

THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #128

CHAIRMAN

Stephen P. Crosby (via telephone)

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

July 10, 2014 10:30 a.m.

BOSTON CONVENTION AND EXHIBITION CENTER

415 Summer Street, Room 102B

Boston, Massachusetts

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

2

3 COMMISSIONER MCHUGH: I would like
4 to call to order the 128th meeting of the
5 Massachusetts Gaming Commission. A quorum of
6 Commissioners is present, four of us are
7 present here. And our fifth member, the chair,
8 is absent because of geographical distance. He
9 went on vacation and came down with a dreaded
10 virus. And as sort of a public health measure
11 agreed to stay away and not share that with us.
12 So, we regret that he's not here and wish him a
13 speedy recovery.

14 But I am going to make certain that
15 we can hear him. And of course because he is
16 away today, all of our votes will be by roll
17 call. So, Mr. Chairman, can you hear us?

18 CHAIRMAN CROSBY: I can hear you
19 fine.

20 COMMISSIONER MCHUGH: And we can
21 hear you fine. So, we will proceed to check in
22 periodically as we proceed to make sure that
23 that remains the case.

24 As our first order of business as is

1 customary, let's look at the minutes for June
2 20, 2014. The minutes are in the book. I
3 would move their approval with reservation for
4 the ability to make mechanical and
5 typographical corrections -- correction of
6 typos. But apart from that we move their
7 acceptance.

8 I should say that these minutes take
9 a little bit different form from our
10 traditional minutes because the meeting --
11 these are minutes of the meeting of the
12 transportation presentations and not minutes
13 that followed an agenda. I'll have something
14 else to say about the June 26 minutes when we
15 get there as well. But these are in a little
16 bit different form. In any event, I move their
17 acceptance.

18 COMMISSIONER CAMERON: Second.

19 COMMISSIONER MCHUGH: Is there any
20 discussion from anybody about the contents of
21 those minutes?

22 CHAIRMAN CROSBY: I won't be voting
23 on these because I didn't attend the meeting.

24 COMMISSIONER MCHUGH: Right. That's

1 right. Okay. Then I would call for a vote.
2 Still we're going to do it by roll call just to
3 make certain that we turn square corners here.
4 Commissioner Stebbins?

5 COMMISSIONER STEBBINS: Aye.

6 COMMISSIONER MCHUGH: Commissioner
7 Zuniga?

8 COMMISSIONER ZUNIGA: Aye.

9 COMMISSIONER MCHUGH: Commissioner
10 Cameron?

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER MCHUGH: Commissioner
13 McHugh, aye. And the ayes have it unanimously.

14 Now we turn to the minutes of June
15 26, 2014. This was a regular meeting of the
16 Commission. I'd make the same motion that is
17 to approve the minutes with reservation of the
18 rights to correct mechanical and typographical
19 errors.

20 These minutes have a, as is
21 customary in the past, a time when each of the
22 topics was discussed so that people can look at
23 the tape and find the video. The transcript of
24 course will be posted as soon as we have it.

1 We may have it. But there is no longer a link
2 between the time and the tape. And we are
3 working to figure out how to restore that.

4 Artem Shtatnov who did that has left
5 the Commission for the West Coast. And the
6 process that he was using is time-consuming.
7 He had it down to a routine and we're trying to
8 figure out how to do that.

9 So, we'll work on that and get back
10 to it as soon as we can. But these minutes do
11 not take that form. And I say that primarily
12 for those who may be watching remotely. Is
13 there a second to the motion to approve the
14 minutes?

15 COMMISSIONER STEBBINS: Second.

16 COMMISSIONER MCHUGH: Is there any
17 discussion? I hear no discussion, so we will
18 take a roll call vote. Commissioner Stebbins?

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER MCHUGH: Commissioner
21 Zuniga?

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER MCHUGH: Commissioner
24 Cameron?

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER MCHUGH: Commissioner
3 McHugh, aye. Chairman Crosby?

4 CHAIRMAN CROSBY: Aye.

5 COMMISSIONER MCHUGH: The ayes have
6 it unanimously. Let's turn then to item 3 on
7 the agenda, the Racing Division, Director
8 Durenberger.

9 DR. DURENBERGER: Good morning,
10 Commissioner McHugh and Commissioners. I will
11 have just a brief administrative update for you
12 today. We're going to have an extended one I
13 anticipate at our meeting on the 24th.

14 I just wanted to share with you that
15 the Racing Division had been invited to address
16 the Jockey Club's Fifth Safety and Welfare
17 Summit on Tuesday. That was attended by a
18 number of significant stakeholders in-person.
19 It was webcast. They had 1800 viewers from 12
20 different countries.

21 And we were talking about the many
22 regulatory and cultural reform initiatives that
23 this Commission has spearheaded. Very, very
24 well received. And I wanted to let you know

1 that you are being held in very high regard at
2 the national level. I just wanted to let you
3 know about that.

4 COMMISSIONER MCHUGH: Great. Thank
5 you. Thank you. You were the one who made
6 those presentations; is that right?

7 DR. DURENBERGER: I did. And
8 actually there is a link. They are available
9 now online. So, we can send that around and
10 perhaps include it at some point so that
11 interested parties can look at it. The
12 director of communications from the
13 communications department suggested maybe we
14 include a blog about that on the website.

15 COMMISSIONER MCHUGH: Right.
16 Terrific.

17 DR. DURENBERGER: So, that would
18 bring us to the next item, which is a request
19 for reimbursement from one of our trust funds.

20 So, our pari-mutuel statute has a
21 number of trust funds that have been
22 established. This one affects the harness
23 horse promotional trust fund. That trust fund
24 is to be used by the licensees -- This is a

1 reflection of the age of the stature. -- to
2 reduce the cost of admission, programs, parking
3 and concessions and to offer other
4 entertainment and giveaways. Admission,
5 parking those things are now free. And the
6 trustees may expend to a licensee all amounts
7 accumulated attributable to racing operation
8 conducted at each applicable track.

9 So, this request that is before you
10 is a request for consideration and
11 reimbursement of funds that were used to
12 provide the satellite uplink services. So,
13 about 90 percent of handle is generated by
14 simulcast exports.

15 That's the sending of the track's
16 live signal to remote facilities. Certainly,
17 without the satellite uplink that would cause a
18 significant reduction in handle. So, it seems
19 to us that this falls squarely within the
20 contemplation of the statute as written.

21 I'll also note that this is a
22 request, a fairly standard request possibly
23 going back to the opening of Plainridge
24 Racecourse, but certainly for the last few

1 years as far back as we had looked. This has
2 been a request that has been approved in the
3 past by the prior racing commission as well as
4 by this Commission for the year 2012.

5 We do have -- If anyone is curious,
6 we do have an email from Chris Rogers, Vice
7 President and Senior Corporate Counsel of Penn
8 National that the money that are in these trust
9 funds, those monies were not within the group
10 of assets that they acquired from Ourway. So,
11 they did not intend to seek reimbursement out
12 of them for this operation.

13 COMMISSIONER MCHUGH: Could you
14 explain that?

15 DR. DURENBERGER: Sure. So, the
16 question was the monies that were in the fund
17 at the time of the acquisition --

18 COMMISSIONER MCHUGH: Chairman
19 Crosby, are you still there? All right. Let's
20 stop until we re-establish that link. The
21 record should reflect that we heard a little
22 beep and the absent member disappeared. It was
23 just one of those cyber things.

24 Janice, do you still want to take a

1 break and rearrange things? All right. We're
2 going to take a break, Steve, and rearrange the
3 microphones.

4

5 (A recess was taken)

6

7 COMMISSIONER MCHUGH: Is Chairman
8 Crosby back now?

9 CHAIRMAN CROSBY: Yes.

10 COMMISSIONER MCHUGH: And can you
11 hear me, Steve?

12 CHAIRMAN CROSBY: Yes, I can hear
13 you much better now.

14 COMMISSIONER MCHUGH: And we can
15 hear you much better now. So, it looks like
16 this is a success.

17 Let's go back to where we were which
18 was I had asked Director Durenberger to explain
19 the Penn communications saying we don't know
20 any of what's in the trust fund. I'm not sure
21 I understand that.

22 DR. DURENBERGER: So, the assets
23 that were acquired by Penn from Ourway, we had
24 the question whether or not the monies that

1 were in these funds on the date of the
2 acquisition were contemplated as part of that
3 agreement, part of that acquisition. So, we
4 asked that question. And the response from
5 Penn was that that was not. So, Penn does not
6 contemplate making any claims against the
7 monies that were in those funds on the day of
8 acquisition.

9 COMMISSIONER MCHUGH: So, even after
10 this payment, if this payment is approved,
11 there will still be money in that fund?

12 DR. DURENBERGER: Correct, monies
13 deposited continuously.

14 COMMISSIONER MCHUGH: And that money
15 can be used only for the purposes stated in the
16 statute.

17 DR. DURENBERGER: Correct.

18 COMMISSIONER MCHUGH: And Ourway is
19 the owner of -- strike that.

20 Penn is not going to make a claim
21 against it. Maybe we don't have to decide this
22 today, but what happens to those monies then?

23 DR. DURENBERGER: This claim is
24 against monies that were in there in existence

1 for 2013.

2 COMMISSIONER MCHUGH: That I
3 understand. This is a reimbursement for monies
4 that Ourway expended, but that will leave a
5 balance in the fund. So, what happens to the
6 balance?

7 COMMISSIONER CAMERON: I'm assuming
8 that next year this request will come from Penn
9 for 2014. And those monies will be used toward
10 Penn's request, correct?

11 DR. DURENBERGER: Correct. Monies
12 that were deposited attributable to operations
13 subsequent to the date of acquisition, Penn is
14 able to make claims against those.

15 COMMISSIONER MCHUGH: All right.
16 Does this request for payment exhaust all of
17 the pre-acquisition money in the fund?

18 DR. DURENBERGER: It's going to be
19 very close, Commissioner. We're winding up a
20 project with an independent auditor that has
21 been reviewing the monies that are going into
22 that fund and their distributions. So, we are
23 very close. We are actually right at the
24 letter of representation point with that audit.

1 Then at that point, CFAO Lennon and
2 I will get together and we will be able to see
3 exactly how much money is left. It's going to
4 be very close. And then we'll come to you with
5 our plan and recommendations for any
6 adjustments that need to be made.

7 COMMISSIONER MCHUGH: Okay. Got it.

8 CHAIRMAN CROSBY: Jennifer, the
9 claim that's being made about a year after the
10 fact, is that's normally when it happens?
11 There's nothing odd about the timing of this
12 claim?

13 DR. DURENBERGER: There's nothing
14 odd about it. It is a little bit delayed this
15 year only because of this independent review.
16 So, we wanted to make sure that we had enough
17 money in those funds in order to reimburse.

18 CHAIRMAN CROSBY: Okay.

19 COMMISSIONER STEBBINS: Is there the
20 opportunity now that we have, in all
21 likelihood, a new applicant for the money
22 beginning next year that we can kind of step
23 back for a moment and not look at the way
24 things used to be done, but kind of start fresh

1 with a new approach, a new process?

2 Just reading through some of the
3 information you gave us talking about requiring
4 a detailed business plan as to the purposes of
5 the money. Obviously, because this is paying
6 for uplink and allowing the pari-mutuel betting
7 and it's 90 percent of the handle, we
8 understand that that's critical to the
9 business. But because we now have a new --
10 there will be a new applicant for the money,
11 can we kind of just go back and refresh the
12 process and kind of put the process either back
13 in a new standing or new footing going forward?

14 DR. DURENBERGER: Your question is
15 well taken. And I have a couple points on
16 that. Not to get too far down into the weeds,
17 you'll recall in the initial report that we
18 submitted to the Legislature, we took a look at
19 these funds in particular the capital
20 improvement fund and the process by which the
21 applicants pay in the money and then they
22 submit their request. You review them and then
23 they get the money back essentially. We kind
24 of thought there were some inefficiencies there

1 that could be addressed in some replacement
2 legislation. So, we've still got that in mind
3 going forward with replacement legislation.

4 As part of our strategic vision that
5 the Racing Division is working on this summer,
6 we are going to establish a set of metrics.
7 Some of those metrics are going to involve the
8 promotion and marketing of the signal. So,
9 we're going to be asking the operators to show
10 us, to demonstrate to us with a little bit more
11 certainty with some benchmarks as to what
12 they're doing in order to grow the wager as we
13 call it.

14 And we can certainly revisit that at
15 the policy level as well.

16 COMMISSIONER STEBBINS: Obviously,
17 we can kind of continue to follow up on this.
18 And I'd be interested in learning more about
19 the history of the fund. But obviously, we
20 have one licensee paying money into the fund
21 that they in turn apply for to get back. I
22 question the rationale in doing that, but I
23 haven't been as privy to the history of fund
24 and the purposes for it.

1 COMMISSIONER ZUNIGA: The genesis of
2 that is a statutory requirement. And the
3 efficiencies that you articulated are already
4 the recommendations that we had for the
5 Legislature towards the replacement of 128A and
6 C essentially.

