR. LENNON: Yes. So, with that I'd
17 like -- If there are any further questions or
18 comments on \$31.58 million proposed budget, I'd
19 like to answer them now. Because as I
20 mentioned earlier and Rick mentioned, there was
21 no public comment. So, short of that we'd ask
22 you to approve this funding level.

23 COMMISSIONER ZUNIGA: There's one
24 more question. We've made this point before,

1 but I'll make it again. The Attorney General's
2 cost, it's a plug-in for now. That's kind of
3 what I understand. We've communicated that the
4 statute is very clear. There ought not be
5 duplication of duties or efforts as well as it
6 is for the implementation of Chapter 23K. It's
7 very clear in the statute that those costs will
8 be for that purpose.

9 MR. LENNON: Correct. We've had
10 those conversations. I'd say it's a little
11 more -- The Attorney General's office would
12 think of it as a little more than just a plug.

13 So, they came up with a \$1.9 million
14 budget that had backup documentation, 13 FTEs,
15 office space, supplies. It does have backup
16 documentation behind it. The statute does say
17 that they have the ability to spend up to \$3
18 million as long as they're not duplicating
19 anything that we do.

20 So, we have very little discretion
21 other than to make sure that they're
22 documenting as work on 23K and that it's not
23 duplicating any of our efforts.

24 CHAIRMAN CROSBY: Commissioner

1 Zuniga?

2 COMMISSIONER ZUNIGA: Sure. I would
3 move that this Commission approve the budget as
4 presented and discussed here the last couple of
5 meetings and ultimately here in the packet for
6 fiscal year '16 for the projected cost of
7 \$28,312,000.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER CAMERON: Second.

10 CHAIRMAN CROSBY: Further
11 discussion? All in favor, aye.

12 COMMISSIONER MCHUGH: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER STEBBINS: Aye.

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

18 MR. LENNON: Then Commissioner
19 Zuniga could you move on the racing piece too,
20 which is about \$3.2 million.

21 COMMISSIONER ZUNIGA: That's right.

22 MR. LENNON: It's 1.57 for the main
23 and then 1.7 for the payments to cities, towns
24 and racetracks, so 3.2.

1 COMMISSIONER ZUNIGA: Where is the
2 total 3.2? I'll make it separately. So, I
3 also move that the Commission approve the
4 budget for the Racing Oversight Trust Fund for
5 \$1,579,428.

6 COMMISSIONER STEBBINS: Second.

7 CHAIRMAN CROSBY: Discussion? All
8 in favor, aye.

9 COMMISSIONER MCHUGH: Aye.

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER ZUNIGA: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 CHAIRMAN CROSBY: Opposed? The ayes
14 have it unanimously.

15 COMMISSIONER ZUNIGA: And I further
16 move that the Commission approve the budget for
17 transfers to cities and towns out of the racing
18 operations for \$1,662,447.

19 CHAIRMAN CROSBY: Second?

20 COMMISSIONER STEBBINS: Second.

21 CHAIRMAN CROSBY: Further
22 discussion? 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 MR. LENNON: Thank you.

6 COMMISSIONER CAMERON: Thank you.
7 Good work.

8 COMMISSIONER MCHUGH: Good
9 thoughtful, clear work.

10 MR. DAY: Thanks Derek. Now Mr.
11 Chair, can we get our human resources manager
12 to come up and talk --

13 CHAIRMAN CROSBY: She's on her way.

14 MR. DAY: -- about Red Book section
15 2.03, right Trupti?

16 MS. BANDA: Correct. Good
17 afternoon. This will be brief. I am here to
18 review with you the section 2.03.

19 There's a small memo in the packet
20 along with the policy that is provided for you
21 to review. And in an effort to ensure we can
22 recruit and retain the most qualified
23 employees, I recommend that the Commission
24 adopt Red Book section 2.03 of the Commonwealth

1 of Massachusetts Human Resources Division.

