

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #130

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

James F. McHugh

July 24, 2014

10:30 a.m. - 4:40 p.m.

HYNES CONVENTION CENTER

900 Boylston Street, Room 200

Boston, Massachusetts

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: I want to call to
4 order the 130th meeting of the
5 Massachusetts Gaming Commission.

6 Before we do anything else, I just
7 want to make one announcement, particularly
8 for any members of the press who are here
9 or members of the press might be watching,
10 our Director of Communications and
11 Outreach, Elaine Driscoll, as most of you
12 know is out on maternity leave. She had a
13 baby on Saturday named Shane Alexander
14 Holbrook and mother and baby are doing
15 well, but she is going to be out for a
16 while. And as an interim Director of
17 Communications and Outreach, we have Hank
18 Shafran. Raise your hand, Hank, if
19 anybody doesn't know you.

20 Hank has a long career. He had has
21 own communications and PR firm for years,
22 then was the senior vice president for
23 communications at a big law firm downtown
24 Bingham, Dana, Bingham and McCutchen now

1 Bingham and actually was a part of a team
2 of people that I identified and recruited
3 Elaine in the first instant, so he has some
4 familiarity with what we are doing and he
5 will be here at least in the next two or
6 three months. And are you using the same
7 cell phone that she had? No.

8 SPEAKER: Same office phone, okay.

9 CHAIRMAN CROSBY: He doesn't have a
10 cell phone yet. All right, thank you,
11 Hank. All right.

12 So, Commissioner McHugh, you want to
13 go to the approval of the minutes?

14 COMMISSIONER MCHUGH: Yes. We have
15 three sets of minutes, Mr. Chairman. The
16 first of those is the minutes for July 2,
17 2014, which was the meeting at which we
18 discussed the city's request to -- the City
19 of Boston's request to stop what we were
20 doing until after the referendum.

21 There is a modification, and I
22 apologize, I should have caught this
23 earlier, that I would like to make. And
24 that is that at 12:34, I think, it's on

1 page 3, designated 12:34, at the 12:34
2 entry of the motion made by Commissioner
3 Zuniga that motion was really to designate
4 the following day as the starting date for
5 the process described in 205 CMR 125.016
6 C3. The thought of that is embodied in
7 what's there. But if we revised the
8 language to read as I just put it, I think
9 the point is a lot clearer. I should have
10 caught that earlier.

11 So, I would move the approval of
12 these minutes with change -- with a change
13 in the entry for 12:42 p.m. to read as
14 follows: Commissioner Zuniga moved that
15 the Commission designate the following day
16 as the starting date for the process
17 described in 205 CMR 125.016C3.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER CAMERON: Second.

20 COMMISSIONER STEBBINS: Second.

21 COMMISSIONER ZUNIGA: Second.

22 CHAIRMAN CROSBY: I will recuse
23 myself from this vote since I was not at
24 that meeting. All in favor?

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER MCHUGH: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: All opposed? So
6 it's a four, zero vote accepting those
7 minutes as modified.

8 COMMISSIONER MCHUGH: As modified.

9 CHAIRMAN CROSBY: As modified.

10 COMMISSIONER MCHUGH: So, the second
11 set of minutes we have is for July 10,
12 2014, which was our regular meeting of two
13 weeks ago, and I'd move the approval of
14 those minutes as they appear in the book
15 with the customary reservation of right to
16 correct typographical and other mechanical
17 errors. That's the meeting at which
18 Chairman Crosby participated by telephone
19 for part of the meeting, most of the
20 meeting but part of it.

21 COMMISSIONER CAMERON: Second.

22 CHAIRMAN CROSBY: All in favor?

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER MCHUGH: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

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

5 COMMISSIONER MCHUGH: And then,
6 finally, the minutes of the meeting
7 July 15, 2014, which is the meeting we held
8 a week ago Tuesday to discuss the City of
9 Boston's response to the arbitration
10 process and, again, I would approve
11 those -- I would move that those minutes be
12 approved in the form in which they appear
13 with the customary reservation.

14 COMMISSIONER ZUNIGA: I do have a
15 comment on that.

16 COMMISSIONER MCHUGH: All right.

17 COMMISSIONER ZUNIGA: You know, this
18 is very much in line with the way we keep
19 our minutes. But because it was a very
20 short one topic agenda with no votes, I am
21 wondering if we would be better or well
22 served by just including a little summary
23 of what discussion took place, because
24 that's not necessarily reflected here.

1 COMMISSIONER MCHUGH: It's not
2 reflected at all here, no. There is simply
3 a reference to the transcript. There was a
4 brief meeting, and that is the way they
5 were prepared. But we certainly can revise
6 them and submit them for approval at our
7 next meeting with a summary of what was
8 discussed if that's the will of the
9 Commission.

10 COMMISSIONER ZUNIGA: That would be
11 my preference, but that's just -- I'm one
12 commissioner.

13 CHAIRMAN CROSBY: Other thoughts on
14 that, Commissioner Stebbins or Cameron?

15 COMMISSIONER MCHUGH: We don't need
16 to debate it. If one of the Commissioners
17 wishes to do it that way, let's do it that
18 way. I think that's entirely fair. So
19 let's take that off the table for today's
20 meeting, and we'll provide that at the next
21 meeting.

22 COMMISSIONER ZUNIGA: Thank you.

23 CHAIRMAN CROSBY: Okay, thank you.
24 We have quite a bit of stuff. Just for

1 fair warning, we are expecting to take a
2 break at around noon for about an hour and
3 we will be reconvening at 1:00 and we will
4 be -- wherever we are in the agenda, we
5 will be starting with item number 4A, which
6 is the research presentation at 1:00.

7 And we are expecting at around 1:30
8 to 1:45 to have the secretary of Health and
9 Human Services, John Polanowicz, join us
10 and we'll have some ceremonial signing at
11 that point, so the schedule will be blocked
12 at 1:00.

13 So administration, Director Day.

14 MR. DAY: Good morning,
15 Mr. Chairman, Commissioners.

16 COMMISSIONER MCHUGH: Good morning.

17 COMMISSIONER CAMERON: Good Morning.

18 MR. DAY: For this morning I don't
19 have a general update but busy
20 administrative sections so I recommend that
21 we move right into topic B, if that's
22 acceptable, unless the Commission has
23 general questions.

24 CHAIRMAN CROSBY: Sounds fine.

1 MR. DAY: If you refer to tab B,
2 travel policy report, I just had a couple
3 of preliminary remarks. The Commission
4 initiated a three-prong process concerning
5 agency policy, an independent review and
6 comparison of agency travel policy, the
7 review and recommendations regarding
8 financial policy and internal controls, the
9 project to develop a complete policy manual
10 and accountability system with its existing
11 employee handbook as the basis.

12 Of course in addition to that, all
13 those steps I mentioned above, the
14 Commission has also taken the initiative to
15 revise and adopt an updated version of its
16 employee manual.

17 So for today we have one of those
18 reports coming to the Commission relative
19 to the comparison of travel policy with
20 other peer agencies and within other
21 agencies in Massachusetts. And for that, I
22 would like to refer to Derek and Matt
23 Burnham from Accenture, at least Matt's
24 from Accenture. Derek is from here.

1 Derek.

2 MR. LENNON: Thank you, Rick.

3 Good morning, Commissioners.

4 COMMISSIONER MCHUGH: Good morning.

5 COMMISSIONER CAMERON: Good morning.

6 CHAIRMAN CROSBY: Good morning.

7 MR. LENNON: Nice to be here with
8 Matthew Burnham from Accenture. I'll turn
9 it over to him. I'll be very brief in my
10 comments, which I know everyone will be
11 happy with, and then I will turn it over to
12 Matthew to explain the process Accenture
13 went through and his team, their background
14 their qualifications.

15 But just to refresh everyone's
16 memory, in April we were asked to solicit
17 quotes from a master list of services
18 agreement to do an independent review of
19 our interim travel policy. We put out
20 quotes to three companies off of the
21 statewide contract titled PRF 46. That
22 contract covers management consultants, and
23 we received two responses.

24 One response was saying they didn't

1 have the bandwidth. One company responded
2 saying they didn't have the bandwidth to do
3 the work. The second response came from
4 Accenture. At the time period, the quote
5 was around 30,000 dollars. And the work to
6 be done was take a look at our interim
7 travel policy, take a look at the GSA
8 travel policy, take a look at the state
9 travel policy and compare us to two other
10 jurisdictions.

11 I think Accenture went further and
12 compared to a third jurisdiction and to
13 come back with any recommendations they may
14 have based on how our policy looked
15 compared to those other ones. We have in
16 front of us a report. Accenture actually
17 complied with the timelines in the
18 response -- request for response we put
19 out.

20 It was our end that was slow in
21 reviewing it just because of the
22 determination decision via made for Region
23 B. We just didn't have the time to review
24 everything with all the workflow that was

1 going on, but Accenture did deliver the
2 report on time. And I'll turn it over to
3 Matthew now.

4 MR. BURNHAM: Thanks, Derek.

5 Good morning, Chairman,
6 Commissioners. Thanks for having me.

7 As Derek said, my name's Matthew
8 Burnham and I represent Accenture's
9 management consulting practice. Together
10 with Bill Kilmartin, we analyze the travel
11 policy -- interim travel policy this
12 spring, so today I will walk you through a
13 high level summary of our team and the
14 process we went through and some of our
15 findings and take any questions.

16 So a little bit about our team. Our
17 analysis was led by Bill Kilmartin, who is
18 a veteran of Massachusetts state government
19 with 23 years as a state government
20 employee, including 10 years as your state
21 comptroller. I supported Bill in this
22 project.

23 Bill and I work closely together in
24 Accenture's management consulting practice

1 across state and local government spending
2 most of our time here in the Commonwealth
3 working with state agencies. Bill sends
4 his regrets. He is on a family vacation
5 today and was unable to attend.

6 CHAIRMAN CROSBY: Please give my
7 regards to him when you see him.

8 MR. BURNHAM: I will, Chair, thank
9 you.

10 A little bit more about our process.
11 I'm going to describe three work streams
12 that we went through. These work streams
13 are described in further detail on page one
14 of the report in your packets.

15 The first work stream related to
16 collecting and analyzing information from
17 within the Commonwealth. That included
18 interviews with six senior members of the
19 gaming commission, as well as Commissioner
20 Cameron, to understand their experiences
21 and perspectives on past travel policies of
22 the Commission, as well as their vision for
23 the future final travel policy of the
24 Commission.

1 We also collected and analyzed the
2 current interim travel policies Derek
3 mentioned, as well as the house ways and
4 means proposals from earlier this spring
5 and the Massachusetts red book.

6 The second work stream related
7 looking outside the Commonwealth for
8 purposes of peer comparison and review. We
9 spoke with two senior members of pure
10 organizations to yourself, the Nevada
11 Gaming Control Board, as well as the Ohio
12 Lottery Commission to understand their
13 perspectives on travel policies generally
14 and recommendations for Massachusetts.

15 We also compared the Massachusetts
16 interim travel policy to the travel
17 policies of the gaming control boards or
18 commissions of the states of Ohio,
19 Pennsylvania and New Jersey. We also
20 compared with the United States general
21 services administration policies for
22 federal employee travel.

23 The third work stream related to
24 pulling all this together. On pages 3

1 through 11 of the report in your packets,
2 you will see a side-by-side comparison of
3 these travel policies organized by two
4 sections, the first being the comparison of
5 the key policy attributes or
6 characteristics such as whether the policy
7 applies to all staff members and
8 commissioners or just staff members or
9 commissioners; what the requirements are
10 around pre-approved for travel expense
11 reimbursements, et cetera.

12 And then the second section related
13 to reimbursable expenses, such as domestic
14 meals, international meals, the same for
15 different modes of transit and
16 miscellaneous expenses and their allowable
17 limits and those things within those
18 categories not allowed for reimbursement
19 across those different travel policies.

20 Based on this assessment, both the
21 side-by-side comparison as well as the
22 interviews with entities outside and inside
23 the Commonwealth, we concluded that the
24 interim travel policy developed by Derek

1 and his team was in such good agreement
2 with peer organizations, peer government
3 organizations. We did have five relatively
4 minor recommendations that the Commission
5 may want to consider as they finalize their
6 travel policy.

7 Those recommendations are on page 12
8 of the report. The first recommendation
9 relates to international business-class
10 travel. The general services
11 administration authorizes international
12 business-class travel for flights of longer
13 than 14 hours outside the continuous US.
14 And given input from the interviews and
15 that precedent, we recommended that change
16 be made to the current interim travel
17 policy.

18 The remaining four recommendations
19 relate to reimbursable expenses, including
20 tips, airline charges, specifically bag
21 fees, internet access and the booking of
22 conference hotel rooms at work sites.
23 Those four things -- three of the four
24 things were not addressed in the current

1 policy and we recommended to be more
2 explicit and prescriptive around those
3 things and the fourth related to tips.

4 We recommended aligning with travel
5 policies across the US of other government
6 organizations in allowing flexible
7 reimbursement of a reasonable amount rather
8 than a fixed percentage.

9 With those five relatively minor
10 recommendations, we think the interim
11 travel policy is very much on target. We
12 submit these findings and recommendations
13 for the Commission's consideration.

14 Any questions or comments?

15 CHAIRMAN CROSBY: Commissioners?

16 COMMISSIONER MCHUGH: I had one very
17 minor one. And when you say business class
18 allowed for travel longer than 14 hours,
19 does that mean actually in the air?

20 MR. BURNHAM: It could include a
21 connection according to GSA. It could
22 include a connection according to GSA.

23 CHAIRMAN CROSBY: Anybody else?

24 COMMISSIONER CAMERON: I just wanted

1 to say I was fortunate to assist with the
2 project. I think it was well done. The
3 comparison charts -- it's always good to
4 know what other agencies are doing, and I
5 think the policy is really sound and it's
6 one we should adopt with those
7 recommendations.

8 COMMISSIONER MCHUGH: I thought this
9 was really very thorough and presented in
10 an easily understandable format. And I
11 also thought that the sample job A in the
12 beginning on page 15 to communicate to
13 people what -- an overview of what was
14 permissible and not permissible was really
15 very helpful to me, so I thought this was a
16 good job.

17 CHAIRMAN CROSBY: Anybody else?

18 COMMISSIONER STEBBINS: I just like
19 the fact that you compared us with other
20 jurisdictions. We're not the usual state
21 agency just based on the type of travel
22 that we do. So it's helpful to look at
23 what other gaming jurisdiction public
24 entities did, so I appreciate the research

1 that went into that element of it.

2 CHAIRMAN CROSBY: I agree. I
3 thought it was well done. It also, by the
4 way, showed that the interim plan that
5 Derek and his staff put together was pretty
6 good, you know, so that should be noted as
7 well. I had a couple of very minor
8 questions.

9 Do I gather that Nevada Gaming
10 Control Board does compensate for alcohol
11 under the not allowed? It doesn't seem to
12 mention that. Just idle curiosity. I'm
13 not going to suggest we change our system.

14 MR. BURNHAM: I would suspect they
15 do not, but it was not explicitly mentioned
16 in their policy.

17 CHAIRMAN CROSBY: Then there are
18 several references to Pan-Am, use of
19 Pan-Am. That's not a leftover thing from
20 an airline that no longer exists but still
21 in the state books.

22 COMMISSIONER STEBBINS: It's a
23 travel agent.

24 MR. LENNON: That was the state

1 travel agent when we gave the interim
2 policy over at -- we are currently going
3 out to procurement. That will change once
4 we get our official new travel agent.
5 Pan-Am could not accommodate billing. They
6 only wanted credit card, and we like to
7 have direct billing. It makes it easier
8 for us to respond to a public record's
9 requests.

10 COMMISSIONER ZUNIGA: Which is why
11 it shows up in all the other state
12 comparables, because they are an approved
13 vender for the state.

14 COMMISSIONER MCHUGH: But the using
15 the credit card makes it more transparent
16 is basically what you're saying.

17 MR. LENNON: No, actually, the
18 direct billing does. Using the credit card
19 is much more difficult, because you don't
20 have a bill coming from the company. All
21 we have is our credit card statements. It
22 doesn't have all the stamp and times
23 whether there was a change in flight. When
24 we get the direct billing, that shows all

1 those different charges.

2 CHAIRMAN CROSBY: Under the personal
3 automobile, it says if necessary --
4 allowable use if necessary and with
5 approval. What does that mean?

6 MR. BURNHAM: Most travel policies
7 we looked at actually prefer the use of
8 official state automobiles as in the
9 Massachusetts red book. The interim travel
10 policy did allow the use of personal
11 automobiles assuming that it was necessary
12 of their travel itinerary for that
13 individual and had prior approval of
14 supervisors. I believe the automobile
15 policy is covered in a separate document;
16 is that correct?

17 MR. LENNON: The automobile policy
18 will be covered in a separate policy. We
19 don't have -- this is a constant topic with
20 Director Day. We do not have our two state
21 cars yet. But once we get them, we'll
22 adopt the OBM policies. But there are
23 certain requirements you have to meet in
24 the state to get a state leased car. You

1 have to be using a probe of 10,000 miles a
2 year, because the lease cost has to be
3 explainable versus a 45-cent variance plus
4 we have Enterprise that we can use.

5 The standard rate for a compact car
6 is about 35 dollars a day. Adding taxes
7 it's around 45. So we'd want a comparison
8 done that says what are you going to get as
9 far as a mileage reimbursement versus using
10 an Enterprise car for the day, do a cost
11 comparison whether you are going to go that
12 route. Because if it's going to cost more
13 for private mileage, we should be renting
14 Enterprise at that point. There should be
15 a comparison done at some point.

16 CHAIRMAN CROSBY: When do you
17 approve the use of a personal automobile?
18 I don't understand that.

19 MR. LENNON: So, if you're doing in
20 state travel, you should have worked with
21 your supervisor to let them know you are
22 going to be out of your office; you're
23 going to be instate travel; you are going
24 to be going to these locations and you

1 should be telling them I'll be driving my
2 car. I'm not driving my car.

3 COMMISSIONER MCHUGH: So if we have
4 a meeting, a commission meeting out in
5 Springfield or if we are going out to
6 Springfield to do some official business,
7 we should get prior approval from Rick.

8 MR. LENNON: Well, this is a topic
9 that came up and Rick has delegated that
10 decision-making to his director. So for
11 the IEB it's different. They are going to
12 be traveling all around all the time.
13 Karen can do almost a blanket approval and
14 just do check-ins where with my staff if
15 they are traveling out to Plainridge or
16 they are traveling out to Suffolk, right
17 now the spot -- two spots that they looked
18 to I would want prior approval from them.
19 I'd want them to tell me they are going --
20 they are going to be using their car, and
21 this is what they are estimating to be.

22 COMMISSIONER MCHUGH: And what about
23 us?

24 MR. LENNON: That's a good question.

1 COMMISSIONER MCHUGH: I mean, should
2 we be doing a cost comparison; in other
3 words, if it's going to take -- drive to
4 Springfield and back 180-miles basically at
5 whatever the compensation rate is X
6 dollars, if we could rent an Enterprise car
7 for the day, should we be doing that; is
8 that what this order is?

9 MR. LENNON: The finance person in
10 me says yes, you should be taking a look at
11 that. The human being in me says if you're
12 traveling -- you have to come into Boston
13 to pick up an Enterprise car, there's not
14 an Enterprise location close by to your
15 house that you could pick it up from, no.
16 So it's all reasonableness expectation.
17 But, yes, you should always be looking at
18 what's going to be least expensive to the
19 Commission.

20 COMMISSIONER MCHUGH: All right. So
21 we'll just put in for reimbursement at the
22 Enterprise rate?

23 MR. LENNON: Yes, you could.

24 COMMISSIONER ZUNIGA: And/or offer a

1 ride to a colleague, which can also --

2 COMMISSIONER MCHUGH: I understand
3 that. 26 players, 26 cars, right?

4 COMMISSIONER STEBBINS: I'll drive
5 on the bus and pick somebody up.

6 COMMISSIONER ZUNIGA: Like I've done
7 in the past.

8 CHAIRMAN CROSBY: We are getting
9 into the knits here, but this was the only
10 thing that struck me as really kind of --
11 you don't need approval to use your own car
12 to drive to a meeting. That doesn't make
13 sense to me.

14 COMMISSIONER CAMERON: That's not --
15 this is about travel and say three members
16 of the finance team there was -- there was
17 a meeting, you know, on Cape Cod on
18 finance, so it's just being prudent making
19 sure your supervisor understands. And if
20 there's a state car available, they'd use
21 the state car. So it really is just a cost
22 savings measure here.

23 CHAIRMAN CROSBY: Overtime for
24 travel we should have clear guidance. This

1 topic arose as a lesson learned in other
2 states with implementing travel policies.
3 What's that about?

4 MR. BURNHAM: So this came out
5 especially in Nevada around depending on
6 the classification of the employee, the
7 treatment of overtime during travel maybe
8 differ. So while I was on the scope of
9 this assessment to look at overtime
10 policies, based on that conversation with
11 the control board, we recommended that
12 attention be paid to that topic when
13 revising new policies with the Commission.

14 CHAIRMAN CROSBY: Okay. So that's
15 something you are going to be looking at in
16 a different context.

17 MR. LENNON: Correct. Trupti and
18 her team will be taking a look at that.

19 CHAIRMAN CROSBY: Okay.

20 MR. DAY: Mr. Chairman, just in the
21 way of process, it was our understanding,
22 unless there's an objection from the
23 Commission, that we would take the
24 Accenture report and incorporate those

1 provisions in the final policy that we will
2 be bringing back in the full policy manual.

3 CHAIRMAN CROSBY: Their
4 recommendations?

5 MR. DAY: Yes, we will just consider
6 them.

7 CHAIRMAN CROSBY: Yes, the
8 recommendations all seem to make sense.
9 They were pretty straightforward. Do we
10 need any action on this?

11 MR. DAY: No, we don't.

12 CHAIRMAN CROSBY: All right.

13 COMMISSIONER ZUNIGA: I will just
14 join my colleagues in thanking both Derek
15 and our friends from Accenture in the
16 process they have done. I agree that it's
17 a great thorough and well-articulated
18 report.

19 MR. BURNHAM: Thank you. It's our
20 pleasure to be involved.

21 COMMISSIONER MCHUGH: Thank you very
22 much.

23 COMMISSIONER CAMERON: Thank you.

24 CHAIRMAN CROSBY: Thank you. I

1 noticed that since another member of the
2 press has come in from, I believe, from New
3 York Times and I just mentioned that Elaine
4 Driscoll is out having had a baby and Hank
5 Shafran over in the corner here is taking
6 her place while she is out.

7 Okay. What's next?

8 MR. DAY: Mr. Chairman, refer to tab
9 C, item C and behind that tab there is a
10 presentation and we will get to that in
11 just a second. What I might -- what I
12 would like to do is as we start, we are of
13 course engaged in a high performance
14 project and I wanted to take just a
15 minute -- because I oftentimes refer to our
16 high performance team along with our
17 consultants, and so I wanted to identify
18 here who those are, along with Commissioner
19 Cameron, Commissioner Zuniga, of course
20 Derek Lennon, Catherine Blue, Trupti Banda
21 and myself and we're supported by Maryann
22 Dooley, so that reinforces who that high
23 performance staff team is.

24 And that staff team basically is

1 taking a look at everything as it is
2 produced by the consultants, and it doesn't
3 go before the Commission until that team
4 has concurred in that recommendation.

5 CHAIRMAN CROSBY: And let me just
6 interject that this presentation came up
7 growing out of a very casual conversation
8 between me and Director Day where I was
9 saying, you know, what are the key data
10 points that we're going to be measuring,
11 have we talked about.

12 And I thought it might be useful for
13 the Commissioners to sort of brainstorm
14 about, you know, what are the key measures
15 that we ought to be looking at to think
16 about our successor or failure of our
17 operations not knowing where that was in
18 the process.

19 It turns out that that was probably
20 a little bit out of time. There is going
21 to be a place for that, but it led to us
22 getting an update on this whole proposal,
23 which I think is a really good idea anyway.
24 So that was how this all sort of came

1 about. I didn't mean to be putting my foot
2 into a middle of a plan without paying any
3 attention.

4 MR. DAY: Actually, it will work
5 really good because it will allow us this
6 morning to provide two segments. The first
7 one we've asked our consultants to update
8 our current status on our policy and
9 accountability project. And then the
10 second part of that one, once it's
11 completed, will be a short discussion and
12 power point regarding goals, supporting
13 goals and measures, so that will kind of
14 help introduce that topic.

15 And then from there, it'd be up to
16 the Commission if you wanted to discuss
17 that at any great length in time. But I
18 think it will give an idea of what's
19 coming, what the next parts of this project
20 are and what they're meaning to establish.

21 So what I would like to do, though,
22 is one of the things that our consultants
23 are here today is to identify completed a
24 first deliverable and that deliverable is

1 recommended to by our high performance team
2 I just referred to. And what it is is the
3 table of contents listing the policies, and
4 then the policy template that each policy
5 will put into that form.

6 So we thought it would be a good
7 first step for the Commissioners to take a
8 look at that list and it's not -- all those
9 policies have not yet been drafted yet but
10 it's a high performance team. And the
11 consultants have went together and said,
12 "This is the total list of what we would
13 recommend as a policy manual to the
14 Commission."

15 If you consider it and if you
16 approve, that will allow us to move forward
17 with development of each of those policies
18 which we will return, and hopefully not
19 each individually, but within groups back
20 to the Commission for your consideration.

21 So with that, what I would like to
22 do is introduce Ed Burke and Russ Meekins
23 to give you an update and review of the
24 material in your packet. Thank you.