7 That is now at least on hold for on
8 a couple of years because the latest we did was
9 to extend -- to recommend the extension. And
10 if I'm not mistaken they did, 128A and C; is
11 that correct, Director?

12 DR. DURENBERGER: I apologize.
13 Within the last 48 hours, I haven't had an
14 update. My understanding is that it was
15 included in the budget that was on the
16 Governor's desk.

17 COMMISSIONER ZUNIGA: Right. Okay.

18 COMMISSIONER MCHUGH: All right.

19 COMMISSIONER STEBBINS: Thank you.

20 All right.

21 COMMISSIONER MCHUGH: Any further
22 discussion? Questions? Then you would like a
23 vote to authorize this reimbursement; is that
24 right, Director Durenberger?

1 DR. DURENBERGER: That was my
2 recommendation, yes.

3 COMMISSIONER MCHUGH: We need a
4 motion.

5 COMMISSIONER STEBBINS: Mr.
6 Chairman, I move that the Commission approve
7 the attached Ourway Realty request for
8 reimbursement for satellite uplink costs to
9 export the Plainridge Racecourse live racing in
10 calendar year 2013.

11 COMMISSIONER CAMERON: Second.

12 COMMISSIONER MCHUGH: Any further
13 discussion? All right. I'll call for a vote
14 then and that's in the amount stated in the
15 request itself which is \$117,600. Commissioner
16 Stebbins?

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER MCHUGH: Commissioner
19 Zuniga?

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER MCHUGH: Commissioner
22 Cameron?

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER MCHUGH: Commissioner

1 McHugh, aye. Chairman Crosby?

2 CHAIRMAN CROSBY: Aye.

3 COMMISSIONER MCHUGH: The ayes have
4 it unanimously. All right. Thank you very
5 much.

6 DR. DURENBERGER: That concludes the
7 Racing Division today.

8 COMMISSIONER MCHUGH: Thank you.
9 All right. Let's turn to the fourth item on
10 the agenda which is administration, Executive
11 Director Day, good morning.

12 MR. DAY: Good morning. Thank you
13 Commissioner McHugh and where did Steve go?
14 Where did the Chairman go?

15 COMMISSIONER STEBBINS: He's over
16 there.

17 MR. DAY: And Chairman Crosby on
18 long-distance. What I'd like to do is just
19 provide a brief update on a few general
20 administration issues.

21 Our recruiting efforts have been
22 more successful than reflected in my last
23 update. We are recruiting for six positions.
24 One applicant has accepted one of our financial

1 investigator positions and will report in
2 August. We've identified 22 qualified
3 applicants for the two other positions and have
4 narrowed the field to eight strong candidates.

5 We're also recruiting for a
6 paralegal and have narrowed that group to about
7 13. And an assistant to the racing director,
8 that position was posted on the 20 of June. We
9 have a strong pool of resumes to review. The
10 last position we're looking for is a gaming lab
11 manager. A very difficult position to recruit,
12 but I understand we have a line on a possible
13 temporary person to come in to help us get the
14 lab started.

15 CHAIRMAN CROSBY: Excuse me. What
16 was that position, Rick? I couldn't hear what
17 you said.

18 MR. DAY: The last one was a gaming
19 lab manager.

20 CHAIRMAN CROSBY: Lab manager, got
21 it.

22 MR. DAY: In addition, our CFAO,
23 Derek Lennon has followed up with Wynn
24 representatives as the Commission requested

1 regarding their comments on the budget. I
2 understand they had a good discussion and Derek
3 was able to answer some key question for the
4 representatives.

5 Our high-performance team working
6 with our consultants has made great progress
7 identifying a recommended policy manual for the
8 agency. And we expect an update on the 24th
9 with a preliminary discussion concerning
10 performance measures and supporting goals.

11 Licensing has received another
12 gaming vendor primary application and is busy
13 testing our licensing management system. We've
14 also received our portable fingerprint scanning
15 equipment and are expecting our permanent
16 system soon. Use of this technology will make
17 our process more efficient as we move closer to
18 the dates when we need to have a process ready
19 for a larger number of applicants.

20 In addition to extensive support
21 that we get from our legal division, they also
22 developed and conducted yesterday an excellent
23 training session for staff concerning State and
24 Commission ethics requirements.

1 Our technology staff in cooperation
2 with the State IT has successfully installed
3 wireless service at the Commission offices.
4 The additional speed and capacity will be very
5 helpful as the Commission moves forward with
6 its final evaluation of Region A applications.

7 Our staff team working on a central
8 management system evaluation made a quick trip
9 to Ohio this week, although very long I
10 understand, will also complete a conference
11 call with Maryland and a trip to Maine next
12 week so that we are looking at both sides of
13 the equation those that have the central system
14 and those that don't. And the Commission is
15 scheduled to hear a report from our staff on
16 the 24th.

17 Our monitoring and pre-opening
18 regulations are up for final approval today,
19 our slot regulations on the 24th. We should
20 start our new topics in August including
21 licensing reporting, financial and internal
22 controls. We have to revisit our alcohol
23 regulations as we work through the last half of
24 this next year this year so we can be ready for

1 Penn opening.

2 That's the update report that I have
3 unless the Commissioners have any particular
4 questions, I'll just kind of move onto the next
5 topic.

6 COMMISSIONER MCHUGH: Where is the
7 fingerprinting going on now?

8 MR. DAY: Right now, we are using
9 the time-honored method of ink and pads. And
10 it's going on upstairs in the reception area.

11 COMMISSIONER MCHUGH: And the live
12 scan equipment will be up there at least until
13 we move to new quarters.

14 MR. DAY: That's correct. We'll
15 have the ability to take one live -- That's the
16 portable one. -- take one live scan unit on
17 location to use it there to facilitate the
18 process right on-site. But we will have one
19 permanently installed at the agency.

20 COMMISSIONER MCHUGH: Okay, thanks.

21 MR. DAY: Although I'm sure
22 everybody will regret not being able to
23 continue to use the ink.

24 COMMISSIONER MCHUGH: Yes, right.

1 MR. DAY: The next item is on May 29
2 Penn reviewed a project schedule with the
3 Commission. And the Commission granted a
4 preliminary approval. Penn and Pinck and
5 Company are back to present a more complete
6 schedule to consider for final approval, which
7 will then serve as the foundation for the
8 quarterly project reports, which are scheduled
9 to begin on July 24 for the Commission.

10 I'd like to turn this discussion
11 over at this point to Jennifer Pinck and Bill
12 Perry for some initial comments and Jack Rauen
13 is with us again who will present the project
14 schedule.

15 MS. PINCK: Good morning,
16 Commissioners. As Executive Director Day said,
17 we were here with Penn on May 29 to go over a
18 preliminary schedule. Since that time, we've
19 been working closely with them as they have
20 developed a complete integrated baseline
21 schedule, which integrates both the design and
22 construction activities and activities which
23 require Gaming Commission or other agency
24 approval.

1 Today, Penn is going to walk you
2 through some of the major highlights of the
3 schedule. And in your packet you have two
4 extracts from the schedule. The schedule is
5 probably 100 pages long. So, we didn't bring
6 the whole thing.

7 COMMISSIONER MCHUGH: Thank you.

8 MS. PINCK: Although you are welcome
9 to get it, if you'd like, any time. But what
10 we extracted for your use, which we think are
11 useful are the critical path. That's the two
12 pages. And a list of activities which we think
13 are also very critical and some of them
14 actually are also on the critical path which
15 are what I would call the external interfaces.

16 Those are the activities that are
17 required to open up the facility that require
18 MGC approval for example or MassDOT approval or
19 getting your license from the Alcohol and
20 Beverage Commission. So, we integrated all of
21 that in there.

22 And I think what they have now is a
23 very comprehensive schedule. As we said last
24 time, we think the schedule is aggressive but

1 it's achievable. And today Pinck and Company
2 would recommend that you approve this schedule.
3 It's a live document so things will change.
4 And when Penn comes quarterly to report on it,
5 you'll see that some things that have moved
6 around. The key thing on a schedule is to meet
7 your milestone dates.

8 So, before I turn over this to Jack
9 Rauen on my right, I thought it would be useful
10 if Bill Perry who is part of the Pinck and
11 Company team and master scheduler, just to walk
12 you through what that means. those colors.
13 It's somewhat of a specialized software
14 Primavera. Bill's an expert. So, I'd like to
15 ask him to take about a minute or a little bit
16 more to talk about it and then we'll turn it
17 over to Jack.

18 MR. PERRY: Thank you. Good
19 morning, Commissioners.

20 COMMISSIONER MCHUGH: Good morning.

21 COMMISSIONER ZUNIGA: Good morning.

22 MR. PERRY: I'd like to give you a
23 just a little bit of background on scheduling
24 and what a schedule is. And I'll be brief and

1 try not to bore you. It's a very complicated
2 topic and just want you to have some basic
3 knowledge of it because you'll be hearing a lot
4 about it. I apologize in advance for those of
5 you who already may know about this but I'll go
6 forward anyway.

7 COMMISSIONER MCHUGH: No apologies.
8 This will be very helpful.

9 MR. PERRY: It would be helpful
10 during this discussion if you turn to the
11 critical path in your packet. I'll be
12 referring to different things on that.

13 First and foremost, what is a
14 schedule? It's basically a network of work
15 activities and put together in a logical
16 sequence. In other words, what has to happen
17 before other things can happen.

18 It's basically a big to-do list.
19 Each activity within the schedule will have a
20 predecessor, something that has to happen
21 before it, and a successor, something that can
22 happen only after that one's complete. So,
23 they're all logically tied. Basically, it's
24 called logic ties that connect each one of

1 them.

2 If you had an activity schedule that
3 only had three things to do, it would be pretty
4 simple. But when you have so many activities
5 as we do, and we have just under 1000
6 activities that are currently in the schedule,
7 and you start to connect them all, just imagine
8 a spider web. And each time the webs intersect
9 there's an activity there to do.

10 So, it gets pretty confusing and
11 that's why we have Primavera software which
12 helps us keep track of things. Essentially,
13 that's what a schedule is.

14 We're calling this a baseline
15 schedule. A baseline schedule is -- We came in
16 late May with a preliminary schedule. And it
17 was preliminary because it didn't have
18 everything in it that we wanted, predominantly
19 all of the Mass. Gaming Commission activities,
20 things that we'll be relying on you guys to
21 approve or actions you need to take.

22 We've got those identified. They're
23 in the schedule now. We're happy with it being
24 the full schedule that covers all of the scope

1 of this project. So, it comes forward as a
2 baseline.

3 Typically, a baseline schedule is
4 done at the very beginning of a project. And
5 once it's approved, then you go forward and you
6 do all of the activities. This one's a little
7 different in that when you look at our
8 schedule, the baseline schedule we're giving
9 you, there's a lot of things that have already
10 been done. That's just the nature of this
11 project.

12 So, don't get confused that just
13 because we're calling it a baseline schedule it
14 means we're just starting. Obviously, you know
15 we are not. That's what baseline means.

16 If you refer to this, you'll see and
17 it's kind of in the middle of the page, a long
18 blue vertical line. That's what's called the
19 data date. And each schedule will have a data
20 date. In other words, that tells you the date
21 that the schedule is current as of that date.

22 It's a snapshot time. And it shows
23 behind the data date or to the left of the data
24 date what activities have been completed. And

1 to the right of the data date it shows what
2 activities are left to do and when we are
3 projecting them to be completed.

4 This particular schedule has a data
5 date of June 23. Now it's important to
6 understand too that schedules will change.
7 They get updated all of the time. On this
8 project, Turner is updating the schedule
9 weekly.

10 Every Monday morning, the scheduler
11 goes to the field, gets the current status of
12 all activities, calls around, gets the status
13 of other activities not shown in the field and
14 inputs that into the schedule, hits the
15 calculation button and it calculates. So, it's
16 updated weekly.

17 And things will change. Things will
18 go back and forth. If things go past the
19 projected completion date, which Penn is
20 shooting for June 2015, if things happen to
21 change in a negative way, then they get
22 together on Thursdays, which is what they'd be
23 doing today if they weren't here, but they'd be
24 getting together to see what happened and make

1 the adjustments necessary to still keep on
2 time. So, they are doing that every week.

3 Typically, on projects they're only
4 done once a month. This project they're doing
5 it every week. So, that's very good.

6 And I think one last point that I'd
7 like to talk about is the critical path. What
8 is the critical path? You'll be hearing a lot
9 of that. It's basically a calculation of the
10 longest path within the schedule network.

11 If you had a schedule that was three
12 activities and each one was one day and you
13 couldn't do the second one until you do the
14 first one. You couldn't do the third one until
15 you did the second one, the critical path would
16 be one plus one plus one. It'd be three days.
17 Simple calculation. When you have a spider web
18 of activities, it becomes a little bit more
19 complicated. And that's what Primavera does
20 for us. So, it's a calculation of the longest
21 path.

