

1 THE COMMONWEALTH OF MASSACHUSETTS

2 MASSACHUSETTS GAMING COMMISSION

3
4 PUBLIC MEETING #69

5
6 CHAIRMAN

7 Stephen P. Crosby

8
9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Enrique Zuniga

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14
15 June 13, 2013, 9:30 a.m.

16 OFFICE OF THE DIVISION OF INSURANCE

17 First Floor, Hearing Room E

18 1000 Washington Street

19 Boston, Massachusetts

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1 P R O C E E D I N G S :
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4 CHAIRMAN CROSBY: I would like to
5 call to order the 69th public meeting of the
6 Massachusetts Gaming Commission on June 13,
7 2013.

8 I would like to start the day by
9 remembering Governor Paul Cellucci. Governor
10 Cellucci did me the honor of asking me to serve
11 as Secretary of Administration and Finance in
12 his administration, 2000, 2001, 2002. He was a
13 guy who had an unusual combination of integrity
14 about his convictions and the courage to act
15 them out. He was very conservative on issues
16 like taxes and budget but also incredibly
17 progressive on issues like conservation and
18 domestic violence, all kinds of women's rights
19 issues. He was a really unusual combination,
20 and a guy who was really comfortable in his own
21 skin about being who he was.

22 As you all know, he got Lou Gehrig's
23 disease, ALS, and had a terrible last few years.
24 And his wife Jan had to be a caretaker. So, I

1 just wanted to have a moment of silence in
2 memory of Governor Cellucci and on behalf of his
3 wife Jan Cellucci.

4
5 (A moment of silence)

6 I'm going to leave here about 10:15
7 and go up to the Governor's memorial service in
8 the Statehouse. And Commissioner McHugh will
9 take over and chair the meeting.

10 COMMISSIONER MCHUGH: Mr. Chairman,
11 I would just like to add that he did me the
12 honor of appointing me to the Appeals Court.
13 And although I didn't know him nearly as well as
14 you did, I think your characterization of him
15 was spot on.

16 Particularly impressive I think was
17 his comfort in his own skin, but his humility,
18 his execution of his duties as Governor without
19 ever losing touch with who he was or where he
20 came from or the community in which he lived.
21 He was a remarkable guy.

22 CHAIRMAN CROSBY: Yes, he was. I
23 would remind people, if you've forgotten, he
24 appointed Margie Marshall Supreme Court Justice

1 who was an extraordinary justice among other
2 things doing the extraordinary gay rights, gay
3 marriage decision that was earth shattering.
4 This was a so-called conservative Republican
5 governor who appointed Margaret Marshall as
6 Supreme Court Justice. He was quite a man.

7 I know John Ziemba worked with him
8 also. Were there others here who worked with
9 him, Janice, yes, Ellen, yes. So, thank you
10 all.

11 Okay, we're going to move on when I
12 get over the goose bumps and do the approval of
13 the minutes.

14 COMMISSIONER MCHUGH: Mr. Chairman,
15 the minutes are in the meeting packet. Once
16 again a reminder that they are online linked
17 directly to the video of our meetings. Here
18 they are in printed form and I move that they be
19 approved in the form submitted.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER ZUNIGA: Second.

22 CHAIRMAN CROSBY: On discussion on
23 page five, Commissioner, maybe somebody knows
24 something I don't know including maybe Artem,

1 but it says although the Commission does not
2 anticipate asking questions, it may ask
3 clarificatory questions. Is that a word?

4 COMMISSIONER MCHUGH: It is now.

5 CHAIRMAN CROSBY: Clarifying maybe,
6 I've never heard of clarificatory.

7 COMMISSIONER MCHUGH: We'll change
8 that, Mr. Chairman.

9 CHAIRMAN CROSBY: Other than that,
10 all of favor of accepting the minutes, aye.

11 COMMISSIONER MCHUGH: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 CHAIRMAN CROSBY: All opposed? They
15 are accepted unanimously.

16 All right. For the rest of the
17 clarificatory afternoon, first we'll move to
18 administrative issues and ask Executive Director
19 Day to take the floor.

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

22 CHAIRMAN CROSBY: Excuse me, just
23 one thing, Rick, I wanted to mention, we have
24 talked about -- The people who are here, we've

1 talked about wanting to give you the tools to
2 work along with us. And we talked about passing
3 out -- We've been giving the background
4 materials that are in our packet to the press
5 and a few extra copies we had to give to people.
6 And we talked about giving everybody copies of
7 our materials, but they are so voluminous as you
8 can see that we decided that was pretty
9 inefficient.

10 So, everything will be on the
11 screen. So, you will be able to see what we're
12 talking about. I realized during one of these
13 most recent meetings that lots of times, people
14 are sitting in the audience watching us talk
15 about stuff and have no idea what it is because
16 it's not in front of you.

17 So, hopefully this will be helpful.
18 But we want to make your time as efficient as
19 possible. So if this doesn't work, let us know.
20 This is an attempt to have you be able to work
21 along with us. Sorry.

22 MR. DAY: Mr. Chairman, just a quick
23 note on the future, the Commission's next
24 meeting is June 27. And most of our agenda

1 should be consideration of Category 2
2 investigations and suitability recommendations
3 by the IEB.

4 CHAIRMAN CROSBY: Category --

5 MR. DAY: Category 2 --

6 CHAIRMAN CROSBY: -- Category 2
7 recommendations.

8 MR. DAY: Then what I'd like to do
9 is briefly update you Mr. Chairman and members
10 of the Commission that Commissioners Zuniga,
11 McHugh and Stebbins and I have -- Excuse me.
12 Commissioners Zuniga and McHugh and I have
13 started interviews on our Chief Information
14 Officer position and head of technology.

15 And based on what we've seen so far,
16 we are going to have an excellent group. We've
17 got over 100 candidates to choose from, but what
18 we have seen so far we think we're going to have
19 an excellent group to come up with a good person
20 for the Commission.

21 Secondly, Commissioners Zuniga,
22 McHugh and Stebbins and I are continuing to
23 develop resources to allow the Commissioners to
24 add areas of expertise during the evaluation of

1 applications.

2 The financial advisor RFR responses
3 are due June 28. The building and site design
4 RFR release we are planning June 21, at least.
5 Economic development RFR draft is to be prepared
6 by June 21 and released by June 28.

7 The project manager RFR release we
8 plan by June 14, which is tomorrow. And with
9 the three-week response period, we anticipate
10 being able to review the responses the week of
11 July 8. The target overall for the project
12 manager interviews is the period of July 15
13 through the 22nd to allow a recommendation for
14 the Commission on July 25 at its Commission
15 meeting.

16 The project manager's initial duties
17 will include assisting in the selection of
18 additional advisors and hopefully that package
19 will be completed before the end of August, once
20 again, to be able to move to the Commissioners
21 for your review and hopefully approval.

22 The concept is to have the project
23 manager and advisors selected and ready to
24 participate in sort of an organizational process

1 and practice discussions in September. So, that
2 the teams are ready and prepared to make
3 decisions and evaluate the Category 2
4 application when that period the closes in the
5 first week of October.

6 John Ziemba is also exploring
7 possible assistance from Massachusetts
8 Transportation, Environmental Affairs agencies.
9 And I believe Commissioner Stebbins and McHugh
10 have had additional contacts. And perhaps
11 Commissioner McHugh would be willing to respond
12 or to comment on that. That should provide at
13 least a perspective on the plan and the target
14 dates that we have as we look forward.

15 CHAIRMAN CROSBY: Great.

16 COMMISSIONER MCHUGH: Well, we are
17 also talking to those who are not going to be
18 part of the formal team that we assemble, but
19 people such as representatives from DOER, DOEA
20 and others who may be able to assist us in some
21 voluntary way, either in vetting people who will
22 be potentially hired who respond to the RFRs or
23 otherwise reviewing documents and helping us
24 look at parts of the application, and assisting

1 us with the application process.

2 We're in the process now trying to
3 talk to them and see what it is that they'd be
4 willing to do and on what kind of a schedule. I
5 think we will be able to get some really very
6 valuable help from them in this process.

7 CHAIRMAN CROSBY: Okay. I find
8 myself not exactly clear on the project manager
9 role. I know you've talked about it and you've
10 said something about you saw. So, tell me
11 again, once the person is up and running and the
12 process is going on, what do you see that
13 person's job as?

14 MR. DAY: This would be at first
15 anyway. Their initial task will be to assist us
16 in making sure we have sufficient expertise.
17 So, they'll help screen and interview those that
18 we're prepared to look at for other areas of
19 expertise environmental impact, traffic, those
20 kinds of things. So, that would be the first
21 job.

22 The second job would be actually to
23 help move, make sure the process moves forward.
24 Because the evaluation teams are five separate

1 processes and to be able to at least help keep
2 track of how things are going in that process.
3 Probably interface with the experts that are on
4 each one of the evaluation teams.

5 This person wouldn't be required to
6 sit at each meeting. But obviously in order to
7 do that, it would make sense to at least spend
8 some time with each evaluation team. And in the
9 end would be instrumental in helping bring
10 forward with recommendations that each of the
11 teams have made. And to have them prepared and
12 ready for the Commission's consideration when
13 the product is ready.

14 CHAIRMAN CROSBY: Does it seem
15 completely clear to all of you that that's a
16 role that we need additional help for?

17 COMMISSIONER MCHUGH: Absolutely.

18 COMMISSIONER CAMERON: Yes, I think
19 so too.

20 COMMISSIONER MCHUGH: There's going
21 to be a lot of moving parts in this process once
22 we get going. And we've got a very short time
23 to do it. And somebody who is devoted full-time
24 to coordinating among the five teams I think is

1 essential to make it succeed.

2 CHAIRMAN CROSBY: You feel the same
3 way?

4 COMMISSIONER ZUNIGA: Well, for the
5 most part. I will say I think that the need is
6 there, the coordination need is clearly -- The
7 timeframes are tight. The tasks are many. So,
8 I really think we need a coordinating piece.

9 I brought up the point a little
10 while ago and I guess there was not a lot of
11 consensus around an alternative like having a
12 member of each of the five teams come into a
13 steering committee of sorts, a coordinating
14 committee. But that also carries some things to
15 consider.

16 CHAIRMAN CROSBY: If there were such
17 a thing, this project manager still would be --

18 COMMISSIONER ZUNIGA: Right.
19 There's still a role for somebody to keep -- We
20 do anticipate that there will be a lot of
21 information back and forth. Starting as early
22 as prior to the deadlines, to your point about
23 having somebody on board in September, early
24 September, there could be questions. There

1 could be any number of particulars that apply to
2 one company but not anyone else. So, there will
3 be a number of information flow where this role
4 is necessary.

5 So, I'm perfectly fine with this
6 project coordinator.

7 The other piece though, which we
8 have pondered, I guess, is I think there's a
9 role for a project manager or owner's project
10 manager after the awards of the licenses.
11 Somebody with construction experience, with
12 familiarity about what was promised during this
13 process who can oversee these projects on behalf
14 of the Commission.

15 Whether that individual or firm is
16 part of the initial project coordinator or
17 whether somebody from say the building and site
18 design procurement is in a better position to
19 help us in that role or both. Or some other
20 alternative, that's something we should think
21 about at some point later, plenty of time to do
22 that.

23 CHAIRMAN CROSBY: Right.

24 COMMISSIONER ZUNIGA: But I

1 distinguish that helping us look at the design
2 and how it evolves, because it will evolve from
3 a schematic to a construction drawing, all of
4 that will be something that we need to have.

5 CHAIRMAN CROSBY: Right, okay.

6 COMMISSIONER MCHUGH: But the
7 project manager RFP that Director Day has
8 designed, is overseeing, approving before it
9 goes out will contemplate the possibility if the
10 project manager brings site design capabilities
11 with him or her and can morph into that
12 position --

13 COMMISSIONER ZUNIGA: Absolutely.

14 COMMISSIONER MCHUGH: -- if it's
15 necessary and appropriate to do so with the
16 expertise and the knowledge gained from
17 participating in the process as it goes along.

18 CHAIRMAN CROSBY: Right.

19 MR. DAY: Mr. Chairman, I have to
20 tune in. Commissioner Stebbins is not here.
21 He is largely responsible for designing that
22 RFR. He's done a very good job with lot of
23 them.

24 One of the questions is the

1 Commission did consider in the process too the
2 idea of the evaluation team's products coming
3 into a separate group and then formulating them
4 into one series of recommendations made a step
5 back and said no each one of those evaluation
6 team's reports will come into the Commissioners
7 directly.

8 So, there won't be any interface.

9 And a lot of that had to do with Commissioner
10 Zuniga's thoughts too about making sure that the
11 product is not a consultant product but an
12 agency product. And then this person is planned
13 to report to me as another arm to help me be
14 able to coordinate that as well.

15 CHAIRMAN CROSBY: Okay.

16 MR. DAY: I might refer you to under
17 tab 3A is the preliminary draft of the
18 Commission's proposed 2014 fiscal year budget.
19 And our plan is to introduce the information in
20 today's meeting, listen to any discussion. And
21 then fine-tune the proposal during at least the
22 next two weeks.