1 MR. BURKE: Thank you, Rick. Good
2 morning, Commissioners. Good to be here
3 today. As Director Day was saying, we have
4 a few quick things to cover. I'm going to
5 talk about the human resources project and
6 the work that we have been doing with the
7 high performance team, kind of give you an
8 update and TF, the two deliverables that
9 were mentioned. And then I'm going to turn
10 it over to Russ and Russ is, I think,
11 actually is a chairman. This is a good
12 timing to start thinking about performance
13 management aspects of the project.

14 So what Russ is going to do is kind
15 of give you a quick preview of the approach
16 we are going to take, some of the issues
17 that are going to be before you shortly as
18 we get moving on this in the fall. If I
19 could go to the next slide.

20 Our approach basically is a
21 three-legged stool, if you will, for all of
22 the work that we're doing. The first piece
23 is the guidance that we get directly from
24 the Commission and commission staff, your

1 experience, your knowledge, your
2 perspective on what we are doing. As
3 Director Day mentioned, we're working
4 closely with the high performance team, and
5 they're providing that input into the
6 process.

7 We also bring in statutory guidance
8 looking at compliance and best practices
9 and what other organizations are doing as a
10 way of informing the process, and then we
11 bring a significant amount of competency
12 and deep knowledge.

13 Bob Carol and Guy Mike, who are
14 behind me, they are experts in the gaming
15 industry and have seen across the country.
16 Russ and I and our team have deep expertise
17 in performance management, human resources
18 consulting and other things like that.

19 Next slide, please. In fact, just -- I
20 think you have one more slide.

21 There are four pieces to the project
22 overall. The first deals with personnel
23 processes, at the end the employee
24 accountability systems. There will be a

1 goals and objectives section. Could you go
2 to the next slide, please? Thank you.

3 Laying it out in the chart as you
4 see here, we are well underway on the first
5 piece, the personnel processes and that is
6 what I will be talking about now.

7 We are looking to start within the
8 next month or so on the goals and
9 objective's piece, which would be the first
10 major piece of the performance management
11 and strategy development section followed
12 up later in the fall with the expanded
13 strategy plan. So, the second piece of our
14 presentation we haven't started yet, but we
15 are getting ready to talk about.

16 If you look at the next slide within
17 focusing on the human resources piece of
18 the project, most of our work so far has
19 been around developing policies, coming up
20 with a master list of policies looking at
21 whether other agencies are doing and so
22 forth. And the team is currently cranking
23 away at actually pulling the policies
24 together, drafting policies that are needed

1 as they go forward.

2 And as Director Day mentioned, we
3 have a review process that is basically an
4 assembly line with you as the final step.
5 So as we have policies completed, we will
6 bring, you know, in batches policies up for
7 your review.

8 On the next slide, I wanted to
9 mention there are a number of other tasks
10 that are in the human resources section
11 that we are also working on. We're in the
12 process of developing job descriptions for
13 everyone in the organization and
14 perspective for new hires as they come
15 forward.

16 We're working on a salary
17 classification plan ringing it in line with
18 other state agencies are doing. We've done
19 a fair amount of work on developing
20 information technology strategy for human
21 resources. So we have been working with
22 John Glennon and his staff. We have had a
23 number of meetings on that. We are working
24 on a systems architecture.

1 We've had some preliminary
2 discussions with the human resources
3 division state level looking at what they
4 have available, and we will be coming at
5 some point before the Commission with
6 recommendations in terms of what the suite
7 of IT solution should be for supporting
8 that HR going forward.

9 As part of that, we're also looking
10 at a number of quick hits. We are trying
11 to make -- for an average organization, you
12 know, there is a certain amount of
13 recruiting and other work like that that
14 goes on. You're not average in any
15 respect. There is so much activity here, a
16 tremendous amount of job search is
17 currently and going forward. There will be
18 a number of new ones. So what we're trying
19 to do is where possible come up with some
20 solutions, ideas, technology to make the
21 job easier and tracking easier for all of
22 those activities.

23 On the next slide, let me talk a
24 little bit about policy section and really

1 where we -- how we perform the work. We
2 started with the existing employee
3 handbook, which I will talk about in a
4 moment. We developed a large policy master
5 list spreadsheet, which we worked with the
6 high performance team over the last couple
7 of months. We looked at statewide
8 policies. We looked at the red book and
9 other examples from the human resources
10 division.

11 We looked at two peer agencies that
12 are, you know, authorities and separate
13 from the executive branch similar to the
14 Mass Gaming Commission and to see what
15 their policy approaches looked like. One
16 was Massport and the other was the Mass
17 Board of Resources Authority.

18 We also looked at two-tier gaming
19 agencies in Michigan and Washington and did
20 a comprehensive review of their policy
21 approach with particular attention to
22 gaming specific policies, things that went
23 on there. We also --

24 CHAIRMAN CROSBY: Excuse me. Was

1 there any particular reason why you picked
2 Michigan?

3 MR. BURKE: In discussions with the
4 high performance team, those where the two
5 that were suggested, so we came up with a
6 number of different options. Michigan was
7 also as a state has a fairly sophisticated
8 performance management approach statewide
9 as Massachusetts does. And we've had a
10 number of discussions.

11 In fact, we have monthly conference
12 calls with the team in Michigan just
13 comparing notes in general, so not just on
14 gaming but for other state activities.

15 COMMISSIONER ZUNIGA: My
16 understanding of Michigan is also it's a
17 very comparable in size and number of
18 operations to Massachusetts, so it's a
19 fairly, you know, recent commission.

20 MR. BURKE: Yes, exactly. We also
21 looked at federal and state law
22 requirements to make sure that the
23 Commission is in compliance with all
24 applicable rules and human resource best

1 practices just from other places.

2 We have a couple of HR professionals
3 on the team. One in particular Joan Cune,
4 who is a consultant in HR but worked for
5 many, many years with Partners Healthcare
6 and a number of other places, so she brings
7 private sector as well as government
8 experience to that.

9 On the next slide, I guess a couple
10 of quick findings. The existing list of
11 policies, I think gave the Commission a
12 very good starting point. For the most
13 part, the policies were accessible. Some
14 of them need a little bit further
15 development. A few of them we thought were
16 actually very well done.

17 The expanded FX code for MGC we
18 think is probably the best in the country
19 in terms of the comprehensiveness of it and
20 could be used as a national model for that,
21 so just some very good news from that
22 respect. If we go to the next slide.

23 There were some things that did come
24 out of the process. There are a number of

1 policies that don't exist that the team
2 felt are needed, so we identified an
3 additional 30 policies which will be
4 drafted from scratch using best practices
5 and other models.

6 In some cases, the existing policies
7 were not flushed out enough. So part of
8 the process will be going through
9 reviewing, reformatting and otherwise
10 updating those policies. And we are
11 basically going to put this together into a
12 new and a formal policy manual, which will
13 have all the policies in one place. And,
14 ultimately, that will be the final
15 deliverable from the project that we will
16 have you review and consider.

17 If we go to the next slide, there's
18 basically three categories of policies we
19 have included in the appendix as opposed to
20 going through all of them individually. In
21 the appendix of the document that you have
22 in front of you is the table of contents
23 for the master list of policies that will
24 be in the eventual policy manual. There

1 are 113 policies in total.

2 There are three different categories
3 of work that we are doing right now. As I
4 mentioned, there are 30 new policies that
5 we're drafting, five of those have been
6 reviewed and approved through the high
7 performance team. We have another batch of
8 nine which are under review right now by
9 MGC HR and the remainder of the other half
10 are basically currently under development.

11 There are 48 policies that are in
12 the existing employee handbook. Those are
13 being reformatted. We're reviewing them to
14 see if there's suggestions or changes that
15 might make sense, but those will be put in
16 the final manual.

17 And then, finally, the final
18 category is using the Commonwealth policy.
19 In a number of cases, it makes sense to
20 instead of developing a policy at the MGC
21 level pointing to state -- existing state
22 policies as being the point of reference
23 that we would use.

24 That particularly makes sense, for

1 example, the Group Insurance Commission
2 where a lot of the employee benefits comes
3 from has policies that tied each of those
4 benefit cases. So instead of developing
5 policies here, the manual will refer onto
6 those.

7 The next page is the -- this is the
8 format that we will be using going forward
9 was one of the deliverables of the project.
10 As you can see, it's relatively
11 straightforward and we have been using it
12 as we have been developing the policies and
13 bringing them forth.

14 So, I guess, I would pause at this
15 point, Rick, and ask for questions and see
16 where we want to go from here. Again, the
17 two things for your consideration are this
18 template, which you have in front of you,
19 and the policy master list, which is in the
20 appendix which lists all the policies which
21 we will be developing.

22 COMMISSIONER MCHUGH: I just had one
23 sort of high level question. 113 policies,
24 who is supposed to know those?

1 MR. BURKE: Well, outside of the
2 human resources department, I think the
3 policies differ in terms of how they will
4 be used. A large number of them relate to
5 things like benefits kind of basic locking
6 and tackling sort of policies that you will
7 find in almost any organization. So
8 everything from maternity leave to all
9 sorts of different options for
10 contributions made from payroll for, you
11 know, college funds or whatever have you,
12 each of those requires policies but they
13 are not particularly complicated or
14 complex.

15 I think one of the things that we
16 did, and as I mentioned, 35 of them were
17 pointing directly at the state. In that
18 case, there's not really any effort on the
19 part of the Mass Gaming Commission in terms
20 of updating and mandating the policy. We
21 are just applying those as they were, but
22 the remainder of them apply as they -- you
23 know, as certain situations come up.

24 COMMISSIONER MCHUGH: My question

1 was a little flip. How do you -- if you're
2 dealing with -- I can understand why --
3 this is a complicated world we live in. I
4 can understand why you may need 113
5 separate policies given state law, federal
6 law, local requirements.

7 How do you go about deciding who
8 needs to really understand them? Is it
9 something that all employees ought to know
10 and understand? And once you've made that
11 decision, and maybe I am getting ahead of
12 myself and all of ourselves, how do you
13 penetrate the workforce, ourselves
14 included, and have an understanding of them
15 at the ready?

16 MR. BURKE: Well, one of the things
17 that the intake process does currently is
18 to highlight key policies in terms of ones
19 that are very important that we want every
20 employee to know. In fact, there are
21 sign-off sheets that new employees must
22 complete.

23 Say they reviewed, for example, the
24 FX policy and understand all of the

1 implications of it. There are a number of
2 other policies like that that are
3 highlighted. So there are a few that are
4 very important and we want to make sure
5 that everyone is not only aware of and have
6 reviewed coming into the organization. But
7 the vast majority of them though apply only
8 in certain circumstances.

9 If, you know, in Elaine Driscoll's,
10 for example, is now on maternity leave so
11 it would apply to that -- in that case you
12 would look at and review that policy and
13 see what the approach is and how it will
14 apply in her case.

15 Generally speaking, the policies we
16 haven't formally received approval about
17 how to publish these yet. But most state
18 agencies actually put them online now.
19 There is an internet option so that any
20 employee can go and review existing
21 policies as they apply if there is things
22 that they need to know.

23 COMMISSIONER MCHUGH: And so part of
24 the acclimation process would be to help

1 people understand when they need to go look
2 at a policy.

3 MR. BURKE: Yes.

4 COMMISSIONER MCHUGH: I mean, I'm
5 thinking of situations in which a person
6 may not even know that there is a policy
7 and there is in fact some. But part of the
8 promulgation process would be to acclimate
9 people to this sort of contents.

10 MR. BURKE: Yes. In fact, one of
11 the things that we're planning on doing
12 with the rollout once we have the policy
13 manual in place is some sort of training
14 process for the directors and other
15 supervisors around the gaming commission to
16 make them aware of the existence of the new
17 policy manual and kind of take them
18 through, if you will, the procedures around
19 how to use policies, when to go to HR,
20 where the policies are available for review
21 and so forth.

22 COMMISSIONER MCHUGH: Okay, thank
23 you.

24 COMMISSIONER ZUNIGA: One thing that

1 I believe is going to be very helpful in
2 conjunction with having all of these on
3 electronic format and internet or
4 searchable database, if you will, is the
5 format that you articulate here on page 12.

6 For example, there's applicability
7 and to whom does that apply is something
8 that, you know, at some point hopefully the
9 near future somebody can search everything
10 that applies to them.

11 MR. BURKE: Yes.

12 COMMISSIONER ZUNIGA: And then you
13 can filter or index or, you know, maybe the
14 detail is hidden. And if it catches your
15 eye, you can see the detail or you can hide
16 it because I am not planning on going on
17 maternity leave, for example. So, but it
18 is a process obviously that, you know, you
19 have helped us undertake, so thank you.

20 COMMISSIONER STEBBINS: Ed, I have a
21 question going back to, you know, kind of
22 the information you're pulling together to
23 existing Massachusetts HR policies,
24 policies from other jurisdictions, but I am

1 also intrigued by incorporating potential
2 private sectors into our best practices.

3 And based on your experience knowing
4 how much overlaying regulation and
5 guidelines and everything else that is
6 already being dictated to us, you know,
7 kind of what percentage of those private
8 sector HR best practices have you witnessed
9 kind of being able to find a way into our
10 policies?

11 MR. BURKE: They're actually it
12 almost all the policies that we do are kind
13 of a hybrid. So we are taking ideas from
14 multiple sources. But there are -- for
15 example, one of the things that we will be
16 working on is an employee appraisal system
17 and how we are going to be actually
18 reviewing, evaluating, motivating MGC
19 employees. And so for that, we are looking
20 at a number of different models in terms of
21 how that works.

22 The state has its own approach, but
23 we will be borrowing from private sector
24 examples in terms of recommendations for

1 how reviews are done, how often they are
2 done, are there going to be multiple ones
3 per year and so forth, so we incorporate
4 those where it makes sense.

5 I think, you know, for the most
6 part, state agencies being large complex
7 organizations have a full suite of policies
8 available, so there is almost always
9 something to start with from that
10 standpoint.

11 COMMISSIONER STEBBINS: But we have
12 that flexibility, as any other state agency
13 or commission would, to kind of adapt
14 what's best for us as long as we don't
15 completely fly in the face of existing
16 state HR regulations.

17 MR. BURKE: Yes. One of the key
18 things we do not want to break precedent
19 for -- we keep coming back to maternity
20 leave, but that's just continue to use that
21 as an example. You want to use existing
22 precedents, you know, examples of where the
23 state has applied certain rules in certain
24 ways.

1 If the Commission decides to go at a
2 different way, we want to be very aware
3 that we're making that kind of decision.
4 For the most part, we want to stick within
5 the OR state guidelines to see how it
6 works. I think that the travel policy that
7 was discussed earlier is an example of
8 where Mass Gaming has kind of some unique
9 aspects to what they are doing as compared
10 to other state agencies.

11 One of the reasons we looked at Mass
12 Board of Resources Authority, for example,
13 is you have a lot of very specific skills
14 that you need to get experience in the
15 gaming industry, people who have experience
16 in a number of aspects of that that are not
17 going to be necessarily found in
18 Massachusetts.

19 So, you need to look at outside for
20 expertise into bringing in people like
21 that. Places like Mass Bay Transit
22 Authority, Mass Board of Resources
23 Authority all had similar situations. So
24 when you're looking at hiring sourcing,

1 relocation, those sorts of policies, those
2 tend to be good places to look for
3 precedence.

4 COMMISSIONER STEBBINS: Okay, great.
5 Thank you.

6 MR. DAY: Commissioners, I do want
7 to emphasize that the whole concept is that
8 and, Commissioner McHugh, I think you
9 identified it as we are kind of at the
10 beginning really. We have a policy -- list
11 of policies that we anticipate producing.
12 As we produce those policies, we bring
13 those to the Commission.

14 Once the Commission approves
15 policies, then we kind of put them in the
16 cube. But the idea is the policies really
17 don't do much good unless your staff are
18 trained, and so we train staff. We
19 wouldn't necessarily train staff on every
20 detail in each one of those policies.

21 We'd identify a little bit like we
22 did with the employee handbook revisions.
23 Those that affect the staff the most -- are
24 most likely to affect the most staff

1 trained in those and make sure we identify
2 how you can access them. That's one thing
3 I think the key now in the policy it used
4 to be go to the big policy manual and go
5 through the table of contents until you
6 found it. But now the ability to put this
7 kind of policy manual onto the internet for
8 staff's use, I think it would really be
9 helpful so we can make sure we train.

10 And then if staff has a question
11 regarding whatever it is, recognition,
12 grievances, whatever they might have, they
13 can actually go right to the electronic
14 version and read the policy as it applies.
15 And, I think, that will be a lot more
16 helpful than trying to continue. Of course
17 we have to update that policy.

18 So what we are hoping is that the
19 list of or the policy template on page 12
20 and the policies as listed by title on
21 pages 27 through 30 of the appendix that
22 the Commission would grant us an approval
23 of those so we can move forward and work on
24 development of each one of those policies.

1 COMMISSIONER ZUNIGA: I am familiar
2 with the appendix, but I don't know that
3 they were included in the packet.

4 CHAIRMAN CROSBY: It is.

5 COMMISSIONER ZUNIGA: Then I missed
6 it.

7 MR. DAY: They are under the
8 appendix, and they are numbered page 27
9 through 30.

10 COMMISSIONER ZUNIGA: Okay.

11 CHAIRMAN CROSBY: Got it.

12 COMMISSIONER MCHUGH: So you're
13 seeking approval for this list of policies
14 with a substance to be developed.

15 MR. DAY: Yes. And the policy
16 template that we will use for format for
17 each one of these policies.

18 COMMISSIONER MCHUGH: Yes.

19 CHAIRMAN CROSBY: All right. Are
20 you ready to go ahead in your second part
21 of the consulting report or do you want
22 that right now?

23 MR. DAY: I thought we could, if
24 that's all right, we could do it right now.

1 CHAIRMAN CROSBY: We don't need a
2 vote on that, do we?

3 MR. DAY: I think it would be
4 appropriate because we are going to start
5 quite a bit of work in it. It's an
6 official format of the Commission have all
7 the logos on it and all that good stuff.

8 CHAIRMAN CROSBY: Well, personally I
9 haven't had a chance to try to figure out
10 whether there is anything missing here but
11 I can't imagine.

12 COMMISSIONER MCHUGH: How could
13 there be?

14 MR. DAY: Hence that's what your
15 high performance team was doing.

16 COMMISSIONER CAMERON: Mr. Chair, a
17 lot of work has gone into this and a lot of
18 debate, and so I can assure you that this
19 is a comprehensive list that has been well
20 studied. So I would move that we accept
21 the new policies to be further developed by
22 the project -- project management team.

23 CHAIRMAN CROSBY: Second?

24 COMMISSIONER STEBBINS: Second.

1 MR. DAY: That includes the
2 template, Commissioner Cameron?

3 CHAIRMAN CROSBY: And the template
4 on page 12.

5 COMMISSIONER CAMERON: And the
6 template on page 12.

7 COMMISSIONER STEBBINS: I resecond
8 that.

9 CHAIRMAN CROSBY: Any further
10 discussion? All in favor?

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER MCHUGH: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 COMMISSIONER STEBBINS: Aye.

15 COMMISSIONER CAMERON: Opposed? The
16 ayes have it unanimously.

17 MR. DAY: Chairman Crosby, before we
18 go onto the next segment, I just wanted to
19 toss this process out because we've talked
20 about it in the high performance team but
21 it's a process approval. I'm assuming that
22 is what the Commission would prefer, but I
23 think I better at least rereview that to
24 make sure my assumption is not incorrect.

1 What the concept would be as we
2 brought the policies forward, and I might
3 just go back and make sure we reemphasize
4 that what is in that list are significant
5 portions are already in our handbook, so
6 it's a matter of reformatting and then
7 amending where it needs to be more
8 detailed.

9 There are -- then another
10 significant portion of those that we would
11 be recommending adopt the current state
12 policies, the State of Massachusetts policy
13 and then there are, I think, about 30
14 brand-new policies. So from what concept I
15 have been working with, we'd want to bring
16 those back to the Commission in some
17 fashion for your initial approval.

18 From there relative to revisions and
19 updates and those kinds of things with the
20 policy, I am assuming or suggesting that
21 you delegate immediate authority to do that
22 part of the process plus sign the policies.
23 Any substantive changes to the policies
24 would need to come back to the Commission.

1 And possible another thing to think of
2 would be the possibility of delegating to
3 me the ability to have the temporary policy
4 for 60 days or something to that effect.

5 But that's -- we don't need to make
6 any formal decision with that today but
7 it's kind of the direction that I am
8 suggesting you might want to go.

9 CHAIRMAN CROSBY: Sounds reasonable.

10 MR. DAY: Now I am done interrupting
11 and ready for the next.

12 MR. BURKE: I'm going to turn it
13 over to my partner Russ here, Russ Meekins,
14 who I think most of you know, to talk about
15 the performance management aspects and
16 strategy that we're about to start.

17 MR. MEEKINS: Chairman Crosby,
18 Commissioners, good morning.

19 COMMISSIONER MCHUGH: Morning.

20 CHAIRMAN CROSBY: Morning.

21 MR. MEEKINS: I know we're in the
22 interest of time I recognize some of this
23 detail here you have seen before at other
24 times and we wanted to have, you know, a

1 sort of complete coherent presentation that
2 you could have and take with you. But I am
3 going to be moving over it rather quickly
4 but please feel free to ask questions,
5 interrupt or whatever if you have anything
6 to ask or want more clarification on.

7 So our approach to performance
8 management, the three work streams that
9 come after the HR work stream, is based
10 upon the State of Massachusetts formal
11 performance management life cycle.

12 And you see on the next slide here
13 that the goal of it and the goal of any
14 performance management activity really is
15 to enhance efficiency, effectiveness and
16 equity to really improve upon or optimize
17 the amount of public transparency,
18 accountability and openness of the process
19 is provide summary information and
20 dashboards that management can make of --
21 can rapidly see what the situation is and
22 make very good data driven, evidence driven
23 decisions and detailed performance reports
24 that provide all sorts of information about

1 the Commission and the activities it
2 oversees, so that is where -- that's the
3 ultimate goal of where we're going to.

4 Now, our approach as we mentioned
5 previously, we would be considering all
6 that has gone past, all the frameworks, the
7 statutes, the regulatory environment,
8 everything that exists currently, all the
9 decisions that you've already made, which
10 is a significant amount, the data that
11 you're already collecting, the strategic
12 plans that you've already put together,
13 that's all input into where we would start.

14 And then we would -- driven from
15 that, we would work with you to basically
16 reconfirm or reconfirm those things that
17 are already done and to codify new things
18 so we had the mission, vision goals,
19 subgoals, actions from top to bottom of
20 what the Commission wants to accomplish and
21 is going to accomplish in all of its
22 activities.

23 In each case, we would then attach
24 measures and targets to each one of those.

1 And I'll talk in a minute about why that
2 particular approach has tremendous
3 management power.

4 Basically what we talked about here
5 is the goals, subgoals and actions in
6 attaching these measure and that really is
7 the fundamental to success. And the key if
8 you had to think about it in one aspect at
9 all is really outcome based goal.

10 So a lot of times if people have
11 existing goals, we have to reconfigure them
12 a little bit so that they are measurable.
13 They need to look -- we need to have goals
14 that talk about the results you're trying
15 to achieve, not just some good idea but
16 what are the exact results you are trying
17 to achieve.

18 In the next slide, we will be going
19 over this in great detail when we work
20 closely with you and getting all your input
21 in trying to use this. But it's important
22 to think about, you know, how do you
23 actually -- how do you develop a goal that
24 works effectively in a performance

1 management, results driven organization, a
2 high performance organization.

3 And really there's some examples
4 here not from the gaming commission but
5 from other places around the state that are
6 actual goals that people have put together
7 that conform to what our checklist what
8 makes it good, which is that it's outcome
9 oriented, it's measurable, it's specific.
10 It has a time horizon. And when you write
11 it, it's easy to understand and it has we
12 call a directional verb increase, decrease,
13 you know, maximize, different things like
14 that so you know what you're really trying
15 to accomplish.

16 Now, one of the things I'd like to
17 just mention while we're sitting here is
18 that I am sure you know that you're
19 collecting great amounts of data and you
20 have taken steps to increase the amount of
21 data and information that you're going to
22 be generating over the years.

23 And what we're talking about really
24 with performance management the difference

1 with just sort of the normal organization
2 has lots of data and really becomes lots of
3 data, something like the MWRA, they have
4 performance management and they really need
5 it. And you do too because you're going to
6 have so much data, much more than even any
7 sort of the normal state organization.

8 And so we -- what performance
9 management provides is a structure, a
10 relevant structure that can identify what
11 the key kinds of data is for your decision.
12 Now lots of other people, you know, in the
13 organization are going to need data for
14 different things and that's going to exist.
15 We're not going to change that or anything
16 like that.

17 But we will be able to identify for
18 the goals of the organization, for the
19 subgoals of the organization, for the
20 actions that support that, what is the data
21 that you need, what's the evidence that you
22 need to make your decisions. And you'll
23 see that when you have that in a certain
24 format in that structure that we provide,

1 it will provide you information you
2 otherwise wouldn't get. And it will
3 provide you the ability to see problems and
4 to fix problems that you wouldn't otherwise
5 know until they blow up. And this is why
6 performance management is so effective.

7 So continuing on, we use this
8 structure to try to show that there's a
9 logical hierarchy, and really the power
10 performance management comes from the
11 connection between the superordinate goals
12 that we may have five or ten of those, the
13 subgoals. In each case, each goal may have
14 five or ten or even more sometimes. If
15 your goal is economic development, you can
16 have a lot of subgoals, for example.

17 And then all the things you have to
18 do to accomplish that, all the projects,
19 all the activities, everything under that.
20 And they are all linked together in a
21 logical hierarchy. So you say this is my
22 goal. What are all the things I have to do
23 to achieve that, okay, of those subgoals.
24 Just take each one. What are all the

1 things I have to do to achieve that? And
2 that becomes this logical hierarchy.