22 And the thing to know about the
23 critical path is if any activity on the
24 critical path if the dates change so will the

1 end date. So, if things slide out or slide in,
2 then the end date will change.

3 The other thing to know about a
4 critical path is it can change from update to
5 update. As activities get completed there will
6 be new activities added. Things might be
7 completed early. Things might be completed
8 later. The critical path can change and it
9 probably will during the course of this. So,
10 no two critical paths will probably ever be the
11 same. So, just understand that. That's
12 basically what I'd like to cover. Are there
13 any questions?

14 And you'll see four different
15 colors. There's a little legend down the
16 bottom. Essentially what it means is if you
17 look at the data date anything to the left or
18 behind the data date is shown in blue. That
19 means it's completed work. Anything ahead of
20 the data date is shown in either green or red.

21 Red means it's on the critical path.
22 And green means it's not on the critical path.
23 It's just off the critical path. So, those
24 activities that are in green, they can slide a

1 little bit. They can float out in time and
2 still not necessarily impact the critical path.

3 Some of them, if they flow out too
4 late they might end up on the critical path.
5 And the black essentially is just summary bars
6 where you want to group a bunch of activities
7 into one particular thing. It's a summary bar.
8 Of course, the black diamonds are shown as
9 milestones.

10 COMMISSIONER MCHUGH: All right.
11 That's very helpful. Thank you very much. At
12 some point I would like to, and maybe today's
13 not the day, I would like to think about and
14 focus on the level of reporting and detail
15 that's appropriate for us. It seems to me
16 quite clear that there's a level for Turner and
17 Penn and there's a level for Pinck and there's
18 a level for us.

19 It strikes me initially at least
20 that the amount of detail by the time it gets
21 to us is far less than is necessary to do the
22 day-to-day stuff. And I know this is an
23 abstract. So, whether this is the right format
24 or some other, I hope we can talk about it.

1 Okay. Jennifer or Jack?

2 MR. RAUEN: Thank you, Bill, for
3 that. I appreciate it. Good morning.

4 COMMISSIONER MCHUGH: Good morning.

5 COMMISSIONER ZUNIGA: Good morning.

6 COMMISSIONER CAMERON: Good morning.

7 MR. RAUEN: Back on May 29, we met
8 and the Commission gave us approval of a
9 preliminary schedule that targeted the June
10 2015 opening.

11 In the past six weeks quite a bit of
12 work has been done. I think you have some
13 pictures in your packet to point that out. And
14 we still feel that although it's only been six
15 weeks, it's been six weeks of critical work
16 that we're still very much on target for June
17 2015 opening.

18 Some critical work has been put in
19 place, foundations for the casino building,
20 underground utilities and parking lot storm
21 drain work throughout the site. Steel erection
22 which you can see on your picture. So, quite a
23 bit has been done. There's been a real
24 physical and noticeable physical change in the

1 past six weeks in terms of the work we've just
2 done.

3 But some other things have happened
4 too. When we met with you last time, we told
5 you it was critical that we continue all design
6 activities, remaining design activities so they
7 be done by the end of July so that we can have
8 finality to design and get on with procurement
9 and related activities. That remains very much
10 on target. Design is critical to us. And
11 right now we remain on target to get it done by
12 the end of July.

13 Permitting with another one. We
14 told you on May 29 we had permits in place to
15 cover the core and shell or basically the
16 exterior construction of the building. We
17 obviously still have that. And that carries us
18 out through November. We've also made other
19 filings with the town of Plainville for fit-out
20 work that will take us well out into the
21 spring.

22 So, we expect that permit in August.
23 So, essentially by the end of August design
24 complete. And all permits necessary to fit out

1 the building will be in our hands. And that
2 process is going pretty smoothly.

3 Bill has defined the baseline
4 schedule and the critical path, but as he said
5 those are two other tools for us that have come
6 together very nicely over the past few weeks
7 and now are in our possession to use every day.
8 With those schedules establish some key
9 milestone activities for us.

10 The building enclosure is the next
11 one or the next big one on our list. We are
12 still targeting that for November. The
13 schedule still supports November. And that's
14 critical for us to get the building enclosed
15 and allow us to work through the winter
16 effectively.

17 Long-lead items on the construction
18 side is where the focus is right now. There
19 are non-construction long-lead item slot
20 machines, gaming systems, other things like
21 that. They will come in the coming months.

22 But right now it's on the
23 construction side. And over the past few weeks
24 and months, we have procured the likes of

1 elevators, critical HVAC gear, generators,
2 steel obviously because it's going up. And we
3 are now currently working on the photovoltaic
4 panel procurement for our LEED activity and
5 energy savings. So, right now those are a
6 sample of a number of critical long-lead items
7 that we have either in-hand or in the works.
8 And we feel that whole process is going very
9 well.

10 Interior finishes is driven off of
11 the design that will be done in July. Allow us
12 to have details in our hands, so in the fall,
13 in the early winter we can procure a plan with
14 Turner for the interior construction and have
15 that work done in the winter and early spring
16 of next year on the inside of the building.

17 The next three, the flooring
18 installed, surveillance and security and
19 install and testing of slot machines, they're
20 items we look at as a bundle that as we finish
21 the interior construction, the focus then turns
22 to getting flooring down and also getting a
23 surveillance system working and in operation so
24 we can accept slot machines onto the floor.

1 So, in the late winter and early
2 spring that's when that process starts and
3 those three kind of work as a critical for us,
4 all of the construction activities to allow
5 slots to be placed on the floor. And that last
6 is targeted for April 2015.

7 The last one is one we've spoken
8 often about here with you and that's traffic
9 improvements. At this point, we still are
10 viewing two different scopes of work in terms
11 of off-site traffic improvements.

12 A number of improvements related to
13 the Route 1 and 152 intersection and a separate
14 scope of work related to what we've often
15 referred to all is the median break, which is a
16 direct entry into our facility from Route 1
17 through a traffic signal and some related
18 improvements to 495 southbound off-ramp so that
19 traffic can flow more easily directly into our
20 facility and avoid the Route 1 and 152 jug
21 handle.

22 We are still detailing, designing,
23 engineering all of those related activities so
24 that we can proceed and try to accomplish that

1 work, both pieces, before we open.

2 Right now the critical item for us
3 on traffic improvements is to hear from
4 MassDOT. We are told that we should be hearing
5 soon. And we hope what we hear is that both
6 scopes of work are approved to proceed for June
7 2015 completion.

8 That being the case and with some
9 continuing cooperation from MassDOT, we think
10 we'll be in a position to permit -- complete
11 design and permit those activities by October,
12 start selected work in the fall, continue
13 certain work through the winter. And finish up
14 all of the work by the time we open in June
15 2015. So, provided and assuming we hear from
16 MassDOT soon that remains our plan.

17 COMMISSIONER ZUNIGA: I'm just
18 curious, because you mentioned flooring as part
19 of the key milestones. Is there a raised floor
20 or is most infrastructure going to be in a
21 dropped ceiling?

22 MR. RAUEN: It's a raised floor with
23 electrical conduit under to connect into the
24 slot machines. We blew by the critical path

1 schedule. If there are no particular questions
2 on that I think Bill did a great job of
3 explaining it. And I think from our side, we
4 just add that this is very much a living
5 document every day.

6 In particular if you look at this
7 one, it happens to show an opening date of July
8 3. And we're not conveying to you today that
9 that's our opening date. This is a very
10 precise detail tool. And right now that's what
11 the mathematics show.

12 We ran one yesterday and the same
13 date happens to show June 26. So, we take both
14 of those and look at them critically and say
15 well, does it still support our belief that we
16 can get this done in June of 2015 and it does.
17 Unless there's other particular questions
18 that's what we'll go by the critical path.

19 COMMISSIONER STEBBINS: Let me ask
20 you, I have a couple of quick questions on the
21 critical path. You can pull me aside and tell
22 me what pouring bulls and pouring lions are.
23 First of all, your involvement with our Vendor
24 Advisory Task Force, is this something that we

1 can share with them? I think we're scheduled
2 to meet with them next week. Give them kind of
3 an idea of where you are in the process?

4 MR. RAUEN: Sure.

5 COMMISSIONER STEBBINS: Just a quick
6 question down into, it looks like, July 8 or 9,
7 2015, you have a line talking about maximizing
8 local hiring. Can you just help me understand
9 that action item a little bit more closely?

10 MR. RAUEN: I think that's really a
11 continuing item throughout the process,
12 Commissioner. It's one of many hiring and
13 other goals that it's not anything particular
14 to July 8. It's a continuing process.

15 MS. PINCK: If I might add, in order
16 to try to make this readable, we suggested that
17 some of these columns not be shown. But if you
18 were to go back to the original schedule, there
19 is a start column to the left of the finish
20 column. Some of those start dates were last
21 month. They are just ongoing efforts all the
22 way.

23 COMMISSIONER ZUNIGA: Another way to
24 look at it is look at the duration as well.

1 MR. RAUEN: There is, I guess, sort
2 of different set if you look at the long red
3 line at the bottom that talks about certain
4 post-opening studies that we committed to do as
5 part of the host and surrounding community
6 agreements. That is one, Commissioner, that
7 starts after the open and continues for a year.

8 COMMISSIONER STEBBINS: Thank you.

9 MS. PINCK: That's that bottom red
10 line.

11 MR. RAUEN: The long red line.

12 COMMISSIONER ZUNIGA: Will you be
13 producing in the future a Commission to do look
14 ahead critical milestone?

15 MR. RAUEN: We have a schedule. Our
16 first attempt at that is coming up.

17 COMMISSIONER ZUNIGA: The next
18 document, thank you.

19 MR. RAUEN: In fact, we can go to
20 that if you would please.

21 MS. PINCK: We labeled external
22 interface, if you will.

23 MR. RAUEN: When we met on May 29,
24 one of the takeaways you gave us was to try to

1 provide some detail on certain nonconstruction
2 activities. In particular, critical things
3 that we need from you in order to support our
4 RFR progress and our ultimate opening.

5 That's what we tried to do here.
6 I'll draw your attention to that one section
7 called regulatory approvals. And there's a
8 list of about 25 items that we gave thought to
9 and have now been scheduled as part of our
10 continuing process.

11 I'll just draw your attention to
12 several. The second, third and fourth items
13 have to do with design approvals. As we said
14 our design work from our design team will be
15 done in July. We hope in the month of August
16 we can secure from you guys all of the
17 approvals we need for exterior design, interior
18 layout and anything else under your design
19 approval purview so that by the end of August
20 we have these things in place.

21 And I think we're actually on your
22 schedule for August 7 to do that. So, there
23 are a couple of items like that that we are
24 trying to bring to your attention that we need

1 Commission action on.

2 COMMISSIONER ZUNIGA: What does SG&R
3 mean?

4 MR. RAUEN: Springfield Gaming and
5 Redevelopment, that's us.

6 COMMISSIONER MCHUGH: That's good to
7 know.

8 MR. RAUEN: We use acronyms and
9 Turner uses animals, the lion and the bull and
10 everything else. There are a couple of the
11 other there, four or five items down developing
12 issues, surveillance system specifications.
13 That's a good example of several items that we
14 link together surveillance system, slot machine
15 specifications, slot monitoring systems, things
16 in that category that we are looking by the end
17 of September to receive direction,
18 specifications, regulations and the like so we
19 know what slots we can use and systems we can
20 buy.

21 And go out and procure those and get
22 in the manufacturing cue for next spring. So,
23 there are a number of those that fall into that
24 category. And then there are several about

1 two-thirds of the way down that have to do with
2 the system of internal controls. Our past
3 experience with this shows that that's a very
4 critical topic.

5 And that's what we wanted to bring
6 to your attention that by the end of September
7 we would be looking for direction from the
8 Commission on what regulations on internal
9 control will be. They affect many different
10 aspects of our operations. The sooner we know
11 what those expectations and requirements are,
12 the sooner we can plan for them.

13 So, this particular grid has a
14 couple of items in it that suggest we need
15 Commission approval -- not approval issuance of
16 draft internal controls by the end of
17 September. And I understand from Rick you are
18 on target to do that. That we would compile
19 our submission on internal controls and have it
20 back to you before the end of the year and hope
21 to get approval on those internal controls by
22 the end of January.

23 With that in hand, not only from the
24 design and construction side but from the

1 operations side, we can plan as to how we best
2 comply with those regulations.

3 So, that list of about 25 items
4 there are grouped towards those types of items
5 as to how we see what we need from you guys
6 over the next few months, how we would make
7 various submissions and the types of approval
8 dates that we'd be looking for to keep our
9 schedule going. And I hope as you read it,
10 that's clear.

11 COMMISSIONER MCHUGH: Yes, that is
12 very helpful. Is that section and some of
13 these other sections -- Actually, is everything
14 on this schedule, this external interfaces
15 schedule, how is the impact of missing one of
16 those deadlines accounted for in the overall
17 project plan? Not that we're going to miss
18 any, but there may be things beyond our control
19 that we ought to be alerted to, the
20 consequences of missing so that we can put our
21 weight behind trying to get them done.