23 And hopefully, we'll be able to
24 present a final proposal for the Commission's

1 consideration June 27 meeting. I'd like to
2 defer, if I could, to Treasurer Zuniga who has
3 actually done a great amount of work here to get
4 the proposed budget ready for the Commission's
5 considerations.

6 CHAIRMAN CROSBY: Great, thank you.
7 As part of the packet, there's two cash flow
8 projections, a bit of a hybrid of a budget, the
9 results of fiscal year '12, the anticipated
10 results of fiscal year '13 and a cash flow
11 projection of fiscal year '14.

12 I will call your attention to the
13 second page of that tab that has the gaming
14 operations, and just briefly walk you through
15 the logic in case you haven't already figured
16 most of it out. Fiscal year '12 starts with our
17 initial funding and the actual costs in the
18 aggregate with a subtotal at the bottom.

19 And the logic progresses the same
20 way to fiscal year '13 with all of the revenues
21 that we have received on the top part. And
22 costs that we have either incurred, accrued or
23 anticipate to expend before the end of this
24 fiscal year a couple of weeks from now.

1 And then I am projecting a budget of
2 fiscal year '14 in the manner as summarized
3 here. I could get into any assumptions behind
4 any of these numbers if you want me to. This
5 budget is projected by month for the remaining
6 columns in this sheet.

7 Revenues come in at different times
8 and some expenditures occur frankly every month.
9 Others come in at different times, again, based
10 on what we're contemplating.

11 I have a running tally of a
12 cumulative balance at the bottom, which I put a
13 low point here around April 2014. One that is
14 in the positive, which I believe is good news.
15 And then additional revenues that come in after
16 that once the award of the licenses that keep us
17 in a positive cash flow situation.

18 So, I can take any questions or I
19 can go into the major assumptions if you want me
20 to. The one thing that I did not put in this
21 sheet is that this is preliminary. This is for
22 discussion purposes. This is not being
23 presented for approval at this point, because
24 there are many numbers really behind these

1 assumptions, etc.

2 CHAIRMAN CROSBY: I have some. Does
3 anybody else want to jump in?

4 COMMISSIONER MCHUGH: I had a
5 couple.

6 CHAIRMAN CROSBY: Go ahead.

7 COMMISSIONER MCHUGH: We are in the
8 process of hiring both consultants to help us
9 with the evaluations -- I mean with the
10 applications and staff people. We have a number
11 of key staff positions to be filled over the
12 next few months. Do these numbers include both
13 of those?

14 COMMISSIONER ZUNIGA: Yes. Let me
15 take staff first. These numbers include
16 everybody that we have, include 14 full-time
17 equivalencies in addition to what we have right
18 now.

19 Of those 14, I would characterize
20 maybe seven are already in the pipeline, CIO,
21 CFO, Director of Problem Gambling and Research
22 and others and Director of Licensing, for
23 example. There's additional FTEs that come
24 right behind them because licensing notably will

1 need staff.

2 There is an additional staff for
3 legal, a couple of administration. In total 14
4 full-time equivalencies during the course of the
5 year. And I call it equivalent because not
6 everybody comes in on July 1. So, that
7 translates into some ramp-up, if you will.

8 CHAIRMAN CROSBY: So, you're
9 actually talking about more than 14 people but
10 they total 14 full-time equivalents when you
11 total them up?

12 COMMISSIONER ZUNIGA: That's right.

13 CHAIRMAN CROSBY: Fourteen didn't
14 sound like enough people. It's many more
15 people, but if you take their salaries together
16 during the course of the fiscal year, it's 14
17 full-time equivalents.

18 COMMISSIONER ZUNIGA: Yes, it's
19 about 17 or 18 more people, not many more. But
20 the point is yes, 14 full time equivalents.

21 CHAIRMAN CROSBY: And that more or
22 less coordinates with your judgment at the
23 moment about what we will be adding?

24 MR. DAY: At this point, that's why

1 it's preliminary because we anticipate working
2 with Commissioner Zuniga and then actually
3 Commissioners and working on that staff picture
4 a little bit more, because we are trying to
5 project the entire next fiscal year.

6 CHAIRMAN CROSBY: Okay, right.

7 MR. DAY: We've still got some work
8 to do. We do have a lot of the areas covered as
9 Enrique stated.

10 CHAIRMAN CROSBY: Okay.

11 COMMISSIONER MCHUGH: And then the
12 follow-up, are the consultants that we hired to
13 help us process the applications, are they going
14 to be paid for out of our funds? Or are there
15 going to be assessments to the applicants the
16 way we assessed the investigatory costs?

17 COMMISSIONER ZUNIGA: The latter, the
18 latter. This is an estimate of numbers. It all
19 depends, the numbers that I've proposed here
20 depend on what we get for advisors and their
21 proposals. I think it's an estimate, in my
22 estimation it's a good estimate, but I'm the one
23 who made it, so I could be proven wrong.

24 COMMISSIONER MCHUGH: So, it has to

1 be good.

2 COMMISSIONER ZUNIGA: But we're
3 assuming that there will be around four firms or
4 three disciplines under the site and building
5 design. It could be one firm or it could be
6 three different ones. Financial advisor, the
7 project coordinator we talked about and maybe
8 another one for economic development.

9 And those costs are incurred but
10 then assessed on every applicant proportionately
11 much like we have done in the Phase 1
12 investigations.

13 CHAIRMAN CROSBY: That's a wash.
14 You can see it on the revenue and the cost side,
15 six and a half.

16 COMMISSIONER ZUNIGA: Yes. We incur
17 it and actually we assess it a month later. So,
18 you will see the revenues and the costs for
19 those two items come in just a little staggered.
20 But that's fundamentally a dynamic that's at
21 play here.

22 MR. DAY: Chairman Crosby, I just
23 should note we've also put in an estimate for
24 the licensing data system as well in there. So,

1 that is also built in at this point.

2 COMMISSIONER ZUNIGA: That's
3 correct.

4 CHAIRMAN CROSBY: Others,
5 Commissioner, did you have others?

6 COMMISSIONER MCHUGH: I do not, no.

7 CHAIRMAN CROSBY: You've allocated
8 out all of the IEB expenses essentially to the
9 investigations?

10 COMMISSIONER ZUNIGA: For the period
11 of time of the investigations, yes. That's
12 being reflected. We assessed a 13.71 percent
13 overhead rate on the investigations. We've
14 gotten a lot of those payments already.

15 There will be a true-up, if you
16 will, because there was an estimate at the time,
17 a projection from our consultants. And in the
18 same venue, I did a projection on our overhead
19 costs. Those will be trued up. If there's
20 remaining monies, they will be returned, etc.
21 All of that is contemplated here.

22 CHAIRMAN CROSBY: You are going to
23 fill in the Commission overhead to Racing? It's
24 blank now.

1 COMMISSIONER ZUNIGA: Yes. This is
2 where we go to the first page, because they do
3 work in tandem. I don't have the results carry
4 over from fiscal year in Racing because any
5 remaining monies in Racing go back to purses.

6 But the current fiscal year for
7 Racing, as Director Durenberger has projected,
8 will have us a little bit in the negative for
9 three reasons, I would say, that are new to
10 Racing this year. And I have called them out
11 here.

12 Number three, you will see that
13 there is a fringe on salaries. The Racing
14 Commission did not have these costs in the past
15 because the Department of Public Licensure
16 picked up those fringe costs among every other
17 licensing activities that they had, but we have
18 them. So, that's a cost that's essentially new
19 to Racing.

20 There's another cost that we're
21 projecting here, five audits that have to happen
22 that were not being done in the past. And we
23 are contemplating to cost around \$400,000 during
24 the year.

1 So, with those two costs, we project
2 a slight, a small but negative number for the
3 Racing operations. And I figured that we could
4 still assess an overhead like to Racing but
5 would still put it further in the negative.

6 CHAIRMAN CROSBY: Right. But it
7 seems to me it's worth accruing a number.

8 COMMISSIONER ZUNIGA: I agree.

9 CHAIRMAN CROSBY: Because at some
10 point, the Racing may have the money and could
11 pay the Commission back. Even if it's carried
12 over from year to year, who knows what's going
13 to happen. And we might be able to be paid
14 back. So, I think we should accrue it, whatever
15 that number is.

16 COMMISSIONER ZUNIGA: Right.

17 COMMISSIONER MCHUGH: Just before we
18 finish that, is that number then carried over
19 into the second page?

20 CHAIRMAN CROSBY: Right.

21 COMMISSIONER ZUNIGA: It would be.
22 It's a zero now.

23 CHAIRMAN CROSBY: Number four on
24 revenues.

1 COMMISSIONER ZUNIGA: Yes.

2 COMMISSIONER MCHUGH: On revenues?

3 CHAIRMAN CROSBY: Commission
4 overhead to Racing.

5 COMMISISONER ZUINIGA: That's right.

6 COMMISSIONER CAMERON: It's dashed
7 out. You see it's dashed out?

8 COMMISSIONER MCHUGH: Yes, but it's
9 not there.

10 CHAIRMAN CROSBY: It's a zero.

11 COMMISSIONER MCHUGH: This is me.
12 I'm just a little slow. On one page, it's a
13 negative. And the negative disappears when you
14 go to the second page.

15 COMMISSIONER ZUNIGA: Well, it's
16 also a zero in the one page.

17 CHAIRMAN CROSBY: It's number five
18 on the first page where it says Commission
19 overhead number five.

20 COMMISSIONER MCHUGH: No, I'm sorry.
21 We may be talking about different things. There
22 is a negative number for Racing at the bottom, a
23 subtotal.

24 COMMISSIONER ZUNIGA: Yes.

1 COMMISSIONER MCHUGH: And it's that
2 number that I was wondering whether that was
3 carried over into the second page.

4 COMMISSIONER ZUNIGA: Good point.
5 It would be, not here yet. So, it would put --
6 It would come out of wherever -- come out of the
7 balance.

8 CHAIRMAN CROSBY: The year-end
9 balance of fiscal year '13 would be reduced by
10 that amount.

11 COMMISSIONER ZUNIGA: That's right,
12 of fiscal '14 actually.

13 CHAIRMAN CROSBY: '13.

14 COMMISSIONER MCHUGH: '13 or '14,
15 but it shows up here someplace. The reason I
16 ask that question is that the April of 2014
17 number then is lower than the 1.5. The bottom
18 is lower than the projected bottom.

19 COMMISSIONER ZUNIGA: Yes, that's
20 correct.

21 COMMISSIONER MCHUGH: Okay.

22 CHAIRMAN CROSBY: Good pick up. It
23 doesn't quite seem possible to me that in effect
24 we've only used \$3 million, a little over \$3

1 million of our rainy day fund monies in fiscal
2 year '13; is that right?

3 COMMISSIONER ZUNIGA: Remember what
4 happens, what happened with the investigations,
5 we got all of that money for investigations
6 assessments after everybody hit the low point.
7 And we still have to incur some of those costs
8 in the next few months.

9 So, if we're only looking at fiscal
10 year '13, there was an inflow and not all of the
11 outflow has gone out, only because we haven't
12 actually paid all of those bills. We will very
13 soon, some of them actually in the next fiscal
14 year.

15 CHAIRMAN CROSBY: Okay.

16 COMMISSIONER ZUNIGA: So, they do
17 happen. You will notice --

18 CHAIRMAN CROSBY: Yes, I got it. I
19 got it. I got that. So, in your MGC salaries
20 and fringe, you just averaged that out? You
21 didn't project the growth by month, you just
22 divided it by 12?

23 COMMISSIONER ZUNIGA: That's
24 correct. There will be a ramp-up, a slight sort

1 of S-curve on that, because not everybody shows
2 up on July 1.

3 CHAIRMAN CROSBY: Right. Okay.

4 COMMISSIONER ZUNIGA: The two
5 numbers that I have highlighted here in green
6 for fiscal year '13 is \$5.4 million and \$256,000
7 are what I anticipate at this point to be the
8 end result of fiscal year '14 for overall costs
9 of the Commission.

10 Again, they include actual costs
11 incurred, current encumbrances the rent that we
12 know we're going to have to pay, etc., and then
13 our projection of additional costs until the end
14 of the fiscal year.

15 You may remember that we approved a
16 budget of \$6.7 million for fiscal year '13.
17 We're anticipating that we will be coming under
18 that, \$5.6 million, if you add those two
19 numbers.

20 Most of it has to do with part of
21 the projections were conservative on the timing
22 side in terms of some of the people that we knew
23 we were going to hire. I anticipated we were
24 going to hire them slightly earlier. Some of

1 them have come back a little later.

2 But there's also other numbers,
3 notably say outside counsel. I put in a number
4 there that now our legal team has picked up
5 quite a bit. They've done a lot of the writing
6 of the regs., for example, and that has helped
7 us from a financial standpoint.

8 CHAIRMAN CROSBY: Have we thought
9 about and is it reflected here in the writing of
10 the Phase III - Phase 3, the next phase of
11 regs., are we assuming the use of our
12 consultants at a high level like we have before,
13 at an intense level?