3 So once we have that hierarchy, then
4 you put measures at each level. So what
5 you need to find a way to measure whether
6 or not you're achieving your goal. And
7 it's actually a difficult question. I
8 mean, there will be a lot of debate, I
9 think, in terms of, like, what's the exact
10 way to measure?

11 Sometimes you have a goal, and there
12 is some things that is beyond your control.
13 So should that be the measure or should the
14 measure be something that you more closely
15 control but isn't exactly that? Sometimes
16 you have a great idea for a measure, but
17 there's no data available. Can you
18 generate that data?

19 For example, we are not collecting,
20 you know, information about crime
21 statistics related to casino development or
22 casino activities. In the future, you
23 might want to do that. And Commissioner
24 Cameron has talked about that. That would

1 be something that you might want to do.
2 But sometimes you have a good idea for a
3 measure but you can't -- there's no data
4 available. So when that's the case,
5 sometimes you have to go to approximate
6 measures.

7 So there's a lot of discussion that
8 you'll have to make decisions about what
9 are the measures to really show whether
10 you're achieving your goal, what are the
11 measures you are going to use to show that
12 you're achieving your subgoals and what are
13 the actions.

14 And then of course there's the next
15 level would be targets. We don't just want
16 to create jobs. We want to create a
17 certain number of jobs or a certain
18 increase in the number of jobs, et cetera.

19 So to provide an example, again,
20 this has to be illustrative because -- our
21 process would be that we would be working
22 with you to identify all these things but
23 just to give you sort of an idea of what it
24 might be like. Looking at the statute

1 there, these key principles are there. So
2 let's assume that these are really
3 something like goals and you chose one of
4 your goals would be maximum long-term value
5 of the Commonwealth.

6 Now, the thing we would be doing
7 with you we'd try to rephrase that in a way
8 that was more specific to what we're
9 talking about. Let's just use that for
10 now. Turning to the next slide. We then
11 put that into our format here. So you say,
12 okay, for maximizing value with
13 Commonwealth, what are the goals underneath
14 that? And there are many. There could be
15 again 10, 15, 20 things that you have to do
16 to do that. We'd have to think through all
17 of that.

18 Now I should have said, and I
19 didn't, in this logical hierarchy it has to
20 be comprehensive. If you miss one thing,
21 then it's going to weaken the power of
22 performance management, because you don't
23 have it on your list. So you could be
24 accomplishing everything else and not the

1 one thing that's missing.

2 So one of our approaches is to make
3 sure that we cover everything. We call
4 it -- we call it mutually comprehensively
5 exhausted it. You don't forget anything,
6 and you don't double count anything.

7 So, but looking at this level of
8 subgoals, let's just say one of them that
9 you might come up with would be to create
10 new jobs. Well, if you are going to do
11 that, then there will be a whole list of
12 potential actions that you would look at
13 underneath that. For example, it might be
14 your establishment of the Casino Careers
15 Institute collaborating with workers in
16 development boards and many, many other
17 things that we might come up with would be
18 the maximizing to do that. We look at
19 measures.

20 So, okay, well, at the top level
21 then the measuring of the maximizing value
22 Commonwealth, maybe you'd think that the
23 tax revenues would be a way to look at that
24 or the percent increase in local aid,

1 stimulation in small business development
2 or some net value kind of impacts because,
3 you know, it really is the net in value
4 not -- you'd have to subtract the costs
5 that -- people have to increase cost so
6 you'd have to have at least subtract it
7 from the total.

8 So that would be a really robust
9 discussion because there's lots of ways you
10 could measure, and it's important just to
11 pick the ones that really make a
12 difference.

13 MR. BURKE: And I think just on
14 that, we are kind of putting some
15 categories in there. So, for example, tax
16 revenue is kind of the top line which comes
17 into the casino. The next one is the
18 statute envisions a number of uses for the
19 revenue that's coming in, for education,
20 for transportation, for local aid, so you
21 would have some reporting on that, you
22 know, on actually the impact that casino
23 activity is having on those outcomes really
24 that you're driving towards.

1 The stimulation of small business
2 development is looking at kind of a broader
3 picture. What are the consequential
4 impacts of having casino in any given area
5 in terms of surrounding businesses,
6 restaurants, hotels, you know, economic
7 activity and so forth.

8 So, as you can see, it would get
9 pretty large when you start looking at all
10 of it, particularly with this sort of goal.

11 MR. MEEKINS: So, anyway, I think
12 you get the picture here. You can see
13 those. These are just illustrative. So
14 the next slide shows a really important
15 point here, which is what we try to do what
16 we call a cascade, you know. It's very
17 difficult to do. But those of you that
18 have been in organizations where you have
19 accomplished it, it's very powerful, which
20 is to start from the top and have these
21 goals and all the hierarchy there. And
22 then to drive that down through each
23 successive level of the organization down
24 to the program level and then into the

1 individual personnel level so that the
2 personnel evaluation systems reflect, you
3 know, some of those goals.

4 And Ed worked on this, and it was a
5 tremendous success at the state level. We
6 had 100 percent compliance that every
7 person at the management level in the State
8 of Massachusetts has at least one of the
9 organization goals as their -- within their
10 personal evaluation matrix.

11 So, that's the kind of thing that
12 when you align the goals from the top to
13 the bottom, everybody is moving in the same
14 direction. And then when you measure it,
15 you can find out where the problems are and
16 go right to that level and say, okay, you
17 know, this particular unit or this
18 particular program is not moving in the
19 right direction and what should we do about
20 it.

21 The next slide is a graphic
22 depiction of what we would call a root
23 cause analysis. And, again, one of the
24 powerful things from a management

1 perspective that you get with this logical
2 hierarchy is that let's say that you have a
3 goal and you're looking at it and you're
4 measuring it and your measurement says
5 you're not achieving it. So you then look
6 at the subgoals. Because supposedly if you
7 achieve all the subgoals, you're going to
8 achieve this goal. That's the logic.

9 So then you find this example here,
10 one of the subgoals is not being achieved.
11 So then you look underneath that and if you
12 look at all the things that you were
13 supposed to do to achieve that subgoal and
14 in this example one of those is not being
15 achieved. The ones that are not being
16 achieved are the ones highlighted in red.

17 So the beautiful part about this is
18 that you can drill down in a route cause
19 analysis and find out what the problem is
20 in a way that you would never see before,
21 because you wouldn't have been measuring
22 it. You can then address that action,
23 which will then achieve that subgoal, which
24 will then achieve your superordinate goal.

1 And that's the way that you have continuous
2 improvement over time.

3 As a practical matter the way this
4 is presented, as shown in the next slide
5 here, where you have multiple ways of doing
6 this but this is an example of an actual
7 dashboard that we created. And you see you
8 have a goal here on the side and these
9 icons here, the circle, square and triangle
10 are showing green for achieving it,
11 achieving the target, yellow for close to
12 target and red for not achieving the
13 target.

14 So as top level management, you can
15 look at that dashboard and instantly say,
16 well, tell me about the statewide average
17 branch wait times. There seems to be a
18 problem there, and you can drill down into
19 that and try to find out what it is. It's
20 not that you'd ignored the other ones but
21 you'd feel satisfied that while you're
22 achieving these things, this is our targets
23 and we're doing it. It looks pretty good,
24 and you don't have to waste too much time

1 on that.

2 And this would all be presented and
3 the next slide shows our graphic for this
4 is that we presented it in meetings before
5 you or even meetings of personnel staff or
6 staff underneath depending on what level
7 you're dealing with. But it would come to
8 you in these dashboards and these
9 performance reports on some sort of
10 frequency basis. It might be quarterly
11 say, for example.

12 The Department of Transportation is
13 really very effective on its quarterly,
14 public, accountability meeting where they
15 go through every one of their goals and see
16 how they are doing and they show it and
17 they address them and take action. And so
18 the question is, you know, how's everything
19 going? What's the problem? What actions
20 have you taken to remedy? That's done in
21 an open session, and then you track it.

22 The next session you get the
23 information about, well, we had these four
24 tasks, four actions that we wanted to take

1 in order to remedy a problem. Give us an
2 update on that. And that is how you would
3 use it once you get it installed. Sorry
4 for going through so quickly but that's a
5 quick overview.

6 COMMISSIONER ZUNIGA: Okay. I had a
7 question on slide number 23. You alluded
8 to some of this perhaps earlier, even prior
9 to this slide. But is it possible that you
10 go down from the goal to the subgoal after
11 you've been measuring the actions and the
12 goals and the subgoals and then realize
13 that one of those actions actually does not
14 necessarily translate into the subgoals.

15 MR. MEEKINS: Yes, it happens all
16 the time.

17 COMMISSIONER ZUNIGA: Right. Help
18 me understand how there is that loop. You
19 know, you made an assumption initially that
20 that was going to be the case.

21 MR. MEEKINS: Yes.

22 COMMISSIONER ZUNIGA: But it doesn't
23 through no fault of anybody taking the
24 particular action.

1 MR. MEEKINS: Right. And that's
2 really a great question because I should
3 have mentioned that, you know, the whole
4 theory behind this is, this is an ongoing
5 activity. It's a management activity.
6 It's a way of managing. That is sort of a
7 common sense idea that you're trying to
8 accomplish things and you should check and
9 see how you're doing.

10 But as part of that, it's continuous
11 improvement. So you can find lots of
12 things. For example, you can find out that
13 you had -- you thought there were five
14 subgoals, but you missed one. You can find
15 that out, and that has happened. The best
16 example of that is that since 1993 you
17 pretty much had it in transportation figure
18 it out what you do to reduce accidents.

19 But along came texting while driving
20 and all their goals -- they have these 23
21 areas that you're supposed to do and then
22 you will reduce and they hadn't done it
23 since '93. It had been going down, down,
24 down and all of a sudden there's this

1 spike, so that told them something. And,
2 obviously, it wasn't too long they figured
3 out it was in that area.

4 MR. BURKE: So in that area, the
5 actions would be things like drunk-driving
6 enforcement, speed law enforcement, using
7 seatbelts, et cetera. They had a whole
8 program of if the state takes these
9 actions, you are going to reduce highway
10 fatalities. And they started to see this
11 spike and then this sort of analysis is
12 what gets them to we've got a new problem.

13 MR. MEEKINS: And that's why you see
14 all this activity in terms of distracted
15 driver because that's really the new driver
16 in that area, so you may find that. You
17 also may find out that you had it wrong.

18 Now, it's actually a lot harder than
19 this graphic looks to come up with this
20 hierarchy and to keep everything at its
21 right level. Because a lot of times,
22 people have like six things across but one
23 of them is really a subset of the other and
24 you need to put it in its right level. So

1 that's what we would help you with doing.

2 But you may find out that your
3 assumptions are wrong, which is a finding.
4 It's a really good finding. Because if you
5 thought it was this and it's not working,
6 then you have to say, "What did we do
7 wrong?" And that will allow you to maybe
8 come up with the idea that we're missing
9 something or what we thought was important
10 wasn't working or something like that.

11 COMMISSIONER CAMERON: The other
12 interesting piece here that we really
13 didn't -- I know this is a quick overview
14 is how this affects people, personnel.
15 When people understand what they are
16 supposed to be doing and how they fit into
17 the bigger plan, it's just much more
18 effective.

19 It's also very helpful in
20 organizations such as ours where there are
21 regional operations. So everyone is not
22 housed in the same place where they get the
23 same information but you're in an off site
24 and you're comparing one operation to

1 another and, you know, are they measuring
2 the same things? It really helps with how
3 many folks -- the efficiency of the
4 operation. How many people do you need to
5 perform at a high level? That helped
6 tremendously in policing.

7 We used to staff based on -- well,
8 we've always done it that way. We've
9 always had 35 troopers at that barracks.
10 But when you look at the workload and the
11 analysis, those staffing members should
12 change. It helped us tremendously with
13 overtime.

14 Because you could -- when there's a
15 problem that needs resources, you could
16 reassign personnel based on actual realtime
17 data. And your point about what data do we
18 look at is really important, because data
19 is overwhelming if you don't understand
20 what pieces are important. The dashboard
21 piece is critical, and I think that's an
22 added benefit. You solve problems, but
23 you're also you're much more efficient as
24 an organization.

1 MR. MEEKINS: Right. And that would
2 be the process we would be working with and
3 very closely to try to identify what are
4 the key pieces of data that need to be
5 looked at and keep in order. And then you
6 have a lot of things going on that we need
7 to connect to. You have social economic
8 baselines and data being generated. You
9 have a lot of information from the host
10 communities that's going to be generated.
11 A lot of information -- a lot of tremendous
12 overwhelming amount of data coming from the
13 casino system when they're generated.

14 You really can't -- it's a firehose.
15 You really can't make sense of it unless
16 you have some framework that says what's
17 important, what do I need to make
18 decisions, how am I going to move things
19 forward and achieve the targets that we
20 want in terms of benefiting the
21 Commonwealth.

22 CHAIRMAN CROSBY: What is the
23 timeline, Russ, when would we be at the end
24 of this?

1 MR. MEEKINS: There's an answer
2 right up above. I think it's the third
3 slide maybe, five.

4 MR. DAY: Chairman Crosby, you're
5 right. At this point, we're anticipating
6 starting -- our consultant team should
7 start moving us into the second phase
8 regarding goals and subgoals here as we
9 start in maybe around in September or any
10 time now actually.

11 And then the part after that would
12 be to expand a strategic plan and goals and
13 actions that are in that. That will go
14 through this fiscal year. At this point,
15 we don't anticipate getting into the formal
16 performance tools sections until fiscal
17 year 2016.

18 So, it's kind of the goals of
19 objectives start now and probably later in
20 the fall, November or somewhere in there
21 and then we start in a more detailed
22 development of what's the strategic plan,
23 which is part of the foundation we're
24 talking about. And then once we get

1 further on into that, and then the next
2 fiscal year we start bringing in the formal
3 tools. That's a quick description.

4 MR. MEEKINS: This sketch has been
5 generated mindful of the tremendous demands
6 on your time, but there are things that we
7 can start doing now in terms of background
8 information and generating to be prepared
9 for when your time becomes available for
10 working with you.

11 CHAIRMAN CROSBY: So this system
12 isn't fully up and running until December
13 of 2015, which is a year, almost a year and
14 a half from now. Is there any point -- and
15 this is not a rhetorical question, it's
16 really a question -- is there any point in
17 identifying X critical variables that we
18 really ought to be aware of now over the
19 course of the next 18 months or 20 months?

20 MR. MEEKINS: If I might,
21 Mr. Chairman, this goals and objectives,
22 the one that starts pretty soon, now, that
23 is its objective is to do that, is to
24 identify not just the goals -- the goal

1 hierarchy like I talked about but the data,
2 the key data that we need to be looking
3 for.

4 Now whether some of that data, you
5 know, collecting it -- knowing you need it
6 is one thing but being able to collect it
7 is another. So that we will at least be
8 able to identify it and then you can take
9 steps, and you can decide what to do about
10 it.

11 CHAIRMAN CROSBY: So by November
12 you're expecting to have a comprehensive
13 list of organizational goals?

14 MR. MEEKINS: Yes. And then we will
15 identify at least the key data that goes
16 with that, so that you wouldn't -- and it
17 will be, you know, we will be doing this
18 together, but it will be something that
19 we'll take you through the process so that
20 you'd be sure that you're not missing
21 something that you should be collecting.

22 CHAIRMAN CROSBY: Right. So come
23 November or December we could look at those
24 comprehensive goals and see whether there

1 is anything -- I mean, for example, just
2 comes to mind, you know, how quickly are we
3 granting licenses, what's the time frame,
4 background checks, you know, how long does
5 it take us to on board new personnel?

6 You know, those are the kinds of
7 things, all three of them are issues and we
8 know we've wrestled with and maybe we would
9 want to have some simple hierarchy of
10 dashboard in effect or data points even as
11 soon as the end of this year that we would
12 --

13 MR. MEEKINS: What you would have
14 would be the goal to do it and then the
15 target. So the timeline would be a certain
16 amount of time for a background check that
17 would be a target, and then the data would
18 then show you how well you're doing in
19 achieving that target.

20 CHAIRMAN CROSBY: It's too
21 conflicting. One is you don't want to muck
22 up the process and just sort of do it
23 partway but you also don't want the perfect
24 to be the enemy of the good. If there are

1 important things that we really ought to
2 have our fingers on now -- it's certainly
3 worth thinking about that sometime in the
4 next very few months, you know, for --

5 MR. MEEKINS: Absolutely.

6 MR. BURKE: And part of the process
7 would also to look at some key decisions
8 that you've already made some of the
9 processes that you've already been through.
10 We talked briefly at the high performance
11 team last week about this.

12 For example, the site selection and
13 the work that has been done in Springfield,
14 if you look at it from an economic
15 development standpoint, there were many
16 decisions that were made that are very
17 consistent with, for example, the examples
18 we were using about providing -- creating
19 values of the Commonwealth.

20 So we would look at what is
21 important, about how that was done, what
22 are you anticipating being some of the
23 benefits from that, how would you measure
24 it as it starts to roll forward into

1 operation.

2 MR. MEEKINS: One of the things that
3 I didn't mention but just to maybe remind
4 you that we talked about previously is that
5 it isn't just really enough to generate
6 data. The data has to be in a form format
7 and quality that can be useful.

8 So we've talked about before that
9 data in context becomes information -- data
10 by itself is maybe not useful at all. It
11 just overwhelms you. You don't know what
12 to do with it. Some data is, but a lot of
13 it isn't. Data in context becomes
14 information. Information with analysis
15 becomes actionable intelligence that you
16 can take action on, and that's what we're
17 talking about.

18 So there is a step in our process
19 that will be after you collect the data,
20 you transform it into the form that you
21 need and then you analyze it so that it
22 makes sense.

23 And, again, to use a transportation
24 example, which we do because it's something

1 that everybody has experience with, you
2 might be collecting mortality data and
3 there was a bus crash, which was a serious,
4 you know, an outlier in a sense, a horrible
5 tragedy and 30 people died.

6 Well, you have to have the analysis
7 say, well, overall we're still, you know,
8 on a multivariable progression analysis.
9 We're still on track. There's this one
10 outlier or there was a gap in the data.
11 Different problems have to be understood so
12 that you are not getting data that misleads
13 you in a decision that's not correct. So
14 we have -- that's a major component of
15 this, that you have to set up that ability
16 to analyze that data.

17 COMMISSIONER STEBBINS: I assume or
18 I am also hoping that this huge fountain of
19 data that's coming in for our performance
20 management opportunities we can also look
21 to what are those ways that we can take
22 that data and tie them into our annual
23 research agenda, ongoing research.

24 MR. MEEKINS: Well, it's imperative.

1 Absolutely, Commissioner. In fact, that
2 would be -- you know, those things have to
3 be integrated.

4 COMMISSIONER STEBBINS: Yes.

5 CHAIRMAN CROSBY: All right. This
6 is great.

7 COMMISSIONER MCHUGH: It's really a
8 great explanation to what we're up to.

9 CHAIRMAN CROSBY: Very exciting, if
10 we actually get there. Thank you.

11 MR. BURKE: Thank you for your time.

12 CHAIRMAN CROSBY: Thank you all.

13 MR. DAY: Mr. Chairman, I'd like to
14 take us to the next topic and move ahead
15 while our staff team is moving into place.

16 CHAIRMAN CROSBY: Yes, I think --

17 MR. DAY: Unless you want to take a
18 break.

19 CHAIRMAN CROSBY: The CMS system,
20 yes, if we can possibly get that done. I
21 think we have to stop at 12:15, because
22 that will give us 45 minutes for lunch
23 because we do have to reconvene at one, so
24 let's see if we can get CMS. If we can't

1 finish it, we will just pick it up again
2 after lunch.

3 MR. DAY: Let me take just a couple
4 of quick minutes here then. Our next topic
5 is the Central Management System. It's
6 under tab D. Our staff team working on
7 this project has put in a lot of miles and
8 work to get to this point in the
9 examination of this regulatory tool.

10 I would like to take a few minutes
11 to introduce our team. John Glennon, our
12 CIO and experienced leader in technology in
13 Massachusetts; Derek Lennon our CFAO,
14 likewise, experienced leader in state
15 government finance administration;
16 Catherine Barge, our licensing assistant
17 director; Bruce Bann, our gaming agent
18 assistant director. Those two have close
19 to, I'm probably underestimating, about 50
20 years of experience with gaming regulation,
21 including working with different approaches
22 to slot financial and monitoring system.

23 And I wanted to start off, it's been
24 a big task just as far as this went and say

1 thanks to all of you and I know you put in
2 a lot of miles and a lot of time. As we
3 move forward, I would like -- as you listen
4 to staff's presentation, I think you will
5 see that this group from different
6 perspectives has concluded that CMS can be
7 an effective regulatory tool. At the same
8 time, all of us have noted and respective
9 concerns expressed by our licensee and
10 applicants.

11 We also need to acknowledge some
12 uncertainty in the coming months. With
13 these various factors in mind and as you
14 listen to the presentation, we suggest the
15 Commission consider authorizing staff to
16 prepare and issue an RFR or CMS -- too many
17 abbreviations. You can tell it's a
18 bureaucrat organization too -- Central
19 Management System while retaining for the
20 Commission the decision to select the bid
21 and approve CMS or not for Massachusetts in
22 mid-November.

23 This approach requires only
24 incremental costs. It does not require a

1 commitment until the late fall and provides
2 critical information to inform the
3 Commission's final decision and would still
4 allow us to be ready to go forward in the
5 event that was the Commission's decision
6 and time to implement for Penn's planned
7 opening. So with that quick introduction,
8 I will turn it over to the team.

9 MR. LENNON: Thank you, Rick. Thank
10 you, Commissioners. Good to see you again.
11 We will try to get through this quickly.
12 What I plan to do is I want to thank the
13 team, Bruce, John and Cathy.

14 One of the first things that we were
15 asked to do, John and I, when it came up
16 was to look at Central Management System
17 and quickly we grabbed Cathy because of her
18 years of gaming experience. And with Bruce
19 coming on board, it's been nothing but a
20 great addition to look at this process.

21 So, I will give you a quick
22 walk-through of the history and then
23 hopefully we'll spend most of our time on
24 the comparison chart that does a side by

1 side by side review of the three models we
2 were asked to look at.

3 So, the initial thought was that a
4 Central Management System would verify
5 daily taxes and gross gaming revenue. We
6 did some industry research. And when I say
7 we, John Glennon took a look and found very
8 quickly that there are three main vendors
9 in this avenue. It's Interlot, Scientific
10 Games and G-Tech.

11 So, our next step was to look at
12 some regulators who are using these
13 systems. That took us to call with
14 Pennsylvania, Delaware, Rhode Island and
15 the Ohio Lottery Commission. The Ohio
16 Lottery Commission is different from the
17 Casino Control Commission. They only look
18 at -- the Lottery Commission only oversees
19 racinos where the casino control does both
20 slots and table games. Racinos are only
21 like our slots parlor. They are only
22 allowed to have electronic gaming devices.

23 We then set up on-site meetings with
24 those regulators, took a look with their

1 representatives there from Interlot,
2 Scientific Games and G-Tech, took a look at
3 the systems, what they're using them for
4 and it became very apparent quickly that
5 these systems weren't used mainly for the
6 verification of daily taxes but actually
7 for the whole gaming environment and
8 regulatory environment.

9 So, a lot of the asset verification,
10 work with the gaming labs to verify that
11 the software in the machines is correct,
12 moving of devices on the game floor, some
13 efficiencies of not using as many gaming
14 agents to make sure that games are being
15 moved and the correct chips are in were
16 given to us.

17 So, at that point, we thought this
18 is a great tool and we proposed it in the
19 FY 15 budget for 1.7 million, at which
20 point we got a lot of public comments from
21 our licensee and also from some of the
22 applicants saying, let's take a look at
23 this. There are a lot of jurisdictions
24 that are using non-central management

1 systems, so a traditional method. Let's
2 see if this is the right way to go.

3 So, at that time period, Penn
4 offered to set us up with a visit out to
5 the Ohio Casino Control Commission, as well
6 their Columbus facility, to see how they
7 operate in a non-central management
8 environment. That trip was very
9 informative. It gave us a view that
10 something we hadn't really considered at
11 this point. The whole time we were
12 thinking we would go Central Management
13 System.

14 And we were also asked by the
15 Commission to take a look at the kind of in
16 between model where we'd create our own
17 data warehouse, take all the information
18 from the operator's house system, put it
19 into a database and do our own analysis
20 like a Central Monitoring System would do.

21 We were unable to find jurisdictions
22 that were operating under that model, but
23 we kind of put together what we need to do
24 that. I'm not saying it can't be done.

1 We're just saying we didn't see any
2 jurisdictions doing that. So, that's the
3 background of where we got to.

4 I want to say that all of the
5 venders, all of the regulators, all of our
6 licensees, as well as the applicants, have
7 been very informative. This presentation
8 while we were all at one point thinking
9 that there is only one way to do this, I
10 think you will see once we turn to the
11 spreadsheet in all three environments, this
12 can be done. It's just worthy of
13 advantages and disadvantages of each. So
14 if we could just move over to that
15 spreadsheet.

16 What we took a look at was the cost,
17 not just the initial cost but the ongoing
18 cost. And these cost figures will be
19 assuming four facilities are up and
20 running, three full resort casinos and one
21 slots parlor. Can the different ways
22 verify daily taxes? What's the method for
23 verifying them? Can they verify the
24 assets, the software in the machines?

1 What's the method for it? Can we verify
2 game play and payouts, which is a major
3 concern for most of the public? Is it a
4 fair environment? What's the method for
5 that? And then can we as regulators and
6 can our operators verify tampering with
7 machines and get that information to us?
8 And then we took a look at the advantages
9 and disadvantages.