22 MR. PERRY: That's in the
23 calculations that Primavera does for us. So,
24 we track all of these activities. If for some

1 reason one them goes out a month late, we are
2 going to know about it as we are going there.
3 You put it out a month, you hit calc. and it
4 recalculates critical path. And you do know
5 right then and there what the impact is. We
6 then look at the activities down the line to
7 see what we can accelerate to pull things back.

8 COMMISSIONER MCHUGH: I get it. But
9 that is if the deadline is missed. I'm
10 thinking about what the consequences of missing
11 a deadline. For example, some of the things in
12 the 25 things that we need to do, and again,
13 we're going to try to meet all of these
14 deadlines, but some of them if we don't meet
15 the deadline that's not going to be
16 automatically pushing something back on the
17 schedule.

18 MR. RAUEN: Not necessarily.

19 COMMISSIONER MCHUGH: But others
20 may.

21 MR. RAUEN: Right. I think if we
22 lag a month on the whole process of internal
23 controls, does that crater the schedule, no, it
24 doesn't. It presents challenges, but it

1 wouldn't necessarily crater the schedule.

2 COMMISSIONER MCHUGH: Right. I
3 guess I'm looking for the things that are on
4 this list that are on the critical path.

5 COMMISSIONER ZUNIGA: They're in
6 red.

7 COMMISSIONER MCHUGH: Right now, I
8 don't see anything in red.

9 MR. RAUEN: I think if you look at
10 the critical path, the last two items.

11 COMMISSIONER MCHUGH: Oh, I didn't
12 look at the other half. Okay.

13 MR. RAUEN: But that might change in
14 the future.

15 COMMISSIONER MCHUGH: Okay. I got
16 it. It's there.

17 MR. RAUEN: Our goal here was to try
18 to bring to your attention the critical but not
19 exhaustive list of things that we feel we'll
20 need from you. When we can get the details.
21 When we would make submissions. When we would
22 get approvals.

23 MS. PINCK: Embedded in the
24 schedule, those things are tied to other

1 activities. They don't stand out there on
2 their own. We extracted them so you could see
3 and for the staff's use what the timetable is
4 to get -- for Penn to get the things in for
5 approval and for the Gaming Commission to get
6 out for implementation.

7 COMMISSIONER MCHUGH: I still don't
8 see it, but we can talk about that further. We
9 don't have to talk about it here.

10 COMMISSIONER ZUNIGA: The key here
11 is that the critical path may change and that's
12 why it's important to look at the schedule
13 continuously. I think it's great and
14 aggressive, I might add, that you're looking at
15 it every week. But we have to figure out the
16 level of reporting, and that's why we have the
17 able people in front of us to figure out which
18 activity at which point becomes more critical
19 than previously anticipated.

20 MR. RAUEN: That's generally the
21 information. Just in conclusion, I wanted
22 leave you with the fact that from our view at
23 this point in the project, design and
24 permitting are on track for work to continue.

1 Work to date is on schedule. Work is
2 positioned to continue on schedule, based on
3 design and permitting being where they are.

4 We have critical tools like the
5 baseline schedule and the critical path now in
6 place to help us. We have a more defined and I
7 hope useful list of regulatory needs from you.
8 When we add those all up, we still feel very
9 comfortable albeit at an early state, very
10 comfortable that we are on target for June
11 2015.

12 MS. PINCK: And we would concur.

13 COMMISSIONER MCHUGH: Great. That's
14 an nice presentation. One question, you
15 mentioned a couple things coming up that could
16 present a challenge. Have you had any
17 challenges to date that you've had to overcome?
18 This has been a positive report.

19 MR. RAUEN: There's challenges every
20 day. I think we have a good focused team. We
21 have Turner who pushes us very hard every day
22 that if we don't sign this, approve that keep
23 this moving that there are consequences. And
24 we try to be reactive to that. Right now this

1 is how we see it. There's challenges every
2 day, and I think so far we are lining them up
3 and managing them.

4 COMMISSIONER CAMERON: Thank you.

5 MR. RAUEN: Sure, thank you.

6 COMMISSIONER MCHUGH: Yes. I think
7 this is really a very helpful and positive
8 report as well. I still am -- There are three
9 things that I still think that we need to work
10 out when ourselves and Pinck primarily, I
11 think.

12 One is what level of detail, optimal
13 detail do we get in our quarterly reports. Is
14 this the optimal detail, maybe, maybe not, but
15 we need to work that out.

16 Second thing is what is it that we
17 need to do and what are the consequences of not
18 doing it. I think this list tells us what we
19 need to do and we'll try to do it on time. But
20 the consequences of not doing it are not clear
21 to me at this moment.

22 And the third thing is where are the
23 things -- where are the external interfaces
24 that we are not responsible for that are

1 critical? And if they fall behind and how can
2 we be alerted so that we can do something to
3 try and help with the external entity to get
4 them done on time. Those are the three things.

5 MR. RAUEN: I think a good example
6 of that is the MassDOT, the off-site roadway
7 programs. And I know we've had tremendous
8 opportunity to dialogue with you guys on that.

9 COMMISSIONER MCUGH: Right, right.
10 And maybe continuing dialogue is the best way
11 to deal with it. Maybe there's no reporting
12 kind of thing. But it's those three areas that
13 jump out to me. I don't know what --

14 COMMISSIONER ZUNIGA: I would say
15 those are the major ones. By the way, I might
16 add that the outside infrastructure is a great
17 example of how the critical path can shift
18 literally from the inside to the outside or the
19 other way around depending on what happens with
20 permitting and MassDOT for example, or with the
21 installation inside the building on everything
22 that they have to install. I think you've
23 outlined the main areas. And all we need to do
24 is really figure out that optimal level of

1 reporting.

2 I also see some ad hoc, at times,
3 reporting either because of a recent update and
4 there's an unforeseen condition. That happens
5 of course, which is why I think having Pinck is
6 giving us their objective assessment of things
7 is also very helpful.

8 CHAIRMAN CROSBY: Could I just put
9 in my two-cents worth, Commissioner?

10 COMMISSIONER MCHUGH: Surely.

11 CHAIRMAN CROSBY: I agree with
12 basically the observations you all were making.
13 I believe it's really important also however
14 that we're sensitive to not over
15 bureaucratizing this process. There's lots of
16 people managing this, lots of people. We're
17 all interested I think in the same thing. We
18 have a common interest in getting it open as
19 soon as we can. Let's not do a lot of makework
20 or just get in everybody's way by overseeing
21 too much. So, just to be careful about that.

22 What we especially need to do is to
23 be attentive to is the deadlines in our court.
24 We want to make absolutely sure that we don't

1 get in the way by not doing the things that are
2 critical path items on our own agenda.

3 MR. RAUEN: That's why again, we
4 hope that particular list is useful and we can
5 always expand it. The way we look at it
6 getting design approvals from you greatly
7 facilitates our process. Getting,
8 understanding of specs. for critical items like
9 slots, gaming systems those things just aren't
10 on the shelf. Getting those wrapped up this
11 fall so we have plenty of time to procure and
12 get in manufacturing cues that's critical to
13 us.

14 MS. PINCK: The other I expect that
15 we might do, and already Executive Director
16 Day's asked us for a mini schedule. Could you
17 break out in detail what the slot procurement
18 activity looks like from Penn, so, the
19 Commission knows exactly what its milestones
20 are.

21 They can do that on many of these
22 tasks. For example, right now and Jack
23 reminded me that the opening schedule, to get
24 this thing open, the operations folks are going

1 to have their own detailed schedule. That's
2 probably hour by hour. He's going to have all
3 kinds of people who may be with Turner, may be
4 with Penn, may be outside vendors. So, they're
5 going to break out that scheduled.

6 This is really a big picture roadmap
7 and a detailed roadmap, but there's still other
8 things that can be looked at in minutia should
9 you need to.

10 COMMISSIONER MCHUGH: That's great
11 to know and I am sure it's there, but that ties
12 back into the Chairman's point. It's the
13 optimal level of information for us, because I
14 don't think any of us wants to get down into --
15 except on very rare occasions conceivably.

16 MS. PINCK: I think it's staff may,
17 but you don't. That would be my sense.

18 MR. DAY: Commissioners, if I may
19 just cross in for a minute. What we've been
20 doing too until this point, we've been sort of
21 estimating what are the key areas that we need
22 to move forward and develop the timeline to do
23 that. What this obviously is gives us Penn's
24 perception of when they need what items

1 completed in their viewpoint.

2 So, just for a quick reference, I'm
3 going to hit a couple of the points that were
4 mentioned in this list of 26 items to give the
5 Commission a flavor of where we are in that
6 process. One of the critical areas was
7 identification of gaming office space on
8 location. Target date from Penn was 8/29. We
9 should have agreement with that on July 15 or
10 next week. So, we should be well ahead of
11 that.

12 That of course ties into the whole
13 concept of their ability to get an approval
14 from the Commission on their floor plan, which
15 their target is August 29. It's scheduled on
16 your schedule for August 7, which is ahead of
17 schedule and should provide the time to get it
18 done.

19 The surveillance target date for
20 Penn was 9/19. And the Commission approved the
21 surveillance regulations on 6/26. So, we're
22 also ahead of schedule there. Slot monitoring,
23 the target date was 10/17. At this point, the
24 Commission has on 7/24 for a report, a more

1 detailed report on whether to move forward with
2 the slot monitoring project.

3 Internal controls target date there
4 was 9/30 as was mentioned by Penn. We have a
5 scheduled draft of the regulations to the
6 Commission on 8/21. So, we've pushed that line
7 I think about as far as we can push it and it's
8 one of those areas that we need to now meet
9 those dates we have.

10 Slot requirements the target date
11 for procurement was October 1 with Penn. The
12 regulations are scheduled for final action July
13 24 of this month. So, those are just to give
14 you a quick idea that a number of those areas
15 we are moving forward either on target or
16 early.

17 This particular step will help us
18 have something to cross check it against to see
19 what we can do better, what issues we can move
20 forward and those that we have to wait longer.

21 MR. RAUEN: I think this was very
22 reassuring exchange that we had yesterday to
23 know that things we deem as critical staff is
24 on top of.

1 COMMISSIONER MCHUGH: That's great.

2 CHAIRMAN CROSBY: I agree, Rick.

3 That's great. That's really good to hear. I'm
4 really pleased about that close coordination.

5 COMMISSIONER MCHUGH: That's great.
6 Very exciting. Okay, what's next? Did you
7 have a question?

8 COMMISSIONER ZUNIGA: No, no.
9 They're here to get a vote.

10 COMMISSIONER MCHUGH: To get a vote,
11 yes. Before we get a vote, there's one thing
12 left that I don't understand. What does that
13 photograph show? The photograph shows some
14 part of the --

15 COMMISSIONER ZUNIGA: The column and
16 the joists.

17 COMMISSIONER MCHUGH: I know, but
18 where? What are we looking at?

19 MR. RAUEN: That is the casino
20 building exterior structure.

21 COMMISSIONER STEBBINS: It's between
22 the racetrack and the parking garage.

23 MR. RAUEN: Correct.

24 COMMISSIONER MCHUGH: Between the

1 racetrack and the parking garage, okay.

2 MR. RAUEN: I think we even gave you
3 a second picture. It might be in your packets.
4 Interesting to look at the difference a week
5 makes. This was two weeks ago -- I'm sorry
6 this on or about June 30. This was yesterday.
7 So, there's a 10-day period of time. There's a
8 picture worth looking at here in terms of
9 progress.

10 MR. DAY: I was hoping maybe Jack
11 would also introduce the gentlemen that are
12 with him today just for the Commissioners.

13 MR. RAUEN: Emil Giordano from
14 Turner, project executive.

15 COMMISSISONER MCHUGH: Good to see
16 you again.

17 MR. RAUEN: Let's get a plug in for
18 my boss, Jim Baum from Penn National Gaming.
19 Also Gary, I didn't mean to drag him into
20 anything today. But this is Gary McNaughton
21 from McMahon and Associates. They are traffic
22 planners and transportation advisors to us.

23 COMMISSIONER MCHUGH: Great. Nice
24 to see you. Oh, wow. This is a dramatic

1 difference in two weeks. So, you need a vote
2 to approve the construction plan as detailed in
3 the materials that are in the packet today. Is
4 there a motion to that effect?

5 COMMISSIONER ZUNIGA: Yes. I would
6 move that this Commission approve the overall
7 project schedule as presented, baseline project
8 schedule as presented here today as required by
9 our regulations.

10 COMMISSIONER MCHUGH: Is there a
11 second to that?

12 COMMISSIONER CAMERON: Second.

13 COMMISSIONER MCHUGH: Is there
14 further discussion? All right, hearing none.
15 Commissioner Stebbins?

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER MCHUGH: Commissioner
18 Zuniga?

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER MCHUGH: Commissioner
21 Cameron?

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER MCHUGH: Commissioner
24 McHugh, aye. Chairman Crosby?