14 COMMISSIONER ZUNIGA: No, at a lower
15 level.

16 CHAIRMAN CROSBY: Okay.

17 COMMISSIONER ZUNIGA: We are
18 assuming that we could extend our gaming
19 consultants, outside of the evaluation by the
20 way, because we need to think about whether they
21 have a role for the evaluation. That we will
22 require some general consulting, gaming
23 consulting expertise going forward.

24 CHAIRMAN CROSBY: Where is that

1 number? How much is that?

2 COMMISSIONER ZUNIGA: Well, the
3 total for consulting work and service providers
4 including the half million licensing sub-work
5 fee is \$1.2 million, \$1,240,000.

6 CHAIRMAN CROSBY: So, that's only
7 \$720,000 for today's gaming consultants.

8 COMMISSIONER ZUNIGA: No. There's
9 outside counsel in there.

10 CHAIRMAN CROSBY: Okay. That's my
11 question. It's here. It's on this back up. I
12 just raise the question whether when we're
13 writing the regs. for the actual regulation of
14 the buildings, it's really detailed stuff, a lot
15 of huge detailed stuff.

16 We haven't spent too much time
17 thinking about how we're going to do it, but
18 either we're going to lift it from somebody else
19 and use it as a template so we don't have to do
20 all of that much work. Or we're going to have
21 to rely tremendously heavily on our outside
22 consultants.

23 COMMISSIONER ZUNIGA: We may be a
24 little light on that number.

1 COMMISSIONER MCHUGH: It seems to me
2 that it's going to be a bit of both. They are
3 tremendously detailed, but they are not unique
4 to Massachusetts. So far, we've been dealing
5 with a unique statute in trying to deal with.
6 So, we had no place to go to find a model. But
7 we've got plenty of models around now.

8 CHAIRMAN CROSBY: Right.

9 COMMISSIONER ZUNIGA: We're a little
10 light on that number for that, Mr. Chairman.

11 CHAIRMAN CROSBY: I think so too.
12 Okay.

13 MR. DAY: I might add we'll also
14 have some additional expertise inside the agency
15 such as the licensing staff.

16 CHAIRMAN CROSBY: By that time it's
17 true. Yes, that's true, good point.

18 This is really trivial, but your
19 backup says 15 FTEs and your coversheet says 14.
20 It doesn't really make a difference.

21 COMMISSIONER ZUNIGA: Okay, I can
22 look at that. I was changing some assumptions
23 up until print time.

24 COMMISSIONER CAMERON: We were

1 discussing this yesterday with licensing and
2 IEB.

3 CHAIRMAN CROSBY: The only other
4 thing and we talked about this briefly, but the
5 backup on the evaluation consultants, \$2.3, \$6.5
6 million dollars for evaluation consultants just
7 seems like an incredible, huge amount of money.

8 And it's mostly in the financial
9 consultants and the building and site design.
10 Do you want to just run through those again?
11 That just seems like a phenomenal amount of
12 money.

13 COMMISSIONER ZUNIGA: Sure. Yes.
14 From my understanding, and again this could be
15 very different based on the responses we get to
16 RFRs. Hopefully, we'll find out.

17 But you'll recall that when we
18 contemplated our so-called trip to Wall Street,
19 we talked and received three RFRs from
20 investment banking types who would be very
21 helpful in that effort. I think we may have
22 some of those firms hopefully respond as well to
23 the current RFR, hopefully, others as well.

24 Some of them come at a hefty price.

1 I have assumed that it will be an intense period
2 with a lot of advisors that happen to charge
3 high hourly rates. That could be entirely
4 different from my assumption. We'll see. That
5 would be the biggest number that I'm really
6 intrigued about what we will get.

7 Like in much of our procurements,
8 cost is not a factor - it's not the only factor
9 but it is a factor after everybody has been
10 ascertained to be the most qualified. So,
11 hopefully keeps some of the costs in check, but
12 we really are after the expertise.

13 Then everything else is also
14 depending on how many disciplines we want to
15 hire or we feel is necessary to hire. If there
16 is a firm that can come in with several
17 disciplines, for example, my guess is that could
18 be more cost-effective.

19 On the building and site design, if
20 we get a couple of individuals say with
21 expertise in three different areas, they would
22 be again in my estimation may be able to give us
23 a more cost-effective rate.

24 Whereas if we decide that we need

1 three different firms, say for the building and
2 site design, because we want a traffic expert
3 and an environmental expert and let's say an
4 architectural expert, in my opinion, the costs
5 will rise because each firm will have learning
6 curve, will have involvement time, etc. So
7 depending on how we come out of these
8 solicitations, the costs could vary widely.

9 CHAIRMAN CROSBY: Did we do any
10 checking to see whether a similar process took
11 place by other gaming commissions? Like did
12 Ohio do the same kind of thing, do you know or
13 Pennsylvania?

14 COMMISSIONER ZUNIGA: Yes.
15 Pennsylvania does a lot of their decision in-
16 house currently. The one that they are
17 currently bidding in Philadelphia, we understand
18 that they've done a lot of -- they will be doing
19 a lot of that decision in-house.

20 They've had a lot of rolling casino
21 decisions. So, they are probably in a very good
22 position because they've had a lot of experience
23 and track record with that.

24 You will recall that Ohio, pretty

1 much the operator was chosen by virtue of the
2 constitutional amendment. So, they did spend a
3 lot of money on a financial advisor that we know
4 by one of those advisors because after they were
5 selected, they negotiated on behalf of the
6 Governor's office a better deal for the state.

7 CHAIRMAN CROSBY: Right. And we
8 know New York hired an outside investment banker
9 to help them out.

10 COMMISSIONER ZUNIGA: Right, right.
11 Like always, it's a mixed bag, if you will.

12 CHAIRMAN CROSBY: Yes, okay. All
13 right. I think we should just keep think about
14 it. When we get these bids in, think carefully
15 about what we really need. It's going to be an
16 assessment back on the proposers. But let's
17 just be hard-nosed about it when we get these
18 proposals in.

19 Also, we are checking to see how
20 much help we can get from DOT and DOEA for
21 example the traffic and the environmental stuff
22 and so forth.

23 COMMISSIONER CAMERON: Yes.

24 MR. DAY: Yes. Also all of the RFRs

1 are broad enough just in case, as already
2 mentioned, to help with the evaluation or
3 monitoring the process as it moves forward as
4 well.

5 CHAIRMAN CROSBY: Right.

6 MR. DAY: I think if it might be
7 over in some areas, that may also help with that
8 process moving forward.

9 CHAIRMAN CROSBY: Okay.

10 COMMISSIONER ZUNIGA: I was going to
11 make that point that we have a mix. We'll have
12 advisors from other agencies. We'll have staff.
13 We'll have Commissioners. We'll have advisors,
14 paid advisors as well.

15 CHAIRMAN CROSBY: Right.

16 COMMISSIONER MCHUGH: These are
17 really unique pockets of expertise that we're
18 not going to need on a long-range basis. It
19 doesn't make any sense if we don't have the
20 staff, it doesn't make any sense to have them.

21 COMMISSIONER ZUNIGA: That's a very
22 good point perhaps compared to Pennsylvania.
23 Where they have a number of these, it makes
24 sense to bring people in and staff up. We have

1 an intense period of award and then we move into
2 monitoring and oversight.

3 COMMISSIONER MCHUGH: That's right.

4 COMMISSIONER ZUNIGA: So, we
5 probably need those advisors.

6 CHAIRMAN CROSBY: Okay, great.

7 MR. DAY: Mr. Chairman, that brings
8 me to a task we're very excited about. I'd like
9 to introduce Mark Vander Linden who is sitting
10 next to me. I know all of you have had a chance
11 to say hello to him.

12 Mark will join the staff late this
13 month as Director of Research and Problem
14 Gambling. There is quite a bit of information
15 about Mark behind tab 3B if you haven't already
16 seen it. I'd like to take a minute just to
17 comment on a couple of things in there for the
18 benefit of the audience and the public.

19 Mark is most recently the Executive
20 Officer of the Office of Problem Gambling
21 Treatment and Prevention at the Iowa Department
22 of Public Health. He is also currently the
23 Board President at the Association of Problem
24 Gambling Service Administrators and on the Board

1 of Directors for the National Center for
2 Responsible Gambling.

3 I might add at least the last I
4 knew, our agreement is that Mark will continue
5 in these roles as he moves forward in this year
6 and with the Massachusetts Gaming Commission.

7 In addition, Mark in his role in
8 Iowa directs all aspects of problem gambling
9 services for the state including treatment,
10 prevention, marketing, research and training.
11 So, with those comments I'd like to turn it over
12 to Mark.

13 CHAIRMAN CROSBY: Let me interrupt.
14 I don't want to leave in the middle of Mark's
15 comments, and I'm going to have to leave. So,
16 I'm going to have to just put in my own two
17 cents worth here.

18 First of all, for the record the
19 Commission has delegated the ability to hire and
20 fire all personnel including senior personnel
21 like directors to Director Day. We are
22 interested in meeting these folks and sometimes
23 Director Day will ask for our advice and
24 participation in the role. So, the hire has

1 been made. This is not to interview. This is
2 simply to meet.

3 I just wanted to say my own
4 thoughts. I got to know Mark a little bit at a
5 conference, heard a lot about him. It was
6 pretty clear to me that this was the best person
7 in the country to get for this position. People
8 in this business across the country, Mark was
9 the most distinguished candidate out there.

10 But I think it should not go unsaid
11 that if it were not for the help of one Marlene
12 Warner, the Executive Director of the Mass.
13 Council on Compulsive Gaming we may not have
14 been able to real Mark in.

15 So, I would like to have a shout out
16 to Marlene. Thank you for your help. Mark had
17 to move a family and two little kids from Iowa.
18 And it was a big deal, but speaking for myself,
19 we are absolutely thrilled. It's great to have
20 you here.

21 I respect tremendously what you've
22 done. I'm sorry I'm going to miss you talking
23 about it, but I'm looking forward to what you
24 will do with this opportunity. So, thank you to

1 you and to Suzy and your kids for making the
2 move and to Marlene for helping out.

3 I am going to excuse myself.
4 Commissioner McHugh, do you want to take over
5 and do you want to sit here and run this
6 meeting?

7 COMMISSIONER MCHUGH: Sure, Mr.
8 Chairman.

9 CHAIRMAN CROSBY: See you later.
10 Thank you.

11
12 (Chairman Crosby exits meeting room.)

13
14 COMMISSIONER MCHUGH: Mark, I too
15 join in welcoming you and would welcome hearing
16 what you have to say. And then I know everybody
17 wants to express their pleasure in your being
18 here.

19 MR. VANDER LINDEN: Thank you. I am
20 thrilled to join the Commission and I thank Mr.
21 Day, the Commissioners for just a thoughtful
22 process in kind of talking about what the role
23 of the Commission is.

24 I've learned a lot about what the

1 Commission does and about expanded gambling in
2 Massachusetts along the way. Speaking about
3 what is to be done, there is a lot to be done in
4 the State of Massachusetts.

5 One of the things that stuck out for
6 me through the interview process is really about
7 what can we do and how can we do it right the
8 first time. And I think that's what's resonated
9 for me through this whole process.

10 That there is a great opportunity to
11 really take a look at the State of Massachusetts
12 and how can we make a difference in terms of
13 helping problem gamblers, in terms of mitigating
14 the potential harm along the way, about
15 promoting responsible gambling as we look at an
16 era where gambling is expanding.

17 I think that taking the research
18 that has been launched so far, looking at how do
19 we translate that into the very best possible
20 practice that we can do over the lifetime of
21 this. Continuously evaluating how can we do
22 this better, how can we make the smallest amount
23 of problem gamblers there are and then provide
24 effective treatment for them.

1 This is thrilling, because as I look
2 at the work that we've done in Iowa, as I look
3 at work that's being done across the country,
4 this is some of the most progressive work that
5 I've seen. It's just an honor to be able to
6 join this team and be a part of that.

7 COMMISSIONER MCHUGH: Well, we're
8 delighted to have you. Commissioners?

9 COMMISSIONER CAMERON: I first had
10 the opportunity -- Mark came on the radar screen
11 when we had one of our forums out in Lynn. And
12 Mark was there and certainly an impressive
13 speaker.

14 So, we all knew the name. We all
15 heard your expertise and your passion about this
16 subject matter. So again, I reiterate that we
17 are thrilled to have you. And we all look at
18 this as an opportunity to do the best we can
19 with this issue. And having you on board will
20 help us to do the very best job.

21 MR. VANDER LINDEN: Thank you.

22 COMMISSIONER ZUNIGA: Same just
23 joining the thrill and that you're here with us.
24 I will just speak a little bit about from my

1 perspective, my learning curve in all of this
2 just to join this conversation.

3 As many in this room know, we
4 started with this research procurement. There's
5 this big mandate in the legislation, which you
6 alluded to, progressive mandate and funding,
7 which is very important that comes to the area
8 of protecting problem gamblers.