2 This policy allows the Commission to
3 recognize prior comparable experience for
4 purposes of determining vacation accrual for
5 MGC employees. Such comparable services may be
6 in all employment sectors and must be in excess
7 of that which meets the minimum entrance
8 requirement for the position.

9 Prior service must be full-time and
10 does not include intermittent experience. So,
11 this policy aligns with our current leave
12 policy. So, it's not too far outside of any
13 boundaries. The only difference is by adopting
14 this policy, it provides a formalized procedure
15 for accrediting prior service to attract and
16 retain employees.

17 The discretion to grant vacation
18 under this policy would be delegated to the
19 Executive Director. And I would work with the
20 Executive Director on providing creditable
21 service and assessing those criteria.

22 MR. DAY: So, Trupti, this would
23 give us a formula to make that calculation.

24 MS. BANDA: Exactly. So, it would

1 be a fair equitable process.

2 COMMISSIONER STEBBINS: Just to be
3 clear, this helps us with somebody coming in
4 potentially from outside the jurisdiction not
5 just for internal Massachusetts candidates
6 moving from maybe one government agency to
7 another, but allows us to effectively recruit
8 out of state or at least to have a stable
9 policy in place so everybody is treated fairly.

10 MS. BANDA: Exactly. So, if we have
11 a candidate we identify who has a unique
12 experience in say surveillance or something of
13 that nature, they relocate to this area. They
14 have 20 years of experience, again, that would
15 give us the opportunity to attract, allow the
16 appropriate level of benefits that they would
17 have in another jurisdiction because of their
18 tenure and experience and expertise to be able
19 to have that.

20 Again, this is a formula. If we had
21 an employee who worked for the Commonwealth and
22 had similar number of years of experience, they
23 would have had that. So, we're just trying to
24 match that up.

1 MR. DAY: Commissioner Stebbins, it
2 also allows for private and public time.

3 CHAIRMAN CROSBY: Okay. Any other
4 discussion or questions?

5 MS. BANDA: With that I ask for your
6 approval.

7 CHAIRMAN CROSBY: Do we need a vote?

8 MS. BANDA: Yes, please.

9 CHAIRMAN CROSBY: Commissioner
10 Zuniga.

11 COMMISSIONER ZUNIGA: Sure. I would
12 move that the Commission adopt procedures for
13 recognizing prior comparable experience for the
14 purpose of determining vacation status as
15 presented here and discussed today according to
16 the Red Book changes that occurred effective
17 January 28, 2002.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER STEBBINS: Second.

20 CHAIRMAN CROSBY: Further
21 discussion? All in favor, aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

1 COMMISSIONER STEBBINS: Aye.

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

4 COMMISSIONER CAMERON: Thank you.

5 MS. BANDA: Thank you.

6 CHAIRMAN CROSBY: Director Griffin.

7 MS. GRIFFIN: Good afternoon,
8 Commissioners. I think we've saved the best
9 for last, is that right? You don't have to
10 answer that.

11 After a few introductory remarks,
12 I'm actually going to turn the mic over to
13 Commissioner Stebbins who has really worked
14 closely on this issue on the topic of veterans.

15 I'm joined today by Chris King from
16 the Mass. Department of Veteran Services.
17 Thank you, Chris. Chris focuses on veterans'
18 employment. He has been working closely with
19 us. He is a member of the Commission's vendor
20 advisory group.

21 As you remember and know the
22 expanded gaming law really places a priority on
23 the economic inclusion of diverse groups
24 including veterans through all stages of the

1 development and introduction of the casinos in
2 Massachusetts. And I know you are aware of
3 these priorities, but I think it bears
4 repeating, we really want to make veterans
5 aware of these opportunities.

6 So, we're talking about contracting
7 opportunities for veterans who own and operate
8 their own businesses. Also regarding jobs and
9 careers for veterans in design, construction
10 and in casino operations.