1 CHAIRMAN CROSBY: Aye.

2 COMMISSIONER MCHUGH: The ayes have
3 it unanimously. And we have a baseline
4 schedule, great. Thank you very much.

5 MR. RAUEN: Thank you very much.

6 MR. DAY: Commissioner McHugh that
7 gets us to the next item, which is the
8 diversity report, our diversity report this
9 time from Trupti Banda, our HR manager. It was
10 at the Commission's request. And Trupti is
11 here to provide a brief update regarding our
12 hiring statistics.

13 COMMISSIONER MCHUGH: Great.

14 MS. BANDA: Good morning,
15 Commissioners. Good morning, Chairman.

16 COMMISSIONER MCHUGH: Good morning.

17 MS. BANDA: Good morning. Today I
18 am here to provide you an update on our
19 diversity statistics at the Gaming Commission
20 as a whole.

21 In total we have 85 employees at the
22 Gaming Commission of which 42 in the gaming
23 area and 43 in the Racing Division. Of the 43
24 in the Racing Division we have 37 employees who

1 are seasonal at two of the tracks, Plainridge
2 and Suffolk Downs.

3 Our goal is to align our diversity
4 statistics to the Commonwealth of
5 Massachusetts, as we support the licensees
6 across the state and the employees travel
7 outside of the Boston area to come to the
8 Gaming Commission or our tracks. Nearly 50
9 percent of our employees are outside of Boston.
10 That is sort of our rationale behind the
11 statistics that we'll be looking at to align
12 our diversity.

13 Currently, Massachusetts is 19.6
14 percent diverse and Greater Boston is 34.4
15 percent diverse. And our goal is to align with
16 the Commonwealth and somewhere between the
17 Commonwealth and Greater Boston would be our
18 target.

19 So, with that said, at the Gaming
20 Commission our diversity is at 16 percent. We
21 definitely have some work to do but I don't
22 think we are too far off. And in terms of the
23 ratios that we have from male to female, we are
24 doing very well there. We are 62 percent

1 female and 38 percent male.

2 For the Commonwealth as well as
3 Greater Boston, it's in the 51 percent, 52
4 percent range. So, we're doing a little bit
5 better there. That's kind of what our
6 statistics look like.

7 As we develop this benchmark, we
8 have a data point as to where we are and as far
9 as direction of where we want to go. With that
10 said, we're working to capture data on
11 employees who are coming into the Gaming
12 Commission and ensuring that there is a diverse
13 pool as part of our hiring practice. And we
14 are working to reach out to networks, diverse
15 networks to extend the reach of open positions
16 for a variety of the roles.

17 In terms of one other additional
18 data point that I do have is in the area of
19 senior management, we are 25 percent diverse.
20 The ratio of male to female is 50-50.

21 CHAIRMAN CROSBY: What was that
22 ratio? I didn't hear you.

23 MS. BANDA: 50-50, excluding the
24 Commissioners because you are appointed.

1 COMMISSIONER MCHUGH: Yes, we can
2 see that we are not 50-50 here.

3 MS. BANDA: So, that is some data
4 points that we have here. Any questions?

5 COMMISSIONER MCHUGH: Does the 16
6 percent include the 43 racing employees?

7 MS. BANDA: Yes, that's total.

8 COMMISSIONER MCHUGH: So, 16 percent
9 including them?

10 MS. BANDA: Yes. So, the gaming
11 alone is at 19 percent diverse.

12 COMMISSIONER CAMERON: The folks we
13 hired independently we're at 19 percent?

14 MS. BANDA: Yes.

15 COMMISSIONER CAMERON: Racing, most
16 of those folks we brought in from another
17 agency.

18 MS. BANDA: Correct.

19 COMMISSIONER CAMERON: So, we have
20 some work to do on the racing side of the
21 house?

22 MS. BANDA: Absolutely. I'm
23 planning on sitting down with Director
24 Durenberger and looking to having some

1 discussions around some challenges within the
2 industry as a whole. And hoping to put a plan
3 together around reaching out to technical vet.
4 tech. areas where we could have a diverse pool
5 of candidates and some community colleges.

6 We have 22 vet. techs. who we've
7 hired in a seasonal capacity. So, I think that
8 there is some opportunity there.

9 COMMISSIONER CAMERON: Excellent,
10 thank you.

11 COMMISSIONER STEBBINS: I think we
12 there are some good opportunities to, maybe at
13 the end of this racing season to do a lot more
14 outreach to community colleges and other folks
15 about careers in racing, albeit even if it's
16 just seasonal work. I think we could do a
17 little bit more on that front in terms of
18 promoting job awareness and career awareness
19 and career ladder awareness for positions that
20 may be available.

21 MS. BANDA: Overall as a whole, I've
22 been working on developing a network or a list
23 of areas where we can have an outreach to. And
24 for racing we have to focus specifically on

1 some of those areas.

2 COMMISSIONER MCHUGH: On the racing
3 side --

4 CHAIRMAN CROSBY: What is your
5 rationale about why we should match the state
6 numbers?

7 MS. BANDA: I'm sorry?

8 CHAIRMAN CROSBY: I couldn't quite
9 hear what you said, how you explained the
10 rationale for why we should match the state
11 percentages.

12 MS. BANDA: Sure. Although we are
13 located right in Boston and our assumption is
14 that the majority of the makeup of the
15 employees would be from Boston or the Greater
16 Boston area, we do have a large number of
17 employees who travel outside of Greater Boston
18 area to work for the state.

19 And with that said, we also support
20 the Racing Division. The Racing Division is
21 part of the Gaming Commission, and some of
22 those positions are outside of the Boston area.
23 And in order for us to account for numbers that
24 align for the Commonwealth, I think that we

1 should align, if we are supporting 50 percent
2 of our staff who are outside of the
3 Commonwealth -- outside of Boston, we should
4 align the numbers to the Commonwealth as a
5 whole.

6 CHAIRMAN CROSBY: You mean outside
7 of Boston or outside of Greater Boston?

8 MS. BANDA: Outside of Greater
9 Boston, excuse me.

10 CHAIRMAN CROSBY: So, we have 50
11 percent of our employees from outside of
12 Greater Boston?

13 MS. BANDA: I would say yes, because
14 Greater Boston is defined according to the U.S.
15 Census of 2012 cities such as Arlington,
16 Belmont, Boston, Burlington, Cambridge,
17 Chelsea, Dedham, Everett, Medford, Malden,
18 Melrose. So, we do have employees, a good
19 number of employees who are from outside of
20 those areas. We also have -- intend to have
21 licensees who we intend to support or regulate.

22 COMMISSIONER ZUNIGA: I would also
23 add to that set of answers or that set of
24 points that we are essentially a state agency.

1 We will have a lot of operations in Springfield
2 for example.

3 MS. BANDA: Right.

4 CHAIRMAN CROSBY: We will, but we
5 don't at the moment.

6 COMMISSIONER ZUNIGA: No, I know.
7 But we are currently a state agency. So,
8 reflecting the composition of the state may be
9 a more realistic and attainable or appropriate
10 goal. I do like your point about somewhere in
11 between the Greater Boston or Boston and the
12 State overall is perhaps the most optimal goal.

13 CHAIRMAN CROSBY: Right. That's
14 where I was going too, Commissioner. We've
15 been saying this to our licensees as well. We
16 want these goals to be aggressive goals. We
17 want these to be goals that push the envelope.

18 And to say that our goal is 19
19 percent doesn't seem to me like we're doing
20 that. I think our goal at a minimum ought to
21 be somewhere between, as Enrique said,
22 somewhere between the State and the region, so
23 more like a 25 or six or seven percent ought to
24 be what we're aiming for.

1 MR. LENNON: So, I agree with that.
2 And I think that's what Trupti pointed out that
3 we want to be in between there.

4 One of the things that we could do
5 that is similar to what the Registry does is
6 when you're hiring location specifics, so where
7 their branches are, try to make your diversity
8 measures match up to that geographical region
9 which I think is more of a realistic approach.
10 We can set a baseline, but then when we're in
11 Boston or Region A, whatever Region A becomes
12 being, set our diversity statistics for those
13 specific hires similar to that. And when we go
14 to Region B do similar.

15 CHAIRMAN CROSBY: Yes. I just think
16 that supporting what we say is the goal. This
17 goes back to Director Day's performance
18 management business. And I don't think it's
19 right for us to say our goal is 19 percent. I
20 think our goal should be for the sake of
21 discussion at least 25 percent.

22 COMMISSIONER CAMERON: Mr. Chair,
23 that might have been difficult for you to hear,
24 but that was stated clearly that the goal

1 was --

2 CHAIRMAN CROSBY: Oh, okay. I
3 thought Trupti said that the goal was to match
4 the state and maybe we can do a little better.
5 And I just want to make sure it's not maybe we
6 can do a little better that's what our
7 objective is.

8 MS. BANDA: Yes, that is our
9 objective. And at the bare minimum, we're not
10 quite there yet at 16 percent, the bare minimum
11 should be at 19.6. But our goal is to be
12 somewhere between the Commonwealth and the
13 Greater Boston. So, that would be between 19.6
14 and 34.4, which aligns with the 25 that you're
15 thinking.

16 CHAIRMAN CROSBY: Okay, great.

17 COMMISSIONER MCHUGH: The racing
18 piece at less than 16 percent does not include
19 all of the people who are working at the
20 tracks, right? Because many of those are not
21 our employees.

22 MS. BANDA: Correct.

23 COMMISSIONER MCHUGH: Is there any
24 reason that we should be tracking the diversity

1 of the employees who are working for others at
2 the track? I don't want to raise more problems
3 or issues than we already have. I suppose
4 that's never been done. And I don't know that
5 we need an answer to that today. I just raise
6 that as a question.

7 COMMISSIONER ZUNIGA: Well, we will
8 get reports from our licensee, our gaming
9 licensees relative to the whole diversity.
10 That's part of the plan. They will report to
11 us on both construction and operations. If we
12 had parallel, maybe Director Durenberger can
13 help us, with the racing licensee, existing
14 track for example.

15 COMMISSIONER MCHUGH: But some are
16 not employed by the racing licensee.

17 MS. BANDA: Correct.

18 DR. DURENBERGER: If I may?

19 COMMISSIONER ZUNIGA: Yes.

20 DR. DURENBERGER: We did look at
21 occupational licensees and whether any other
22 jurisdictions recorded diversity of the
23 occupational licenses that were issued. And we
24 found no precedent for that. We thought that

1 was an important story to tell because
2 historically the diversity of our people that
3 work directly with the horses is a pretty
4 significant percentage. We found no precedent
5 for that.

6 COMMISSIONER MCHUGH: Okay. We
7 can't answer that today. I just put it on the
8 table to think about. Should we be doing it,
9 and if so how? And if not, why not?

10 MS. BANDA: Any other questions?

11 COMMISSIONER MCHUGH: Anything else?
12 Thank you very much. That's very helpful.
13 Thank you Director Durenberger.

14 MR. DAY: Commissioner McHugh,
15 Commissioners, our next topic is about gaming
16 positions. Briefly, you obviously probably
17 recall the Commission asked for public comment
18 regarding its discussion about the feasibility
19 of allowing more than a single gaming position
20 per slot machine, which is what our current
21 draft regulations reflect.

22 John Glennon is here to discuss
23 those comments that were received and also
24 offer just a draft of what language might work

1 for a concept that was discussed at the time at
2 the meeting. The idea would be is based on the
3 Commission's decision today, it would either
4 amend our regulations that we are ready to
5 final on the 24th or leave the current language
6 that we have already in the proposed
7 regulations.

8 COMMISSIONER MCHUGH: Okay.

9 MR. DAY: With that, I think John's
10 ready.

11 MR. GLENNON: Thank you very much,
12 Rick, Commissioners. So, the last time we
13 discussed this topic on June 12 was in response
14 to a letter which is in your packet from Penn
15 dated May 22. We had discussion. There was a
16 presentation about some alternatives by
17 Attorney Shtatnov. There were some suggestions
18 made.

19 We agreed to come back before you.
20 We requested public comment and there were two
21 additional letters which we received which are
22 also in your packet. We received a letter from
23 Mohegan on June 18 and then another letter from
24 Penn via their attorneys on the 27th. So,

1 those three letters are in your packet.

2 I am really here just to tee up the
3 discussion for you here today because I think
4 it's a decision on the part of the Commission
5 on what you want to do. So, there is some
6 current language. So, if you can go to the
7 deck and go to the second side.

8 So, the current language basically
9 makes a gaming position equivalent to a slot
10 machine. And we have some proposed language
11 for your consideration that makes a multiple
12 gaming position machine or a table game
13 classified as a single slot machine that allow
14 additional gaming positions up to 250. At this
15 point, I think it's really up to the Commission
16 to have a discussion. I'd be happy to answer
17 any questions.

18 COMMISSIONER MCHUGH: The language
19 on the previous slide is the language from 23K
20 section 2, right?

21 MR. GLENNON: Yes, it is,
22 Commissioner.

23 COMMISSIONER MCHUGH: The language
24 on the next slide --

1 MR. GLENNON: -- is in the draft
2 regulations which will come back before you for
3 final promulgation on the 24th.

4 COMMISSIONER MCHUGH: Right. Okay.
5 Do we define in that regulation, set of
6 regulations that will come back for final
7 approval do we define what a gaming position
8 is? There is a statutory definition of that.