10 So, first and probably one of the
11 major complaints we've heard is the Central
12 Monitoring System is much more expensive.
13 The research we have done says that's
14 correct. It is more expensive. Under a
15 non-central management system, we'd be more
16 staff intent. We'd have approximately two
17 auditors on site at each facility from nine
18 to five to verify the daily taxes. And
19 that would be an eight hour shift to work
20 with the casino back and forth if they had
21 any problems with the game, if they saw a
22 cash count that differed from -- differed
23 from a meter reading, we'd go back and
24 review all the different documentation,

1 which when we went out to Penn, one thing
2 that we can tell you the accounting
3 sections there generate a lot of paper.
4 They generate a lot of backup
5 documentation. They generate a lot of
6 controls to make sure that they are
7 checking their cash counts and their meter
8 readings.

9 We'd also need some additional IT
10 staff to understand the slots machines,
11 understand the prompts, understand the
12 readings that the house systems would be
13 displaying to us. There would be probably
14 some startup costs to buy database to track
15 the assets, track the software signatures
16 that our gaming lab would approve and then
17 above a quarter of a million of ongoing
18 costs to make sure that we can update that
19 database each year.

20 Under the Central Monitoring, all
21 the costs would be built into the contract.
22 It would be about a 350,000 dollar cost per
23 facility per startup and that's just
24 wiring, connecting to the Central

1 Monitoring System, getting service in
2 place. And then under the data warehouse
3 or data aggregation model, we would have
4 the same staffing costs that we'd have on
5 the central monitoring, but then we'd also
6 have a component of generating a data
7 warehouse.

8 So we would be buying a software
9 application that wouldn't only be tracking
10 the assets and the software signatures but
11 it'd also be pulling in the meter readings,
12 pulling in the prompts, a daily dump from
13 the casinos of everything that is happening
14 in their house systems.

15 The total cost ongoing for
16 non-central monitoring is about 1.25,
17 central monitoring -- and, once again, this
18 is rough estimates. No one really wanted
19 to share exact data. We would be looking
20 at about 3 million and under the data
21 aggregation model 1.7 million.

22 Now, I can tell you that under --
23 there are 13 jurisdictions operating
24 without a Central Management System. There

1 are 16 jurisdictions operating with some
2 component. And when I say some component,
3 if you look at Pennsylvania, they are not
4 using the asset verification process. They
5 are not using the software signatures.
6 They are just verifying the daily taxes
7 with their system. So some people are
8 using it a little more than others.

9 We could not find any that would go
10 with the data aggregate -- that are going
11 with a house built data aggregation model.
12 I'm not saying it can't be done. I'm not
13 saying that it wouldn't give you a lot more
14 information than the no Central Monitoring
15 System. We just didn't find any.

16 As I said before, verify daily taxes
17 can be done in each system. That's a
18 verification can be done in each system.
19 The difference is in a Central Monitoring
20 System you get realtime 100 percent
21 verification all the time. Under a
22 non-central monitoring system, what you
23 would be doing is -- and we've seen this
24 both in Pennsylvania and in Ohio. It's a

1 pretty standard format.

2 You get a weekly download from the
3 operator from their system and then a
4 separate Excel spreadsheet attached that
5 has components of them tracking the slots
6 management system of all the components
7 working in the database where they are
8 located on the floor, and then the gaming
9 agents would go around with either gaming
10 authentication terminals or I forget --
11 Bruce, what's the other one that you use?

12 SPEAKER: The Combatron.

13 MR. LENNON: Combatron terminal.
14 You plug into the machine, make sure that
15 the software is actually matching up. You
16 can -- you don't get 100 percent. You
17 maybe get 50 percent verification
18 throughout the year. What's the -- I know
19 the question is: What's the danger there?

20 Well, GLI and BMM, the gaming labs
21 will come out with revocations of software,
22 so knowing exactly where the software is on
23 the floor, when to change it out and some
24 of the revocations that we've experienced

1 are that's just a glitch and one of the
2 visual things that comes across. Another
3 one is the pay tables are wrong.

4 So you want to make sure that if I
5 think we got -- I don't want to push one of
6 the -- one of the venders under the bus,
7 the providers of games but I think one of
8 the games has a -- one of the game
9 providers has a software glitch that's
10 being revoked and it's going -- I know in
11 Ohio it's going to affect 800 different
12 machines. They need to be changed out
13 within 30 days.

14 So knowing where that piece of
15 software is right away and if it's
16 operating past the revocation period, the
17 system would shut it down is a benefit. Am
18 I saying you can't do that in the other
19 systems? Absolutely not. You're getting a
20 data weekly updated spreadsheet. It's just
21 how updated it is that there's a lot of
22 manual process involved and that's where
23 the weaknesses are or the strengths.

24 Game plan payouts, when we went to

1 Penn, they gave access to the Ohio Casino
2 Control Commission for all the game plan
3 payouts. If you wanted to go back and
4 check on something, you just ask their
5 team, they provide it to you.

6 In the Central Management System,
7 you have your own. You hit a button and it
8 pops up in about 30 seconds and gives the
9 whole history of the game. In the data
10 aggregation, it would be the same as what I
11 just explained under the Central Management
12 System. It'd just be a day behind. We'd
13 get a data snapshot from them a day behind,
14 pull it down.

15 So, I mean, in a very, very honest
16 process, you can do this any way. Do you
17 want to be manually driven? Do you want to
18 be on the technology side or do you want to
19 kind of pioneer and go down a whole new
20 path and see how it works out knowing that
21 you still would have all of the data and
22 the same processes that you would be going
23 on a manual system.

24 I think that under a Central

1 Monitoring System we have a -- we've got a
2 lot of advantages. The disadvantages, the
3 main one that everyone points out, and I
4 don't know how to get around it other than
5 to do what Rick has asked, go down the RFR
6 path and see what the real costs and
7 benefits would be without committing to
8 procuring or awarding a contract.

9 The main attraction is the cost.
10 It's more expensive, but you are getting
11 100 percent verification. You are getting
12 realtime monitoring of each device. You're
13 getting -- now, one other thing that we
14 have heard is that if the Central
15 Monitoring System goes down, then the whole
16 floor could go down. We didn't hear of any
17 examples of that except in Maine.

18 They have one facility that shuts
19 down at one a.m., and there was a time
20 period where they were supposed to be
21 extended until two a.m. The Central
22 Monitoring System did not extend the time
23 period so the whole floor went down an hour
24 early.

1 From what we understand, there was a
2 settlement where Scientific Games paid out
3 to both the operator and the regulator what
4 that anticipated loss and revenue would be.
5 Now that doesn't mean that the patrons
6 playing weren't impacted by it, but they
7 didn't make the state whole.

8 In every other instance, most
9 casinos are open all day, so you don't have
10 that happening. And you can go actually
11 set the system where they cannot
12 communicate for we have heard anything from
13 two days up to a week so that if it's not
14 talking, it doesn't shut down the whole
15 gaming floor.

16 So there -- we have done a lot of
17 research. We've done a lot of traveling on
18 this. I think that objectively it's you
19 can operate in any model. What our
20 preference would be is obviously it would
21 be technology, but we are not putting the
22 tag on it. We are not putting the price on
23 it. It's back on the operators, and we
24 can't give you a real good estimate, a true

1 hard estimate. This is our best guess.

2 MR. DAY: It might be helpful for --
3 Bruce kind of worked under both of them.
4 It might be able to share a couple of
5 things he witnessed might be helpful.

6 SPEAKER: One of the things that
7 ASCS is the system that most of the casinos
8 use. I've always found it a difficult
9 system to use. It's very cumbersome.
10 There's a long learning curve on teaching
11 your staff how to utilize it. I think that
12 the computer software is a little outdated
13 into what it is for east for use and doing
14 investigations.

15 I was impressed, even though I
16 hadn't actually worked with the CMS system,
17 when we did go to the one jurisdiction, I
18 had an opportunity to fool around with it a
19 little bit, how easy that was to use and
20 how quickly you can pull up the information
21 that you wanted.

22 CHAIRMAN CROSBY: Comments? Yes.

23 COMMISSIONER CAMERON: So I had the
24 opportunity to speak to you to learn more

1 about it. I certainly am convinced that
2 it's a -- there are more advantages. So
3 for us the decision is, is it worth the
4 additional cost? You know, I can tell you
5 the equipment that would have been very
6 helpful and public safety, you know, it
7 wasn't worth -- the expense was too high.
8 Sometimes you waited for those costs to
9 come down before you were able to get on
10 board.

11 So, I guess, for me it really is --
12 I hear you. I clearly understand that
13 there are advantages, and it's a high-tech
14 way to operate. But, I think, the unknown
15 is the cost and getting real costs would be
16 helpful and help us make that decision.

17 And, secondly, I'm not sure I
18 understand and I focused on all of the
19 advantages, disadvantages in speaking to
20 all of you. I am looking now at -- I am
21 just not sure I understand the cost. So is
22 this 8 auditors and this 4 IT staff is that
23 they work 8 hours a day or is that per
24 shift? I'm just trying to compare that to

1 I'm looking at 10 persons.

2 MR. LENNON: It would be 8 hours a
3 day.

4 COMMISSIONER CAMERON: 8 hours a
5 days. So it's 10 people versus 12 people.

6 MR. LENNON: Yes. And the 10 people
7 are 3 people in the network operations
8 center 7 by 24, so that is how you get to
9 the 10.2.

10 COMMISSIONER CAMERON: So, I guess,
11 it would be a cost of what the system
12 actually -- a real estimate of what it will
13 cost as well as this breakdown
14 side-by-side, so, you know, we will know
15 exactly what the staffing issues are and
16 any other costs involved would be very
17 helpful.

18 MR. LENNON: And just one other
19 piece that I forgot to put down or forgot
20 to speak to. It's notes that I have here.
21 We are looking at bringing in about --
22 well, monitoring 1.2 to 1.4 billion of
23 gross gaming revenue when these are fully
24 up and running. And that will generate

1 anywhere from 300 to 350 million for the
2 state in tax revenue. Now, if you assume
3 that 85 percent of that revenue, which is a
4 pretty believable number based on where
5 we've gone will come from slot machines,
6 you're talking about 3 million-dollars or
7 you are talking about 297.5 million-dollars
8 in tax money coming from slot operations.
9 3 million-dollars is about one percent of
10 that.

11 You're talking about 5.7
12 million-dollars per week coming in.
13 3 million-dollars is less than one week's
14 worth of tax revenue that we would be
15 verifying. And out of the 1.2 billion, 85
16 percent of that is about 1 billion. So
17 you'd be getting 100 percent verification
18 of one billion-dollars worth of gross
19 gaming revenue win and that's about
20 3 million-dollars about .3 percent of that.

21 So if you are talking about putting
22 it in real numbers and real -- I know
23 3 million-dollars is a high number. But
24 when you are looking at the volume that

1 this asset actually tracks versus an
2 auditing of 10 percent of that, it's
3 relatively low, low money. And I
4 understand, once again, it's not our money.
5 It's the operator's money. But I am just
6 putting in perspective it's less than one
7 week of tax revenue what would be to verify
8 all 52 weeks.

9 COMMISSIONER MCHUGH: But that's 20
10 percent of our budget, 15 to 20 percent of
11 our budget. And it still don't get away
12 with Commissioner Cameron's point, which I
13 share.

14 First of all, let me say that this
15 kind of thorough research and presentation
16 of the data is terrific because it makes it
17 really easy for me at least to get to the
18 core of what the issues are. And so I
19 thank the team very much for this very
20 professional and thorough job.

21 But it raises for me the same
22 question that Commissioner Cameron raised
23 and that is, what is the yield for the
24 extra 1.8 million-dollars a year? One of

1 the commentators said that most of the time
2 technology saves personnel and cost. This
3 is an example of one of the few perhaps
4 where it doesn't.

5 CHAIRMAN CROSBY: No, it doesn't.
6 It goes the other way.

7 COMMISSIONER MCHUGH: It goes the
8 other way, right. And so I would -- I
9 would really like to see more information
10 about what the yield is. What is the cost
11 benefit? What do we get for that extra
12 1.8 million? I mentioned this the other
13 day.

14 And the other thing that was raised,
15 at least in some of the discussions that we
16 have had was, if we don't do it now, it's
17 going to be too expensive to do it later
18 because we have to rip everything up. But
19 we got from one of the applicants, the
20 licensee, an estimate that the wiring is
21 65,000 dollars.

22 MR. LENNON: Correct.

23 COMMISSIONER MCHUGH: And so it
24 seems to me one could -- and I am not

1 advocating this. I don't know yet. I
2 haven't made up my mind. But it seems to
3 me one could keep in the back of one's mind
4 we could always require the facility to be
5 built with the tubes and other things in
6 place that would allow connectivity later
7 on if that's the way we decided to go and
8 decided to start with something else in the
9 first place. That's a relatively minor
10 cost.

11 I don't advocate that. I don't
12 know. But it seems to me to put that
13 problem to one side and take it out of the
14 discussion.

15 So I would like to find out and have
16 more information about what we really get
17 for that 1.8 million. I know we get 100
18 percent as opposed -- basically we get 100
19 percent as opposed to a sample, and I just
20 have no way to at the moment. That's the
21 piece of data that is missing.

22 COMMISSIONER ZUNIGA: I share that.
23 And, actually, the numbers that you
24 outline, Derek, are very compelling but

1 they assume, they all assume they are fully
2 operational. And we do have a, you know,
3 this unique situation that appears we are
4 all gearing towards to try to be fully
5 operational but relying only on one
6 existing licensee and/or to future
7 licensees where the revenues are not here
8 yet. You know, they are in the future.

9 So I am very much -- plus Rick
10 mentioned something that, I think, is very
11 much perhaps in the back of the feedback
12 that we got from licensees and applicants
13 relative to, you know, some uncertainty
14 come November. And we are making these
15 decisions, you know, assuming like we have
16 been from the get-go that we are doing our
17 job and making and going forward. But I
18 cannot help whether at least some of that
19 feedback is being colored by the minds --
20 in the minds of our applicants of, you
21 know, there is this fear of uncertainty.

22 So I would be in favor of trying to
23 figure out what could be done in terms of
24 prep. This feedback that we got from Penn

1 was at my request. I'm glad that they did
2 some analysis. I think that's a very
3 marginal cost and at least from my
4 perspective postpone the decision with
5 however much information, I for one can
6 also obtain and understand, postpone this
7 decision until later.

8 COMMISSIONER MCHUGH: Well, but the
9 proposal is, as I understand it that we are
10 being asked to approve is to go forward
11 with the RFP process without committing to
12 a purchase at the end and consistent with
13 some of the other things that we have done.
14 That quite frankly to me makes sense. It's
15 a minor cost unless we trap ourselves. I
16 think we're clever enough to draft an RFP
17 that doesn't require us to purchase
18 something.

19 MR. LENNON: We'd make it very clear
20 in the RFR.

21 COMMISSIONER ZUNIGA: We do that in
22 our RFPs. But, I mean, I'm even more
23 cautious than that saying why don't we just
24 do the RFP a little later.

1 COMMISSIONER CAMERON: I think what
2 the RFP does for us though -- it's my
3 understanding that these are real estimates
4 as to costs so that having real cost
5 information would be helpful to our
6 decision.

7 SPEAKER: Actually, Commissioners,
8 the procurement process is going to take
9 some time to finish our requirements. Our
10 fully articulated requirements will allow
11 the vendors to come back to us with a truer
12 cost of what they're going to deliver for
13 us. It will allow us to evaluate and come
14 back to you with, I think, a more detailed
15 analysis, an apparent successful bidder.

16 And at that point, we can take the
17 decision to move forward or not. I don't
18 think that there is -- it's an investment
19 of staff time and energy. But in terms of
20 capital costs or any investment, I don't
21 think there's --

22 COMMISSIONER MCHUGH: Plus Penn
23 needs to know which way we are going to go
24 by December, right?

1 COMMISSIONER ZUNIGA: That was part
2 of my point. Not necessarily. I think not
3 necessarily. They probably need to know if
4 this is ever going to be a possibility as
5 soon as possible so that they can run an
6 extra wire for very marginal dollars.

7 SPEAKER: I believe they are going
8 to put the carrying, the cages, however
9 they are going to do the wiring, in place
10 but they are not actually going to string
11 the wire from the floor.

12 COMMISSIONER ZUNIGA: Which can be
13 easily done.

14 SPEAKER: So the prep work will be
15 done, right.

16 COMMISSIONER ZUNIGA: Can easily be
17 done later on.

18 CHAIRMAN CROSBY: We need to stop in
19 a couple of minutes. Go ahead if there is
20 something but we really need to stop in
21 about two minutes, I think.

22 COMMISSIONER ZUNIGA: I am
23 uncomfortable with proceeding even with the
24 RFP process at this time just presently. I

1 think there's plenty of time for us to do
2 this to figure out in the next few months,
3 you know, after when there is a little bit
4 more certainty about a future date.

5 I don't think that there is a need
6 to gear up for one operation that comes up
7 front; and, two, that lags significantly
8 from behind. Actually, and a third one
9 that could lag even more.

10 MR. LENNON: If we go that route,
11 and I just want to make it clear, if we go
12 that route and delay on the RFR, even
13 issuing it until after some predetermined
14 date, we will not have the capacity to get
15 a -- if we wanted to put a Central
16 Monitoring System in for the anticipated
17 June starting date.

18 So we will be going manual for some
19 process and then central monitoring
20 afterwards. So we need to hire additional
21 staff. And whether we keep that staff or
22 not or redeploy them somewhere is a
23 decision. So now we're in a staffing issue
24 and --

1 COMMISSIONER ZUNIGA: Right. But if
2 the Central Monitoring System is easy to
3 learn, as Bruce was just saying, maybe that
4 staff can learn it.

5 MR. LENNON: No. But what I'm
6 saying is you need auditors on site and
7 you'd need IT staff that can understand it
8 versus the other way you wouldn't need it.
9 So I just want to throw that out.

10 And as a last piece, I know we only
11 have a minute, the deputy director from
12 Ohio Casino Control Commission was in
13 Kansas where they did have a Central
14 Monitoring System and I know it's a good
15 discussion. He felt as good about their
16 numbers without a Central Monitoring System
17 as he felt in an environment with a Central
18 Monitoring System.

19 So everything you are saying is
20 correct. Either method can work. It's
21 what route do we want to go, and we need to
22 get more information to you to make a
23 better informed decision.

24 COMMISSIONER STEBBINS: How long

1 does the RFR process take?

2 MR. LENNON: We stopped writing the
3 specs. The technical specs is what's going
4 to take the most amount of time for John to
5 pull those together. That would probably
6 take another 30 days to pull together and
7 then we'd want to post it for a good 30, 40
8 days, give people plenty of time to pull
9 their responses together.

10 And then we'd probably want another
11 two to three weeks to review the responses
12 and then set up interviews. So you're
13 talking about a three month process, three
14 or four month process at the very least.
15 That's not hitting any hiccups.

16 CHAIRMAN CROSBY: I agree very much
17 with what Commissioner Cameron and
18 Commissioner McHugh said, and I think
19 everybody is saying about this is a cost
20 benefit thing. We're having the very same
21 discussion on the problem gambling. It's
22 how much of a benefit is worth -- how much
23 of an incremental benefit is worth how much
24 money, you know. I don't -- I share some

1 of Commissioner Zuniga's sensitivity about
2 cost and Wynn and so forth.

3 But I frankly don't see any benefit
4 to waiting and I don't see any downside to
5 going forward subject to just one
6 condition, which I did mention when we
7 talked privately and this is important,
8 that this is no kidding just collecting
9 data for a decision.

10 This is not the beginning of an
11 inexorable process that ends us up without
12 the option of doing whichever. This is to
13 collect more high quality data so that come
14 October, November we can make an
15 intelligent decision. And it really will
16 be a zero based decision subject to that
17 one caveat, which I think you will agree
18 with, then I certainly think we ought to
19 move forward. I think we need to take a
20 quick vote on this. Do we need a vote?

21 MR. LENNON: Yes.

22 CHAIRMAN CROSBY: Because we really
23 do have to stop. Does anybody -- somebody
24 want --

1 COMMISSIONER CAMERON: I move that
2 we go forward with an RFR for a central
3 Monitoring System with the understanding
4 that a final decision will not be made
5 until all of the new information has been
6 evaluated.

7 COMMISSIONER MCHUGH: Second.

8 COMMISSIONER STEBBINS: Second.

9 CHAIRMAN CROSBY: Any further last
10 minute break thoughts? All in favor?

11 COMMISSIONER MCHUGH: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 CHAIRMAN CROSBY: Opposed?

15 COMMISSIONER ZUNIGA: No.

16 CHAIRMAN CROSBY: The ayes have it
17 four to one with Commissioner Zuniga
18 objecting.

19 COMMISSIONER STEBBINS: Thank you
20 very much.

21 CHAIRMAN CROSBY: Thank you. We
22 will adjourn for about 40 minutes, and we
23 will re-adjourn -- recommence at one.
24

1 (A recess was taken)

2
3 CHAIRMAN CROSBY: We are reconvening
4 the 130th meeting at about a few minutes
5 past one and we are moving to the next item
6 on the agenda, which I believe is directly
7 to Director Vander Linden of Research and
8 Problem Gambling.

9 MR. VANDER LINDEN: Thank you,
10 Mr. Chairman, members of the commission.
11 I'm really here, because I am going to
12 introduce our speakers and I am going to
13 let them provide an overview of the
14 research that we have underway regarding
15 the social and economic impacts of gaming
16 in Massachusetts study.

17 So with us today is Dr. Rachel
18 Volberg with the University of
19 Massachusetts and she is the principal
20 investigator of this project and Amanda
21 Houpt, who is the project manager for
22 SEIGMA, also with the University
23 Massachusetts, so I will turn it over to
24 Dr. Volberg.

1 MS. VOLBERG: Thank you, Mark.

2 CHAIRMAN CROSBY: Welcome.

3 MS. VOLBERG: Good afternoon,
4 Commissioners. It's nice to be back in
5 Boston the second time this week.

6 So for those of you who may not
7 remember the title of the project is the
8 Social and Economic Impacts of Gambling in
9 Massachusetts and you have heard me say
10 that before. We call it SEIGMA when we're
11 on the job. And the project, which is
12 based out of the University of
13 Massachusetts in Amherst, I probably don't
14 need to tell you but we felt it would be
15 helpful for members of the broader audience
16 who may not have seen us present before a
17 little bit about how unique this research
18 project is.

19 It's really -- as I said in the
20 first appearance that I made when
21 Commissioner McHugh stopped me in my tracks
22 and made me elaborate, this really is a
23 unique and one of a kind research project.
24 It's something that I hoped and prayed

1 would happen in my lifetime, so it's a real
2 thrill to be able to lead it up.

3 It's a reflection of the very unique
4 role that research has in the entire
5 expanded gaming act where it really was --
6 the vision, I think, was to have sort of a
7 virtuous cycle of information feeding into
8 the regulatory and policymaking process and
9 using that research and the actions that
10 come out of it to minimize and mitigate the
11 likely negative impacts that come with the
12 introduction of casino-gambling in a
13 jurisdiction.

14 So perhaps the most unique aspect of
15 this study is that it provides for a clean,
16 comprehensive baseline study of all of the
17 various impacts that we are going to be
18 looking at over time but looking at them
19 before casinos are introduced in
20 Massachusetts. And it's hard for people to
21 grasp, I think, that in almost every other
22 jurisdiction and, in fact, in every other
23 jurisdiction that I am aware of that the
24 baseline study has been conducted after the

1 casinos had already started operations.

2 And so this is an opportunity here
3 in Massachusetts. And thanks to your
4 decision to go ahead and fund the study
5 before we actually had gaming revenues in
6 Massachusetts, we are going to have this
7 very comprehensive but preopening baseline
8 for a lot of the conditions that we will be
9 looking at over time.

10 So this, in fact, is also just one
11 of the cornerstones of the gaming
12 commission's full research agenda. And the
13 other cornerstone of course is the
14 Massachusetts gambling impact cohort or
15 magic study, which is a very different and
16 quite a bit more complicated study in terms
17 of the design than SEIGMA, which I am going
18 to talk about today and we hope to be able
19 to come back at another occasion and talk
20 to you about the cohort study.

21 So this is just a quick visual to
22 give you a sense of the many moving parts
23 that the study is made up of. We have an
24 executive team that is sort of oversees the

1 project as a whole. The executive team is
2 comprised of the three principal
3 investigators on the project, as well as
4 Dan Hodge, who is the Director of Economic
5 and Public Policy Research at UMass
6 Donahue. They are doing the economic and
7 fiscal piece, and we felt it was important
8 to have them represented on the executive
9 team.

10 The other members of the executive
11 team besides myself are Dr. Ed Stanic, the
12 chair of the UMass Department of Public
13 Health at Amherst and Rob Williams a
14 professor in the faculty of Health Sciences
15 at the University of Lethbridge in Canada.
16 We have a project manager, Ms. Amanda Houpt
17 sitting next to me and we have a data
18 manager, Martha Zorn, who are both in the
19 School of Public Health along with me and
20 they coordinate and manage all the project
21 and all of its data. And specifically they
22 oversee the data management center into
23 which all of the data from these various
24 different aspects of the study flow.

1 There are three main areas of
2 research in the study, the analysis of
3 social and health impacts, the analysis of
4 economic and physical impacts and an
5 evaluation of problem gambling services
6 here in Massachusetts. And today I am
7 going to talk to you a little bit about
8 what we've accomplished over the last year
9 or so in each of these areas.

10 And we are going to look very
11 specifically at giving you a sense of what
12 we can learn from this research and how we
13 can apply our findings to benefit the
14 Commonwealth and its citizens. And at the
15 end, Amanda is going to give you a very fun
16 demonstration in one of the ways we hope to
17 share our findings with the Commonwealth.