9 And I personally learned a lot
10 through the procurement that we conducted and
11 the approach and the nuances in terms of the
12 methodology and what's being done in other
13 jurisdictions notably around the world.

14 It's also very -- It's very
15 exciting. It's very progressive, as you say.
16 But it's also very challenging, which is when we
17 quickly realize we need somebody who can help us
18 do this, somebody who knows the field and has
19 been in the forefront of all of these issues.

20 And I think we found in you somebody
21 who will really help us with that, because you
22 are nationally and I would pose internationally
23 recognized in this area. So, thank you for
24 being here.

1 COMMISSIONER MCHUGH: I add my
2 thanks too. I think this is an enormously
3 important role for us. Recently, I sort of had
4 a shape shifting moment when I heard somebody
5 talk about the problem gambling issue in terms
6 of the interaction between the gambler and the
7 environment. And both pieces of which can
8 contribute to the problem.

9 And we are now about to begin the
10 process of writing the game rules and the other
11 rules that will drive us forward with the
12 operations of the casinos and slots parlor once
13 they are built and up and running. And it seems
14 to me that we need your energy and vision and
15 help to think about that interaction and both
16 pieces of the problem as we begin to write these
17 rules.

18 And I think that is an enormously
19 challenging and fascinating undertaking for the
20 Commission. So, I think your arrival is timely,
21 and I really look forward to working with you
22 and benefiting from your expertise and insights
23 as we approach that significant task.

24 MR. VANDER LINDEN: Thank you.

1 COMMISSIONER MCHUGH: All right. I
2 think you're off the hot seat for the moment.
3 One final question, when is it that you'll begin
4 working here full-time? You're still in a
5 transitional state.

6 MR. VANDER LINDEN: I am still in
7 transition. We are here for just a few days,
8 fly back to Iowa. Next week, we will be moving
9 out to Massachusetts with an anticipated start
10 date or start date of the 26.

11 COMMISSIONER MCHUGH: Great.

12 COMMISSIONER CAMERON: Able to find
13 housing?

14 MR. VANDER LINDEN: We have found
15 housing.

16 COMMISSIONER CAMERON: Didn't have
17 sticker shock?

18 MR. VANDER LINDEN: Yes.

19 COMMISSIONER MCHUGH: That's a
20 normal response.

21 MR. DAY: I was wondering how Mark
22 would answer that. It could not be otherwise.

23 I think as well we should be -- in
24 my travels around the country and the

1 Commission's commitment to problem gambling and
2 research is evident as well by the level of
3 Mark's selection but also the level he is in the
4 organization, because that isn't necessarily
5 the way it is with various gaming commissions
6 and gaming control agencies around the country.
7 So, I think it is unique and sends a good
8 message regarding problem gambling and it
9 reflects well on the Commission.

10 COMMISSIONER MCHUGH: Great.

11 MR. DAY: So, thank you, Mark. We
12 will see you at the end of the month.

13 MR. VANDER LINDEN: Great.

14 COMMISSIONER CAMERON: Thanks.

15 COMMISSIONER MCHUGH: Thank you very
16 much.

17 MR. DAY: Commissioner McHugh, that
18 really brings me to the end of my administrative
19 report. Unless the Commission has other
20 questions for me, it brings us to the legal
21 report. As I understand Ombudsman does not have
22 a report today for the Commission unless you
23 have questions of him.

24 COMMISSIONER MCHUGH: Thank you,

1 Director Day. Does anybody have then any
2 questions for our ombudsman?

3 Thank you. Then let's move on to
4 the legal report, Mr. Grossman and Ms. Blue,
5 good morning.

6 MR. GROSSMAN: Good morning.

7 MS. BLUE: We have two items before
8 you today. We have the revised steps to
9 licensing that is here simply for your review.
10 We made the changes to the documents that you
11 had requested from our last review.

12 Then we also have for you today the
13 final version hopefully of the RFA-2
14 application. We have incorporated changes that
15 we've discussed. We've run it by consultants
16 and incorporated their comments.

17 So, Mr. Grossman has a few areas he
18 would like to point out to you but then would
19 take questions on any of the questions or
20 sections that you have.

21 COMMISSIONER MCHUGH: All right.
22 Are you going to begin with the steps piece? Or
23 is that insofar as you're concerned a done deal?

24 MS. BLUE: I believe that's done

1 unless there are any particular questions on it.

2 COMMISSIONER MCHUGH: Does anybody
3 have any questions about the steps? I had one
4 respect to item 32. And it's item 32 in all of
5 them, the Category 1, Category 2 and Region C.
6 Could you just explain, I'm sure I'm supposed to
7 know this, but could you just explain what 32
8 represents?

9 MR. GROSSMAN: Sure. That I
10 believe, and I don't have the benefit of the
11 master schedule in front of me, but I believe
12 that is the date by which if the arbitration
13 process kicks in for the surrounding communities
14 or the impacted live entertainment venues that
15 would be the latest date by which all of those
16 agreements would have to be submitted.

17 So, it could be much sooner. That I
18 think reflects probably 80 days from the day
19 that the applications are due or thereabouts.

20 COMMISSIONER MCHUGH: Okay. So,
21 that would be the end of the arbitration period
22 if arbitration were necessary.

23 MR. GROSSMAN: That's right.

24 COMMISSIONER MCHUGH: Then we would

1 not until that date be able to commence the
2 hearing process. And the hearing would have to
3 commence no earlier than 30 days after that,
4 right?

5 MR. GROSSMAN: Well, I think you
6 could commence the hearing process sooner.

7 COMMISSIONER MCHUGH: Right, the
8 public hearing now.

9 MR. GROSSMAN: The public hearing.
10 You can't commence the hearing process until the
11 designations of the surrounding communities and
12 venues have been made. That doesn't mean that
13 they have to have executed agreements.

14 COMMISSIONER CAMERON: But won't the
15 arbitration process possibly designate a
16 surrounding community?

17 MR. GROSSMAN: No. You will
18 designate the surrounding communities. They
19 will then have to go and negotiate an agreement.

20 Certainly, in a perfect world
21 perhaps you wouldn't commence the public
22 hearings until the agreements have been fully
23 executed, but that would push in theory
24 everything back up to almost three months.

1 COMMISSIONER MCHUGH: Yes, that's
2 right. That was where I was headed. All right.
3 I will take that answer.

4 Do these dates that are in these
5 step outlines correspond with the number of days
6 that are on that other chart that I don't have
7 in front of me now but we've discussed it
8 previously?

9 MS. BLUE: Yes, they do. They
10 reflect the most recent discussion that we had
11 and the most recent version that we looked at.

12 COMMISSIONER MCHUGH: Okay. So, the
13 100 days basically for processing the Category
14 1's and the 74, 75 days for processing the
15 Category 2's are reflected in these.

16 MS. BLUE: That's correct.

17 COMMISSIONER MCHUGH: Okay. All
18 right.

19 MR. DAY: Commissioner McHugh, I'll
20 just add that it will be helpful just to go
21 ahead and recheck the dates against those
22 process sheets with the evaluation process to
23 make sure that they match as well.

24 COMMISSIONER MCHUGH: Right, right.

1 Because these would be helpful things to have up
2 on the web so everybody could see them. That
3 integration would be helpful before we do that.

4 Okay. Any other questions on those?
5 If you want to, Mr. Grossman, you can proceed to
6 the application. Let me say that as you do that
7 having looked at this carefully and having
8 watched it develop, I think this is really a
9 fascinating and creative way of handling this
10 process.

11 It has a number of attributes that I
12 think will benefit every participant and
13 stakeholder in this process including members of
14 the public.

15 It has first of all, the capability
16 of being easily filled out electronically. It's
17 extensive and it's long, but the evaluation
18 criteria hinted at that and suggested that. But
19 it has the ability to be filled out
20 electronically.

21 It has the ability to segregate the
22 sensitive from the nonsensitive material and to
23 allow immediately a large chunk of this and a
24 summary answer at least of every question to be

1 distributed to the public rapidly after the
2 application is filed.

3 And it has a mechanism for easily
4 identifying the components that are
5 presumptively confidential so that they can be
6 stripped away as the rest is revealed. That was
7 the latest addition that you made since we last
8 looked at a draft. So, I think this is an
9 excellent approach to a very difficult and
10 complicated task. You can pick up on that.

11 MR. GROSSMAN: Thank you. I'll pick
12 up there. Sure. I would just note that to get
13 to this point, it's been the result of a
14 collaborative process amongst many including the
15 Commissioners individually and the staff
16 including our consultants who have added in a
17 number of key comments that have led us to
18 adjust some of these questions.

19 There are some of those comments,
20 that I'd like to bring your attention to. Then
21 I'd also like to just flag quickly a couple
22 elements of this application just to ensure that
23 everyone is clear as to why we've included
24 certain parts.

1 The first thing, as was astutely
2 observed by General Counsel Blue. We need to
3 adjust the application deadline dates. They are
4 backwards for Category 2 and Category 1. But we
5 also just wanted to confirm in fact that these
6 are the dates. And that we also discussed off-
7 line adding in a 2:00 p.m. deadline for these on
8 these dates.

9 COMMISSIONER CAMERON: 2:00 p.m.

10 MR. GROSSMAN: If there's no
11 objections, only because it is going to be New
12 Year's Eve and we thought perhaps we should push
13 it up a little.

14 COMMISSIONER CAMERON: Interesting.
15 I thought you were trying to avoid that 5:00
16 rush we had with the first one.

17 MR. GROSSMAN: That's another good
18 reason.

19 COMMISSIONER ZUNIGA: That is a good
20 reason.

21 MS. DRISCOLL: It's October 4 not
22 the third.

23 MR. GROSSMAN: And whether it's
24 October 3 or 4, but we'll make it October 4. I

1 think it's a Thursday. There's no magic to
2 those dates, I don't think.

3 MS. BLUE: We'll check.

4 MR. GROSSMAN: We don't necessarily
5 need to go through it unless there are
6 questions, but of course all of the changes
7 we've made we've highlighted to draw your
8 attention to them. I'm happy to take any
9 questions on any of the language we've included.

10 COMMISSIONER MCHUGH: I had a
11 question on page 18 if you hadn't something you
12 wanted to highlight before that.

13 MR. GROSSMAN: No, we can certainly
14 go there.

15 COMMISSIONER MCHUGH: That is in the
16 middle of the page you've stricken out inclusion
17 of a redacted electronic copy of the form -- of
18 the application.

19 Are we going to get a redacted
20 electronic copy? What was the underlying reason
21 for that?

22 MR. GROSSMAN: I think this is
23 probably the biggest part of the discuss that we
24 need to have is the public records. I know that

1 it's been the biggest addition since the last
2 time you've seen this.

3 It goes back to page 16, which talks
4 about public records. And then as you'll
5 observe at the very end of the application we've
6 added an entire public records section.

7 One of the things I just highlight
8 as we go into this and that we can show off here
9 is that we've added hyperlinks into the
10 application itself so users can bounce around
11 easily within the document itself. Apparently,
12 it's not in this page, so that didn't work out.

13 COMMISSIONER ZUNIGA: Because that's
14 a scanned document.

15 MR. GROSSMAN: Well, you can see
16 that the links are all highlighted in blue.
17 Some of them are to external sources. Others
18 are linked within the document itself. In any
19 event, there is at the very end of the
20 application section C.

21 So, Commissioner McHugh, the plan
22 that we have come up with is one as you've
23 described is intended to ensure a number of
24 things. First and foremost is that we comply

1 with the public records law, which of course
2 includes the additional exemption built in by
3 the Legislature into the Expanded Gaming Act for
4 trade secrets and other sorts of proprietary
5 information that would lead to problems if they
6 were released.

7 So, what we have come up with in
8 order to ensure that we can release the
9 application and the public records piece of it
10 quickly is set up a system whereby, as you
11 described, the application itself, the form --
12 And it will be less than the 300 plus pages it
13 is now since there is a lot of editing and
14 other. So, it will be far less than 315. We're
15 hoping to get it down to 305 or so.

16 COMMISSIONER MCHUGH: That's a great
17 relief to all of the audience.

18 MR. GROSSMAN: No. It will be far
19 less than that. But in any event, we'll be able
20 to release the application form itself. And one
21 of the key elements to being able to do that is
22 that we have included, as we've discussed in the
23 past, boxes on many of the question pages in
24 which we are requesting or requiring the

1 applicants to include an overview of their
2 response to the question, which they will
3 attach.

4 And the overview will provide
5 critical pieces of information that we don't
6 believe are exempt from disclosure under the
7 public records law by which we will be able to
8 give the public and others an explanation as to
9 what the applicant's plans are relative to each
10 of these subject areas.

11 So, the first part of the plan is to
12 be able to release this document in its
13 entirety. So, applicants should certainly be
14 aware of that.

15 So, the second part of it then is to
16 highlight for the applicants and the public
17 which pieces of information within the
18 application that the Commission believes will
19 implicate an exemption to the public records
20 law. And though there are I believe 20. I went
21 back and counted them. I think there are 20
22 exemptions to the public records law, one of
23 them being the statutory exemption. What that
24 means is if there is some statute that allows

1 exemption of public records then you can assert
2 that.