9 MR. GLENNON: For purposes, it's the
10 language here. Each gaming position as defined
11 at a slot machine shall be considered a
12 separate slot machine, so one-to-one.

13 COMMISSIONER MCHUGH: That defines
14 what a slot machine is. It doesn't define what
15 a gaming position is. A gaming position is
16 defined in the statute as a place from which, I
17 think, a person can play a game, basically.
18 It's more precise than that. Do we have a
19 similar?

20 MR. GLENNON: I don't know the
21 answer to that I'm embarrassed to say. The
22 regulations are in the packet. But I believe
23 it would be the reverse of this. It would be
24 equating a gaming position to a slot machine,

1 ticket in, ticket out.

2 COMMISSIONER MCHUGH: I'm not make
3 myself clear. There is a definition in the
4 statute because the statute encompasses --
5 because gaming positions exist both at slot
6 machines and at table games. And the license
7 fees are based on gaming positions. So,
8 there's a definition in there of what a gaming
9 position independent of slot machines is. I
10 need not detain you now.

11 MR. GLENNON: I think the fee, the
12 \$600 fee is based on slot machines not gaming
13 positions.

14 COMMISSIONER MCHUGH: The overall
15 net assessment is in proportion to the number
16 of gaming positions. The difference between
17 the money we get from the slot machine
18 licenses, the annual license fees and our
19 operating costs is allocated among the
20 licensees in proportion to the number of gaming
21 positions in each licensee. And there is
22 therefore a definition of gaming position.

23 It just seems to me that however we
24 deal with this, we ought to have a definition

1 of what a gaming position is. And we can do
2 that.

3 MR. DAY: Commissioner McHugh, I
4 don't see it in the current slot regulations.
5 So, we will take a look at that as we finish up
6 on this issue.

7 COMMISSIONER MCHUGH: Okay. So,
8 assuming we get by that and we will, the
9 question is what do we want to do with
10 additional, 250 additional gaming positions.

11 COMMISSIONER ZUNIGA: I've stated
12 that point before. And I'm of the opinion that
13 we should allow that. That the ambiguity that
14 the statute created with the two definitions
15 gives the licensee, Penn in this case, the
16 slots parlor licensee a little leeway one that
17 other licensees don't have to worry about
18 because there is no limit to how many games --
19 slot machines or gaming positions they can
20 place.

21 Because this one has a limit and
22 there's this ambiguity, and because this is our
23 first licensee who in many ways is carrying a
24 lot of the costs that we incur, granted they

1 would be the first ones to market, and because
2 there's 49 percent to benefit for the
3 Commonwealth, I would be of the opinion of
4 allowing the proposed language as stated here,
5 some additional gaming positions but limit it
6 to the slot machines, to the 1250 slot
7 machines.

8 COMMISSIONER CAMERON: I would agree
9 with that assessment. I read the additional
10 comments and I think this is a very reasonable
11 number. I just think the option for we really
12 want to be competitive and the option for the
13 gamer to be able to have a different experience
14 is important.

15 I don't see -- We spoke an awful lot
16 the first time we debated this about making
17 sure we were not being unfair to other full
18 resort casinos in the Commonwealth. And I
19 think this number is low enough as to not
20 create a situation where competition is a real
21 issue. I really do, I am persuaded by the
22 offering of a different experience which this
23 would allow but not to the extent that it would
24 be an unfair advantage.

1 COMMISSIONER ZUNIGA: Can I speak to
2 that because I think that's a very important
3 point that I also didn't mention. This would
4 give the licensee the flexibility to not be
5 constrained to have to choose between one slot
6 machine as opposed to an electronic table game
7 that the market may prefer but would otherwise
8 cost them in the number of seats.

9 So, it gives again some leeway as to
10 what mix of products they can place their slot
11 strategy with. But again, within the confines
12 of what I believe the statute intended, which
13 is a certain limit.

14 COMMISSIONER STEBBINS: I'm in
15 agreement.

16 CHAIRMAN CROSBY: What was the end
17 of your sentence, Commissioner Zuniga? You
18 said about what the statute intended?

19 COMMISSIONER ZUNIGA: The statute
20 intended to limit the overall number of slot
21 machines in here. We're not opening the door
22 wide open. We're just giving a leeway to the
23 licensee by limiting the additional seats to
24 250. We're only giving them the leeway to

1 select between a mix of products that may have
2 more than one seat per slot machine.

3 CHAIRMAN CROSBY: They can do that
4 now we don't need to give them extra. They
5 could make some of the slot machines
6 multiplayer machines. There's no reason why
7 they can't have them mixed now.

8 COMMISSIONER ZUNIGA: They would but
9 it would cost them if you're only limiting them
10 to a number of seats.

11 CHAIRMAN CROSBY: Well, maybe it
12 would cost them but that wasn't the point.
13 Both you and Commissioner Cameron were saying
14 it's good to give them the opportunity to have
15 a broader mix of games. And this has nothing
16 to do with them having a broader mix of games
17 or not.

18 I'm just a little bit troubled. I
19 think it's fairly harmless change, but I'm not
20 at all sure this really is what the Legislature
21 had in mind. If they didn't mean 1250 but they
22 meant there could be 1250 with any number of
23 multi-game positions, multi-game machines,
24 what's the point of the 1250? Why do we cap it

1 -- Presumably if it's okay to cap it at two
2 percent, we could within the law you're saying
3 we could do it at 50 percent or 100 percent if
4 we wanted to.

5 COMMISSIONER ZUNIGA: Then if they
6 wanted to be slot machine equal gaming
7 position, they could have written that way as
8 well. That's essentially the ambiguity that we
9 are trying to resolve.

10 CHAIRMAN CROSBY: Right. But it
11 seems to me that they put two definitions
12 because when we assess the 600, is the 600
13 assessment on table game positions as well?

14 COMMISSIONER MCHUGH: No, it's on
15 slot machines.

16 CHAIRMAN CROSBY: So, there's no
17 other meaning for gaming positions in the
18 statute besides another way of referring to the
19 slot machines.

20 COMMISSIONER MCHUGH: No. There's a
21 separate definition for gaming position in the
22 statute. I don't have the language in front of
23 me now.

24 CHAIRMAN CROSBY: Is that the one

1 that talks about individual playing --

2 COMMISSIONER MCHUGH: It's a
3 position from which one can play a game.
4 That's not it exactly.

5 CHAIRMAN CROSBY: The individual
6 playing or -- Could somebody pull up the
7 definition of gaming position?

8 MS. BLUE: I have the definition,
9 Commissioner McHugh, if you would like it.

10 COMMISSIONER MCHUGH: Okay, great.

11 MS. BLUE: It's 23K, section 2,
12 gaming position is defined as a designated seat
13 or standing position where a patron of a gaming
14 establishment can play a game. So, position is
15 designed to cover both those positions at slot
16 machines and those positions at a table game
17 for example.

18 COMMISSIONER ZUNIGA: And electronic
19 table games which is fundamentally here what
20 we've been talking about.

21 CHAIRMAN CROSBY: Did that
22 definition include people playing baccarat?

23 MS. BLUE: Yes, it would.

24 CHAIRMAN CROSBY: It would?

1 MS. BLUE: Yes.

2 CHAIRMAN CROSBY: So, doesn't that
3 explain why the issue of the ambiguity there is
4 they've got two definitions. One is referring
5 to slot machines and one is referring to gaming
6 positions which is other kinds of positions not
7 just slot machines.

8 COMMISSIONER MCHUGH: The gaming
9 position definition fits both. In other words,
10 for tax purposes even if there were a one-to-
11 one ratio, the slot machine -- the slots parlor
12 would be assessed for the difference between
13 the \$600 fee and its share of our operating
14 costs in proportion to the 1250 gaming
15 positions, how that bore on the other gaming
16 positions at other licensees.

17 So, for determining that amount of
18 money it's the gaming position not the slot
19 that counts. So, gaming position plays a role
20 in a slots parlor even if it's a one-to-one
21 ratio.

22 CHAIRMAN CROSBY: Say that again.

23 COMMISSIONER MCHUGH: Gaming
24 position plays a role in determining the slots

1 parlor's taxation even if there are no multiple
2 gaming position slot machines. So, gaming
3 position wasn't set up just to deal with table
4 games. I guess that's my point.

5 COMMISSIONER ZUNIGA: Can I just
6 edit that out, because it's assessment not
7 taxation that you meant.

8 COMMISSIONER MCHUGH: Okay. That's
9 right, assessment for our operating costs.

10 COMMISSIONER ZUNIGA: Our operating
11 costs.

12 CHAIRMAN CROSBY: The \$600 that goes
13 to slot machines or that goes to gaming
14 positions?

15 COMMISSIONER MCHUGH: Slot machines.

16 COMMISSIONER ZUNIGA: Slot machines.

17 CHAIRMAN CROSBY: Slot machines. I
18 thought Penn was offering to pay \$600 on the
19 new gaming positions as well.

20 COMMISSIONER ZUNIGA: No.
21 Everything in excess -- everything that we
22 assess.

23 CHAIRMAN CROSBY: The assessment, I
24 got it. Okay. I'm sorry.

1 COMMISSIONER ZUNIGA: Everything
2 that we assess in excess of \$60 per slot
3 machine is going to be apportioned
4 proportionately on the basis of gaming
5 positions.

6 CHAIRMAN CROSBY: Right.

7 COMMISSIONER ZUNIGA: That would be
8 fair across all of our licensees because that's
9 just about everything else.

10 CHAIRMAN CROSBY: Right, right. Got
11 it.

12 COMMISSIONER MCHUGH: The slot
13 machine definition is extraordinarily broad.
14 And while it is conceivable that the
15 Legislature didn't envision a multiple position
16 slot machine specifically, it certainly created
17 a definition that would encompass not only the
18 traditional one-armed bandit, if you will, but
19 a multiple position slot machine and a variety
20 of other kinds of devices that will yield a
21 reward or a prize without human intervention.

22 So, it seems to me that the
23 Legislature recognizing -- One could view that
24 definition as a legislative recognition of the

1 evolutionary nature of what automatic prize
2 generating devices were. Therefore, one can't
3 I think reliably say that they didn't have a
4 multiple position slot machine in mind when
5 they drafted the statute.

6 CHAIRMAN CROSBY: I get that. I'm
7 not quite sure what the point of the 1250 was.
8 If the 1250 didn't really mean 1250, it meant
9 some multiple of 1250, a multiple which is up
10 to us to determine two percent, 50 percent, one
11 percent, then what was the point of the 1250 if
12 it didn't really mean 1250?

13 COMMISSIONER MCHUGH: It was to
14 prevent -- I hear you. And it seems to me that
15 we can look at that either way and that 250
16 more is de minimis in the overall scheme of
17 things.

18 CHAIRMAN CROSBY: Right.

19 COMMISSIONER MCHUGH: And that we at
20 the very least we take the 1250 as we don't
21 want competition between the slots and the
22 casino either on solely on the slots front or
23 on the table games' front. And govern
24 ourselves accordingly while allowing the slots

1 parlor to attract patrons who are interested
2 in, a few patron who are interested in
3 roulette.

4 COMMISSIONER ZUNIGA: Electronic
5 table games.

6 CHAIRMAN CROSBY: So, our rationale
7 would be that the law is imprecise as to its
8 intent. And this potentially enhances the
9 revenue to the Commonwealth, makes the facility
10 a more attractive facility in terms of
11 repatriating dollars and doesn't really, not a
12 big enough number to really hurt anybody.

13 COMMISSIONER MCHUGH: Right.

14 CHAIRMAN CROSBY: Okay. I guess I
15 can go along with that.

16 COMMISSIONER MCHUGH: Okay. Other
17 thoughts? You are looking today Director
18 Glennon simply for a position or a vote?

19 MR. GLENNON: I think we're looking
20 for your guidance on how to present the final
21 regulations to you in two weeks. And for that
22 based on the conversation your recommendation
23 for the language change or not.

24 COMMISSIONER ZUNIGA: I would say

1 given all of the discussion, I would say that
2 it merits a vote as to whether to change the
3 language to the proposed language based on this
4 discussion or keep the draft as originally
5 drafted when it comes to the definition.

6 COMMISSIONER MCHUGH: We could vote
7 or we could let Director Glennon bring back the
8 revised regulation with the revised definition
9 and then vote on that. That would probably be
10 a little cleaner.

11 MR. GLENNON: I'd be happy to do
12 that. And I will also make sure that there is
13 a clearer definition of gaming position within
14 the document.

15 COMMISSIONER MCHUGH: Right. I just
16 have one caveat that occurred to me as we were
17 having this discussion. And that's that what
18 we do with respect to the physical facility and
19 what we allow in the physical facility does not
20 have any necessary implications for what we do
21 in the Internet area, if we ever get there.