18 This is -- to give you a sense of
19 the timing of the project, for each of the
20 three areas of the study, we are collecting
21 a broad variety of both primary and
22 secondary data. And as I said earlier, we
23 are collecting both data before and after
24 the gaming venues open.

1 From last year to the present, so we
2 started back in 2013, we have been hard at
3 work on a large general population survey
4 and a smaller targeted population survey in
5 Plainville and the surrounding communities.
6 We have also been collecting large amount
7 of secondary data.

8 And as the new venues open, we will
9 be collecting data from them mostly or
10 probably in coordination with a lot of the
11 data collection activities that the
12 Commission is doing for other purposes
13 along the lines of employee data and patron
14 data, things like that.

15 In 2018 when we anticipate that all
16 of the facilities will be opened, we will
17 be doing another large population survey as
18 well as another round of targeted surveys
19 and we will continue collecting data from
20 the new gambling venues and evaluating
21 problem gambling services in the state.

22 Having a clean pre-casino baseline
23 is going to be key, because it's going to
24 enable us to measure the overall impact

1 that the new venues have had on the state.
2 We'll have a clear picture of what the
3 state looks like before the expansion
4 happened, and then as the expansion rolls
5 out.

6 We're going to continue to be
7 collecting this data over time so that we
8 can monitor how impacts change over time
9 and inform the recommendations for how to
10 mitigate potential harms and maximize the
11 benefits of expanded gaming in
12 Massachusetts.

13 So, as I mentioned earlier, one key
14 area of our study is our analysis of the
15 social and health impacts of gaming
16 expansion. And we are looking at a wide
17 variety of measures, 60 or more measures in
18 all of the areas that are on the next
19 slide. Here we go. Here's the slide.

20 So, for example, in addition to
21 problem gambling and its related indices,
22 we're going to be looking at gambling
23 related crime. We are going to be looking
24 at education. We're going to be looking at

1 quality of life, a lot of health
2 indicators.

3 This next slide gives you a sense of
4 both the primary and secondary data
5 collection activities that we have been
6 doing on the social and health impacts. I
7 mentioned the general population survey.
8 It's a very large sample. We're using
9 something called address based sampling
10 approach to drawing the sample, and I think
11 I have spoken about that before to you.
12 And we are using multimode interviews to
13 give people opportunities to participate in
14 different ways.

15 The targeted population surveys are
16 smaller surveys using exactly the same
17 method but focused on the host and
18 surrounding communities in order to be able
19 to drill down to the local level in terms
20 of impact.

21 CHAIRMAN CROSBY: I just want to
22 emphasize, because there is so much focus
23 in the legislation on the host and
24 surrounding communities that are

1 anticipated to be where the largest impacts
2 will be. And we've spent so much time
3 dealing with host and surrounding
4 communities that I want the host and
5 surrounding communities to understand that
6 there will be a really in depth detailed
7 capacity to study what exactly is going on
8 in there.

9 Nobody will ever have to say, you
10 know, argue about what happened in a given
11 community, particularly a host or a
12 surrounding community. We will know on any
13 of these indicators what the impact has
14 been. That's one of the many pieces of
15 this, which is unheard of.

16 MS. VOLBERG: Right, exactly. So in
17 addition to the primary data collection,
18 we're also doing a lot of gathering of data
19 from other agencies that collect
20 information that is pertinent to looking at
21 impacts.

22 And just as a sort of an update, the
23 general population survey is actually out
24 of the field and we were absolutely

1 thrilled when we got the raw data delivered
2 to us on Friday afternoon. And Martha is
3 now hard at work, although she may be
4 looking at us now watching us on TV. But
5 she is in the process of beginning cleaning
6 the data so that we can begin our analysis.

7 The targeted population survey of
8 Plainville and surrounding communities is
9 also out of the field and we expect to
10 receive those data towards the end of
11 August. The online panel, which I didn't
12 mention but is another piece of our primary
13 data collection was complete and closed in
14 April of 2014. And we are in the process
15 of analyzing those data as well.

16 In terms of secondary data
17 collection, we have 10 year trends for the
18 vast majority of the secondary data
19 variables that we are collecting. We are
20 working to access -- some of these data
21 sets are a little more difficult to get
22 access to than others, but we are learning
23 a lot about working with other state
24 agencies here in Massachusetts. And we are

1 experimenting with some interactive ways to
2 share some of this data, and Amanda is
3 going to be showing that to you later. I
4 think I am going to be saying that several
5 times, "Amanda."

6 This slide shows you just a few of
7 the things that we anticipate we will learn
8 about social and health impacts of expanded
9 gambling in a jurisdiction, public
10 attitudes, current gambling behavior,
11 problem gambling prevalence of course,
12 other difficulties that people with
13 gambling problems face but also the
14 community specific impacts of gambling
15 expansion, including the types of crime
16 that are attributable to new gambling
17 venues.

18 Going forward we expect to report on
19 the status of the Commonwealth prior to the
20 opening of casinos in all of the areas
21 identified in that previous slide. In
22 addition to reporting on the state as a
23 whole, we're going to be looking at
24 differences at both the regional and the

1 local levels.

2 For example, we will be able to
3 identify differences in gambling
4 participation and rates of problem gambling
5 in Western Massachusetts compared to the
6 greater Boston area or Southeastern
7 Massachusetts, for example.

8 This is a slide that we hope can
9 give you and others in the audience a sense
10 of how these research findings can be used.
11 Because, you know, there's no point in
12 doing a lot of research unless you're going
13 to take this data and do something with
14 them, at least that being a very pragmatic
15 perhaps non-researchy thing to do with
16 research.

17 We know a lot of people across the
18 Commonwealth will find our results useful.
19 But one way -- one key way that findings
20 from the SEIGMA study will be used is to
21 inform how monies from the public health
22 trust fund will be spent.

23 So this slide lists just a few of
24 the ways that the findings from this aspect

1 of the study can be used by the leadership
2 of the public health trust fund and others,
3 targeting awareness, prevention and
4 intervention services, monitoring the
5 uptake of new forms of gambling as those
6 may become available going forward,
7 tailoring treatment options to the
8 characteristics of people who have gambling
9 problems in Massachusetts and targeting
10 resources to mitigate community impacts.
11 All of those are going to be things that
12 you can do using this research.

13 Another key area of the study is the
14 economic and fiscal impacts of gambling
15 expansion and we have partnered, as I
16 mentioned, with a skilled group of
17 economists and public policy experts at
18 UMass Donahue for this portion of the
19 study.

20 This is a number of -- this is the
21 main areas in which we are collecting
22 measures in the economic and fiscal side,
23 government revenue, regulatory costs. That
24 is what it costs you guys to run your shop,

1 business starts and failures, that's always
2 a big issue, tourism, employment. We have
3 about 50 different measures that cover all
4 of these various broad categories.

5 In terms of progress to date, there
6 is both primary data collection and
7 secondary data collection. In contrast to
8 the social and health side, we actually --
9 our initial focus was on the secondary data
10 collection for the economic and fiscal side
11 and then the primary data collections we'll
12 be starting as the operations roll out.

13 So the primary data collection is
14 going to be mostly information that we get
15 from the casino operators to track the
16 direct impacts. We have proposed to model
17 this using an economic forecasting model.
18 The idea there is to assess the accuracy of
19 the forecast that the operators have made
20 about the kinds of impacts that they will
21 be having.

22 The secondary data is mostly
23 collected from other government agencies
24 and will track the number of conditions

1 over time. The idea here is to examine
2 trends both before and after but also to
3 use what's called a counterfactual approach
4 to compare these operations with other
5 regions and localities to see if you can
6 sort of tease out what is due to the
7 introduction of casino-gambling and what
8 changes might be due to other larger social
9 and economic trends in the region or the
10 country as a whole.

11 So our economic team has established
12 trends over the past 5 to 10 years for a
13 lot of different variables. They have
14 refined their strategy for selecting match
15 controlled communities and they are in the
16 process of conducting a baseline matched
17 community analysis, which we hope to be
18 able to have them come and present either
19 to the Gambling Research Advisory Committee
20 or to the Commission as a whole if there's
21 interest in that.

22 CHAIRMAN CROSBY: Do you know what
23 communities they are looking at now, what
24 does it look like they are going to be

1 using?

2 MS. VOLBERG: They're developing, as
3 I understand it because I am not an
4 economist, they're developing a shopping
5 basket. It's a basket approach. So they
6 are not taking -- for any one community
7 that they're looking for matches for, they
8 are matching on a lot of different economic
9 and some social variables.

10 And so each community that is going
11 to get a casino in Massachusetts is going
12 to have a whole basket of other communities
13 in the New England area, in the northeast
14 and then in the country as a whole to sort
15 of compare, compare it with.

16 And, again, I'm not an economist but
17 we have some people who can really get into
18 the weeds with you on that if you would
19 like to delve down there with them.

20 CHAIRMAN CROSBY: Okay.

21 MS. VOLBERG: So, let me see. Did I
22 finish all of my points? Yes.

23 Again, these are just a handful of
24 the key things that we're hoping to learn

1 on the economic and fiscal side. The focus
2 on jobs being created both at the casino
3 and at other Massachusetts businesses,
4 what's the nature of those jobs, to what
5 extent does this represent net new economic
6 activity and net new revenue to the
7 Commonwealth, how the casino facilities
8 affect host and surrounding communities in
9 terms of job growth, unemployment rates,
10 household income and whether the payments
11 to the communities and other effects offset
12 the additional public services that have to
13 be added that are related to casino
14 operations.

15 So, overall, the notion here is that
16 we want to know the net economic impact
17 because that really is one of the big
18 reasons that gambling expansion occurred in
19 Massachusetts in the first place. And then
20 what is the utility of these findings? How
21 can they be used? The findings will be
22 useful in ensuring that the operators are
23 fulfilling the workforce development goals
24 that they have laid out and fulfilling the

1 terms of the host and community --
2 surrounding community agreements. They can
3 be used to modify or set new workforce
4 development goals. The host and
5 surrounding communities, as well as the
6 state, can use these findings to plan
7 future development projects and budgets.

8 And, finally, the findings can be
9 used to target resources from the community
10 mitigation fund to address any negative
11 impacts that arise. And I'm going to turn
12 it over to Amanda to finish up the
13 presentation.

14 MS. HOUP: Hi, everyone. So, I
15 want to tell you a little bit about the
16 evaluation that we have been doing of
17 problem gambling services across the State
18 of Massachusetts. And before I tell you a
19 little bit about that, I just want to
20 acknowledge some of the key partners that
21 we've had in this effort, the Massachusetts
22 Department of Public Health, the
23 Massachusetts Council on Compulsive
24 Gambling and Mount Auburn Hospital have

1 been especially helpful to us in this
2 effort, and I would really be remiss in
3 talking about it if I didn't acknowledge
4 and express our gratitude to them
5 publically.

6 So with that, I want to tell you a
7 little bit about our evaluation. As with
8 the other aspects of our project, we're
9 going to be collecting data, both primary
10 data and secondary data. So we'll be
11 collecting primary data through some items
12 on our general population and online panel
13 surveys.

14 As Rachel told you, we just got the
15 data last Friday. We're elbow deep in
16 cleaning it, getting it ready for use. And
17 just as soon as it is, we'll be analyzing
18 those items that are most relevant to this
19 aspect of the study to learn more about who
20 is seeking services for problem gambling in
21 the state.

22 In addition to this, we will soon be
23 doing some focus groups and key informant
24 reviews of treatment providers across the

1 state. When it comes to secondary data,
2 we've had access to a couple of different
3 data resources that have been helpful to
4 us.

5 One is data from the Massachusetts
6 Council on Compulsive Gambling's hotline.
7 We are quite far along in our analysis of
8 those data. And then we're going to be
9 getting access to some clinical data to be
10 able to assess over the past several years
11 who's kind of come in for services, what
12 are their characteristics. We'll learn a
13 lot about them that way.

14 So in terms of this aspect of the
15 study, we think there are many useful
16 things that will come out of this and we've
17 highlighted just a few of them, just a few
18 of the key findings here. We think that we
19 will learn a lot about what prevention and
20 treatment services currently exist here in
21 the Commonwealth.

22 We will learn about who's using
23 these services, how adequately the services
24 we have addressed and mitigate the impacts

1 of problem gambling. And then we're going
2 to do our best to match up the existing
3 service models that we have to best
4 practices to really see if they're matching
5 up with those in terms of problem gambling,
6 prevention, intervention and treatment and
7 recovery.

8 And just like with the social and
9 health aspects of the study, we think that
10 these findings will be useful to a lot of
11 other stakeholders in the community,
12 including leadership from the public health
13 trust fund and in thinking about how to --
14 how to allocate those resources. Sorry the
15 screen just changed. So, sorry about that.
16 We have a scary sound.

17 So, anyhow, we feel like the
18 findings will be useful to a lot of
19 different people, in particular the
20 leadership of the public health trust fund
21 will find these useful in allocating monies
22 from that particular fund. Again, we've
23 highlighted just a few of the potential
24 uses here on this side.

1 So one of the big things that we
2 think that folks will be able to do is to
3 ensure that existing services across the
4 state match up with the number of people
5 who are seeking those services. They will
6 be able to make sure that what we have is
7 adequate and affordable, available to
8 people, which is very important.

9 And then, I think, perhaps most
10 importantly, we will be able to use these
11 findings to help build the capacity of
12 treatment providers across the state
13 through training and other means and to
14 really ensure that the services that we're
15 providing as a state are as effective as
16 possible, which is extremely important in
17 terms of helping people. So, those are
18 some of the uses that we see.

19 In addition to talking about these
20 different topical components of the study
21 that Rachel and I have been addressing, I
22 also wanted to tell you a little bit about
23 our data management center and some of the
24 things that we are doing to share data and

1 results. Yes?

2 COMMISSIONER ZUNIGA: I had a
3 question on the program evaluation before
4 you jump into the next session. I remember
5 the last time you updated, at least me on
6 the problem evaluation, one of the
7 challenges was that, you know, the fact
8 that we have universal health care for a
9 few years now here in Massachusetts is a
10 bit of challenge in terms of who's
11 accessing services when you combine the
12 fact that there is this committee with
13 other behavior problems.

14 With what you describe here in the
15 primary and secondary data sources, are you
16 comfortable that that challenge is
17 mitigated, I guess?

18 MS. HOUPY: Yes. I think going
19 forward that will continue to be a
20 challenge. It's just going to be a
21 challenge with this data thinking about
22 this issue. But I do think that the
23 primary data will help us. And, I guess,
24 that's sort of the point in doing the

1 primary and secondaries. You really have
2 his ability to triangulate and make sure
3 you're understanding what you're seeing
4 from lots of different angles. So we think
5 the primary data and some of the secondary
6 data is going to help us to tease that out.

7 But to be very honest with you, it's
8 going to be an ongoing challenge and what
9 we will do in presenting results in this
10 area is just acknowledge that and the way
11 that we were able to address it.

12 Would you add anything to that,
13 Rachel?

14 MS. VOLBERG: No, it's a challenge
15 that --

16 CHAIRMAN CROSBY: Excuse me.
17 Secretary, welcome. Come right down and
18 have a seat. We're going to get to you in
19 just a minute. Thank you for coming.

20 MR. VANDER LINDEN: And,
21 Commissioner, I would just add that I think
22 that this highlights one of the reasons why
23 a partnership with the Department of Public
24 Health is so vital, that it's only through

1 these partnerships that we really can begin
2 to come to a number here that we feel is
3 truly accurate.

4 MS. HOUPPT: Did you have anymore
5 questions, Commissioner Zuniga?

6 COMMISSIONER ZUNIGA: No, thank you.

7 MS. HOUPPT: So I wanted to tell
8 you -- I want to sort of close out our
9 presentation by telling you a little bit
10 more about the ways that we are thinking
11 about in experimenting with sharing data
12 and results. That's a huge priority of our
13 research team, and we know it's a huge
14 priority of yours as a Commission as well.

15 So when Rachel showed you the
16 earlier model of our team and how it works,
17 you'll notice that if of the three topical
18 areas we described, all of their work sort
19 of flows up into the data management
20 center. So I want to take just take a
21 second to describe the function of that
22 center and what it does by highlighting
23 three of its really critical functions.

24 One key function that the data

1 management center provides is that it
2 ensures that we are compliant with the
3 ethical standards of UMass Amherst
4 Institutional Review Board. And this is
5 really key in terms of protecting the
6 privacy and confidentiality of the human
7 research subjects that we're working with,
8 which is very important to us and very
9 important to our institution.

10 In addition to that, the data
11 management center is very key in
12 determining what data can be shared, who we
13 can share it with and how we can do that as
14 quickly as possible and the same goes for
15 sharing findings. The data management
16 center is going to be absolutely key in
17 determining how best to share those
18 findings and ensuring that they get out as
19 many platforms as possible. So it's an
20 absolutely central piece of the project
21 even though we don't get the chance to talk
22 about it as much as we would like.

23 So I'd like to share with you just a
24 few different ways that we are

1 experimenting with sort of presenting
2 results and sharing things with the general
3 public. The first is the website. And you
4 may remember that Rachel and I came to an
5 earlier meeting when the website was
6 brand-new, and we presented it to all of
7 you.

8 Since that time, we've added a few
9 things but visitors to the site, and we'll
10 provide the URL for the site at the end of
11 the presentation, visitors to the site will
12 find a homepage where you can get an
13 overview of the study, a news tab where you
14 can get information both about our research
15 team, as well as gambling in the state.

16 There's a people tab where you can
17 learn more about Rachel and I and the
18 excellent team of people that we work with.
19 There is a brand-new blog in which we post
20 regular and slightly more informal updates
21 about our progress and what we're up to.

22 And then we recently expanded our
23 publications tab to include not just
24 downloadable reports of the reports that we

1 submitted to you and others but also slides
2 from presentations that we have delivered
3 at national and international conferences.

4 Right now our website is sort of our
5 public face to the State of Massachusetts.
6 Increasingly as we have results to share
7 and as we have data to share, this will
8 become a portal for information and a very
9 key hub of research activity for us.

10 So another way that we are thinking
11 about sharing results is a way that you're
12 likely familiar with using tables and
13 things like line graph to show trends and
14 the data over time and how these variables
15 change over time. This is something that
16 we'll likely be using in mostly in our
17 technical reports and publications that we
18 do.

19 In addition to this, we are using an
20 application called "Shining." So we're
21 harnessing the technology to show our data
22 in lots of different ways. So what Shiny
23 is it is basically an application that is
24 run by our studio. And for those of you

1 who are not familiar with our studio, it is
2 an open source statistical software package
3 and ours is basically an application which
4 let's you take numerical analyses and
5 display the results of those analyses in
6 really unique and dynamic ways that you can
7 interact with. So as soon this sort of
8 refreshes and loads, it's been sitting up
9 there for a while, I'm going to demonstrate
10 a few of its functions.

11 So for the purposes of this
12 demonstration, we're going to be using a
13 series of variables that are related to
14 education and students in Massachusetts
15 public schools. These are variables that
16 we'll be monitoring closely over time to
17 see how they change after the introduction
18 of gambling or expanded gambling to the
19 state.

20 So the default here is first
21 language not English. However, we can look
22 at lots of different measures here. We can
23 look at English language learners, students
24 with disabilities and low income students.

1 And I think we should select that one,
2 because I find it especially interesting.

3 In addition to being able to select
4 the variable that you are looking at, you
5 can also select the time span in which you
6 want to review that variable. So here you
7 can see a single year, the year 2012. In
8 addition to that, you can also click to see
9 multiple years. And you can use the slider
10 bar to select the window of years up to a
11 10 year window at this point in which you
12 view that data. Let's just look at a
13 single year for now.

14 So you can see that this is sort of
15 a standard view. It's a summary table that
16 shows the municipality, the county in which
17 that municipality is located, the school
18 year, the number of students and the
19 percentage of those students in that
20 particular school, municipality schools
21 that are low income.

22 In addition to this sort of boring
23 summary, you can also choose to apply the
24 data. And this is where it gets a little

1 bit more interesting. Because you can
2 actually select the municipalities that you
3 want to look at. So for the purposes of
4 this demonstration, I thought we could use
5 some communities that are especially
6 relevant to you all. Communities that
7 might host a potential casino.

8 So let's use Everett. I'm going to
9 try to do them in alphabetical order.
10 Let's see how I do. Plainville, Revere and
11 Springfield. What you will notice is that
12 as I typed those in, a different color line
13 would appear for each community. This
14 enables us to see how this particular
15 variable, the percentage of low income
16 students change over the course of a 10
17 year period.

18 In addition to being able to compare
19 these communities to each other, when you
20 click here, a black line will appear and
21 that enables you to compare it to the state
22 average. So you can see how these
23 communities compare in comparison to the
24 state as a whole. So this is a second way

1 that you can look at it. The third way and
2 probably the most dynamic way is that you
3 can see the data in map form.

4 So what you see here is a map of the
5 Commonwealth of Massachusetts. Each of the
6 little squares is a different municipality
7 in the state and there's a colored bar to
8 the right, which goes from zero percent up
9 to 89 percent, which in this case is the
10 highest value in the data set.

11 So those communities that are closer
12 to white or that have less saturated color
13 have lower percentages of low income
14 students. Others that have a deeply
15 saturated color, in this case the rich
16 marigold, have higher percentages of low
17 income students within the municipality
18 schools. Those communities that are in
19 gray are communities for whom no data is
20 available.

21 And in addition to seeing the data
22 in a single year, you can also look at it
23 as we did earlier over multiple years.
24 When you look at the data over multiple

1 years, what you're able to see on the map
2 is the overall change over the time period.

3 So those communities that are a
4 shade of green are communities for the
5 percentage of low income students decreased
6 over the 10 year period while those that
7 are colored in yellow are communities for
8 whom the percentage of low income students
9 increased generally over the period. Those
10 are the gray or gray again are communities
11 for whom we don't have data.

12 So we are doing a lot of things with
13 Shining. This is very much a prototype, a
14 very early prototype of what we're creating
15 and we're going to start by adding as much
16 secondary data into this as possible so
17 that people can really see their community
18 and interact with their community's data in
19 a variety of different ways. We feel that
20 getting to interact with the data gives it
21 a whole different meaning, and so we're
22 excited about that.

23 CHAIRMAN CROSBY: I just want to
24 highlight this because I think this is one

1 of the most extraordinary pieces of this
2 and not only the tool but the data.

3 So if you live in West Springfield
4 or you live in Somerville and you want to
5 know what has been or you want to know what
6 has happened to a critical variable like
7 property values, police domestic violence
8 reports, job starts, unemployment, you want
9 to see what has happened in any one of
10 these variables that we're tracking,
11 anybody in Massachusetts will be able to
12 click on their town and they will see a 5
13 to 10 year history of all those data
14 points, what was domestic violence rates 5
15 to 10 years prior to introduction of
16 expanded gambling. And then every year
17 thereafter, you will be able to track those
18 rates.

19 Now, you can always debate what
20 exactly caused it but it's an incredibly
21 powerful tool that will make the degree of
22 transparency on the impacts good or ill is
23 unheard of. So there will be no debate
24 about oh yeah, domestic violence went up

1 terribly in Somerville when casinos came
2 along. We will be looking at domestic
3 violence rates in Somerville after casinos
4 came on board versus everything else versus
5 prior to that. It's an incredibly powerful
6 tool.

7 COMMISSIONER CAMERON: I think it
8 will be important though too with the crime
9 reporting piece added we'll be able to tell
10 if in fact that particular crime had
11 anything to do with casino-gambling, which
12 makes the research more valuable.

13 CHAIRMAN CROSBY: Right.

14 MS. HOUP: Definitely. I think
15 it's well stated on both counts. Great.
16 So we will be starting with secondary data
17 into Shining. And then as we have results
18 of our own, we will also experiment with
19 using Shining to share them with others.

20 I think you can see just even in
21 that demonstration how useful this could
22 potentially be and certainly Chairman
23 Crosby highlighted why it is so important
24 and how it may be useful. We think that as

1 a whole the data management center with all
2 of the efforts I just described is going to
3 be useful in a number of different ways.

4 Our efforts to manage data ensures
5 that the results that we present are going
6 to be accurate, reliable and replicable.
7 The efforts that we're making to ensure
8 that our compliance with the ethical
9 standards of the IRB ensure that we're
10 limiting harm to humans and subjects and
11 increase the overall integrity of our
12 findings.

13 Sharing data with as many people as
14 possible means that researchers will both
15 be able to replicate the types of analyses
16 that we're doing, but also they'll be able
17 to conduct unique analyses of their own.
18 We know we can't do everything with the
19 data, and we are excited about the idea
20 that other people can carry the gauntlet
21 forward and continue to analyze the data
22 over time.

23 CHAIRMAN CROSBY: This was actually
24 part of the legislative mandate that this

1 data be made available to researchers
2 across the world to analyze in their own
3 particular way.

4 MS. HOUPPT: Absolutely. We're
5 really excited about that. It's huge to
6 us. And in terms of sharing results, our
7 great hope really is the general public
8 that anybody in the state could look at our
9 findings and examine the impacts within
10 their own community and determine what that
11 meaning is for them.

12 So we're very excited about this
13 aspect of the study. We know it's a part
14 of the legislation. We know it's a value
15 to all of you, and it's something that we
16 have been thinking about every step of the
17 way and will continue to think about as a
18 research team.

19 So with that, that's really all we
20 had hoped to share with you. I think we
21 may -- we have time for questions if you
22 would like to ask them or you really are
23 the judge if we have time or not honestly.

24 CHAIRMAN CROSBY: Go ahead, if there

1 is anything really important. I do want to
2 get to the next step on the process but go
3 ahead.