11 So, Chris has assisted the
12 Commission and our licensees with our ongoing
13 efforts to promote the opportunities available
14 to veterans. We've reached out to other state
15 agencies, members of the vendor advisory group,
16 nonprofits and local veteran service officers
17 working across the state. So, it was in one of
18 these outreach meetings with the veteran
19 service officers in Western Mass. that the
20 question was posed about who actually
21 qualifies? How do you define a veteran?

22 So, Commissioner Stebbins has worked
23 on this issue. I'm going to turn it over to
24 him to explain and give more details regarding

1 his work on this issue.

2 COMMISSIONER STEBBINS: Thanks,
3 Director Griffin. You said you were going to
4 save the best for last. I thought I had been
5 taken out of my role.

6 Good afternoon, colleagues. I'm
7 pleased to discuss with you a questions that
8 was placed before this Commission several
9 months ago. As Jill mentioned, she and I have
10 been actively out talking to veteran service
11 officers. These are folks within each
12 municipality who are directed to work with
13 veterans living and residing within their own
14 community.

15 And it was at one of these meetings
16 a question was raised to us, well, what
17 definition of veteran are you going to use?
18 Jill and I kind of sat there aghast thinking we
19 didn't know there was more than one definition.

20 But we reached out to several
21 stakeholders including Chris who as Jill
22 mentioned has been extremely helpful to us. As
23 we've rolled out -- impressed the priorities in
24 the statute about veterans, we concluded that

1 there was a definition. However, it gets
2 foggy. It might be outdated. It changes.

3 And we were worried the definition
4 or it was raised with us the definition may
5 preclude men and women of the Massachusetts
6 National Guard and Reserve who have been called
7 upon to serve the country in a kind of
8 different capacity since 9/11.

9 If you go to our Secretary of
10 State's website, a veteran is defined as
11 someone who serves in active duty for 180
12 consecutive days barring injury or discharge
13 before the 180 days or 90 days during wartime.
14 And they have a whole schedule laid out of what
15 those wartime dates are. This definition was
16 designed to help identify men and women of our
17 armed services who become eligible for federal
18 and state financial benefits.

19 During our review and conversations,
20 we heard stories of Guard members who may have
21 been taken off active duty prior to reaching
22 their target days and some other bureaucratic
23 challenges. And we know that service members
24 in the Guard and Reserves are not full-time,

1 not active duty. Many seek other work weekday
2 non-drilling time employment with the support
3 of employer support for the Guard and Reserves
4 and other organizations.

5 The expanded gaming statute also
6 highlighted employment opportunities for the
7 unemployed and under employed as critical to
8 our efforts. And certainly some members of the
9 Guard and Reserve could be included in this
10 group.

11 What you see before you in the memo
12 today is a proposal to seek public comment on
13 how we might answer this question, keeping in
14 mind there's no public monetary benefit
15 provided by this Commission. Our three
16 approaches include adding members of our
17 National Guard and Reserves to a regulatory
18 definition of veteran.

19 The second approach is to allow
20 Director Griffin in her upcoming reporting
21 regulations to ask our licensees to report on
22 the number of Guard and Reservists among their
23 employees. This approach may highlight or
24 would highlight our interest in having our

1 licenses look at focusing the recruiting and
2 hiring of these individuals.

3 And lastly, we can finalize the
4 definition by merely accepting the definition
5 currently accepted by the Commonwealth, 180
6 consecutive days or 90 days during wartime.

7 Yesterday, we obviously celebrated
8 the opening of Penn National's Plainridge Park.
9 And providing a new and clarified definition of
10 a veteran would not necessarily hurt Penn's
11 work to meet their goals that they laid out in
12 their workforce development plan but could only
13 enhance their numbers if the definition is
14 refined or if we expand reporting requirements.