22 I don't take a position one way or
23 another there, but for me at least it's
24 important to recognize that this is dealing

1 with the physical facility and nothing more.
2 We just haven't gone beyond that. And we
3 haven't considered that and we haven't thought
4 about it and we haven't taken a position,
5 policy or otherwise on that by implication or
6 explicitly.

7 MR. DAY: And this proposed language
8 is specific to Category 2. So, that would be
9 helpful.

10 COMMISSIONER MCHUGH: Yes. Right,
11 right. Okay.

12 CHAIRMAN CROSBY: I had a couple of
13 other questions on CMR 143. Are we done with
14 that now? Are we coming back to that?

15 COMMISSIONER ZUNIGA: Can I just for
16 conclusion, are we in agreement that we're
17 asking Director Glennon to change the language
18 to the proposed language and come back with the
19 regulation?

20 COMMISSIONER MCHUGH: Right.

21 COMMISSIONER CAMERON: We are.

22 COMMISSIONER MCHUGH: Yes, 1250 with
23 250 gaming positions more. The language
24 that's --

1 COMMISSIONER ZUNIGA: -- proposed,
2 right.

3 MR. GLENNON: Mr. Chairman, to the
4 issue of 143, those are the regulations that
5 I'm going to bring back in a couple of weeks.
6 There are a lot of comments and a lot of input.
7 And while I think I could answer questions
8 today, I think I'm going to be much better
9 prepared to talk about all of the conversations
10 we've had with everybody around that including
11 the outcome from the public meeting in two
12 weeks.

13 CHAIRMAN CROSBY: Okay, fine.

14 COMMISSIONER MCHUGH: So, that means
15 that you've got the guidance that you need
16 today and that's very helpful. Great. Thank
17 you.

18 MR. GLENNON: Yes, that's very
19 helpful. Thank you.

20 COMMISSIONER CAMERON: Thank you.

21 COMMISSIONER MCHUGH: Okay. Let's
22 move on, Mr. Day, to item 4e.

23 MR. DAY: Thank you, Commissioner
24 McHugh. Essentially, what we were trying to do

1 here is the Commission at its last meeting made
2 some decisions on Region C timelines. So, the
3 idea today was just to come back to that
4 briefly, reemphasize those adjust our charts
5 and supporting documents and make sure we were
6 -- all of us on the same page and
7 understanding.

8 So, what to have in your books is
9 two documents really. One prepared by John
10 Ziemba that you are used to seeing and then
11 also a schedule that we developed and it was
12 just up on the chart here. Where did it go?
13 There it is.

14 Anyway, looking at the schedule,
15 what the Commission did is if you look at your
16 new schedule, is to set the RFA application
17 with your vote on the 26th, and if I've got
18 this recorded right, the RFA-1 application
19 substantially complete including operator and
20 equity interest is extended to December 1,
21 2014. So, that's reflected in John's document
22 and on your chart in your books. December 1 is
23 the date for the Region C Phase 1 application.

24 And we didn't add a lot of detail in

1 between because we hadn't really visited that.
2 We wanted to make sure we had the dates on all
3 of the ends particularly described. The second
4 part of that is the RFA-2 date for submittal
5 was set at 3/27/15 and then a projected award
6 date in August of 2015 for Region C.

7 COMMISSIONER ZUNIGA: The December 1
8 date included of course all new applicants as
9 we discussed.

10 MR. DAY: Correct, thanks for that
11 clarification. I think it's important for
12 everyone to understand. I wasn't there, but I
13 thought there was also because the motion
14 particularly had included operator and equity
15 interest, there's a message there to have a
16 complete application by December 1 for RFA-1.

17 COMMISSIONER MCHUGH: Yes. And I
18 think we attempted to define what a complete
19 application was. That was both the operator
20 and the money -- and the funding, at least the
21 funding sources.

22 COMMISSIONER ZUNIGA: At least the
23 equity interest, I think that's key. It is,
24 given our applicants in the other regions, well

1 into their evaluation process, they only had
2 letters of intent from financing sources to
3 complete all of the financing. But it's
4 important to understand the equity financing.
5 That's the important piece not the overall or
6 total.

7 COMMISSIONER MCHUGH: Yes. But we
8 need to have that defined as to what a complete
9 application is.

10 COMMISSIONER ZUNIGA: Or
11 substantially complete.

12 COMMISSIONER MCHUGH: Or
13 substantially complete application. Steve are
14 you still there? Did you miss anything?

15 CHAIRMAN CROSBY: Probably, but it
16 was only 30 seconds.

17 COMMISSIONER MCHUGH: Okay. We had
18 a brief discussion about the equity, what a
19 complete application is for December 1 in
20 Region C. We were talking about the need for
21 that application to include the operator as
22 well as where the equity interest -- who had
23 the equity interest and what it was.

24 CHAIRMAN CROSBY: Right.

1 COMMISSIONER MCHUGH: Those elements
2 were essential ingredients of a substantially
3 complete application. And if we didn't have
4 both of those who wouldn't take it.

5 MR. DAY: And I believe as well we
6 are looking at whether we needed to make some
7 adjustments to the regulations to clarify what
8 that substantially complete is.

9 COMMISSIONER MCHUGH: Right, right.
10 Okay. Any further questions?

11 COMMISSIONER ZUNIGA: Let me just
12 clarify that we have not made a determination
13 relative to the amount of debt to equity ratio
14 on any of these applications. So, none of this
15 should be construed as certain minimum or
16 relative to a ratio.

17 COMMISSIONER MCHUGH: We just want
18 to know what percentage of the \$500 million is
19 going to be equity and where it's coming from,
20 right?

21 COMMISSIONER ZUNIGA: Right.

22 COMMISSIONER CAMERON: In order to
23 have the proper amount of time to investigate.

24 COMMISSIONER MCHUGH: Right.

1 COMMISSIONER ZUNIGA: Right.

2 COMMISSIONER MCHUGH: Okay. The
3 only question I had and it's a very minor
4 question and maybe we haven't gotten that far
5 is why there's such a, there's about five
6 weeks, four weeks between the end of
7 arbitration and the commencement and the
8 closing of the host community hearing. Maybe
9 we haven't gotten that far yet?

10 MR. DAY: We haven't gotten that
11 far. Basically, we had the two dates and then
12 everything else is to be determined. So, we
13 want to just start from that and develop it
14 from there.

15 COMMISSIONER MCHUGH: Great.

16 CHAIRMAN CROSBY: Everything beyond
17 March 15 is kind of speculative, right? Who
18 knows what the schedule is going to be because
19 we don't have any idea how many applications
20 we'll have and so on and so on so forth.

21 COMMISSIONER MCHUGH: Right.

22 CHAIRMAN CROSBY: We don't know if
23 we'll have appeals. We don't know if we'll
24 have arbitrations, but the one that really

1 matters is when the RFA-2s are due.

2 COMMISSIONER MCHUGH: Right.

3 MR. DAY: Correct.

4 COMMISSIONER MCHUGH: Okay. Any
5 further comments on Region C then? Do you have
6 the guidance that you need, Director Day or
7 affirmation that you need?

8 MR. DAY: Yes, I do. And that's the
9 last item for me.

10 COMMISSIONER MCHUGH: Okay, good
11 thank you. Let's go to item 5, I think, and
12 General Counsel Blue.

13 MS. BLUE: I think we can move
14 pretty quickly through item 5. The first item
15 in your packet is entitled emergency
16 regulation. This was a draft that we put
17 together to include some of the conversations
18 we had about the definition of capital
19 investment and what could and couldn't be
20 included.

21 I am reminded in looking at this
22 that when we drafted this change, we did not
23 include the Commission's prior discussion about
24 infrastructure. We had had prior discussion

1 about including infrastructure costs, I
2 believe, off the property. So, we would need
3 to reflect that in here as well.

4 And I'm also reminded when I looked
5 at this that we put in some other investment
6 costs that the Commission may not have
7 determined should be included.

8 So, the gist of this regulation is
9 that we would do it very simply and surgically
10 and move out of what's not included into the
11 included category for Region C only. If the
12 Commission is comfortable with that format, we
13 can make those changes, submit it again to the
14 Commission as an emergency regulation and then
15 move it through the process.

16 COMMISSIONER MCHUGH: Comments on
17 that?

18 CHAIRMAN CROSBY: Is there any
19 reason to make a point of it being Region C
20 only?

21 MS. BLUE: I believe the
22 Commission's discussion limited it to Region C
23 at this point in time. It was not a Region A
24 or B matter.

1 CHAIRMAN CROSBY: Yes. And it's
2 totally moot, I think with respect to A and B.
3 I just wasn't sure if we really wanted to
4 specifically exempt them. I guess it doesn't
5 make any difference.

6 COMMISSIONER MCHUGH: I think it
7 does make a difference, Mr. Chairman. We
8 haven't gotten the investments yet. Nobody has
9 put any money down. I think we need to be very
10 clear about that.

11 CHAIRMAN CROSBY: Okay. Fine.

12 COMMISSIONER MCHUGH: Not nobody's
13 put but --

14 COMMISSIONER ZUNIGA: Nobody has
15 reached the \$500 million minimum. Let's just
16 put it that way.

17 CHAIRMAN CROSBY: Right. Okay.

18 MS. BLUE: So, we will make those
19 changes. We will submit this to you at our
20 next meeting and then we'll put it out for
21 informal comment and kind of go from there.

22 COMMISSIONER MCHUGH: The interest
23 will track the language of the resolution that
24 we voted on.

1 MS. BLUE: Yes, that's right. The
2 next item is a delegation of authority. We
3 talked at one of our recent meetings about
4 having the availability of a hearing officer
5 when our current racing hearing officer is
6 unavailable or conflicted.

7 And after that discussion in
8 reviewing it further, we thought it would be
9 best to have someone outside the legal
10 department. So, you have in your package a
11 bio. of Art Kreiger from the firm of Anderson
12 and Kreiger. He does no work for us at the
13 moment on gaming or racing matters. And if he
14 is approved to be a hearing officer, he will
15 not do anything else for us other than be a
16 hearing officer as needed.

17 He does have experience in master
18 type matters and hearing type matters. And he
19 is comfortable in taking on this duty if we
20 would designate him as such.

21 COMMISSIONER MCHUGH: Discussion?

22 CHAIRMAN CROSBY: I had a couple of
23 thoughts. We are being very persnickety here
24 about sort of adhering to all of the best

1 practice and appearance of conflict and so
2 forth. But if we are going to all of this
3 distance to find people who are completely
4 objective, I wonder whether one of our major
5 consultant partners is really objective. I
6 don't that doubt he would be, but we are going
7 through this to make sure that there is not
8 even any appearance of potential conflict.
9 That was one.

10 The second was I wonder couldn't we
11 find anybody who had any experience or
12 background in the racing business? It was kind
13 of notable that he didn't have any in that.
14 But those are two different points.

15 MS. BLUE: I think those are fair
16 points. I think to the first point, we
17 certainly could get someone that is with a firm
18 that doesn't do any work for us now. We would
19 need to do a procurement to do that.

20 It also is giving the extent of
21 gaming in the legal firms in town, it's hard to
22 find someone who is not conflicted on another
23 basis. We could certainly do that. We could
24 go through a procurement and find someone who

1 has no relation to us whatsoever.

2 In terms of racing experience, that
3 might be a little bit more difficult. I don't
4 know that we have a very deep bench of racing
5 experience. We consider ourselves lucky to
6 have David Murray who comes from the former of
7 Racing Commission. So, we could do a search
8 for someone like that but I think that would be
9 a little harder than finding someone who could
10 act in general as a hearing officer.

11 CHAIRMAN CROSBY: Right. I throw
12 those out, those two thoughts out to the other
13 Commissioners to think about. I don't feel
14 terribly strongly about them.

15 COMMISSIONER ZUNIGA: I don't see an
16 issue. I think the likelihood that Mr. Kreiger
17 will serve as a hearing officer multiple times
18 is small, because it is really only when Mr.
19 Murray is conflicted himself.

20 We have a real case, I guess, in
21 front of us, but this is not something that has
22 happened in the months that he's acted as a
23 hearing officer. So, I'm not too concerned
24 about the notion that Mr. Kreiger is a partner

1 for a law firm that has worked for us.

2 CHAIRMAN CROSYB: I'm find with
3 that.

4 COMMISSIONER CAMERON: I agree that
5 it will be rare because it really isn't if Mr.
6 Murray is unavailable. Because certainly a
7 hearing could be put off to the next month if
8 need be, if there were an availability issue.
9 It really would be a conflict. I see those.
10 He's been out of that for several years now,
11 his previous role at General Counsel. So, I
12 think that would be rare also. I am
13 comfortable with Mr. Kreiger.

14 COMMISSIONER MCHUGH: Mr. Stebbins,
15 any thoughts?

16 COMMISSIONER STEBBINS: No, I share
17 the Chairman's concern about lack of racing
18 experience but again I think it's such an
19 infrequent basis that I am comfortable with Mr.
20 Kreiger as well.