3 And in our case there is a statute
4 that calls for the exemption of records specific
5 to gaming applications. And by and large after
6 review of the entire application, it appears to
7 us as though that will be the exemption that
8 will primarily be asserted for most of the
9 documents that we believe to be exempt from the
10 public records law.

11 What we mean by that is that unlike
12 with the RFA-1 process, there won't be a
13 tremendous amount of personal information that
14 will have to be redacted. There may not be a
15 tremendous amount of information, if any, that
16 would fall under the investigatory exemption
17 whereby we wouldn't release something because it
18 would compromise our investigation. And there
19 aren't a number of many other exemptions that
20 would be implicated here.

21 By and large there are two
22 exemptions. And we've cited both of those at
23 the end. There's the statutory exemption. And
24 then there's an exemption for blueprints and

1 security and other types of information that
2 we've noted in the back as well.

3 So, the plan is then to have the
4 Commission identify the areas within the
5 application, the response to which will
6 presumptively include information that would be
7 exempt from disclosure. And what we have done,
8 and this is an area we'd ask the Commission to
9 take a look at, in the very end section C, so
10 it's the last four pages or so, we've included
11 the whole public records section.

12 And as you'll see, it starts on page
13 313 and it's up on the screen here as well. We
14 have identified, and there's one more question I
15 noticed that we have to add in, but we've
16 identified every question that we believe will
17 necessarily contain attachments or information
18 that are exempt from disclosure. And we afford
19 the applicant the opportunity to take advantage
20 of that, if you will, by doing two things.

21 First of all, they would, if they
22 agreed with our assessment that the materials
23 submitted in accordance or in response to these
24 particular questions are exempt under the

1 language of the statute that we've laid out,
2 then they would check the yes box here, meaning
3 that they are requesting that we assert that
4 exemption.

5 And the second thing they would have
6 to do is in the electronic filing where they
7 attach the individual documents to whether it's
8 the CD or other medium or whether they upload it
9 onto our server, that when they label the
10 documents that it contain the word confidential
11 in it.

12 So, we will be able to easily
13 identify those documents that the applicant
14 believes meet the exemptions that we've
15 identified. So, we've built in basically a
16 check and a balance here. So, the applicant
17 flags the particular document confidential and
18 then checks the box here.

19 If the applicant either doesn't
20 agree that an exemption applies or does not
21 oppose i.e., assents to the release of the
22 certain documents, they can also flag that
23 section C here by checking the no box and
24 identifying those documents and/or not including

1 the word confidential in the electronic labeling
2 of the document.

3 So, what that will do is it will
4 further our goal of being able to release
5 information to the public as quickly as possible
6 and ensure that we release as much of it as we
7 responsibly can.

8 So, the second phase of that would
9 be for us to go through this section in
10 conjunction with the electronic filing, pluck
11 out any documents that don't have the
12 confidential -- the word confidential in the
13 electronic labeling. Compare that against this
14 chart. And those documents would -- We'll
15 obviously look at them, but they'd presumptively
16 be public records.

17 The third part of the process -- So,
18 right there, we've released a tremendous amount
19 of information. And the third part of that will
20 be under our regulations to allow applicants to
21 request confidential treatment of any other
22 documents they believe to be sensitive.

23 And we believe that this is the most
24 efficient way to handle this issue under the

1 law. It covers all of our goals. It's in
2 accordance with the law. And it should
3 satisfactorily protect any information that
4 shouldn't be disclosed while ensuring that the
5 public has access to any documents that they are
6 entitled to and would be interested in seeing.
7 So, anyway, that's the system that we've
8 proposed.

9 To get back to your question, why
10 did we remove any mention of the word redaction.
11 We obviously had some difficulties the first
12 time around by asking applicants to redact
13 documents. So, in this case in the system we
14 have proposed, we're not asking the applicants
15 to redact any documents.

16 What we are asking is just in the
17 narrow third category of documents, the
18 situation in which the applicant believes the
19 documents that we have not identified as being
20 exempt from disclosure are indeed meeting some
21 exemption somehow. They would just flag that
22 document. And we would then have to go and look
23 through those documents. And we could redact
24 those documents ourselves the way we see fit.

1 It seems like it would be a more
2 efficient process than having to go through any
3 redactions that have already been made by the
4 applicants. I suppose you could argue that both
5 ways, why don't we ask them to do it. But that
6 was just the plan we came up with.

7 The hope is for us is that third
8 category, the documents that the applicant is
9 going to seek protection for will be relatively
10 small in nature and manageable for us. We
11 obviously have somewhat limited staff and
12 resources who can go through this, keeping in
13 mind of course that everyone is going to be
14 reviewing the applications as well.

15 So, we do need some system to be
16 able to timely deal with these public records
17 inquiries as well. And it seemed to us as
18 though that that was the best way to do it. So,
19 we did scrub the application for any reference
20 to redactions and things like that. We're not
21 asking for redacted records anywhere.

22 MR. DAY: Todd, from my recollection
23 this is kind of in the lessons -- If I recall
24 correctly, this is in the lessons learned

1 process because although it sounded good getting
2 the redacted application along with the complete
3 application, it really served to be a
4 duplication that caused to staff to have to go
5 all the way back through each of those forms
6 anyway. So, I think the process is to try to
7 find a little better way to accomplish that
8 goal.

9 COMMISSIONER MCHUGH: So, that the
10 idea, if I get to the bottom line, is that from
11 the Commission's standpoint and from the
12 applicant's standpoint, a document would be
13 either a public document or a nonpublic
14 document. And partially public would not be at
15 least the norm that we would anticipate.

16 MR. GROSSMAN: Right. That's the
17 issue.

18 COMMISSIONER MCHUGH: And the
19 questions that have been designed lend
20 themselves to that because each of the questions
21 is narrow and pointed and focused. So, that I
22 take it that's part of what you took into
23 account that an either/or as opposed to partial
24 approach would work.

1 MR. GROSSMAN: That's right.
2 There's a practical element to all of this as
3 well. For us to sit and go through every
4 document for nine or 10 applications, whatever
5 it is, just won't work. It would take us two
6 years to go through every document and try to
7 redact every single document.

8 COMMISSIONER MCHUGH: Right, right.
9 Okay. That's very helpful and it's a thoughtful
10 approach to a difficult problem. The check off
11 sheet at the end I think is particularly helpful
12 for both the applicants and the members of the
13 public and for the processing of it. It's a
14 great way to do the pro forma piece to show
15 where we think things are confidential.

16 MR. GROSSMAN: We tried to make
17 clear our plans in a number different areas.
18 So, it may seem repetitive at times, but we
19 wanted everyone to understand.

20 Another key component here that
21 we've discussed is in the pre-application
22 consultation, if you will, that the regulations
23 provide for with the Commission or staff. That
24 would be something I think we would suggest the

1 Commission recommend.

2 Not just kind of have out there for
3 people to take advantage of, but we recommend
4 that applicants come in to meet with the
5 Executive Director and other staff to just go
6 through the application on an individual basis
7 to ensure a clear understanding as to the
8 Commission's expectations and how it envisions
9 the public records element working.

10 And specifically what type of
11 information should be included in the boxes.
12 And how all of the documents should be labeled,
13 things like that to ensure that at the end we
14 don't have any similar issues. So, it is a
15 resource that is included in the regulations and
16 one that I think we would encourage applicants
17 to take advantage of.

18 COMMISSIONER MCHUGH: Do we have
19 some kind of a process for applicants to request
20 that or can we create a process that we can post
21 on the web so that people could understand how
22 to make a request for appointments and the like
23 and we could give them? Is that in here?

24 MR. GROSSMAN: I can discuss that

1 with Mr. Day after. We just kind of flagged it
2 in red here as a placeholder in the application.
3 It's on page five, how we want to do it. We can
4 come up with a system for that.

5 MS. DRISCOLL: We can pull it out
6 too and put it on the Phase 2 information page
7 specifically and then send out an email.

8 COMMISSIONER MCHUGH: Right. I'm
9 particularly thinking of the encouragement
10 piece, reaching out to people rather than
11 waiting for them to discover this in here as
12 they pick up the application and decide really
13 it'll take more reading than they have time for.

14 COMMISSIONER CAMERON: Or we could
15 have mandatory training.

16 COMMISSIONER MCHUGH: Right.

17 COMMISSIONER ZUNIGA: Can I go back
18 to the public records section in the end, which
19 I think is great as Commissioner McHugh was
20 agreeing with this.

21 But I am thinking it is all a matter
22 of the level of detail that could be contained
23 in some of these documents. I could pick a
24 couple of these. The revenues say for, the

1 projected revenues to the Commonwealth or a few
2 others where it would be in everybody's interest
3 that that is eventually, perhaps not right up
4 front, but eventually a public record. And
5 we're talking maybe necessarily as to the level
6 of detail.

7 I know we will have a summary in
8 each one of those questions. But I wonder if
9 there's a timing sunset here that we should
10 consider. Meaning assume that initially
11 something is protected because of the level of
12 detail that it contains but is there a time to
13 consider it's no longer protected because of
14 reasons have changed.

15 MR. GROSSMAN: No longer
16 competitively sensitive.

17 COMMISSIONER ZUNIGA: Correct.
18 Licenses are awarded, no long competitively
19 sensitive. Well said.

20 MR. GROSSMAN: I think that
21 possibility certainly exists for a number of
22 documents. One of the difficulties we had is we
23 don't know exactly what documents are going to
24 be included. So, we couldn't go through each

1 document and say this one is in, that one's out.
2 We just had to go through the questions. So,
3 something like that I think is a very real
4 possibility at the end of the process.

5 COMMISSIONER MCHUGH: Or even at the
6 public hearing stage. Should we put something
7 in here? That's an important and interesting
8 point. Should we put something in here to alert
9 people to that possibility along with perhaps a
10 statement that we won't -- if we mark it
11 presumptively private, we may release it but
12 only after further consultation with them.

13 So, that people will get a heads up
14 and an opportunity to be heard on that. It may
15 be that at a public hearing, by the time we get
16 to that stage it'd be important to have that
17 released so we can talk about it, ask questions
18 about it.

19 Then after the license has been
20 awarded, it seems to me a lot of things change.
21 Not everything necessarily, but a lot of things
22 might change.

23 COMMISSIONER ZUNIGA: Right.
24 Internal controls, surveillance will remain, but

1 others may not.

2 COMMISSIONER MCHUGH: Right, right.
3 So, if we said something to that then everybody
4 would be on notice and we would of course talk
5 to them about it and give them an opportunity to
6 be heard before we changed it.

7 MR. GROSSMAN: Okay, we can add that
8 in.

9 MS. BLUE: We can do that.

10 COMMISSIONER MCHUGH: Any other
11 questions or thoughts?

12 COMMISSIONER CAMERON: I have one
13 question which was there's a lot of -- Todd, you
14 have a lot of question marks here. Were you
15 looking for us to agree with a deletion, for
16 example? You highlighted it with a question
17 mark. And lot of it had to do with deleting a
18 question.

19 MR. GROSSMAN: Right.

20 COMMISSIONER CAMERON: Is that what
21 you were looking for was us to say yes, go ahead
22 and delete?

23 MR. GROSSMAN: We can go about it
24 any number of different ways. I would suggest

1 that most of the ones that I raised a question
2 with that I am suggesting to you that it is
3 duplicative or that it should be deleted.

4 So, with a few exceptions that I've
5 flagged that we can go back through. We've
6 actually changed our course on one or two.

7 Obviously, if there's any
8 disagreement then we can change it. A lot of
9 them had to do with consolidating questions and
10 merging questions that appeared to be asking for
11 the same information. So, it's not as though we
12 were removing a question all together.

13 COMMISSIONER CAMERON: That's very
14 clear in what you did.

15 MR. GROSSMAN: I'd suggest that if
16 you have a specific question on a question, we
17 could discuss it. Otherwise, I would basically
18 just be recommending that we remove any question
19 or do whatever I've raised the question about.
20 There were some though that I actually had
21 questions about.

22 COMMISSIONER MCHUGH: Why don't we
23 go through those that you have questions about.
24 Let's deal with those and sum up at the end what

1 to do with the rest.

2 MR. GROSSMAN: Page 28.

3 COMMISSIONER MCHUGH: Go ahead.

4 MR. GROSSMAN: We use the term
5 outward looking. Now I think anyone who has
6 followed this process understands what the
7 Commission means by outward looking. But a
8 question was raised as to whether that is a
9 commonly understood term or whether we should
10 add some clarification as to what the Commission
11 means by an outward looking physical structure.

12 COMMISSIONER ZUNIGA: I am thinking
13 of integration with the community may be a term
14 that may be better suited here rather than
15 trying to be dictatory as to whether it's
16 outward or inward looking. That just came to
17 mind.