15 That said, I'm going to hand it over
16 to Chris. Again, Chris is from the state
17 Veteran Services Department, a representative
18 of the Secretary. He has been extremely
19 helpful over the past it seems few years
20 helping us, helping the vendor advisory team,
21 helping us understand a lot of these issues,
22 obstacles towards vets in veteran-owned
23 businesses gaining opportunities both through
24 the workplace and through vendor relationships

1 with our licensees.

2 With that I'll invite Chris to make
3 any comment or provide any further insight he
4 might have on this topic, and his thoughts on
5 our suggestions and what steps we can take.

6 MR. KING: First of all, thank you.
7 It's a pleasure and honor to be before the
8 Commission to give some comments. I do want to
9 say that working with Commissioner Stebbins and
10 Jill, they're exercising leadership in this
11 area has been tremendous. And the focus and
12 attention of the Commission on veterans has
13 been I think exemplary. The attention to
14 detail in making sure that the veterans are
15 included in this entire process with the
16 licensees I think is quite heartening.

17 As Commissioner Stebbins says, this
18 has been a lengthy and deliberative process,
19 which I think is good. One of the things that
20 I know from my experience working with veteran
21 employment is that there oftentimes some of the
22 Guard and the Reserves fall through the cracks
23 because one of the things I do for the
24 Department of Veteran Services is run the Boots

1 to Business veteran mentoring program working
2 with unemployed veterans.

3 In that program, we include Guard
4 and Reserve members. And I've worked with some
5 folks, one guy in particular I'm thinking of
6 now, there's been others, who came back from a
7 combat tour in Iraq, is still doing his weekend
8 duty, one weekend a month, two weeks a year but
9 he doesn't have a day job. And he's having
10 trouble getting a job.

11 And having employment opportunities
12 available in this regard I think is very
13 important. And to include the Guard and
14 Reserve I think is important given the service
15 they provided in the Commonwealth. So, I'm
16 supportive of this and in the definition of
17 veterans that you're putting forward for public
18 comment.

19 COMMISSIONER MCHUGH: Is the
20 difficulty in getting a job related to the fact
21 that he or she is serving in the Guard?

22 MR. KING: I think that's a mixed
23 bag. I think sometimes you'll have employers
24 that see that as a big plus because of all the

1 things that veterans or service members bring.
2 That it actually helps in getting hired.

3 I think in other times it might be
4 detrimental. There are laws against
5 discriminating against people because they get
6 deployed and that type of thing. There are
7 cases, obviously, around the country where
8 employers will at least quietly find out
9 someone is in the Guard or Reserves. I don't
10 have the data on how widespread the problem is,
11 but sometimes it works that way as well.

12 COMMISSIONER MCHUGH: If I
13 understand correctly, the 90-day active duty
14 requirement for members of the -- In certain
15 periods, is 90 consecutive days of active duty
16 one of which must be in wartime otherwise it's
17 180 days of active duty, right?

18 MR. KING: I have to double-check on
19 that. The Veteran Administration has one
20 definition, the state --

21 COMMISSIONER MCHUGH: I'm talking
22 about state.

23 MR. KING: The state, I apologize.
24 I don't have the wording right in front of me.

1 That sounds correct. Is that the wording you
2 have in front of you? I believe that's
3 correct.

4 COMMISSIONER STEBBINS: 90 days of
5 active duty service, one day of which is during
6 wartime, which the Secretary of State's office
7 lists a period of conflicts and the duration of
8 those conflicts.

9 COMMISSIONER MCHUGH: Different
10 periods of time are defined as wartime. And
11 then one of those days has to be during
12 wartime.

13 CHAIRMAN CROSBY: I guess wartime
14 doesn't mean declared war apparently. It's
15 something like these wars count.

16 COMMISSIONER STEBBINS: These wars
17 count. What was interesting looking at the
18 chart on the Secretary of State's page is it
19 cuts off around 1992. I don't think it takes
20 into effect however you define the conflict
21 period we've been in since 9/11. That's not
22 included in the chart.