4 COMMISSIONER ZUNIGA: I just have
5 one minor comment, you know, just to a
6 little thought of my own. Could you speak
7 a little bit to ongoing quality assurance
8 of the data? You know, you of course are
9 anticipating that there will be continuous
10 analysis and scrubbing.

11 The thought came -- that thought
12 came to me when you put in the student
13 population and there was no data available.
14 And it occurred to me that it's because of
15 regional school districts in those regions.
16 So I'm sure it is available, but it wasn't
17 just easy to download from someplace.

18 MS. VOLBERG: Actually, the
19 education variables or the information on
20 schools and public schools in particular is
21 actually very high quality. The
22 municipalities where you saw the gray areas
23 were mostly over in Berkshire County. And
24 part of that is because population is so

1 sparse in that part of the state that many
2 of those municipalities don't have enough
3 children to have a school district of their
4 own or, you know, that there is sort of
5 aggregation of children and so they don't
6 have a school district, then they are not
7 reporting school data and that's why some
8 of those municipalities were grayed out.

9 MS. HOUP: More broadly, I think,
10 there are a lot of different strategies
11 that we're taking towards quality
12 assurance. So one certainly is the data
13 management itself and our data manager. So
14 I will just give you a concrete example.

15 On Friday we received an enormous
16 amount of raw data, and the data came to us
17 in a really fairly clean state. But we
18 wanted to get it and take a very close look
19 at it and ensure that all of the cleaning
20 had been done. We are running tests to
21 make sure that we can manipulate variables
22 and work with them as we need to.

23 So even beyond when we receive a
24 file that has been looked over and managed

1 by somebody, our own data manager does a
2 second sort of test of that. So we have a
3 lot of internal procedures. That's just
4 one very small example.

5 I think beyond that we have groups
6 such as the Gambling Research Advisory
7 Committee, which you had all set up which I
8 think will also help to look at our
9 findings, look at our work as it develops
10 and give us feedback about if we think
11 we've done a good job, if we need to do
12 something else, if there's an area of
13 inquiry we haven't explored. And we'll
14 definitely be taking the recommendations
15 and their guidance going forward. So I
16 think that just addresses a couple of
17 things. We can definitely talk more about
18 that.

19 COMMISSIONER MCHUGH: You said that
20 one of the functions of the data center was
21 to determine what data could be released
22 and I understand that one. But you also
23 said to determine what findings could be
24 released. What would be a constraint on

1 releasing findings that you make?

2 MS. HOUPY: Our goal is going to be
3 to release -- I may have misspoken there --
4 but our goal is to release our findings and
5 our results as broadly as possible.

6 MS. VOLBERG: Although, I can just
7 elaborate on that a little bit based on a
8 discussion that we had on Tuesday at the
9 Gambling Research Advisory Committee
10 meeting where it's standard statistical
11 procedure at the Bureau of Census, for
12 example, or in dealing with large databases
13 that if the variance around a particular
14 estimate is too large suggesting that it is
15 not a reliable estimate very often, you
16 know, the statistics agencies, the national
17 statistic agencies will suppress a
18 particular value in a table and not publish
19 something that is based on such a small
20 sample that the estimate itself is
21 considered unreliable.

22 COMMISSIONER MCHUGH: So it's a
23 reliability constraint.

24 MS. VOLBERG: Right.

1 COMMISSIONER MCHUGH: Is there ever
2 any protocol under which the finding is
3 stated but the reasons for not including it
4 in an overall assessment are also released,
5 i.e. this is too small a sample to be
6 reliable?

7 MS. VOLBERG: Yes. Typically that
8 would be a notation in the table itself,
9 and you would acknowledge it in the text of
10 any report on the data as well.

11 COMMISSIONER MCHUGH: Okay, thanks.

12 CHAIRMAN CROSBY: We will be back to
13 you many times as you know. It's great
14 stuff and we really appreciate and like
15 everybody else, we're anxious to start
16 seeing the results in the next few months.

17 MS. VOLBERG: I can't tell you how
18 excited we are to finally have some data
19 from the survey to be able to look at.

20 CHAIRMAN CROSBY: Yes, I bet.

21 For the next phase here, I want to
22 invite Secretary Polanowicz to come up and
23 take a seat and then we will quickly go
24 through the rest of the event.

1 This might be the first time that a
2 secretary of human services has ever met
3 with a gaming commission. It just doesn't
4 happen, and you would wonder why given that
5 one of the biggest issues in gaming is what
6 are the potential negative consequences in
7 terms of problem gambling and a whole host
8 of social issues. But with the advice and
9 direction of the legislature, that link is
10 very close in this state. And I want to
11 just tell you quickly what has happened
12 here.

13 The research, as you have been
14 hearing described by Rachel and Amanda,
15 will, as they mentioned too, inform the
16 expenditures that are made to deal with
17 potential negative impacts of the
18 introduction of gambling, particularly
19 problem gambling. That is clearly the
20 highest priority.

21 The legislature set up a fund called
22 the Public Health Trust Fund which when we
23 are up fully running is estimated to be --
24 have a value of 15 to 20 million-dollars a

1 year and the Public Health Trust Fund that
2 will have -- won't occur until 2016. There
3 will be no money in it until the casinos
4 get up and running.

5 When they do, it will be 15 to
6 20 million-dollars, which by the way is
7 about 40 percent of all of the money that
8 was spent to deal with problem gambling in
9 the year 2012 across the United States. So
10 15 to 20 million is a huge amount of money
11 compared to the other jurisdictions
12 historically.

13 But there was an anomaly in the
14 legislature -- in the legislation that gave
15 the design of the research agenda and much
16 of the external responsibility for problem
17 gambling to the Commission. You know,
18 we're responsible for dealing with the
19 casino operators to make sure they do their
20 part of managing the problem gambling, et
21 cetera. That was given -- that and the
22 research agenda was given to the
23 Commission.

24 The expenditure authority for the

1 Public Health Trust Fund, which is to deal
2 principally with problem gambling and also
3 research, was given to the secretary of
4 Health and Human Services. I reached out
5 some time ago, probably a year ago now to
6 Cheryl Bartlett, the commissioner of the
7 Department of Public Health who is the
8 principal HHS agency that will be working
9 on behalf of HHS with us in the problem
10 gambling area and said that I didn't think
11 that made sense.

12 And she and I talked about it at
13 length and agreed that the Commission and
14 the secretary of Health and Human Services
15 or his designee should be joint controllers
16 of the funds and the policy decisions
17 having to do with research and problem
18 gambling. It made no sense for either one
19 of us to be able to go off on our own and
20 make those decisions.

21 In order to make that agreement, we
22 had both had to give up some authority that
23 we already had to agree and instead to
24 share it with the other party. She

1 agreed -- eventually she and I agreed and
2 structured an arrangement and then
3 Commissioner Bartlett talked about it with
4 Secretary Polanowicz, actually involved the
5 governor's office as well and eventually
6 the administration fully agreed to go along
7 with this plan as well.

8 So what we are doing today is
9 signing a very, very unusual probably
10 unique memorandum of understanding between
11 the Gaming Commission and the Health and
12 Human Services, or as I say their designee,
13 to jointly manage the policy decisions and
14 the funding decisions that will be made out
15 of the Public Health Trust Fund to deal
16 with research and problem gambling
17 principally.

18 We also felt that there were some
19 other participants that should be at the
20 table as the Public Health Trust Fund
21 moneys are used and as the impacts of
22 problem gaming are assessed and we ask Ann
23 Powers, the assistant secretary from the
24 Executive Office of Public Safety, Beth

1 Bresnahan, the director of the lottery who
2 has been tremendously collaborative with us
3 since she has took over at the lottery and
4 Rebecca Gowertz, who is the CEO of the Mass
5 Association of -- the Mass Public Health
6 Association to serve on this steering group
7 with us.

8 The Commissioner -- the Commissioner
9 and the secretary will have to agree on any
10 expenditures, but it will be with advice of
11 this other group of outside stakeholders.
12 They will join Mark Vander Linden, our
13 Director of Research of Problem Gambling,
14 and Steve Keel, who is the Director of
15 Problem Gambling Services for the
16 Department of Public Health.

17 So, that's the network. I don't
18 know if you have anything else you wanted
19 to add, Mr. Secretary.

20 MR. POLANOWICZ: Sure. First off, I
21 want to thank the Mass Gaming Commission
22 for the Twitter follow today. I appreciate
23 it. As I was on my Twitter here. But I
24 absolutely want to thank the chairman and

1 my commissioner, Cheryl Bartlett, for
2 helping facilitate this really very unique,
3 as Steve mentioned, partnership between the
4 Mass Gaming Commission and also the
5 Department of Public Health.

6 We believe here in the Commonwealth
7 that we are incredibly fortunate to have a
8 gaming commission who is dedicated to
9 balancing the economic benefits of gaming
10 with resources like the Public Health Trust
11 Fund to address some of the unintended
12 consequences of problem gambling.

13 We know that this is going to
14 support research and prevention,
15 intervention treatment and recovery. And I
16 think just from my perspective in terms of
17 the short demo we just saw, the Shiny tool,
18 I already have any number of ideas about
19 how that can be used as a really effective
20 tool across the Commonwealth as we think
21 about public health and public safety.

22 We are very excited to be here today
23 to sign this MOU. As Steve indicated, I
24 think the partnership will ultimately

1 benefit the individuals of the Commonwealth
2 who have a tremendous opportunity to do
3 well by doing good here. So thank you to
4 the gaming commission and happy to be here.

5 COMMISSIONER MCHUGH: Thank you.

6 COMMISSIONER CAMERON: Thank you.

7 CHAIRMAN CROSBY: Thank you. I
8 think it's safe to say, as you suggested,
9 this would not happen without Commissioner
10 Bartlett, so we really appreciate you
11 putting your shoulder to this wheel. If
12 the other members of the steering group
13 would come forward and just join us, then
14 Secretary Polanowicz and I will sign the
15 MOU in front of massive displays of press.
16 Steve and Mark. We have two copies.

17 Thank you very much. Thank you all.
18 This is something that will be a long time.
19 This will be rolling out for a very long
20 time to see the benefits of this, but this
21 is really an exciting start.

22 Okay. We are back to our agenda and
23 I think we had skipped the Suffolks Down
24 request; is that right? We need to do

1 that.

2 MR. DAY: That's correct, Mr.
3 Chairman.

4 CHAIRMAN CROSBY: So item 3E, the
5 Suffolk Down's request.

6 MR. DAY: Yes. Under tab E you will
7 find Suffolk Down's request to amend the
8 August schedule. The request in your
9 material says Suffolks Downs is to cancel
10 Tuesday in August, and you will also find
11 the subsequent approval of Director
12 Dunenberger. So this is just a for your
13 information item.

14 As well at the same time because
15 each one and both of the Suffolk Downs
16 request and Director Dunenberger's approval
17 referred to legislation, they have
18 confirmed at this point that senate bill
19 2289 sponsored by Senator Shelly and house
20 bill 4115 sponsored by Representative Dully
21 and Ross both had introduced to address the
22 number of days required in this racing
23 season. Other than that, that's it.

24 COMMISSIONER CAMERON: Thank you.

1 MR. DAY: John.

2 CHAIRMAN CROSBY: Item number five
3 ombudsman report, Ombudsman Ziemba.

4 MR. ZIEMBA: Thank you, Chairman and
5 Commissioners. I would like to ask the
6 representatives from MGM to come join us
7 down in the front table. We're joined by
8 Hunter Clayton, executive president from
9 MGM Resorts Development and I'll have him,
10 after I give some initial remarks,
11 introduce the other members of his team.

12 So what we are here to talk about
13 today is an update from MGM on their
14 activities since the agreement to award a
15 Category 1 license to Blue Tarp
16 reDevelopment, LLC was entered into by Blue
17 Tarp and the Commission about a month ago.

18 In that agreement, we asked or we
19 required Blue Tarp, MGM to report monthly
20 to the Commission about their progress that
21 they are making and making sure that their
22 facility will be up and running as soon as
23 possible.

24 Pursuant to the agreement during the

1 period between the date of this agreement
2 on the effective date of the license, the
3 designated licensee agrees to take all
4 reasonable steps necessary to obtain all
5 required permits for the commencement of
6 the project and to continue to relate the
7 design work and put in place all necessary
8 contracts such that the designated licensee
9 will be ready to commence work on this
10 project as soon as practicable after the
11 effective date.

12 And for the purposes of this
13 paragraph, determination of reasonableness
14 and practicability shall be determined
15 through agreement between the designated
16 licensee and the Commission. And then the
17 designated licensee shall report to the
18 Commission on a monthly basis regarding its
19 progress under this section.

20 Recently we met with representatives
21 from the MGM, Director Day, myself, Counsel
22 Blue and members from Pinck and Co. to go
23 over some of the major items that they have
24 been working on over the last month. And

1 we're glad to report that they have made
2 some very substantial progress, which they
3 will detail to you today.

4 In regard to this determination of
5 what steps are reasonable and practicable,
6 we are not anticipating that we would make
7 that determination today but we would make
8 it in all likelihood at the next monthly
9 presentation from MGM. So in that regard,
10 I'd ask Mr. Clayton to give the remarks.
11 Welcome.

12 MR. CLAYTON: Thank you very much.

13 MR. NASTASIA: If you'd just give me
14 one moment, Mr. Chairmen, Commissioners.
15 It's nice to be back here.

16 CHAIRMAN CROSBY: Name.

17 MR. NASTASIA: Marty Nastasia, for
18 the record, from Brown Rudnick and it's
19 nice to be back here in front of the
20 Commission. I just quickly wanted to
21 introduce some of the folks from the
22 development team that will be here today
23 and will be here in subsequent months to
24 give you updates on the project.

1 I'm joined by my colleague, Jed
2 Nosal, whom you're all familiar with, MGM's
3 regulatory attorney. I'm also joined by
4 Chuck Irving from Davenport Company. He's
5 MGM's development partner. He is here
6 along with his colleague, Joy Martin also
7 from Davenport.

8 We're also joined by Chris Cignoli,
9 the Director of Public Works for the City
10 of Springfield. We also have Jim Allan
11 from Alan and Major, MGM's engineer. We
12 also have Maureen Cavanagh from Epsilon,
13 MGM's environmental consultant. And of
14 course we have Hunter Clayton, who is the
15 executive vice president for development at
16 MGM Resort's Development LLC, which is a
17 wholly subsidiary for MGM Resorts.

18 MGM Resorts development is
19 responsible for the design and construction
20 of MGM properties all over the world.
21 Hunter is responsible for the design,
22 construction of gaming development
23 properties. Specifically, Hunter is
24 responsible for the construction, costs,

1 schedule and overall delivery of projects
2 from the design phase through the opening.
3 And this includes the current
4 5 billion-dollar property in Koti, and it
5 also includes the 1 billion-dollar National
6 Harbor Development in Maryland. And with
7 that, I will turn it over to Hunter.

8 MR. CLAYTON: Thank you, Marty, Mr.
9 Chairman, Commissioners, great to be here
10 today. Quick clarification. It's a 3
11 billion-dollar property in Koti, not 5.
12 We're aspirational, but we're budget
13 conscious as well.

14 CHAIRMAN CROSBY: But what's a
15 couple of billion among friends.

16 MR. CLAYTON: Thank you for the time
17 today. We recognize this is the first
18 monthly update through the course of the
19 next four months leading up to the November
20 vote. Realizing that we've actually done a
21 lot of work in the last couple of years and
22 have a good handle on what our work plan is
23 going to be over the next several months.
24 Certainly more information than we can

1 present or update today.

2 But what we plan to do is give a
3 general overview and hit on some specific
4 points, as well as kind of establish a plan
5 for coming back with even more specific and
6 focused updates the following month.

7 In that regard, we will touch on
8 design, including historic preservation, a
9 little bit on traffic, utilities, overall
10 schedule for the project in its entirety,
11 as well as what the next four months looks
12 like. And then we'll talk a little bit
13 about the Viaduct, its coordination or
14 interface with our project and a few other
15 issues.

16 As far as the design is concerned, a
17 very brief update on what -- where we
18 currently are in terms of our development.
19 I would say from a programming, from a
20 planning and a detail and design aspect, we
21 are well into a schematic design for the
22 entire project and actually more so with
23 specific areas related to traffic, to
24 utilities, site and civil advanced works

1 projects, which I will get into in a couple
2 of minutes.

3 This plan represents our current
4 thinking of the layout with the main
5 components of the casino podium with hotel
6 tower, the large gray box, which is our
7 parking structure and the entertainment and
8 retail complex directly to the right of the
9 casino podium.

10 The majority of our concept and
11 schematic design is intact since it's been
12 through the inception of the last couple of
13 years of work. We are very excited to say
14 that we are nestled within an urban
15 context. We consider ourselves not only a
16 gaming development but an urban
17 revitalization project.

18 I'm an architect by training and
19 profession. And although I am certainly a
20 developer in the gaming industry, I would
21 say that I'm personally excited about this
22 project because of what it becomes as part
23 of the community of the City of
24 Springfield.

1 It is an inward/outward type of
2 design where it responds or reacts to the
3 pedestrian's scale or the exterior scale of
4 the urban context that we sit within, as
5 well as being a fairly high quality,
6 exciting, energized gaming food and
7 beverage and restaurant and retail
8 development from within.

9 Moving onto the next slide just a
10 quick snapshot of the upper level. As I
11 said, we'll get more into specific design
12 updates on each program component as we
13 move forward in the next several months but
14 we're limited on time today, and I wanted
15 to touch on some other items before my
16 clock runs out.

17 I mentioned historic as part of the
18 design update. We've focused very heavily
19 on the historic structures located on our
20 site. We have been working very closely
21 with the City of Springfield Historic
22 Commission for a good part of the last two
23 years. I have personally been involved in
24 that with our consulting team with Epsilon

1 and their historic experts and Ginsler has
2 played a key role in it as well.

3 I think we started with
4 identification of roughly 16 structures
5 that warranted or deserved a certain amount
6 of discussion with the Historic Commission,
7 which we had done. We've documented each
8 one of those structures. I think we
9 collectively have filtered or established
10 down to 12 key structures that we wanted to
11 take a closer look at, which we have done.

12 We have done structural analysis of
13 each one of those structures, as well as
14 what their current conditions are and
15 potential and repurpose or reuse. With the
16 Historic Commission, we've also reconciled
17 to pretty much all except three or four
18 structures on the property that we need to
19 further develop as we go into detail and
20 design.

21 We will actually bring each one of
22 these more predominant or pertinent
23 structures to this update as opposed to
24 doing a very quick update for all of them

1 in one session. We actually think that
2 identifying one or two as we go forward
3 will allow us to actually pinpoint and show
4 you how we're dealing with each one of them
5 within our design.

6 And with that said, we will go to
7 the next slide and I will just point out
8 one more slide. The first of those
9 structures, that is the building that we
10 see here, this is 95 -- I'm sorry. This is
11 the United Electric building, 73 State.
12 This is actually a structure that is
13 nestled right off of State Street sitting
14 as one of our entries into the hotel and
15 casino lobby.

16 We have agreed that we will retain
17 the facade, and it's actually more than a
18 facade. It's actually the first structural
19 bay of this building as part of our
20 architecture, and we've gotten agreement
21 from the Historic Commission to do that.

22 And there is one additional item
23 that's contained within this building that
24 we are studying, actually are quite excited

1 about. There is a very compelling lobby
2 anterior as you enter into the structure
3 and there is a fabricated lit dome, glass
4 dome within that lobby that we're actually
5 looking for an opportunity to reuse as part
6 of our podium design.

7 Again, we have some more study that
8 needs to happen. Certainly need to
9 collaborate specifically with the Historic
10 Commission to gain their feedback and
11 input. But depending upon on the integrity
12 of that dome, we are looking for an
13 opportunity to actually use that within the
14 lobby space as a feature within the podium,
15 so that can become a very nice legacy for
16 the structure.

17 Moving along. The other areas that
18 we have been touching on over the last
19 couple of years obviously has been traffic.
20 We, as a site, are in close proximity to
21 the major thorough fairs within
22 Springfield. But that being said, we have
23 done an extensive amount of traffic
24 analysis through TEC to identify where

1 we've got some challenges, where we need
2 some mitigation measures.

3 We've coordinated very specifically
4 with MDOT, with PVPA and City of
5 Springfield to further advance those
6 mitigation measures. And, actually,
7 through the course of the next four months,
8 we will be getting into very detailed
9 engineering analysis and even documentation
10 at each one of the mitigation locations so
11 that we actually have a handle on that, and
12 we can start moving that forward fairly
13 quickly after the November vote.

14 What is key here, which we are
15 learning very recently, is the integration
16 or the interface of these traffic areas
17 with the Viaduct development or project and
18 Chuck will touch base on that a little bit
19 further in the presentation. Utilities are
20 another area that we have stayed very
21 focused on.

22 We recognize that Bondi's Island in
23 close proximity to our site across the
24 river for sewer and water. We've actually

1 been meeting with sewer and water officials
2 related to those utilities as they relate
3 to the specific infrastructure along the
4 perimeter or around the perimeter of our
5 site where we want to plan for main points
6 of connection. And we're also getting into
7 detailed load analysis so that we know what
8 our connection points and loads need to be.

9 We've actually met and documented
10 scope related to these main off site
11 utilities, and our intention over the next
12 several months is to continue to finalize
13 that detail and actually start developing
14 documentation in terms of a permit set. So
15 we'd have a very significant advanced work
16 package that would be ready to go later
17 this year early into next year.

18 The overall schedule for the
19 project, I think it's important to be able
20 to highlight or emphasize that we
21 understand with the vote coming in November
22 our goal here is to take the necessary
23 steps to advance these early works
24 packages. So not only do we understand

1 what the scope is, but we have been able to
2 document it such that we have got the right
3 permit strategies in place. So come
4 November we are literally in a position to
5 commence work, and that is exactly what our
6 goal is.

7 How that relates to traffic
8 mitigation measures, site utilities, off
9 site utilities, demolition, we're still
10 kind of structuring that overall what I
11 call micro schedule.

12 But, again, each month we will
13 update you on that so that you get a clear
14 picture of exactly of what we're able to
15 do, you know, come later this year. And I
16 would say that the next four months is
17 focused very heavily on that type of an
18 effort so that we are indeed in a place to
19 start work and continue our project towards
20 completion very quickly.

21 I will pass the update over to Chuck
22 to talk a bit more about the Viaduct and
23 its very specific relationship to what we
24 have to do on some of our parameter

1 efforts. Chuck.

2 MR. IRVING: Thank you. Chuck
3 Irving, Davenport Properties. I'd just
4 like to add two things onto what Hunter
5 said. This project has benefited
6 dramatically from two things. Number one,
7 the infrastructure that is in place in the
8 City of Springfield has a dramatic amount
9 of access capacity. And what I'm talking
10 about traffic, sewer and water, that is
11 really a pleasant surprise for us as we try
12 to take this big project and plug it into a
13 downtown urban environment.

14 The other thing that's been
15 fantastic for us are the western
16 Massachusetts officials who have been
17 working with us. I know John Ziemba has
18 kept you up-to-date on our meetings but the
19 Historic Commission, this design has their
20 thumbprint all over it and they have been
21 fantastic in every component of this.
22 Sewer and water, the folks at Bondi's
23 Island have constantly been available to us
24 to listen and get updates. On traffic, the

1 Pioneer Valley Planning Authority, MDOT and
2 of course Chris and his folks in the City
3 of Springfield have been guiding us through
4 the process.

5 The Viaduct was a nuance we did not
6 expect in this process. And as a business
7 owner of Springfield, I think it's great.
8 Having those two projects line up
9 simultaneously is a good thing. Because if
10 they were lined up linearly, you'd have
11 twice as long impact on the City of
12 Springfield.

13 So we have been working closely with
14 Mike Lodoud, Al Stegman, Derek Valentine,
15 Lionel Lushman has been at all the MDOT
16 meetings and the PVPA of course. And we
17 think that the coordination of these two
18 projects is very feasible.

19 They are going to have about 350
20 workers on site maximum at a time. We'll
21 have a couple thousand on site maximum at a
22 time. We think the construction schedules
23 are going to line up perfectly. We intend
24 to meet every month prior to meeting with

1 you every month. So whenever I am giving
2 you an update, it's going to be days after
3 I just met with that team.

4 Our construction schedule is really
5 by this time next summer you should see a
6 lot of activity going on at that site. I
7 know you are very concerned about
8 displacement of people parking spaces on
9 our impact on downtown Springfield. I know
10 Senator Candaras is very concerned about
11 that as well. Chris, as the guy in charge
12 of this for the City of Springfield, I
13 thought he would be the best one to address
14 this for you.

15 MR. CIGNOLI: Thank you, Chuck.

16 One of the things you're able to tie
17 into the Viaduct project with the casino
18 project in dealing with MassDOT and trying
19 to do coordination with them has really
20 helped out the flow of this project as
21 well.

22 In knowing what the impacts were
23 going to be to what was going on in the
24 City of Springfield for this project, we've

1 really had a lot of interactive
2 conversations with MassDOT. The meetings
3 that we've had with MassDOT since the
4 beginning of the year, I think we've had
5 about 10 of them in our office in
6 Springfield that have been open basically
7 to all the businesses in Springfield,
8 MassMutual, Baystate Medical Center, the
9 South End Business Association, Chamber of
10 Commerce, et cetera, to bring them into
11 every meeting to let them know what is
12 going to be going on in the City of
13 Springfield, when it's going to be
14 happening and what might be the impact to
15 them as a business and to their employees
16 so that they can start looking at ways and
17 means for parking for access to be able to
18 get in and around the city.

19 We have been very, very proactive as
20 a whole group to make sure that we got that
21 information out. And with MassDOT, we have
22 been able to put together a very good plan
23 during construction to be able to ensure
24 that the city can still operate and be able

1 to accommodate the work that's going to be
2 going on with MassDOT.