21 CHAIRMAN CROSBY: Commissioner
22 McHugh, it was you who raised the sensitivity
23 about our own General Counsel and her staff
24 doing it. Are you okay with Kreiger?

1 COMMISSIONER MCHUGH: I am. And I
2 raised it because I was concerned about having
3 somebody in a position of authority over one of
4 the people presenting one side or the other
5 judging the case that their subordinate
6 presented. That was the heart of it.

7 And this doesn't go there. Frankly,
8 it seems to me fresh eyes even somebody who
9 doesn't know a lot about racing but is a very
10 good lawyer might be helpful in some cases.
11 So, I am perfectly comfortable with Mr.
12 Kreiger. He's got a fine reputation and a
13 distinguished background.

14 CHAIRMAN CROSBY: Okay, fine with
15 me.

16 COMMISISONER MCHUGH: Do you need a
17 vote there General Counsel Blue?

18 MS. BLUE: We could use a vote, yes.

19 COMMISSIONER MCHUGH: So, the vote
20 would be to authorize Mr. Kreiger to act as a
21 hearing examiner in those cases where he is
22 designated as such by you.

23 MS. BLUE: That's correct.

24 COMMISSIONER STEBBINS: Second.

1 COMMISSIONER MCHUGH: Further
2 discussion? Hearing none. Commissioner
3 Stebbins?

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER MCHUGH: Commissioner
6 Zuniga?

7 COMMISSIONER ZUNIGA: Aye.

8 COMMISSIONER MCHUGH: Commissioner
9 Cameron?

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER MCHUGH: Commissioner
12 McHugh, aye. Chairman Crosby?

13 CHAIRMAN CROSBY: Aye.

14 COMMISSIONER MCHUGH: The ayes have
15 it endlessly and Mr. Kreiger is appointed in
16 that capacity. Next, Ms. Blue, monitoring and
17 preopening and qualifier regulations.

18 MS. BLUE: So, in your packet you
19 have the what will be the ready to file version
20 with the Secretary of the Commonwealth of the
21 monitoring and preopening regulations. We have
22 qualifier here, but those are not quite ready
23 to come before you. They will come to on the
24 24th.

1 You have the amended small business
2 impact statement. We had our hearing on the
3 monitoring and preopening regs. We
4 incorporated comments where they were
5 appropriate. There are no changes in the
6 version that you have here based upon the
7 version you last saw.

8 So, we're asking for your approval
9 to file these as the final regulations with the
10 Secretary of the Commonwealth, along with the
11 amended small business impact statement.

12 COMMISSIONER MCHUGH: So, these are
13 the same regs. that we sent out for public
14 comment?

15 MS. BLUE: Yes.

16 COMMISSIONER MCHUGH: And we had
17 comments and they did not result in any
18 changes.

19 MS. BLUE: That's correct.

20 COMMISSIONER MCHUGH: That's the
21 story. All right. Comments, thoughts,
22 questions?

23 CHAIRMAN CROSBY: Look fine to me.

24 COMMISSIONER MCHUGH: I just had one

1 question and I didn't think about this earlier.
2 That is the definitions include terms that
3 never show up in the regulations. We define
4 minority business enterprise. We define small
5 business.

6 MS. BLUE: They don't show up as
7 often as they could. We do sort of contract
8 them and call them VBES and MBES and lump them
9 altogether. But we thought it important to
10 define them some place. And this was the
11 regulation to define them in. But I agree with
12 you, they don't necessarily always show up in
13 this regulation.

14 COMMISSIONER MCHUGH: They don't
15 show up at all. I didn't find the words small
16 business in the substance of the regulation.

17 MS. BLUE: Small business does not.
18 No. That's correct. We define that in there I
19 think to help us with some of our affirmative
20 action plans where we ask the question but it
21 does not show up in the regulation. That's
22 true.

23 COMMISSIONER MCHUGH: So, in a
24 future regulation we will refer back to this?

1 Here's what triggered my question and it's not
2 earth shaking. We can amend this at any time.
3 But we file a small business impact statement
4 that says that the regulations apply solely to
5 recipients of a gaming license and the gaming
6 vendors they contract with to construct the
7 gaming establishment. No small businesses are
8 subject to these regulations.

9 That's what we say in the small
10 business impact statement. And then the first
11 page of the regulation define small business.
12 So, that the small business impact people who
13 are concerned about this are likely to be
14 confused maybe.

15 MS. BLUE: I agree with that. I
16 think that the definition of small business as
17 part of the small business impact statement
18 that probably is defined in other regulations
19 not from our agency. But I do understand where
20 there is sort of the potential for confusion
21 between the small business impact statement and
22 the small business definition we have in our
23 regulations.

24 COMMISSIONER MCHUGH: I am prepared

1 to approve this. This needs to be done and it
2 needs to be put in place. I would welcome --
3 And I'm sorry I didn't bring this up earlier.
4 I should have. I just didn't read it
5 carefully. I would welcome further attention
6 to this and whether we need to have these
7 definitions in this regulation or whether they
8 really belong someplace else. If so we can fix
9 that down the road. It's not catastrophic.

10 But putting a definition in a
11 regulation that never refers to the definition
12 sometimes leaves people to scratch their heads.

13 COMMISSIONER STEBBINS: And the
14 definitions are consistent with our licensing
15 paperwork?

16 MS. BLUE: Yes.

17 COMMISSIONER STEBBINS: We also
18 adopted a different definition of small
19 business which somewhere we ought to reflect.
20 But I agree with the Judge that if it's not in
21 here we can always take it out, I guess.

22 COMMISSIONER MCHUGH: All right.
23 Any further discussion? A vote is necessary to
24 get these moved onto the next step. I

1 entertain a motion.

2 COMMISSIONER CAMERON: So, I move
3 that we approve 205 CMR 135.00 monitoring and
4 project construction and licensee requirements
5 along with the amended small business impact
6 statement.

7 COMMISSIONER STEBBINS: Second.

8 COMMISSIONER MCHUGH: Any further
9 discussion? Hearing none. Commissioner
10 Stebbins?

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER MCHUGH: Commissioner
13 Zuniga?

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER MCHUGH: Commissioner
16 Cameron?

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER MCHUGH: Commissioner
19 McHugh, aye. Chairman Crosby?

20 CHAIRMAN CROSBY: Aye.

21 COMMISSIONER MCHUGH: The ayes have
22 it unanimously. All right. Counsel Blue,
23 thank you very much both for your substance and
24 your prognostication. The last item is Region

1 A, the master licensing schedule.

2 CHAIRMAN CROSBY: If you're going to
3 go to item number 6, I will drop off at this
4 point.

5 COMMISSIONER MCHUGH: Yes. Chairman
6 Crosby, speedy recovery and we will see you
7 soon.

8 CHAIRMAN CROSBY: See you next week.
9 Thank you.

10 COMMISSIONER MCHUGH: Chairman
11 Crosby is leaving the meeting.

12

13 (Chairman Crosby exits meeting)

14

15 COMMISSIONER MCHUGH: Director Day
16 or General Counsel Blue or both?

17 MR. DAY: Commissioner McHugh and
18 Commissioners, what we have done with the
19 schedule was updated in the table format for
20 Region A previously. And we are just coming
21 back today to really confirm what those updates
22 were and also reflect and make them consistent
23 on our charts that we also use to display the
24 schedule we have for each licensing effort.

1 So, if you look in your packet, you
2 will see both the table for Region A and also a
3 new chart for Region A, which has really been
4 updated. If you look at the chart itself, you
5 will see that we have established first of all
6 in the end 9/12 as the projected award date.
7 That of course is based on the arbitration
8 periods and not any further use of the
9 Flexible-14 beyond what has been used at this
10 point.

11 We have also reflected closing
12 hearings and estimated those on August 12 --
13 August 11 of August 12. That would allow us 30
14 days to be able to issue -- to make a
15 designation decision on September 12.

16 COMMISSIONER MCHUGH: So, there are
17 two schedules -- two of those narrative. There
18 are three documents here. I say this
19 particularly for those who may be watching
20 remotely or hereafter. One is the traditional
21 schedule that we've had sort of like the
22 schedule that was described for the Penn
23 project.

24 And the second is a schedule that

1 applied to Region A before we had what we'll
2 call the Boston overlay or the Boston
3 considerations. And that's all been
4 accomplished and done except for the award of
5 the license. All of the surrounding community
6 agreements and other things have been resolved
7 and they're done.

8 Then we're left with the last
9 schedule, which is the Region A schedule
10 applicable solely to the relationship between
11 the applicants and Boston. And that's the one
12 that contains the operative dates for
13 everything now in Region A.

14 MR. DAY: That's correct.

15 MS. BLUE: That's right.

16 COMMISSIONER MCHUGH: Did I get that
17 right?

18 MR. DAY: Yes.

19 COMMISSIONER MCHUGH: And we
20 discussed at our last meeting the extraordinary
21 foundation, I guess it's best to put it, that's
22 necessary for use of any the Flex-14 days at
23 this point since we reset the date for starting
24 the arbitration.

1 COMMISSIONER ZUNIGA: That's right.

2 COMMISSIONER MCHUGH: Okay. What
3 from us do you need today?

4 MR. DAY: Only that you would concur
5 as we basically went through that we have got
6 the dates properly reflected as to what the
7 Commission's intentions are and we are ready to
8 post and move forward.

9 COMMISSIONER MCHUGH: Right.
10 Discussion? Really the discussion is of the
11 last document. Any discussion?

12 COMMISSIONER CAMERON: No, I think
13 it accurately reflects what we had discussed.
14 And both documents look good.

15 COMMISSIONER MCHUGH: I agree with
16 that. We have blended now our internal
17 timetables, not reflected on here because
18 they're for staff work and Commission work,
19 we've arranged our internal timetables to
20 support these dates. These dates are not
21 substantially changed from the dates we've been
22 talking about for some time now, but they are
23 the dates that we intend to adhere to unless
24 there is some extraordinary reason not to do

1 it.

2 We've tried very, very hard to get
3 these. Of course, we've seen in the past that
4 unforeseen challenges came up that modified
5 dates. We are not going to stick to these
6 irrationally I guess is the best way to put it.
7 But we are going to stick to these dates unless
8 something extraordinary comes up I guess is the
9 best way to say it.

10 MR. DAY: That would make the week
11 of September 8-12 the tentative evaluation
12 period.

13 COMMISSIONER MCHUGH: Right, the
14 idea would be we'd start on the eighth, Monday
15 the eighth with the evaluation. The evaluation
16 will be the traditional evaluation that we
17 followed with respect to the slots parlor and
18 with respect to Region B involving
19 presentations by the Commissioners and then
20 discussion and deliberation, ultimately a
21 decision on the license.

22 Okay. That's great. That's a good
23 schedule. It's clear. It's set out in a way
24 everybody can understand. Thanks very much for

1 that. Okay. Is there any other business that
2 we need to take up? Then I'll entertain a
3 motion to adjourn.

4 COMMISSIONER CAMERON: Move to
5 adjourn.

6 COMMISSIONER MCHUGH: Is there a
7 second to that motion?

8 COMMISSIONER ZUNIGA: Second.

9 COMMISSIONER MCHUGH: All in favor,
10 aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 COMMISSIONER MCHUGH: The ayes have
15 it unanimously and we are adjourned. Thank you
16 all very much.

17

18 (Meeting adjourned at 12:36 p.m.)

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- 1 ATTACHMENTS:
- 2 1. Massachusetts Gaming Commission July 10,
 - 3 2014 Notice of Meeting and Agenda
 - 4 2. Massachusetts Gaming Commission June 20,
 - 5 2014 Meeting Minutes
 - 6 3. Massachusetts Gaming Commission June 26,
 - 7 2014 Meeting Minutes
 - 8 4. Massachusetts Gaming Commission July 10,
 - 9 2014 Memorandum Regarding Harness Horse
 - 10 Promotional Trust Fund Request with
 - 11 Attachments
 - 12 5. Plainridge Park Casino Project Schedule
 - 13 Presentation
 - 14 6. Massachusetts Gaming Commission Slot
 - 15 Machines and Gaming Positions Presentation
 - 16 7. Massachusetts Gaming Commission 7-08-2014
 - 17 Licensing Schedule Update
 - 18 8. 205 CMR 122.00
 - 19 9. Biography of Arthur Kreiger
 - 20 10. Amended Small Business Impact Statement
 - 21 11. 205 CMR 135.00
 - 22 12. Massachusetts Gaming Commission 7-08-2014
 - 23 Licensing Schedule Update and Attachments
 - 24

1 GUEST SPEAKERS:

2 Jennifer Pinck, Pinck and Company

3 Jack Rauen, Penn National

4

5 MASSACHUSETTS GAMING COMMISSION STAFF:

6 Trupti Banda, HR Manager

7 Catherine Blue, General Counsel

8 Richard Day, Executive Director

9 John Glennon, Chief Information Officer

10 Derek Lennon, CFAO

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C E R T I F I C A T E

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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 11th day of July, 2014.

LAURIE J. JORDAN	My Commission expires:
Notary Public	May 11, 2018