23 COMMISSIONER MCHUGH: The Persian
24 Gulf begins 2 August 1990 and the end date has

1 not yet been determined. The Lebanon Campaign
2 began on August 25, 1982 and the end date has
3 not yet been determined.

4 So, that's still defined as wartime,
5 which brings me to the first definition which a
6 veteran is an individual who honorably served
7 in the armed forces of the United States for a
8 minimum of 180 days on active duty -- That part
9 is straightforward -- or an individual who is
10 an active member of the Massachusetts Army or
11 Air National Guard or Massachusetts residents
12 serving in the Reserves and will obtain veteran
13 status upon his or her retirement or honorable
14 discharge. That it seems to me puts us back
15 into this definition of 90 days one of which
16 must be in wartime. Was that the intent?

17 COMMISSIONER STEBBINS: That might
18 have been my oversight in not including the 90
19 day scenario also in the definition.

20 COMMISSIONER MCHUGH: No. I guess
21 my question is did you intend to include the
22 90-day requirement there? Put another way,
23 what determines, and I just throw this out for
24 both of your comment, what determines whether

1 or not the Massachusetts residents serving in
2 the Reserves will obtain veteran status upon
3 his/her retirement with an honorable discharge?

4 What determines that? That's a
5 future looking thing. And is it service for 90
6 days one of which must be in wartime? Is it
7 something else?

8 COMMISSIONER STEBBINS: I think it's
9 a matter if that person -- It's somebody who is
10 actively in service now, but you're right, kind
11 of looking ahead to the future -- Somebody who
12 is currently an active member of the Army or
13 Air National Guard or a Massachusetts resident
14 serving in the Reserves they obtain veteran
15 status similar to all of their other colleagues
16 upon their retirement or honorable discharge.

17 COMMISSIONER MCHUGH: So, it does
18 tie back into the 90 days if we follow the
19 Secretary of State's definition which really
20 comes from the statute. The Secretary of
21 State's definition just tracks the statute,
22 right?

23 COMMISSIONER ZUNIGA: I thought it
24 was --

1 COMMISSIONER MCHUGH: There's a
2 definition.

3 MR. KING: In the Secretary of
4 State, there is a definition.

5 COMMISSIONER MCHUGH: And that
6 definition simply tracks the definition in the
7 General Laws, Chapter 4.

8 COMMISSIONER STEBBINS: He pulls it
9 from Mass. General Laws.

10 COMMISSIONER MCHUGH: If we leave it
11 this way, it seems to me we are talking about a
12 person who qualifies as a veteran upon his or
13 her discharge if they meet the requirements of
14 the 90 days, one of which must be in wartime.

15 MS. BLUE: Commissioner Stebbins, if
16 I might just jump in for a minute. I think
17 when Commissioner Stebbins and I looked at this
18 in the beginning, one of the problems was that
19 you have a potential situation with people in
20 the Guard who may not reach that definition.
21 And I think one of the questions that we were
22 trying to look at was should the Commission
23 have a definition that's slightly different to
24 keep that group in?

1 COMMISSIONER MCHUGH: I agree that
2 that's the question. I'm just trying to figure
3 out what the intent was here. And if that's
4 the intent --

5 MS. BLUE: I think that's what we
6 were trying to get at, yes. That this would be
7 definition that would be different than the one
8 on the Secretary of State's page and would be
9 somewhat more liberal than what they require.
10 So, we wouldn't be requiring the 90 days
11 necessarily and the one day of service in
12 wartime.

13 COMMISSIONER MCHUGH: I guess if
14 that's the intent then I think we have to talk
15 about that. I'd like to talk about that for a
16 minute. And then I think we have to have a
17 different definition, because I think this
18 definition as it's presently worded throws us
19 right back into the definition of -- that's
20 used in the Secretary of State's definitions
21 and the statute because it defines, the
22 Secretary of State's page says to be a veteran
23 under Massachusetts law, a person must have
24 during wartime 90 days of active service, one

1 day during wartime and a last discharge or
2 release under honorable condition.