3 The Viaduct project itself is
4 supposed to be starting in November.
5 However, there's about six months worth of
6 surface roadway work that is going to be
7 occurring on either side of the highway
8 that is going to allow the city to operate
9 correctly in very good nature while the
10 work is going on on the Viaduct, and that
11 also specifically includes parking.

12 Underneath the Viaduct itself, we
13 have the Springfield Parking Authority has
14 two large parking lots that the upper decks
15 have been closed for a little bit over a
16 year simply because of the condition of the
17 roadway that is out there.

18 One of the things that we have done
19 working with MassDOT is to get some of
20 those open with temporary shielding and
21 work into the construction plan that no
22 more than a certain amount of parking can
23 be out of service at any particular time
24 during the construction.

1 Over the last four or five months in
2 working with the parking authority, we've
3 also done significant surveys in the city
4 to determine amount of open parking spaces.
5 Springfield is not Boston. People don't --
6 are not happy about walking a half mile to
7 their business. They want to be as close
8 as they can. But we determined that there
9 are over 1,000 parking spaces in the city
10 that are unused on a given day.

11 One of the things that we are doing
12 right now is in working with the parking
13 authority and all the private lots is to be
14 able to advertise them as best as possible
15 so that when the construction of 91 starts,
16 as well as the construction that is going
17 to happen with the MGM, people know where
18 to park. It's just not all of a sudden one
19 day a barrier goes up, and they are going
20 to have to go find a parking space. We
21 want that to be in place prior to the
22 construction activities that are going on.

23 With parking one of the things that
24 we are concerned about as well is working

1 with Chuck and Hunter and his group is
2 construction access, construction parking,
3 vehicles, equipment, cranes, materials, et
4 cetera to be able to get in and out. All
5 of those things are working hand-in-hand.

6 And I think as a city and in working
7 with MassDOT specifically and with the
8 development teams, I think we have probably
9 an 80 percent right now a very, very good
10 plan in place for what we want to do in the
11 city and know that we are going to be able
12 to accommodate everybody within the city
13 with parking both through private lots and
14 through the Springfield Parking Authority
15 as well.

16 COMMISSIONER MCHUGH: Have the
17 participants in these meetings that you
18 have been talking about included the trial
19 court?

20 MR. CIGNOLI: The trial court had
21 been invited. They have not attended the
22 meetings.

23 MR. IRVING: However, Chris and I
24 are going to reach out to the trial court

1 and have a meeting with them because we
2 know Senator Candaras has asked for that,
3 so we have been talking about that and that
4 before we meet next time will happen.

5 COMMISSIONER MCHUGH: Thank you.

6 CHAIRMAN CROSBY: Big public
7 projects as the overpass have been known to
8 run late. Have you done -- what does it
9 mean -- if it's a year late, have you done
10 some modeling or estimating how big a deal
11 is that? Now you are in-sync, which is
12 great if they stay in-sync. But if that
13 one falls out of sync, what happens?

14 MR. IRVING: Well, I think they are
15 going to try to go to bid in the next or
16 get the package out within the next day or
17 so. I think they'll make a decision on a
18 contractor and determine the contractor
19 entering into before our vote in November.

20 Based on that contract, I think we
21 should be able to figure out our schedule
22 relative to that. But that's also why we
23 are still in this process. If it runs over
24 a year, yes, that is not going to be great

1 but I can't figure out the details at this
2 point. I hear you, absolutely.

3 MR. CIGNOLI: With regard to the
4 city on that same question as well, the
5 Viaduct itself, the structural system of
6 the Viaduct has been inspected. It is in
7 very good shape. We are basically taking
8 up the structural deck and putting down a
9 new structural deck. So the intent is
10 that, in general, there should be no
11 surprises with regard to the construction.

12 And what we have really done is
13 working with MassDOT is to put enough into
14 the bid package allowing, you know, 24 hour
15 construction when we need to to be able to
16 get the contract going because a lot of the
17 work is going to be precast concrete that
18 is going to be out there, so they're using
19 a lot of accelerated techniques.

20 So I think from our end as a city,
21 we're pretty comfortable with the
22 techniques that are being used and a
23 schedule that is going to be implemented
24 out there. And right now I think the

1 MassDOT has done enough background work
2 that there really, really shouldn't be any
3 surprises. Everything is above ground,
4 exposed and be able to be inspecting ahead
5 of time.

6 MR. IRVING: So as Hunter mentioned,
7 we can't cover everything today. But in
8 future meetings, we want to be talking
9 about the contracts that we are signing
10 with vendors, specifically what retailers
11 are going there, what the movie theaters is
12 going to look like. We want to talk about
13 the land acquisitions. We have 90 tax
14 parcels out there. Obviously the delay has
15 caused us to reorganize that situation.

16 In addition, you can expect from us
17 updates on what we are doing locally with
18 roads and utilities because we intend to
19 make progress on that between now and
20 November. Every month I expect we'll come
21 in with an update on the Historic
22 Commission and where we are with that.

23 All we're really trying to do is tie
24 up the loose ends so we can get to our FEIR

1 and really stay on the entitlement track
2 that we have been on. The November vote
3 delayed our construction schedule. It did
4 not delay our permit and design and
5 entitlement schedule.

6 COMMISSIONER ZUNIGA: Do you have a
7 date estimated for the final EIR?

8 MR. CLAYTON: We're actually in the
9 process of developing the final EIR
10 document as we speak. We will be ready to
11 submit in November. I think our original
12 submission date was September. We have got
13 some loose ends to tie up. We must
14 finalize our design sufficient enough to
15 close on our historic structure approaches.

16 But with the draft EIR complete with
17 the certification in hand, we have our
18 comments we are -- we literally had a work
19 session on it this morning, and we're
20 targeting that to go in November in a 10 to
21 12 month process that normally is a
22 critical path with the amount of work that
23 we have done to date that is effectively
24 off of our critical path in terms of

1 approval, which we're grateful for.

2 Another item just to bring you up to
3 speed, we're also in active discussions
4 with the construction market looking at the
5 phasing and sequencing that we have
6 actually done internal and we're giving it
7 out to the market to get some industry
8 expert response or feedback on that.

9 We will be giving updates on that,
10 including fairly detailed looks at what our
11 phasing and sequencing and access will look
12 like from a construction standpoint. And
13 obviously that plays into our traffic
14 mitigation and management plan during those
15 efforts as well. So in the coming months,
16 we'll be giving you some good updates on
17 that also.

18 CHAIRMAN CROSBY: Great. Any other
19 thoughts, questions? I just want to
20 mention one thing that we also said to the
21 folks at Penn. We, as you know, are in our
22 own learning curve in terms of overseeing
23 these processes and we are anxious to keep
24 up to speed. We are anxious to make sure

1 we know what is going on. We are anxious
2 to make sure that we know what's going on.
3 We're anxious to make sure that everything
4 gets adhered to that has been promised, all
5 of that appropriate stuff.

6 But we also don't want to get in the
7 way, and we want to have a very candid
8 relationship with you. If you feel like
9 the reporting requirements of the
10 interactivity is onerous, please say so and
11 we may agree or disagree but it's a
12 perfectly legitimate opinion. So as this
13 whole thing unfolds, just let's have a real
14 open dialogue.

15 We know we have a critical priority,
16 which is to make sure that we hit our
17 deadlines and don't hold you up on
18 approvals and so forth. And our
19 consultants will be helping us make sure
20 that we don't get in the way of the
21 schedule. But also what we ask of you
22 needs to be appropriate too and feel free
23 to talk about that.

24 MR. CLAYTON: Great, appreciate

1 that.

2 COMMISSIONER STEBBINS: Just one
3 additional note for Chuck and for Hunter.
4 Obviously as you're going through and
5 looking towards extending contracts for
6 additional types of work during this
7 period, you know, keep in mind we certainly
8 encourage you to go out and look for those
9 MBEs and WEBS and VBEs along the line.

10 MR. CLAYTON: We have a very focused
11 minority and diversity development program
12 that we will make sure we give an update on
13 as well, but we hear you loud and clear.

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

16 COMMISSIONER CAMERON: Thank you.

17 CHAIRMAN CROSBY: I am going to
18 suggest a quick break.

19

20 (A recess was taken)

21

22 CHAIRMAN CROSBY: All right. We are
23 about to reconvene the 130th meeting at
24 about 2:30. And are you taking the lead?

1 MR. DAY: I'm ready. Mr. Chairman,
2 I'm sure you recall that on July 10th Penn
3 reviewed the project schedule and the
4 Commission approved that schedule at that
5 time and Jack Rauen is back here with us
6 today to present Penn's first and quarterly
7 report. Before Jack starts, I might just
8 go over a little bit of the process.

9 What we did to develop at least a
10 foundation of Jack's report is to look back
11 at CMR 135, which is really the monitoring
12 regulation set. And in that particular
13 regulation, it gives a list of items that
14 are supposed to be included in the
15 quarterly report.

16 So, together we designed at least a
17 format that helped to deal with that. But,
18 so, I might emphasize in this process as
19 Jack moves forward and we would greatly
20 appreciate your input, any questions or
21 suggestions of how we modify this, the
22 first shot at a quarterly report, so don't
23 hesitate to let us know if it fulfills the
24 need. And with that, Jack.

1 MR. RAUEN: Thank you, Rick.

2 MR. DAY: You're welcome.

3 MR. RAUEN: Good afternoon. This is
4 getting to be a regular thing.

5 COMMISSIONER MCHUGH: It is.

6 MR. RAUEN: I am getting to like
7 this chair. Feeling comfortable.

8 MR. DAY: Jack, can I just interrupt
9 you? As usual, I forgot one thing. It
10 does indicate a vote on your agenda, but
11 that's a typographical error. The
12 quarterly report wasn't required to have a
13 vote.

14 CHAIRMAN CROSBY: Okay, great.

15 MR. RAUEN: Good afternoon, pleasure
16 to be here today to talk about our first
17 quarterly report for progress through
18 June 30th at Plainridge Park Casino.

19 I want to touch on a couple of
20 highlights, most notably the fact, and it's
21 the same message we gave you two weeks ago,
22 that we remain on target for a June 2015
23 opening. And I would echo what Rick said.
24 I think an important part of this quarterly

1 report process was the fact that it was
2 simply laid out in the regs and we were
3 able to sit down and go down each one of
4 them, talk about what we needed to say,
5 what materials we needed to say, to say it
6 with and it worked out very well we think
7 and laid a good foundation, I think for
8 future reports.

9 CHAIRMAN CROSBY: Great.

10 MR. RAUEN: Thank you. To date,
11 hundreds of what we expect to be about a
12 thousand local construction workers that
13 have been mobilized on the site resulting
14 in foundations being laid for the casino
15 building, steel being erected and
16 underground utilities being placed.

17 Thus far we've spent about
18 70 million-dollars on the project and have
19 30 million-dollars of construction
20 subcontracts committed in addition all
21 towards our 225 million-dollar project
22 cost.

23 The work to date has been in
24 accordance with our comprehensive diversity

1 plan for design and construction. Thus far
2 on construction activity, we've achieved
3 minority participation of 23 percent versus
4 a goal of 4 percent. For female owned
5 businesses, we've reached 6 percent against
6 the goal of 7 percent.

7 And while we struggled, as we've
8 told you in the past with the Veteran's
9 business enterprises because of its
10 emerging field, we do take note that on the
11 construction workforce side we've achieved
12 10 percent Veteran participation level
13 versus an aspirational goal of 3 percent.

14 CHAIRMAN CROSBY: This is employees
15 or contracts?

16 MR. RAUEN: This is workforce on the
17 site.

18 CHAIRMAN CROSBY: Workforce, yes.

19 MR. RAUEN: So while we have been
20 struggling finding business enterprises for
21 Veterans, from Veterans, we haven't
22 struggled on the employee side as it
23 relates to workforce on the site.

24 CHAIRMAN CROSBY: Great.

1 MR. RAUEN: And we continue to work
2 with Turner, our construction manager, to
3 find ways to better network in the Veterans
4 business community and we are making
5 progress on that. In some we are committed
6 to continuing to monitor our vender, as
7 well as workforce participation rates and
8 in strive to maximize opportunities for
9 women, minorities and Veterans on the
10 project.

11 On the operational side, we
12 submitted in May an affirmative marketing
13 plan for the utilization of minority women
14 and Veteran enterprises, and that plan is
15 expected to be presented to you in the
16 month of August. And as always, I want to
17 take a note and thank Jill for her guidance
18 and help on all of these diversity matters.
19 So far we think we are doing pretty well.

20 Let's see, another note. In terms
21 of the permitting process, we are still
22 awaiting the MassDOT/MEPA response and the
23 issuance of their Section 61 findings,
24 which are critical to our off-site

1 improvement's process and --

2 CHAIRMAN CROSBY: When is that
3 expected?

4 MR. RAUEN: Any day now we are told,
5 any day. We are awaiting. But as we've
6 passed onto you during our discussion of
7 the schedule, other permits are in place to
8 keep the work continuing and to keep us on
9 track for a June opening. And I also want
10 to point out that construction activity so
11 far, and they are in full swing, have not
12 impacted our racing operations and the
13 summer racing program is in full swing.

14 So in closing, I'd just like to say
15 that a lot of time went into this quarterly
16 report. I think the first one of anything
17 is always difficult, but I think we have a
18 good structure as to what's required. I
19 think we work very well together as a group
20 and hopefully this report was good and
21 future reports will be a heck of a lot
22 easier.

23 I want to thank Rick for that and
24 also our continuing relationship with

1 Pinck. I think we all worked very well
2 together on this one. And that's the
3 highlights, and I'm happy to answer any
4 questions.

5 CHAIRMAN CROSBY: Anybody?
6 Commissioner, were you about to say
7 something?

8 COMMISSIONER ZUNIGA: Well, I just
9 give you credit for I like the summary. I
10 like the highlights, you know. I like the
11 format and it's clear that you are making
12 good progress, so thank you.

13 MR. RAUEN: Thank you. Appreciate
14 it.

15 COMMISSIONER MCHUGH: I think the
16 report format is really very accessible and
17 you give credit to the regulations and I am
18 glad the regulations work that way. But
19 the execution of the intent of the
20 regulations has resulted in a very
21 accessible document.

22 MR. RAUEN: I think in this case we
23 gave a very good roadmap and made it very
24 clear to assemble.

1 COMMISSIONER CAMERON: You know,
2 more than just a roadmap. It's very
3 apparent that you take these
4 responsibilities seriously and that you are
5 striving to do an excellent job and meet
6 all the goals, so I commend you for that.

7 MR. RAUEN: I appreciate that. It's
8 important.

9 CHAIRMAN CROSBY: Anything
10 downstream, you know, any wrinkles you see
11 downstream, anything that keeps you awake
12 at night?

13 COMMISSIONER MCHUGH: You don't have
14 to answer that question.

15 MR. RAUEN: You know, well, maybe
16 November.

17 CHAIRMAN CROSBY: Right.

18 MR. RAUEN: On a pure construction
19 and development side, no. We inherited a
20 plan, a program, a design team, a
21 construction process. We inherited all of
22 that. We like it, and it's working. And
23 it did what we wanted it to do, and that's
24 helped us get off to a good start. We're

1 off to a good strong start, and now we just
2 need to keep it going. Permitting is lined
3 up and so we think, except for the -- we'd
4 certainly like the MassDOT/MEPA thing
5 cleared up just so we know our direction
6 there. But other than that, I think we
7 have a good program and we are just going
8 to keep executing.

9 COMMISSIONER MCHUGH: Great.

10 CHAIRMAN CROSBY: Great.

11 COMMISSIONER STEBBINS: It was
12 helpful for us when we recently got
13 together to understand the process of how
14 your -- how Turner and subserve constantly
15 grappling with the issue of finding
16 minority women on the construction force,
17 you know, what appears to be the daily or
18 weekly trips down to the union hall to kind
19 of go and corral people as quickly as you
20 can. We appreciate the effort. We know
21 and I think knew from the outside it was
22 going to be a challenge but certainly
23 pertinent.

24 MR. RAUEN: We have a committed

1 partner in Turner. They believe in it and
2 so do we and so that resonates down,
3 Commissioner, to the subcontractor level.
4 They know what's expected of them and so
5 far we just need -- it's going well. We
6 need to keep executing.

7 COMMISSIONER STEBBINS: I do want to
8 go back to an earlier suggestion. We
9 talked about this in the past in utilizing
10 our good friends over at Veterans' services
11 to maybe get a group together with the
12 local Veterans' agents from each
13 municipality and get them together at
14 Plainridge to talk about the opportunities.

15 They are going to know every Vet who
16 has been living in their town coming back
17 from the current conflicts or whatever, who
18 has their own business but also give them
19 an idea of kind of your project and where
20 it's progressing and where you might see
21 opportunities down the line.

22 MR. RAUEN: I'll make sure we shoot
23 you a note back on that, because Turner has
24 really been working on this trying to

1 better network themselves into the various
2 Veteran organizations. So there is a plan
3 to improve, and I will make sure I'll shoot
4 you a note on that.

5 COMMISSIONER STEBBINS: Great.
6 Thank you.

7 CHAIRMAN CROSBY: Anything else?

8 COMMISSIONER MCHUGH: No, that's
9 very good. Thank you very much. Nice to
10 have you back.

11 MR. RAUEN: Nice to be here.

12 COMMISSIONER MCHUGH: See you soon.

13 CHAIRMAN CROSBY: Director Day, are
14 you up? We are onto item six?

15 MR. DAY: We're onto Catherine Blue
16 and item six.

17 MS. BLUE: Item six I just wanted to
18 give you a very quick overview of items A,
19 B, C and D just to set the table for what
20 we are asking for you -- from you in terms
21 of actions today, and then Danielle Holmes
22 is here with me. She is the person in the
23 legal department who is responsible for
24 actually shepherding these regulations

1 through their entire process.

2 But on item A, B, the calculation of
3 capital investment, as you may recall, this
4 was before the Commission last time. What
5 you have in your book is amendments to that
6 regulation that we've made consistent with
7 our conversations. We will be asking you
8 today to vote to allow us to file those as
9 emergency regulations and then take them
10 through the process.

11 The gaming schools regulations, you
12 have seen these before. These are the
13 same. There have been no changes, but we
14 are just asking today for you to approve
15 the small business impact statement and to
16 allow us to file those on an emergency
17 basis.

18 And then items C and D, we are just
19 asking for you to approve what is the
20 amended small business impact statement.
21 These two regulations, the vender licensing
22 and the qualifier are going through the
23 formal process, and so we are just asking
24 for you to look at the small business

1 impact statement.

2 In one of the documents in your
3 book, the small business impact statement
4 covers more than one set of regs and so
5 that is why you won't see a separate small
6 business impact statement for each one. So
7 we'll go through each of those individually
8 and answer any questions that you have.

9 CHAIRMAN CROSBY: We have to go
10 through them one by one to vote anyways,
11 right?

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

13 CHAIRMAN CROSBY: Let's just run
14 right through them.

15 MS. BLUE: So item A is the
16 calculation of capital investment. We made
17 changes in that for Region C, and those
18 changes are the changes that we discussed
19 at our last meeting.

20 COMMISSIONER MCHUGH: And they are
21 highlighted in red?

22 MS. BLUE: Yes, that's correct.

23 COMMISSIONER ZUNIGA: Can I make a
24 small -- I think the way this reads that it

1 would be included but I know we
2 specifically discussed permitting costs.
3 So is it not too late to just add the word
4 "permitting" right after "costs associated
5 with"?

6 MS. BLUE: Certainly we can add
7 permitting in there, yes.

8 CHAIRMAN CROSBY: When --

9 COMMISSIONER ZUNIGA: The last line,
10 correct?

11 MS. BLUE: Yes, it is. We do have
12 it in there.

13 COMMISSIONER ZUNIGA: Sorry, scratch
14 that.

15 CHAIRMAN CROSBY: I guess, and I
16 don't know the answer to this, but
17 capitalized interest has a clear meaning.
18 It doesn't need to be explained,
19 capitalized interest. There's a common --

20 COMMISSIONER ZUNIGA: There is and I
21 would add since, you know, because at least
22 I intended it broadly just like what it
23 says in the actual regulation and other
24 associated financing costs.

1 COMMISSIONER MCHUGH: Well, that's
2 not what the motion said. That's not what
3 we approved. I thought --

4 MS. BLUE: No. The motion was only
5 for capitalized interest.

6 COMMISSIONER MCHUGH: That's right.

7 CHAIRMAN CROSBY: But you're
8 comfortable that capitalized interest
9 stands alone?

10 COMMISSIONER ZUNIGA: Yes, that will
11 cover it, yes.

12 COMMISSIONER MCHUGH: I don't want
13 to be technical, but I just was.

14 COMMISSIONER ZUNIGA: Yes, I think
15 it covers it. I don't want to --

16 CHAIRMAN CROSBY: Do we want a
17 motion on A? Commissioner Zuniga?

18 COMMISSIONER ZUNIGA: Sure. I would
19 move that -- at what stage of the
20 regulation are we? Is this now the final?

21 MS. BLUE: This is the final. It
22 will be filed as an emergency regulation,
23 but we will then put it out for comment.
24 We'll have a hearing on it. So we will

1 have time to make changes if we decide we
2 want to.

3 COMMISSIONER ZUNIGA: So, therefore,
4 I would move that this Commission approve
5 the regulations as presented here in the
6 packet, 205 CMR 122, for promulgation of an
7 emergency and as well as promulgation on
8 the normal course of -- on the normal
9 process.

10 CHAIRMAN CROSBY: Second?

11 COMMISSIONER CAMERON: Second.

12 CHAIRMAN CROSBY: Any further
13 discussion? All in favor?

14 COMMISSIONER MCHUGH: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

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

20 MS. BLUE: The next regulation is
21 the regulation on gaming schools. This is
22 the same regulation that has been before
23 the Commission. We made changes during the
24 course of those discussions. What we are

1 asking is that the Commission approve
2 filing it as an emergency regulation and
3 also approve the associated small business
4 impact statement.

5 CHAIRMAN CROSBY: Commissioner
6 Stebbins, does that look all right?

7 COMMISSIONER STEBBINS: It does.
8 Mr. Chair, I would move that the Commission
9 approve the small business impact statement
10 for 205 CMR 134, as well as initiate the
11 emergency regulation process.

12 CHAIRMAN CROSBY: Now the regs is
13 137. The small business is 134. Am I
14 missing --

15 MR. DAY: I think --

16 COMMISSIONER ZUNIGA: The small
17 business is for all of them.

18 CHAIRMAN CROSBY: Oh, it's for all
19 of them? So item C is for all of the regs;
20 is that right?

21 MS. HOLMES: No. There should be
22 two small business impact statements.

23 MS. BLUE: I think there's a
24 separate one in this regulation, and then

1 the second small impact statement covers C
2 and D on the agenda.

3 MS. HOLMES: D and E.

4 CHAIRMAN CROSBY: The only small
5 business statement I see is 134, and I am
6 not sure which regs that's referring to.

7 MS. BLUE: 134 refers to the slots
8 regs, so that's the small business impact
9 statement for the slots.

10 COMMISSIONER CAMERON: I don't think
11 we got the other one in our packet.

12 MS. BLUE: Under 6D there is a small
13 business -- amended small impact statement
14 that covers 143, 44, 45 also --

15 MS. HOLMES: No, those are -- the
16 amended is for the slots or the gaming
17 devices and the new qualifier. There
18 should be a small business impact statement
19 for the --

20 COMMISSIONER CAMERON: Do you have
21 it?

22 CHAIRMAN CROSBY: There's an
23 amended.

24 MS. HOLMES: There should be one

1 amended and two small business.

2 COMMISSIONER ZUNIGA: One small
3 business impact.

4 COMMISSIONER MCHUGH: I have an
5 amended small business impact at page 152.
6 I don't know if yours are paginated. It
7 deals with 143, 44, 45. Is that the one
8 you're referring to, Danielle?

9 MS. HOLMES: No. There should be a
10 small business impact statement for gaming
11 schools separately.

12 CHAIRMAN CROSBY: 137.

13 COMMISSIONER MCHUGH: Yes, I
14 have two.

15 CHAIRMAN CROSBY: We have the small
16 business impact statement from 134 and we
17 have the multiple one for 43, 44, 45, et
18 cetera. We do not have 137, which is the
19 training schools.

20 COMMISSIONER CAMERON: I don't
21 either.

22 MS. BLUE: Then that may not have
23 made it into the book. We have uploaded a
24 number of them. I know it's confusing when

1 we put the books together so we'll have to
2 bring that back to you at the next meeting.

3 CHAIRMAN CROSBY: Well, do we need
4 to do that or can we go ahead and vote on
5 his motion? I think we are going to be
6 okay with your -- you know, just say we
7 give you the right, the authority to
8 process that.

9 MS. BLUE: If you would, that would
10 be helpful and we will get with it.

11 COMMISSIONER STEBBINS: Do you want
12 me to withdraw my original motion?

13 MS. HOLMES: Can you check page 132
14 of your book?

15 COMMISSIONER ZUNIGA: We're not
16 paginated.

17 CHAIRMAN CROSBY: What section is
18 that, Hank?

19 SPEAKER: Page 132 says 205 CMR.

20 COMMISSIONER MCHUGH: That's the
21 reg, not the small business impact
22 statement.

23 CHAIRMAN CROSBY: It's all right.
24 It's no problem. Why don't you restate

1 your motion, Commissioner Stebbins.

2 COMMISSIONER STEBBINS: I will
3 withdraw my original motion and move that
4 the Commission delegate the authority to
5 General Counsel Blue to file the
6 appropriate small business impact statement
7 for 205 CMR 137 and initiate the emergency
8 regulatory process for that regulation.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER MCHUGH: Emergency and
11 permitted.