18 COMMISSIONER MCHUGH: So, we'd
19 substitute something that talks about that
20 concept rather than outward looking.

21 COMMISSIONER ZUNIGA: Yes, a
22 standard rather than a physical attribute.

23 COMMISSIONER MCHUGH: Right. Is
24 that helpful?

1 MR. GROSSMAN: Sure.

2 COMMISSIONER MCHUGH: So, we just
3 replace that sentence with something that --

4 COMMISSIONER CAMERON: Are we always
5 looking for integration?

6 COMMISSIONER ZUNIGA: There is
7 language that I'm not going to be able to find
8 right now. But there is integration with the
9 host and surrounding community in the statute.

10 One could argue that outward looking
11 may be one form but not exclusively the only way
12 to integrate with the community. If we talk
13 less in terms of a physical attribute and more
14 in a concept we may be in a better position.

15 COMMISSIONER MCHUGH: The respondent
16 can always say that I don't plan to do that for
17 some reason and give the reason.

18 COMMISSIONER CAMERON: That's the
19 point I was making. IU think that there may be
20 strategies that say that the better project
21 stands out doesn't necessary integrate.

22 COMMISSIONER MCHUGH: But that
23 wouldn't be prohibited from answering this that
24 way. You don't propose to do that.

1 COMMISSIONER CAMERON: By phrasing
2 the question that way doesn't that give meaning
3 to the fact that that's what we're looking for?

4 COMMISSIONER MCHUGH: I suppose it
5 does, yes. But we are. That's part of our
6 criteria, I think, some relationship to the
7 criteria. And that goes back to the AIA
8 presentation that we had about not having
9 hypothetically a Wild West building in the
10 middle of East Boston, right?

11 COMMISSIONER CAMERON: Correct. But
12 does the exact language say integration?

13 COMMISSIONER ZUNIGA: We can come
14 back to this idea. I know it's in the white
15 paper from the AIA, but I seem to recall that
16 it's also language in the legislation that would
17 suggest that.

18 COMMISSIONER MCHUGH: The concept is
19 how do you propose to have the casino relate to
20 the surrounding community. I mean that's the
21 best way to do it and let people take away the
22 integration concept. How do you propose the
23 casino will relate to the surrounding
24 communities?

1 COMMISSIONER CAMERON: I like that
2 one.

3 COMMISSIONER MCHUGH: And what do
4 you hope to achieve by that relationship.
5 Something along those lines.

6 COMMISSIONER ZUNIGA: Could I
7 suggest just host community or host and
8 surrounding community.

9 COMMISSIONER MCHUGH: Right.

10 COMMISSIONER ZUNIGA: Surrounding
11 community has a particular connotation.

12 COMMISSIONER MCHUGH: Right, right.
13 Would that work for everybody?

14 COMMISSIONER CAMERON: I like that
15 language.

16 COMMISSIONER MCHUGH: Okay. All
17 right, next?

18 MR. GROSSMAN: Next is page 46. On
19 this particular question, the Chair actually
20 presented some alternative language. We just
21 wanted to make sure that the Commission is
22 agreeable. If so, we can just use the
23 highlighted section.

24 COMMISSIONER MCHUGH: What is a

1 sensitivity analysis?

2 COMMISSIONER ZUNIGA: Scenarios,
3 different scenarios.

4 COMMISSIONER MCHUGH: Is that a
5 commonly accepted term that people will
6 understand?

7 COMMISSIONER ZUNIGA: Well, we could
8 make it more explicit. An optimistic, a
9 pessimistic, best-case, worst-case, we could try
10 to frame it or we could leave it open.

11 COMMISSIONER CAMERON: I wouldn't
12 necessarily know sensitivity analysis. That
13 doesn't jump out to me as something that is easy
14 to understand what we are looking for.

15 COMMISSIONER MCHUGH: Suppose we
16 just said describe the plans on a best, worst
17 and average case scenario. Describe on a best,
18 worst and average case scenario the applicant's
19 plan and capacity for accommodating.

20 COMMISSIONER ZUNIGA: Yes, we could.
21 A sensitivity analysis, I'm just thinking about
22 a sophisticated sensitivity analysis in my view
23 could get to what is the vacancy rate, the
24 highest vacancy rate say that I could withstand

1 before we run into the negatives.

2 COMMISSIONER CAMERON: That is a
3 term you're familiar with? You've seen it in
4 other --

5 COMMISSIONER ZUNIGA: Yes. It is an
6 art term -- a term of art sometimes, but I think
7 it's understood. We could make it more explicit
8 or just what Commissioner McHugh said. We could
9 frame it in a best-case, worst-case.

10 COMMISSIONER MCHUGH: Why don't we
11 do that. And if somebody wants to give us
12 something that is a more traditional sensitivity
13 analysis they can do that.

14 COMMISSIONER ZUNIGA: Right. This
15 brings me to a point that I think cuts across a
16 couple of others. When we get our advisors, I'm
17 thinking of the financial advisor, they could
18 easily have a term description on a couple of
19 other questions like this.

20 COMMISSIONER MCHUGH: Right.

21 COMMISSIONER ZUNIGA: I was thinking
22 that at least some of these questions may at
23 some point be fine-tuned, not just after this,
24 but certainly after today.

1 COMMISSIONER MCHUGH: But the plan
2 is to release the application tomorrow --

3 MS. BLUE: Monday, yes.

4 COMMISSIONER MCHUGH: -- or Monday.
5 This is really the time. We can always request
6 further information, clarification and the like.
7 But this application is about to be published.
8 So, this is our last crack at it.

9 COMMISSIONER ZUNIGA: Fair enough.
10 Then we could leave it generically.

11 MR. DAY: Commissioner McHugh could
12 we just delete design sensitivity and put submit
13 an analysis?

14 COMMISSIONER MCHUGH: Sure. Submit
15 an analysis, right. That's a simple way of
16 doing it.

17 COMMISSIONER ZUNIGA: That's great.

18 MR. GROSSMAN: Okay. Page 56, this
19 deals with bankruptcy. It's been suggested that
20 we already have this information as it relates
21 to the RFA-1 process. And that it is
22 duplicative to include it here. I don't know if
23 there's any separate use for it in this
24 application.

1 COMMISSIONER MCHUGH: If we already
2 have it, I don't know why we need to ask for it
3 again. We do have a question in here that asks
4 for updates so that anything of this sort that
5 happened since January 15 would be updated when
6 the RFA-2 to is filed, right?

7 MR. GROSSMAN: Right.

8 COMMISSIONER MCHUGH: So, I'm not
9 sure we need it here.

10 COMMISSIONER ZUNIGA: That's fine.

11 COMMISSIONER CAMERON: You think we
12 can remove?

13 COMMISSIONER MCHUGH: Right.

14 MR. GROSSMAN: The next page, page
15 57, a number of people have flagged this
16 question. And I thought it would be helpful
17 just to take a look at it and make sure we are
18 asking the right question in the right way.
19 It's been suggested perhaps that if this isn't
20 exactly the way we intended it, that we just ask
21 for description of any minority sources of
22 financing.

23 Doing it that way would mean that
24 the applicant wouldn't have to go to each of its

1 sources and ask for a racial and gender and
2 ethnic breakdown. They could just answer the
3 question, if they know.

4 COMMISSIONER ZUNIGA: Make sense.

5 MR. GROSSMAN: Unless it's a
6 critical piece of information, we want them to
7 go ask all of the lenders and others.

8 COMMISSIONER CAMERON: I thought it
9 was odd when I read this the first time. I
10 don't think it's readily available information.

11 COMMISSIONER ZUNIGA: I think the
12 way you frame it may be as to what we are trying
13 to get at. I know that this was a question of
14 the Chair. Just ask it openly.

15 COMMISSIONER MCHUGH: Yes. Let's
16 ask it openly in a broader fashion.

17 MR. GROSSMAN: Okay. Page 65, I
18 would just note that we beefed up. I don't have
19 any particular comments on this. This is just
20 an internal control section. We have gotten a
21 number of comments on this in that we don't yet
22 have regulations governing internal controls.
23 Basically, we're just asking each applicant what
24 standards they basically anticipate using

1 subject to any forthcoming regulation.

2 COMMISSIONER MCHUGH: Right. That
3 would be helpful in perhaps helping us focus on
4 regs.

5 MR. GROSSMAN: Page 80, this is one
6 that I had originally stricken that I think we
7 actually want to keep in after further review.
8 It does ask a separate question. We're asking
9 for -- These are items that wouldn't be included
10 in the capital investment calculation, but that
11 you probably would want to not know about.

12 COMMISSIONER MCHUGH: Right.

13 MR. GROSSMAN: So, we should
14 actually leave that in.

15 COMMISSIONER MCHUGH: Right.

16 MR. GROSSMAN: While we're here on
17 page 81, I would just point out this point was
18 raised as well, you will observe and everyone
19 can observe that this is how we have flagged the
20 distinction between questions that everyone has
21 to answer and ones that only Category 1
22 applicants have the answer and perhaps Category
23 2 applicants don't have to answer. We've done
24 that for a number of questions like that.

1 COMMISSIONER MCHUGH: Yes. That's
2 an issue that was raised early on and now we've
3 made clear, which applies to Category 1 only.
4 Okay.

5 MR. GROSSMAN: Page 131.

6 COMMISSIONER ZUNIGA: Could we go
7 back to page 67? Was that highlighted as
8 duplicative, another one?

9 MR. GROSSMAN: Yes. So, this
10 question we actually ask elsewhere. That's on
11 page --

12 COMMISSIONER ZUNIGA: -- 237?

13 MR. GROSSMAN: Yes. So, I think we
14 asked the same question twice basically. And it
15 would probably be best in, I think, where it is
16 here in section two --

17 COMMISSIONER CAMERON: Security,
18 yes.

19 MR. GROSSMAN: -- and not the
20 building and site design section. So, we could
21 delete the one on page 237.

22 COMMISSIONER CAMERON: There was a
23 lot more language, a lot more narrative in the
24 earlier version, right?

1 MR. GROSSMAN: Right.

2 COMMISSIONER CAMERON: So, that was
3 deleted for a reason?

4 MR. GROSSMAN: The second one?

5 COMMISSIONER CAMERON: Less language
6 in the second one for a reason?

7 MR. GROSSMAN: I'm not sure why
8 there is less language there exactly. It may
9 have just slipped into two parts. I assume it's
10 in the matrix in two places. And it may have
11 just been an oversight.

12 COMMISSIONER MCHUGH: It's
13 duplicative. Do you have a preference for one
14 or the other, Commissioner?

15 COMMISSIONER CAMERON: I kind of
16 like the additional language. I think you're
17 asking about intent and commitment.

18 COMMISSIONER MCHUGH: So, if it's
19 one or the other, you can pick the longer one,
20 right?

21 MR. GROSSMAN: So, we would keep the
22 one on page 67.

23 COMMISSIONER CAMERON: But move it
24 to security.

1 MR. GROSSMAN: You prefer to have it
2 in --

3 COMMISSIONER CAMERON: So, you're
4 talking about leaving the one under revenue
5 rather than security; is that right?

6 COMMISSIONER MCHUGH: Where would
7 you like to see it go?

8 COMMISSIONER CAMERON: It seemed to
9 make sense in security to me, but I like the
10 language.

11 MR. GROSSMAN: Okay. We can move 2-
12 24 to -- What page was that?

13 MS. BLUE: To 237.

14 MR. GROSSMAN: -- to 237.

15 COMMISSIONER CAMERON: It is about
16 security and accountability and integrity.

17 MR. GROSSMAN: Okay.

18 COMMISSIONER MCHUGH: So, the longer
19 version will be the one we use, but we will move
20 it to the security section, right.

21 MR. GROSSMAN: Okay.

22 COMMISSIONER MCHUGH: Okay. I think
23 we were at page 131, right?

24 MR. GROSSMAN: 131, yes. Here we

1 ask for a third-party revenue impacts. The
2 question we had was whether this is duplicative
3 of where we ask for studies relative -- This is
4 on page 97. So, we're comparing page 97 and
5 page 131. We ask for studies and reports
6 showing economic benefits to the region and
7 impact on local and regional economy, including
8 impact on cultural institutions, small
9 businesses, etc.

10 So, the question in 3-26 obviously
11 is much broader. The question is is that
12 seeking information that wouldn't otherwise be
13 contained in the studies and reports?

14 COMMISSIONER MCHUGH: It seems to me
15 that 3-26 is so broad that it could yield all
16 kinds of different results that would resist
17 side-by-side comparison. And 3-1 is much more
18 focused and we ought to go with 3-1. That would
19 be my view.

20 COMMISSIONER CAMERON: That makes
21 sense.

22 COMMISSIONER ZUNIGA: I would agree.

23 MR. GROSSMAN: Then the next page,
24 132, the question is do we want to further or

1 define what we mean by draw or is that well
2 understood?

3 Certainly, it would seem to include
4 a number of patrons. Would it also include
5 increased business, consumables, hotel bookings,
6 etc.? Or is that term well enough understood
7 that we can just leave that?

8 COMMISSIONER MCHUGH: Commissioner
9 Stebbins is really responsible for that area.
10 The very fact that you raised the question
11 suggest that we ought to be it more clear, I
12 think, with those kinds of examples. So, why
13 don't you go ahead and do that. Does that make
14 sense to everybody?