3 So, you don't become the veteran
4 unless you have both of those qualifications
5 and are discharged. That's what this permits
6 you --

7 MS. BLUE: I think we do need then
8 some work on that language, yes, because I
9 don't think that's what we were driving at.

10 COMMISSIONER MCHUGH: Before we work
11 on the language, I'd like to work on the
12 concept. What are we trying to do here?

13 COMMISSIONER STEBBINS: And Chris,
14 chime in. The feedback we've gotten is, again,
15 this is primarily since 9/11, more call ups of
16 members of the National Guard to actually do
17 foreign active duty service. There were
18 anecdotal cases where somebody was sent home
19 prior to reaching one of the target dates.

20 And my thinking is that because
21 there is not a financial benefit, we're not
22 sitting here with a budget deciding who gets a
23 piece of the budgetary pie, there is perhaps a
24 way, and again that's why we've recommended a

1 couple of different approaches, to make sure
2 that members of the National Guard who as Chris
3 pointed out may be underemployed or unemployed
4 in some cases outside of their drilling time,
5 and also members of the Reserve. And it's
6 worded a little bit differently because
7 Massachusetts residents who are in the Reserves
8 may actually train out of state. Trying to
9 find a way to highlight this group of
10 individuals as a target population for hiring
11 by our licensees.

12 So, the approaches are we impress
13 upon our licensees through Jill's reporting
14 requirements that they should be a target
15 population for hiring. And we can bring
16 stakeholders together to help them focus on
17 that hiring.

18 Or we just again because we're not
19 tied to providing a financial benefit, we can
20 craft our own definition of veteran that would
21 highlight the inclusion of these two
22 populations of folks. Maybe it just involves
23 some rewording of the veteran definition if
24 that's a route we choose to go. But that was

1 the ultimate focus.

2 COMMISSIONER MCHUGH: I get that.
3 And I think that's really important. But if I
4 could use some concrete examples, we could say
5 a member of the National Guard period. We
6 could say a member of the National Guard who
7 served on active duty period. We could say a
8 member of the National Guard who has served on
9 active duty for X number days regardless of
10 whether or not one was in wartime.

11 We could leave it at the Secretary
12 of State's definition. Those things, it seems
13 to me, whichever way we go there have an impact
14 on whether we're going to require service in
15 the Armed Forces for a minimum of 180 days.

16 In other words, why would we have a
17 definition that says you have to serve in the
18 Armed Forces for 180 days but if you're in the
19 National Guard you only have to be on active
20 duty for one day or you don't have to have any
21 active duty requirement at all.

22 If you put a period after service in
23 the National Guard, then somebody who serves in
24 the National Guard for two weeks, I'm not sure

1 that's possible but you serve in the National
2 Guard for two weeks and then you're entitled to
3 the same preference as the person who serves in
4 the Armed Forces, the regular Armed Forces for
5 six months.

6 That's what give rise to my
7 questions. I think that the effort to reach
8 out for veterans as you're doing and you're
9 doing with your good help is really important.
10 But then what veterans are we reaching out for?
11 I'll stop there.

12 MR. KING: Might I provide --

13 COMMISSIONER MCHUGH: Sure,
14 absolutely.

15 MR. KING: For me this particular
16 definition hinges upon -- with the Guard and
17 Reserve, it hinges upon the term active member.

18 COMMISSIONER MCHUGH: Right.

19 MR. KING: So, it defines the 180
20 days for the folks that are on active duty,
21 regular military. And then or an individual
22 who is an active member of the Guard or
23 Reserve. So, by the nature of this when
24 someone joins the National Guard or is in the

1 Reserves like active-duty members they take an
2 oath.

3 And as some have said, one doesn't
4 know when one takes the oath if they are going
5 to be in combat or in some nice little spot
6 somewhere. So, essentially they're signing a
7 blank check payable up to and including their
8 lives. They don't really know what's going to
9 happen while they're in there.