15 COMMISSIONER ZUNIGA: Yes.

16 COMMISSIONER CAMERON: Yes, I agree.
17 As clear as we can be is certainly better.

18 MR. GROSSMAN: Page 142, I wasn't
19 clear exactly which objectives we were inquiring
20 about. Is it marketing strategies, the economic
21 plan coordination?

22 COMMISSIONER MCHUGH: This
23 undoubtedly comes right from the matrix, right?

24 MR. GROSSMAN: Right.

1 COMMISSIONER MCHUGH: So, the
2 matrix, whenever is right above this in the
3 matrix probably supplies the definition. Is the
4 previous question the one that's right above it
5 in the matrix?

6 MR. GROSSMAN: Yes, I think these
7 are right in order.

8 COMMISSIONER ZUNIGA: They are in
9 the same order.

10 MR. GROSSMAN: So, it would be
11 community enhancements. I think that was the
12 reason we had the question is because the
13 preceding question is basically a catchall.

14 COMMISSIONER ZUNIGA: It may refer
15 to everything else in that section of the
16 matrix, not just the preceding question.

17 COMMISSIONER MCHUGH: Does it make
18 sense just to hold this and take another look at
19 the matrix? The matrix isn't here now. And
20 just have a discussion after the meeting after
21 we look at that matrix and revise this question
22 accordingly.

23 COMMISSIONER ZUNIGA: That would be
24 fine.

1 MR. GROSSMAN: Okay. Page 150 I
2 would just quickly point out that we have added
3 just a place where applicants can enclose any
4 types of media or other presentations that we
5 haven't otherwise asked for. If there are video
6 or cyber presentations or whatever --

7 COMMISSIONER MCHUGH: Right.

8 MR. GROSSMAN: -- or robots, they
9 can reference them there.

10 COMMISSIONER CAMERON: They can
11 reference them?

12 MR. GROSSMAN: Reference them and
13 tell us where they've included it, how we can
14 access it.

15 COMMISSIONER CAMONER: They're not
16 going to be dropping off big models, are they?

17 MR. GROSSMAN: See, we don't know.
18 That's why we included that section.

19 COMMISSIONER CAMERON: Do we want
20 that though?

21 MR. GROSSMAN: Big models?

22 COMMISSIONER CAMERON: Yes.

23 MR. GROSSMAN: I don't know.

24 COMMISSIONER CAMERON: Be careful

1 what you ask for.

2 COMMISSIONER MCHUGH: Right.

3 COMMISSIONER ZUNIGA: I think
4 technology should be able to help us in this
5 regard, pictures and videos captures a lot.

6 COMMISSIONER CAMERON: Maybe we have
7 to be specific about do we want it in electronic
8 version. Some of the models that they're
9 rolling out at the communities, I don't know
10 that we have the storage.

11 COMMISSIONER MCHUGH: The physical
12 model, probably we don't want, right? I don't
13 know how you'd get it in the front door some of
14 these things.

15 COMMISSIONER ZUNIGA: No, we don't.

16 COMMISSIONER MCHUGH: Right. And
17 we'd have a construction crew come in to --

18 COMMISSIONER CAMERON: Yes, we
19 would.

20 COMMISSIONER ZUNIGA: You would have
21 to have a room like the airplanes to fit these.

22 COMMISSIONER CAMERON: Provide a
23 mockup of the project.

24 COMMISSIONER MCHUGH: Why don't we

1 take mockup out, but video presentation or other
2 electronic things we -- if they want to submit
3 them, we would welcome them I would think.

4 COMMISSIONER ZUNIGA: Commissioner
5 McHugh, I need a break in a little bit.

6 COMMISSIONER MCHUGH: Do you want to
7 take a break right now?

8 COMMISSIONER ZUNIGA: Yes, maybe a
9 little bit. Yes.

10 COMMISSIONER MCHUGH: Let's take a
11 five-minute break and we'll resume and conclude
12 this in five minutes.

13

14 (A recess was taken)

15

16 COMMISSIONER MCHUGH: We are back
17 with the resumption of the 69th meeting. We are
18 proceeding to the next item, Mr. Grossman.

19 MR. GROSSMAN: Really quick on page
20 193 this pertains to vehicle traffic. This
21 appears to be better suited in the mitigation
22 section. If there's no objection to that, we
23 would move it over.

24 COMMISSIONER MCHUGH: Sure. Let's

1 move it there.

2 COMMISSIONER ZUNIGA: Yes.

3 COMMISSIONER CAMERON: Yes.

4 MR. GROSSMAN: Page 238 through 246,
5 I just wanted to draw your attention to the
6 addition of this whole permitting section. This
7 is consistent with the regulations where we ask
8 the applicants to outline all of their
9 permitting plans and understanding of the
10 process and all of the MEPA certificates and
11 otherwise. So, that has all been included here.
12 It includes the zoning.

13 COMMISSIONER CAMERON: Okay.

14 COMMISSIONER MCHUGH: All right.

15 MR. GROSSMAN: Page 258, I just
16 wanted to draw your attention to this as well.
17 This we've just beefed up the contributions
18 section and added an entirely new question as
19 you'll see on page 258, the negative advertising
20 question. This wasn't including initially.

21 COMMISSIONER CAMERON: Good.

22 MR. GROSSMAN: The next section I
23 just wanted to draw your attention to was the
24 signature section starting on page 300. I just

1 wanted to note that any time a statute or
2 regulation calls for someone to agree to
3 something or to promise or attest to something,
4 we have included a page here at the back whereby
5 we explain the situation and ask for an
6 attestation.

7 And that, I think, concludes all of
8 the areas I wanted to comment on.

9 COMMISSIONER MCHUGH: Okay. So,
10 Commissioners, are there any further questions
11 or issues that anybody wants to raise with this?
12 We have one open question and that's the
13 antecedent for these objectives in question 3-37
14 at page 142. We found the spot in the matrix,
15 but we can discuss that after we get back. It
16 refers to a number of different things.

17 Then we also have a number of places
18 where you have suggested that one question is
19 duplicative of another. And it seems to me that
20 your judgment ought to control. And if you
21 think it's duplicative, you can strike the one
22 that duplicates the other.

23 So, if we proceed in that fashion
24 with that one open question to be resolved and

1 then you resolving the others as you see fit,
2 that takes care of this; is that right? Is
3 there anything else that we need to do, I guess
4 I'm asking?

5 MR. GROSSMAN: I don't think so. We
6 make those changes. We certainly have to
7 reformat some of the areas. We'll have to check
8 the numbering, things of that nature. But
9 otherwise I think that's it.

10 COMMISSIONER MCHUGH: Okay. Then
11 the plan will be to issue that Monday? It will
12 be available Monday? Do we have a target date?

13 MS. BLUE: I think we can do that.
14 The plan will be that we will go back and make
15 the changes, clean it up, get the format,
16 recirculate it internally one more time. And
17 then it should be ready for posting on Monday.

18 COMMISSIONER MCHUGH: Okay. All
19 right. That's terrific. That's a job well
20 done, very well done.

21 COMMISSIONER CAMERON: Excellent,
22 very good work.

23 COMMISSIONER MCHUGH: And we get
24 this process moving. And then publicize at the

1 same time in some fashion that availability and
2 desirability of the pre-application meetings so
3 that we can get those underway. And move the
4 entire process forward in that fashion. That's
5 great. That's great.

6 All right. Thank you very much.

7 There is one other question for you, Ms. Blue.
8 And I don't know whether Chairman Crosby showed
9 it to you. But he got a letter from the law
10 firm that is representing Hopkinton dated June
11 12, a recent letter, suggesting that there was
12 some previous suggestion about a period of
13 public input on the background investigations
14 before the suitability findings were made. Are
15 you familiar with that at all?

16 MS. BLUE: I am not. Is that the
17 letter that came in yesterday, I believe?

18 COMMISSIONER MCHUGH: It came in
19 yesterday. It's dated yesterday, I think.

20 MS. BLUE: I reviewed it briefly. I
21 wasn't entirely sure what the reference was in
22 that letter. And I need to go back over it. He
23 has several other question that will need to be
24 addressed as well.

1 COMMISSIONER MCHUGH: Okay. Now is
2 not the place then to discuss it since you
3 haven't had a chance to really take a look at
4 it. Our plan is -- Do we have a plan, Director
5 Day, that you care to discuss for dealing with
6 the results of the background investigations?
7 Or is that simply something we'll deal with and
8 talk about at the next meeting? I mean the
9 subject, I'm sure there is a plan.

10 MR. DAY: We have a plan, which is
11 ongoing on preparation, presentation, delivery
12 to the Commission and scheduling it at
13 appropriate public meetings.

14 COMMISSIONER MCHUGH: Okay. Let's
15 then simply fold addressing this question into
16 that overall plan rather than trying to deal
17 with it today. And that's the letter of June
18 12, 2013 from J. Raymond Miyares of Miyares and
19 Harrington to Chairman Crosby referring to an
20 earlier letter that he apparently sent to you.
21 Okay. Thank you. That does conclude that.

22 Let's move then, if we might, to
23 item six on the agenda, which is the Racing
24 Division, Director Durenberger

1 I should add before I ask Director
2 Durenberger's taking her seat that once again
3 that may to the watching audience and even to
4 the audience here that last exercise may have
5 been something equivalent to watching the paint
6 dry, but it is an essential component of the way
7 we work.

8 Our decision-making as we've said
9 many times before done in public. This is the
10 time and mechanism for making the kinds of
11 decisions that we have to make in order to move
12 the Commission's business forward. And
13 sometimes it is in the fine-grained detail that
14 we've just been through.

15 So, Director Durenberger, good
16 morning.

17 DR. DURENBERGER: Good afternoon,
18 Mr. Chair or good morning.

19 COMMISSIONER MCHUGH: It still is,
20 yes.

21 DR. DURENBERGER: We are getting
22 close. Today I have administrative updates for
23 you. I have a very brief one, a request from
24 Suffolk Downs.

1 As you know, we put names before you
2 for approval as racing officials during the 2013
3 racing meeting. This is in addition to an
4 earlier list. What we've done the past is we
5 have requested your approval pending successful
6 completion of a background check. And I would
7 put that before you today.

8 This particular applicant, I
9 believe, is acting as a patrol judge for
10 Suffolk, probably working in the racing office
11 in the morning.

12 COMMISSIONER MCHUGH: Is that
13 information for us or are you seeking some
14 action by us on that?

15 DR. DURENBERGER: I am requesting
16 your approval pending successful completion of a
17 background check.

18 COMMISSIONER CAMERON: Mr. Chair
19 this is consistent with other approvals that
20 we've made for employees that must come before
21 us for approval.

22 So, I would move that we approve
23 this racing official, Noelle Rand, pending that
24 completion of a State Police background

1 investigation.

2 COMMISSIONER MCHUGH: All right. Is
3 there a second to that motion?

4 COMMISSIONER ZUNIGA: Second.

5 COMMISSIONER MCHUGH: All in favor,
6 aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 COMMISSIONER MCHUGH: The motion is
10 carried.

11 DR. DURENBERGER: My next order of
12 business has to do with an item that has been in
13 news within the last week. It's been a matter
14 of some debate in the national trade
15 publications for racing as well as some local
16 press. This has to do with a state withholding,
17 a state tax withholding.

18 The Expanded Gaming Act made some
19 changes to the existing tax law in
20 Massachusetts. And while I am certainly not an
21 expert on taxation, I thought it might be
22 helpful since it's been in the news to just kind
23 of describe to you basically what is going on,
24 what the issue is. Since it wasn't an agenda

1 item, probably not subject to discussion. But I
2 figured getting the information out there and
3 explaining the issue might be beneficial for
4 everybody.

5 COMMISSIONER MCHUGH: Surely.

6 DR. DURENBERGER: There has been
7 forever, although I'm sure it started at some
8 point, a federal withholding type requirement.
9 The federal law can be found in 26 USC 3402(q).
10 What happens here is that if you are a pari-
11 mutuel customer and you have a win that is
12 triggered with 300 to 1 odds or greater you do
13 have to fill out a W-2G. If your proceeds of
14 that win exceed \$5000, it also trips a federal
15 withholding requirement. The duty is on the
16 licensee to withhold that at the time at the
17 point of redemption.

18 There's a federal exception for
19 bingo, Keno and slot machine winnings. And
20 interestingly losses are deductible up to
21 winnings. So, you can take care of all of that
22 at the end of the year.

23 Previously in Massachusetts, there
24 was an exception for "winnings from horse and

1 dog racing". And the Expanded Gaming Act
2 removed that exception, and there's a couple of
3 other things.

4 So, what we see now in the
5 Massachusetts chapter is that winnings or \$600
6 or greater will trip now both the W-2G
7 requirement as well as an automatic withholding
8 requirement, a five percent tax for the state.
9 Not just by the way for winnings from horse and
10 dog racing, but it also removed the federal
11 exception for bingo, Keno, lottery tickets and
12 slot machine winnings as well, which is just
13 interesting to me as a racing person. I think
14 the gaming side -- I'm starting to learn about
15 gaming now.

16 Under Massachusetts, the losses are
17 not deductible the way that they are in federal
18 unless you meet the criteria for trade of
19 business as a gambler. The only thing you can
20 deduct is the buy-in for the winning wager. So,
21 I put together an example if it would be helpful
22 or if you wanted to ask your question before.

23 COMMISSIONER ZUNIGA: Yes, I have a
24 question. So, the Gaming Act also removed the

1 federal exemption?

2 COMMISSIONER CAMERON: This in
3 addition to the federal, right?

4 DR. DURENBERGER: Yes.

5 COMMISSIONER MCHUGH: This just
6 deals with state tax.

7 DR. DURENBERGER: Correct.

8 COMMISSIONER ZUNIGA: That was my
9 understanding.

10 COMMISSIONER MCHUGH: It's § 28 of
11 the Chapter 194 of the statute of 211.

12 DR. DURENBERGER: Right, which
13 amended 62B, § 2. So, for those of us who enjoy
14 numbers, I've put together an example. It's
15 interesting because in the trades I'm seeing
16 things like winning wager versus winning ticket.
17 And there's been some confusion I think from
18 some customers is what we're hearing about
19 having multiple bets on one ticket.

20 Really we're looking at wagers. So,
21 you might have a ticket. And let's say that you
22 bet \$200 to win, \$200 to place and then you're
23 going to cover yourself with \$100 show bet. So,
24 you have one ticket. It's got three wagers and

1 it's a \$500 buy-in, if you will. Let's say that
2 the horse doesn't win, doesn't come in second
3 but comes in third. And his show odds were 6 to
4 1.

5 So, your winning wager on that
6 ticket pays \$700 and you net \$600. The ticket
7 itself pays \$700, but your net is only \$200
8 because you had a \$500 buy-in.

9 Under federal law, the 300 to 1 odds
10 ratio has not been met. So, there's no W-2G
11 reporting requirement triggered. Your proceeds
12 are \$5000 or less. So, the federal withholding
13 requirement isn't triggered. And your two
14 losing wagers plus your buy-in of \$500 would be
15 deductible against your \$700 payout at the end
16 of year.

17 Again, previously under
18 Massachusetts law there would have been an
19 exception because this was a winning for horse
20 or dog racing. So, there would have been no
21 reporting or withholding requirement.

22 Now however with this exception
23 removed, because you have winnings of \$600, it
24 triggers the W-2G reporting requirement. And

1 because the winnings are \$600, this five percent
2 state withholding requirement is triggered.
3 Only the \$100 buy-in for the winning wager is
4 deductible against that \$700 payout. The \$400
5 loss is not.

6 So, there's some practical
7 implications here regarding the point of
8 redemption paperwork, the duties on our
9 licensees. The winning pari-mutuel customer
10 goes to the window. He has to present his or
11 her photo ID as well as some proof of Social
12 Security card.

13 There's paperwork exchanged between
14 the customer and the track. And then there's
15 paperwork exchanged, of course, between the
16 track and the Commonwealth. But I think more
17 interestingly, at least from the pari-mutuel
18 customer's perspective, is that difference in
19 the year-end deductions.

20 Because again, under federal law the
21 losses up to winnings can be claimed as itemized
22 deductions. And under Massachusetts law, it's
23 only that buy-in. I think that's a big deal.
24 If you're a big player, that's a big deal.

1 And I just wonder what the
2 implications are for the slot player too. If
3 you're sitting there all afternoon and you have
4 \$1000 in the machine and then you hit the \$600
5 win, you're getting taxed on what's in that loss
6 for you. I thought that was interesting.

7 So, I just thought I would put that
8 before you to explain what the issue is and stay
9 tuned, I suppose.

10 COMMISSIONER MCHUGH: Yes. I think
11 we need to be perfectly clear that this is not
12 within our regulatory domain. This is the
13 Department of Revenue. This is the taxation.
14 This is the Legislature's judgment as to the
15 appropriate taxation of income.

16 And some taxation has always been
17 applicable to the winnings whether or not there
18 was a deduction requirement. And this is
19 obviously a legislative device designed to
20 ensure that the taxes owed are paid.

21 The exact way it plays out, how it
22 plays out, its impact on our domain is
23 nonexistent. We just have no regulatory
24 authority over it except to make sure that

1 people are alerted to it and they are conforming
2 to the rules so that the money is collected.

3 But it has, as you noted, Director
4 Durenberger, gotten some attention over the last
5 few weeks. And that's the back story for it.

6 Other discussion about that issue?
7 Okay. Thank you, for that clarification.

8 DR. DURENBERGER: And item B has to
9 do with some delegation of authority. Catherine
10 are you presenting?

11 MS. BLUE: Yes, thank you. In your
12 materials today, there are two memos and two
13 resolutions. These are for delegations of
14 authority that pertain to Racing matters
15 primarily.

16 The first is a delegation from the
17 Commission to the Director of Racing to allow
18 the Director of Racing to approve things that we
19 refer to broadly as track matters. Those
20 matters include sending notices when a licensee
21 had failed to make required payments, executing
22 show cause, making changes in post times,
23 approving the addition of racing personnel as
24 you did here today. Those things would be

1 delegated to the Director of Racing.

2 And making certain changes in the
3 racing schedule, although permanent changes in a
4 racing schedule or an amendment of a license
5 would come to the Commission.

6 So, this will just streamline the
7 process of making these changes. They
8 oftentimes come in between Commission meetings.
9 They generally are a very quick issue to
10 address. So, I would ask that you approve the
11 motion and you delegate this authority to the
12 Director of Racing.

13 COMMISSIONER MCHUGH: A couple of
14 weeks ago, maybe a meeting or two ago, we
15 approved taking two days or three days out of
16 the Suffolk schedule and putting them at the
17 end, if I recall correctly, putting them around
18 Thanksgiving with the anticipation that
19 ultimately they would be dropped, if I have that
20 right.

21 Under this resolution the movement
22 of them to the end would be something you would
23 do, Director Durenberger. But dropping them off
24 would be something that the Commission would

1 have to do. Is that the kind of thing the way
2 that would work?

3 DR. DURENBERGER: Commissioner, Mr.
4 Chair, I apologize. I wasn't here, so I wasn't
5 part of that discussion at the previous meeting.
6 But as I understood it, that actually was an
7 amendment to the license, because the license
8 specifies the days.

9 So, that even though it didn't
10 change the number of race days, because it
11 changed the schedule as it appears on their
12 license, I think that would have had to come
13 before you.

14 COMMISSIONER MCHUGH: I see.

15 MS. BLUE: At that point, it did.
16 What's contemplated under this delegation is as
17 long as the total number of days don't change,
18 no. But if the days were going to be dropped,
19 lessening or shortening the schedule would have
20 to come before the Commission.

21 COMMISSIONER MCHUGH: Right. So,
22 that under this resolution if we passed it, the
23 movement of the days to a different time -- a
24 different day would be something Director

1 Durenberger could do, but dropping them entirely
2 would not be.

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

4 COMMISSIONER MCHUGH: Okay.

5 MS. BLUE: That is the first
6 delegation. The second delegation is a
7 delegation of authority to the Executive
8 Director to be able to make and approve and
9 enter into any documents that are required under
10 128A § 5(h).

11 § 5(h) lays out specific payments
12 that need to be made. The payments are specific
13 generally in amount. They're specific as to who
14 they go to. So, it will just make
15 administrative sense to let the Executive
16 Director review them, sign the documents. If
17 there's a grant agreement involved, enter into
18 it.

19 And then as with each of these
20 delegations, the Director of Racing and the
21 Executive Director when they come before you and
22 do the reports, they will let you know what they
23 have done. If they've exercised this
24 delegation, they'll just give you an update at

1 the next available meeting.

2 COMMISSIONER MCHUGH: All right.
3 Sounds sensible. Any discussion or questions?

4 COMMISSIONER CAMERON: I see no
5 reason we shouldn't approve these.

6 COMMISSIONER ZUNIGA: Yes, I would
7 agree. There's a number of activity that
8 happens day-to-day. So, I don't want to stay in
9 the way of that.

10 COMMISSIONER MCHUGH: All right.
11 What would you like to do?

12 MS. BLUE: All you need to do is
13 move the motions that are included in your
14 package and vote on them and that will
15 accomplish both delegations.

16 COMMISSIONER ZUNIGA: I can make a
17 motion.

18 COMMISSIONER CAMERON: Please do,
19 Commissioner.

20 COMMISSIONER ZUNIGA: That this
21 Commission delegate the request as set forth in
22 this memorandum to delegate the Director of
23 Racing the authority to approve track matters
24 pertaining to racing licensees to ensure the

1 efficient operation of the Racing Division and
2 regulation of the racing licensees.

3 COMMISSIONER CAMERON: Second.

4 COMMISSIONER MCHUGH: All in favor,
5 aye.

6 COMMISSIONER ZUNIGA: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER MCHUGH: And that
9 motion is adopted. The second one -- That dealt
10 with the delegation to Director Durenberger.

11 COMMISSIONER ZUNIGA: Yes, for track
12 matters.

13 COMMISSIONER MCHUGH: For track
14 matters. So, now is there a motion with respect
15 to the delegation to Executive Director Day?

16 MS. BLUE: Yes, the second motion in
17 your material.

18 COMMISSIONER ZUNIGA: Yes. I'm
19 happy to make that one as well, Mr. Chair, if
20 that's okay.

21 That the Commission approve a
22 delegation of authority to the Executive
23 Director to approve and make payments required
24 under § 5(h) of chapter 128A to negotiate, enter

1 into and execute all necessary agreements and
2 documents to make such payments and to take all
3 steps necessary to comply with the requirements
4 of said section.

5 COMMISSIONER CAMERON: Second.

6 COMMISSIONER MCHUGH: All in favor,
7 aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER MCHUGH: All right.

11 And that motion too is carried. All right,
12 anything else Director Durenberger?

13 DR. DURENBERGER: That concludes the
14 Racing report.

15 MS. BLUE: That concludes.

16 COMMISSIONER CAMERON: Thank you.

17 COMMISSIONER MCHUGH: All right,
18 good. Thank you very much. We haven't had a
19 meeting since we had the opening-day ceremonies,
20 have we? That was a great day to get racing
21 started on the thoroughbred side. We talked
22 about getting racing started on the standardbred
23 side a while ago. That too was a great day.
24 This is now our fully up and running Racing

1 Division.

2 DR. DURENBERGER: Both tracks in the
3 Commonwealth are up and running, yes.

4 COMMISSIONER MCHUGH: Up and
5 running, yes, which is really a great
6 accomplishment to move us forward. So, thank
7 you for all of the work you've done in getting
8 us up and running.

9 DR. DURENBERGER: I think our
10 licensees have done this a time or two.

11 COMMISSIONER MCHUGH: Thank you. Is
12 there any further business to come before the
13 Commission? Does anybody have anything further?
14 Then I would entertain a motion to adjourn.

15 COMMISSIONER ZUNIGA: So moved.

16 COMMISSIONER CAMERON: Second.

17 COMMISSIONER MCHUGH: All in favor,
18 aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER MCHUGH: We are
22 adjourned from the 69th meeting. Thank you all.

23

24 (Meeting adjourned at 11:42 a.m.)

1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission June 13,
4 2013 Notice of Meeting and Agenda
- 5 2. Massachusetts Gaming Commission May 30,
6 2013 Meeting Minutes
- 7 3. June 11, 2013 Massachusetts Gaming
8 Commission Cash Flow Projection with Draft
9 FY'14 Budget
- 10 4. Massachusetts Gaming Commission Press
11 Release - Massachusetts Gaming Commission
12 Hires Mark Vander Linden as Director of
13 Research and Problem Gambling
- 14 5. Curriculum vitae of Mark Vander Linden
- 15 6. Draft 38 Simple Steps to Issue a Gaming
16 License - Category 1 Regions A, B
- 17 7. Draft 38 Simple Steps to Issue a Gaming
18 License - Category 1 Region C
- 19 8. Draft 37 Simple Steps to Issue a Gaming
20 License - Category 2
- 21 9. Massachusetts Gaming Commission RFA-2
22 Application for Category 1 or Category 2
23 Gaming License
- 24

1 ATTACHMENTS (continued):

- 2 10. June 12, 2013 Suffolk Downs Memorandum
3 Regarding Approval of a Racing Official
- 4 11. Department of Revenue Excerpt Regarding
5 Withholding on Wagering Winnings
- 6 12. June 13, 2013 Memorandum Regarding
7 Delegation of Authority to the Director of
8 Racing
- 9 12. June 13, 2013 Memorandum Regarding
10 Delegation of Authority to the Executive
11 Director

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SPEAKERS:

- Catherine Blue, General Counsel
- Richard Day, Executive Director
- Dr. Jennifer Durenberger, Director of Racing
- Todd Grossman, Staff Attorney
- Mark Vander Linden, Director of Research and
Problem Gambling

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 14th day of June, 2013.



LAURIE J. JORDAN

My Commission expires:

Notary Public

May 11, 2018