10 There's a historic precedent here
11 for the 180 days and the 90 days for the active
12 folks. As Commissioner Stebbins was
13 explaining, and you explained over here, to
14 liberalize the definition to include the Guard
15 and Reserves. So, when you're in the Guard and
16 Reserve, it's a little more complicated than
17 this, but basically you're doing your one
18 weekend a month and two weeks a year, which
19 roughly works out to about 30 days a year.

20 So, when you go and drill for that
21 weekend, you're active that weekend. You're
22 drilling that weekend. You're being in the
23 service. You're getting days towards
24 retirement or points in this case towards

1 retirement.

2 So, for me the term active member
3 means are they getting good years. So, if a
4 person is on track to getting a good year and
5 has a history of getting good years in the
6 Guard and Reserve, I would be inclined -- I
7 would support that as being someone who would
8 be considered for employment opportunities with
9 the Gaming Commission.

10 COMMISSIONER MCHUGH: Okay. So,
11 let's assume you have somebody who has been in
12 the Guard for four months and is doing weekend
13 drills. Under your definition would that
14 person be a veteran under this definition?

15 MR. KING: Under my read of this
16 definition, that would be correct. Because you
17 could say active member would be defined as a
18 least one good year. You could say three good
19 years to put a limit on there or be further
20 restrictive in your definition as it's
21 currently written.

22 You could have somebody who served
23 for 10 years in active duty, gets out of the
24 Army, joins the Army National Guard. Has been

1 doing four months of the Guard and would
2 qualify whereas if you said they have to do
3 three years of good years, for those three
4 years they would not qualify assuming --
5 Actually, in that case, they would meet the
6 definition of veteran because they would've
7 done 180 days. But that's the central idea.
8 Is that clear?

9 COMMISSIONER ZUNIGA: If the intent
10 and I believe that's the intent is to be as
11 inclusive as possible and I understand the
12 notion that you could be on active duty because
13 you are in the Reserves and you still need a
14 job, etc., why couldn't we just say, simply say
15 some kind of military history, wherever that
16 is, but history so that there is some evidence
17 that you served in some capacity.

18 CHAIRMAN CROSBY: The only thing
19 we're considering today is whether to post this
20 for comment. We're not trying to make a
21 decision. So, I think we should post it. I
22 think everybody agrees with that. And we are
23 going to want some more feedback and some more
24 clarification. I see the gentleman back here

1 who obviously has something to say. And I hope
2 you'll send us a note.

3 But I don't think these options are
4 very clear. These need to be -- So, we're
5 asking for comment on however many clearly
6 distinct options whatever it is we're asking
7 comment for. I think at least to me I don't
8 quite make sense of these. So, let's clean up
9 the language, make sure we're offering the
10 options we mean to offer and then see what we
11 get for comment. And then we'll talk about it.

12 COMMISSIONER MCHUGH: I think the
13 number three is clear because it just follows
14 the Secretary of State's definition.

15 CHAIRMAN CROSBY: The Secretary of
16 State's definition as it's written here seemed
17 kind of vague to me, but whatever --

18 COMMISSIONER MCHUGH: The Secretary
19 of State has a sheet in which he makes it
20 pretty clear. And it seems to me that we ought
21 to -- I agree. But it seems to me we ought to
22 come to some, have some idea what target we are
23 shooting at in number one. And then ask for
24 comments on that.

1 And if we're going to say something
2 like if you honorably served on active-duty in
3 the Armed Forces or the National Guard, if
4 that's the idea then it seems to me we ought to
5 say that and put that out for comment. I think
6 we'll get some positive comment. I think we'll
7 get some interesting comment that suggests it
8 ought to be tighter than that for a variety of
9 reasons.

10 But at least it'll be clear what
11 we're trying to do. And it'll be clear that
12 we're trying to be as broad reaching with this
13 definition as possible. So, if we're looking
14 for a starting place, that's what I would
15 recommend we try to revise this to read.

16 If we're looking for something more
17 restrictive to really focus on people who have
18 served on active duty and been in harm's way
19 then we go in a different direction. But for
20 starters perhaps we ought to be just as broad
21 as we can.

22 CHAIRMAN CROSBY: We could frame
23 that question too. Get feedback on that
24 specific question. When we post our question,

1 let's ask what's the difference between people
2 who have been in harm's way for some period of
3 time versus not relative to the National Guard
4 and Reserves. Okay.

5 COMMISSIONER STEBBINS: Got some
6 good marching orders.

7 COMMISSIONER MCHUGH: Thank you very
8 much. Thank you very much.

9 CHAIRMAN CROSBY: Thank you, Chris.
10 I think that about does it.

11 MR. DAY: That would be it.

12 COMMISSIONER CAMERON: Move to
13 adjourn.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER ZUNIGA: Second.

16 CHAIRMAN CROSBY: All in favor, aye.

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 CHAIRMAN CROSBY: The ayes have it,
22 what a surprise.

23

24 (Meeting adjourned at 3:46 p.m.)

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission June 25,
3 2015 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission June 18,
5 2015 Meeting Minutes
- 6 3. MassTAPP - The Plainville Problem Gambling
7 Services Assessment and Interim Plan
- 8 4. Massachusetts Gaming Commission Temporary
9 Operations Certificate, Permanent
10 Operations Certificate and Category 2
11 Gaming License for Plainville Gaming and
12 Redevelopment, LLC with attachments
- 13 5. Massachusetts Gaming Commission Racing
14 Division Second Annual Report for Year
15 Ending December 31, 2014
- 16 6. Comment Letters on Region C Application
17 Deadline
- 18 7. MGM Springfield June 25, 2015 First
19 Quarter 2015 Report
- 20 8. June 22, 2015 Brown Rudnick Letter
21 Regarding Blue Tarp Redevelopment Final
22 Project Schedule
- 23 9. Massachusetts Gaming Commission June 23,
24 2015 Memorandum Regarding Requirements for

- 1 Staffing Subcommittees Under the Gaming
2 Policy Advisory Committee with attachments
3 10. Massachusetts Gaming Commission FY16
4 Budget
5 11. Massachusetts Gaming Commission June 25,
6 2015 Memorandum Regarding Adoption of Red
7 Book Section 2.03
8 12. Massachusetts Gaming Commission June 23,
9 2015 Memorandum Regarding Definition and
10 Status of Veteran

11 GUEST SPEAKERS:

12 Jay Snowden, Penn National

13

14 Steve Keel, Department of Public Health, Bureau
15 of Substance Abuse

16 Emily Bhargava, MasSTAPP

17 Jack Vondras, MasSTAPP

18

19 Jed Nosal, Esq., Brown Rudnick(MGM Springfield)

20 Michael Mathis, MGM Springfield

21 Brian Packer, MGM Springfield

22 Rebecca Brown, TEC (MGM Springfield)

23 Kevin Conroy, Esq. Foley Hoag (KG Urban)

24 Chris King, Veteran Services

1 MASSACHUSETTS GAMING COMMISSION STAFF:
2 Bruce Band, Deputy Director IEB
3 Trupti Banda, Human Resources Manager
4 Catherine Blue, General Counsel
5 Richard Day, Executive Director
6 Jill Griffin, Director Workforce, Supplier and
7 Diversity Development
8 Derek Lennon, CFAO
9 Alex Lightbaum, Interim Director of Racing
10 Doug O'Donnell, Senior Financial Specialist
11 Karen Wells, Director IEB
12 Mark Vander Linden, Director Research and
13 Responsible Gambling
14 John Ziemba, Ombudsman
15
16
17
18
19
20
21
22
23
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

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 29th day of June, 2015.



LAURIE J. JORDAN My Commission expires:
Notary Public May 11, 2018