12 COMMISSIONER STEBBINS: Emergency
13 and permitted, I'm sorry.

14 COMMISSIONER CAMERON: Second.

15 CHAIRMAN CROSBY: Any further
16 discussion? All in favor?

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

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

23 MS. BLUE: Thank you. And we have
24 the final small business impact statement.

1 This is the amended small business impact
2 statement that covers multiple regulations
3 that we had just pulled up.

4 COMMISSIONER ZUNIGA: Did we skip
5 over --

6 MS. BLUE: The vender licensing --
7 oh, the regulation.

8 MS. HOLMES: And that has a separate
9 small business attachment. So part C, 6C
10 is the vender licensing, which should have
11 a small business impact statement.

12 COMMISSIONER MCHUGH: Is it just the
13 small business impact statement?

14 MS. HOLMES: Yes.

15 COMMISSIONER MCHUGH: And then the
16 small business impact statement for the
17 qualifier. That's all -- not the regs,
18 right?

19 MS. BLUE: That's right. Those are
20 just small business impact statements, not
21 the regs.

22 COMMISSIONER CAMERON: So are we
23 looking at just part C now?

24 MS. HOLMES: So for C would be just

1 the small business impact statement.

2 COMMISSIONER CAMERON: For 134.

3 MS. HOLMES: For 134, yes, which we
4 passed by emergency in June.

5 CHAIRMAN CROSBY: Right.

6 COMMISSIONER CAMERON: So now it's a
7 final?

8 MS. HOLMES: This is just the next
9 step on the promulgation process.

10 CHAIRMAN CROSBY: Do we have a
11 motion to adopt the small business impact
12 statement for CMR 134?

13 COMMISSIONER ZUNIGA: So moved.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: All in favor?

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 CHAIRMAN CROSBY: The ayes have it
22 unanimously. Now we get to D. This is
23 just the new qualifier. It's all the new
24 qualifier information, right, is one and

1 two, three? Okay.

2 COMMISSIONER ZUNIGA: The language
3 in red for these -- for regs 205 CMR 101
4 and 115 are just updates to existing
5 regulations; is that correct?

6 MS. BLUE: That's correct.

7 MS. HOLMES: So we've already had a
8 public hearing on these regs and we did the
9 initial filing for them, I think, back in
10 June or maybe even earlier. So this is
11 post public hearing. And then we have to
12 file the amended small business impact
13 statement, which is joined with the gaming
14 devices amended small business impact
15 statement and then file the final portion
16 of the regulations, so this is for their
17 final filing.

18 COMMISSIONER ZUNIGA: Right. And
19 these are based on some of the comments we
20 received obviously on some of this.

21 MS. BLUE: That's right, yes.

22 CHAIRMAN CROSBY: So do we have a
23 motion for -- we want to adopt all four new
24 qualifier regs and all three as well as the

1 amended small business statement, right?

2 MS. BLUE: We've already taken care
3 of the regs. It's just the small business
4 amended impact statement that you need to
5 approve. The regulations have already been
6 through the vast majority of the process,
7 so there is no change to the regulations.
8 This is what we have to file now that we've
9 finished.

10 CHAIRMAN CROSBY: I thought the new
11 qualifier were changes to those regs.

12 MS. BLUE: And you already reviewed
13 those.

14 CHAIRMAN CROSBY: So we need a
15 motion to support to endorse the amended
16 small business impact statement.

17 COMMISSIONER ZUNIGA: I would move
18 that this Commission approve the amended
19 small impact -- business impact statement
20 as presented here in the packet for
21 regulations 205 CMR 143, 144, 145, 101, 115
22 and 116.

23 CHAIRMAN CROSBY: Second?

24 COMMISSIONER MCHUGH: Second.

1 CHAIRMAN CROSBY: Any discussion?

2 All in favor?

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

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

9 MS. BLUE: Next we have the slots
10 regulations. We've already taken care of
11 the amended small business impact statement
12 for them, but I know last time you wanted
13 to review these regulations and you may
14 have questions. So we have CIO Glennon and
15 Mr. Grossman to talk to you about those.

16 MR. GLENNON: Thank you, Catherine.
17 Mr. Chairman and Commissioners, we first
18 presented draft regulations on March 6th
19 relative to electronic gaming devices,
20 electronic gaming equipment, approval of
21 slot machines, electronic gaming equipment
22 in the testing laboratories and possession
23 and transportation of electronic gaming
24 devices.

1 This final draft before you has
2 substantive changes from the first
3 iteration based on our own internal review
4 and the input from collaborative discussion
5 with Penn National gaming industry
6 consultants, electronic gaming
7 manufacturers, independent testing
8 laboratories and regulators and other
9 similar jurisdictions.

10 We've received written feedback from
11 the association of gaming equipment
12 manufactures and the gaming standard
13 association as well. Special thanks to Jim
14 Barbie from Nevada, Frank Donahue and his
15 team from Penn National, the folks from
16 Michael and Carol, Ethan Tower from GSA,
17 Kevin Mullaly and Patrick Moore from GLI,
18 Travis Fully from DMI, Derek Smith from
19 Valley Technologies and Carrie Porterfield
20 from IGT. I very much appreciate and
21 wanted to acknowledge the support received
22 from former MGC staff attorney Artem
23 Shtatnov. Artem, if you are out there
24 watching, I couldn't have done this without

1 you. And Deputy General Counsel Todd
2 Grossman and Commissioner McHugh.

3 As required, a public hearing was
4 held, testimony taken and all input
5 received, letters, e-mails, et cetera have
6 been included in the Commission packet.
7 I'd like to highlight several areas where
8 we did make changes.

9 First of all, our last conversation
10 we talked about defining gaming positions
11 in the regulations. And since they're
12 defined in the statute conversations with
13 counsel, there is no need to define -- I'm
14 sorry, gaming positions. There is no need
15 to define gaming positions within the
16 regulations. On page two we do define the
17 slot machine the way we agreed in the last
18 meeting, so under that Section 143 01
19 Section 2 and 3.

20 COMMISSIONER MCHUGH: Can I stop you
21 before you leave, page 2, Director Glennon?

22 MR. GLENNON: Yes.

23 COMMISSIONER MCHUGH: Because the
24 only question I have about these regs is

1 the next Section 4 and the same issue
2 appears a couple of times. Baked into
3 these regulations is Central Management
4 System.

5 MR. GLENNON: Yes. So we did
6 consider this and what we would ask is that
7 for your approval with the language that
8 describes the functionality and the
9 requirements so that if we decide to go
10 forward, we can take advantage of that.
11 Because I don't think there is anything in
12 here that is going to say that we -- it
13 talks about functionality, not that we have
14 to do something with the Central Management
15 System.

16 I think it's more around how would
17 we expect to receive the data. So we did
18 not remove the language around the Central
19 Management System because we had not come
20 to a conclusion on that on whether or not
21 we are going to require it or not.

22 COMMISSIONER MCHUGH: Right. But it
23 says -- so I thought now that I read from
24 one of the gaming manufacturers that there

1 is a cost to -- in the machine if it is
2 Central Management System ready; is that
3 right?

4 MR. GLENNON: No. So for a slot
5 accounting system for the old machines, the
6 SBIS based machines, there is a piece of
7 hardware called the System Management
8 Interface Board or a SMID. It's required
9 on the back of each machine in order to
10 collect the data. We are not going to
11 require that to be done unless we go with
12 the Central Management System.

13 So there is no requirement in a
14 machine for any technology or any
15 components. That would be the only thing
16 that I could think that somebody would have
17 mentioned.

18 COMMISSIONER MCHUGH: So when we say
19 "the gaming device should be capable of
20 providing the Commission with a near
21 realtime stream of data," we would
22 interpret that as CMS ready or not
23 depending on the ultimate goal; is that --

24 MR. GLENNON: I think that is what

1 it is, yes.

2 COMMISSIONER MCHUGH: And
3 structurally, just so I understand this,
4 there is an add-on if we want the CMS -- an
5 add-on in the form of a board if you want
6 --

7 MR. GLENNON: Only if the technology
8 of the electronic gaming device is based on
9 the slot accounting system and not the
10 newer standard. The new communications
11 protocol do not require a system, a SMID,
12 just a single plug in because of the
13 technology.

14 COMMISSIONER MCHUGH: Okay.

15 COMMISSIONER CAMERON: Would these
16 regs need to be amended if we don't choose
17 to go?

18 MR. GLENNON: I think we're saying
19 the machines have the capability to do it.
20 The functionality is built. That's all.

21 CHAIRMAN CROSBY: This sentence in
22 four, following up on Commissioner McHugh's
23 comments about halfway down, "if
24 communication between the slot machine and

1 the Commission central control system
2 fails, the slot machine shall not continue
3 to operate," et cetera. That does not
4 presume a CMS?

5 MR. GLENNON: So, I think it may. I
6 think the machine is capable of recording a
7 certain number of transactions for a period
8 of time. And at least one of the
9 manufacturers asked us to modify this
10 section to not require the data to be a
11 full seven days, only critical items. So
12 we've made some changes to the language to
13 allow for the machine to collect the data
14 if it has lost communication. Sorry,
15 that's probably not clear.

16 CHAIRMAN CROSBY: I didn't follow
17 that.

18 COMMISSIONER MCHUGH: Could we cut
19 through this by saying as an introduction
20 to tech support and whoever else in the
21 regulations, the same thing is repeated if
22 required by the Commission, comma, a gaming
23 device shall, would that solve the problem?

24 MR. DAY: I think that would solve

1 the problem.

2 COMMISSIONER MCHUGH: And we leave
3 the rest of the text as it is.

4 MR. DAY: Because then we wouldn't
5 even have to go back and amend the regs
6 later. It would be available there.

7 COMMISSIONER MCHUGH: We just issue
8 a requirement that you have to do it.

9 CHAIRMAN CROSBY: It goes a little
10 bit to what we were talking about earlier.
11 We want to make sure that there is no mixed
12 signals given that we're doing this on --
13 the analysis of a CMS is really an
14 objective analysis. And if there is this
15 kind of ambiguity in the regs, it suggests
16 that maybe our process isn't really on the
17 level.

18 So I think Commissioner -- but
19 carefully if you went through anyplace
20 where there was an ambiguous reference,
21 that might seem to imply a CMS we added
22 those language we'd be fine.

23 MR. GLENNON: Just to be clear, our
24 intent is to -- so the machines have the

1 capability to provide the data to CMS, so I
2 agree with your suggestion, Commissioner.
3 I will make that change.

4 CHAIRMAN CROSBY: Others? You were
5 going ahead, I guess.

6 COMMISSIONER MCHUGH: You were going
7 ahead, and I interrupted you.

8 MR. GLENNON: So network security,
9 we had originally were adopting, you know,
10 something out of GLI and it was pointed out
11 to us that really GLI's network security
12 section is guidance. So we've added some
13 language in here that is going to require
14 our licensee to provide us with an
15 infrastructure and data security plan that
16 basically describes how you are going to
17 protect confidential data and their
18 network. And, I think, that it was a good
19 suggestion and so we've added that language
20 in as well.

21 CHAIRMAN CROSBY: The very bottom of
22 page five is another example of the problem
23 that Commissioner McHugh was raising.

24 MR. GLENNON: Right. So we will

1 make that modification in the
2 communications protocol area. This is
3 another area where there was some
4 significant discussion around requiring the
5 gaming standard association protocol.

6 We made some changes to the language
7 to allow grandfathering the machines for
8 Penn if they put in old technology machines
9 and also to be, I think, less prescriptive
10 in terms of the necessity to put that in.
11 So that's it for that set. Moving onto
12 144.

13 There is one error on page nine
14 related to the notification of the
15 Commission. We are going to change the
16 language. We changed it from the gaming
17 vender shall promptly notify the Commission
18 within 48 hours -- from shall promptly
19 until 48 hours. We are going to change it
20 back to promptly. Apparently 48 hours is
21 not a reasonable timeline in some cases,
22 and we got that feedback today as a matter
23 of fact. So, I think, we are going to
24 accommodate that change and change that

1 back.

2 CHAIRMAN CROSBY: I was going to
3 comment on that too because at the hearings
4 -- at the regs hearing on the 17th of June,
5 it was prompt -- what was it at that point
6 when we had the hearing, it was promptly,
7 right?

8 MR. GLENNON: Yes. I don't know how
9 this got -- to be honest with you, I don't
10 know how we changed it to 48. I think
11 we -- GLI had talked about, you know, being
12 a reasonable period of time. I think the
13 original language said immediate and that
14 just did not -- was not feasible, I think.
15 So I think promptly is going to be
16 acceptable and reasonable.

17 CHAIRMAN CROSBY: Because I don't
18 know whether -- okay. Promptly is pretty
19 vague, I guess. They were saying you have
20 to give us some wiggle room in here,
21 because this is such a vague standard. If
22 a negative action -- if it becomes aware of
23 an issue that may negatively impact, it's a
24 pretty fuzzy standard here and to put them

1 under tremendous time pressure to
2 implement, it was unreasonable. In their
3 language, I think they suggested maybe
4 within reasonable period of time. I don't
5 know.

6 MR. GLENNON: So I think promptly is
7 vague enough that it can be within a
8 reasonable period of time hopefully. We
9 also made some language changes on page 12
10 around use of results from other
11 jurisdictions. There was a lot of talk
12 around laboratories.

13 You know, we had some language we
14 wanted to be able to share results that
15 just didn't seem practical. So we changed
16 that, removed some of that section and
17 changed the language around and the
18 expectation that there may be sharing of
19 some results.

20 We accommodated rather than having
21 payments have to be done at the time of
22 transaction to apply for a machine to be
23 certified, we are going to allow some
24 flexibility around maybe some prepayment by

1 some manufacturers. They asked for that so
2 there wasn't a transaction every time they
3 wanted to work with us.

4 On page 18 we made some changes
5 around background checks. I think we had
6 taken our regulations originally from
7 Nevada and they were really -- I think they
8 were pretty stiff so we've modified that to
9 still require them to disclose criminal
10 convictions or revocation of any
11 credentials but taken out some other
12 language.

13 And then finally in 145, possession
14 of slot machines, we've made some
15 modifications around just the description
16 of gaming school and also allowing for
17 machines to be in a showroom. That was a
18 request from the partnering manufacturers
19 as well. So, I think, we have a pretty
20 good first start here and I can entertain
21 questions.

22 COMMISSIONER MCHUGH: I have a
23 question that is based on something I
24 thought I read, but I may not have. First

1 of all, I want to say that the way you have
2 handled the comment letters both giving us
3 the full text and then giving us the
4 summary and the outcome is really very
5 helpful. I find it very accessible and
6 really helpful.

7 But it was in that context someplace
8 that I thought I read that there is a
9 regulation dealing with hearings and a
10 provision that said the hearings will be
11 public but somebody objected and said it
12 should be public only with the consent of
13 the target of the hearing. Does that ring
14 any bells with you?

15 MR. GLENNON: It does, and I'm going
16 to defer to Todd for the answer on that.

17 COMMISSIONER MCHUGH: What is that?
18 I went back to read it so I could direct
19 your attention to it, and I couldn't find
20 it.

21 COMMISSIONER ZUNIGA: 14406D. I
22 actually had a question about that.

23 MR. GLENNON: While he is looking
24 for that, I think the idea was that we

1 didn't want to make it always a public
2 hearing. We wanted it to be optional. If
3 there was information in the hearing that
4 was proprietary intellectual property or
5 confidential that we could have a -- it
6 would not be a public hearing. I believe
7 that was the thing.

8 COMMISSIONER MCHUGH: So what is the
9 regulation, 14406D? I don't see it.

10 MR. GROSSMAN: Page 14. The first
11 thing we did was we brought this into
12 alignment with our RFA-1 process for which
13 you will recall we recently made some
14 adjustments. So this is essentially the
15 same process in that essentially it's a
16 suitability review.

17 So when deciding between an
18 adjudicatory proceeding and a public
19 hearing, we decided that we will only use
20 the public hearing process and not go to an
21 adjudicatory hearing if the applicant
22 agrees to that essentially. And that's the
23 way we set up the other process as well.

24 COMMISSIONER MCHUGH: Oh, I see.

1 The difference is between an adjudicatory
2 and public. In either case, they are both
3 public.

4 MR. GROSSMAN: They are both in the
5 public, yes. It's just the formality of
6 the process.

7 COMMISSIONER MCHUGH: I misread it.
8 I misunderstood it. Okay, got it. We have
9 done that before in other contexts.

10 COMMISSIONER ZUNIGA: Why do we need
11 it for testing lab? Why do we need this
12 sort of process for?

13 MR. GROSSMAN: There is a
14 suitability review, if you will, and we
15 thought it important to have a process. We
16 have a process in place that we are all
17 familiar with and I think people in the
18 industry are generally familiar with, so we
19 thought it would work well in this context
20 as well. And we wanted to ensure that it
21 was the same process.

22 COMMISSIONER MCHUGH: But it's
23 important because in the public hearing,
24 there is no right of cross-examination and

1 the like. And, therefore, the applicant or
2 the target of an unfavorable hearing,
3 unfavorable report by agreeing to a public
4 hearing gives up a number of rights that
5 they should have. They should have the
6 right to present evidence to examine and
7 cross-examine witnesses the way we did in
8 our suitability. That's the thrust of it,
9 right?

10 COMMISSIONER ZUNIGA: And, I guess,
11 why do we need this for a gaming lab
12 whereas we don't need it for all kinds of
13 other venders?

14 MR. GLENNON: It's actually for the
15 certification of the software. So it's the
16 results of the test. If we turn down --

17 COMMISSIONER ZUNIGA: No, it's for
18 the independent testing lab. There are two
19 or three recognized testing labs out here
20 that do a lot of work, whereas we have a
21 licensing process that we currently conduct
22 for many venders just like this. Why are
23 these to the level of qualifier as opposed
24 to vender?

1 MR. GROSSMAN: It's a fair question,
2 and I don't know that I will be able to
3 give you a great answer to that short of
4 saying there are suitability processes in
5 place for both. There are both ultimately
6 very similar where we look at the people
7 who are involved in the entities, and we
8 judge their suitability.

9 The process itself is, again, very
10 similar even though the language, I think,
11 is a little different in the regulations.
12 I think the answer to your question though
13 is that when we just viewed these testing
14 labs, that's slightly different than
15 venders in that they are really, in
16 essence, doing work for us as opposed to
17 being venders.

18 So, I guess, that would be the
19 distinction. And, otherwise, there is no
20 great explanation I don't think. I guess I
21 would also just add that this is the
22 process that other jurisdictions use
23 typically to do this, which is where we got
24 it from.

1 COMMISSIONER CAMERON: It's a
2 significant dollar amount for a testing lab
3 just as we have dollar amounts for
4 qualifiers. I think that would be a
5 distinction as well.

6 COMMISSIONER MCHUGH: Yes. I guess
7 I would be in favor of revisiting other
8 contexts as well. I think you give up
9 really important rights by going to a
10 public hearing -- by going the public
11 hearing route and so, I think, people have
12 ought not the right to do that, these
13 people anyway.

14 CHAIRMAN CROSBY: Is that where you
15 were going too?

16 COMMISSIONER STEBBINS: I was before
17 that, but I am fine.

18 MR. GROSSMAN: Is your question,
19 Commissioner, essentially why can't we just
20 approve a lab without any hearing if there
21 is no issue with it?

22 COMMISSIONER ZUNIGA: That's right.
23 Conduct the process, conduct an RFR, have a
24 response, analyze all of their financials,

1 you know, as part of an RFR, for example,
2 and come out of it however we want to.

3 MR. GROSSMAN: I think we could. I
4 think just to pick up on what Commissioner
5 Cameron said we look as --

6 COMMISSIONER ZUNIGA: Mission
7 critical in other words.

8 MR. GROSSMAN: Exactly. That's the
9 best way to say it I would say.

10 COMMISSIONER ZUNIGA: I'm fine.

11 CHAIRMAN CROSBY: So are you okay
12 with that? Did you make a suggestion,
13 Commissioner McHugh?

14 COMMISSIONER MCHUGH: No, no. I am
15 happy with the way it's written.

16 CHAIRMAN CROSBY: Anything else?

17 MR. GROSSMAN: I would just make one
18 other quick note. We also made a change,
19 if I may, this is on page seven. We
20 removed, and I just wanted to make sure we
21 brought this to your attention, a number of
22 devices from the list of those that would
23 be considered gaming devices, so it's E
24 through H. And the reason for it is that

1 those devices we felt after consultation
2 with Mr. Band, we will develop other
3 regulations that will govern how those
4 devices will be inspected and approved and
5 what the specs on those are expected to be.
6 So we felt like this was not the
7 appropriate section for those devices.

8 COMMISSIONER STEBBINS: Is this more
9 along the lines of internal control regs?

10 MR. GROSSMAN: Gaming equipment
11 regs, and it would spell out pretty much
12 what they needed. We'd inspect those when
13 they go on the floor to make things as
14 simple as if the layout is correct and with
15 accounting, money counting, money count,
16 the machine, we test them prior to this
17 being used to make sure they operate
18 properly. A lot of this stuff you really
19 can't do in a lab properly.

20 CHAIRMAN CROSBY: Anything else? So
21 we need a motion for who wants to --

22 COMMISSIONER MCHUGH: I move we
23 adopt the -- the Commission adopt the
24 regulations set out in the packet at 205

1 CMR 143 and 205 CMR 144 with the amendment
2 at 145 with the amendment to the provisions
3 of 143014 and to insert the words "if
4 required by the gaming commission" at the
5 very beginning of that subsection and to
6 insert similar language each time the
7 regulations refer to as Central Management
8 System, period.

9 COMMISSIONER STEBBINS: Second.

10 CHAIRMAN CROSBY: You're looking
11 concerned.

12 MR. DAY: The other correction that
13 John requested was the 14402, which is the
14 change of act of promptly.

15 COMMISSIONER MCHUGH: And, yes, I
16 accept that amendment to change that
17 section back to promptly.

18 CHAIRMAN CROSBY: Okay. We have a
19 second? Any further discussion? All in
20 favor?

21 COMMISSIONER MCHUGH: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

1 CHAIRMAN CROSBY: Opposed? The ayes
2 have it unanimously.

3 MR. GLENNON: Thank you very much.

4 COMMISSIONER MCHUGH: That was very
5 good. Thank you very much. It's a lot of
6 work. It's a substantial step down the
7 road.

8 CHAIRMAN CROSBY: I want to commend
9 Mr. Glennon. I think you have done an
10 incredible job of understanding this stuff.
11 I don't know how you understand as much of
12 it as you do, but it's pretty impressive
13 for the short period of time you have been
14 doing this.

15 COMMISSIONER MCHUGH: Yes, it really
16 is.

17 CHAIRMAN CROSBY: Okay, item F.

18 MS. BLUE: I have Deputy General
19 Counsel Lillios presenting the request for
20 delegation in item F.

21 MS. LILLIOS: Good afternoon. This
22 is a request for the Commission to delegate
23 authority to the Director of Licensing with
24 respect to the issuance of temporary

1 licenses for certain categories of
2 applicants, specifically applicants for
3 gaming employee licenses and applicants for
4 gaming vender secondary licenses.

5 Under 205 CMR 134.12, and you have a
6 copy of that reg as page four of your
7 delegation request handout, under that reg
8 a gaming licensee may petition the
9 Commission for the issuance of a temporary
10 license for key gaming employees, gaming
11 employees and gaming venders if the
12 applicant has filed a completed application
13 and the gaming licensee certifies and the
14 Commission finds that issuance of the
15 temporary licenses is necessary for the
16 operation of the gaming establishment and
17 is not designed to circumvent the normal
18 licensing procedures.

19 The standard of review for the
20 issuance of temporary licenses is set forth
21 in the regulations and states that a
22 temporary license may be issued upon a
23 finding that the license -- that the
24 license itself is reasonably likely to be

1 issued upon completion of a background
2 investigation.

3 Also under the reg, a temporary
4 license shall expire in six months and may
5 be renewed at the Commission's discretion
6 for an additional six month period. This
7 request for delegation pertains, again, to
8 gaming employees and gaming vender
9 secondary but would leave the determination
10 of temporary licenses for key gaming
11 employees and gaming vender primaries for
12 the Commission alone.

13 The delegation would require that
14 the director of the IEB agree that the
15 license is reasonably likely to be issued
16 upon completion of the investigation, that
17 is the permanent license is likely to be
18 issued on completion of the investigation.

19 And the delegation would allow the
20 Director of Licensing to issue temporary
21 licenses, to deny petitions for their
22 issuance, to refer questionable instances
23 to the Commission for its consideration and
24 to exercise his discretion to renew

1 temporary licenses for the six month period
2 for gaming employees and gaming vender
3 secondaries, all of this in accordance with
4 the standard set forth in the reg.

5 And the Director of Licensing, David
6 Acosta is here to give you any further
7 details or answer any specific questions
8 you may have with respect to this request.

9 COMMISSIONER CAMERON: I just have a
10 comment. I know this is common practice in
11 other jurisdictions. It assists with
12 efficiency, getting people to work in a
13 timely manner and I know I'm very
14 comfortable. We have an extremely
15 experienced Director of Licensing who is
16 very accustomed to looking at and
17 understanding what he is looking at and
18 being able to judge whether or not a
19 temporary license is appropriate, so I'm
20 very comfortable with that delegation.

21 MR. ACOSTA: Thank you.

22 CHAIRMAN CROSBY: Other thoughts?

23 COMMISSIONER STEBBINS: I am
24 certainly comfortable with the delegation.

1 Give me an example or a case scenario where
2 an extension for another six months.

3 Typically, why does that happen?

4 MR. ACOSTA: The background
5 investigation hasn't been completed in the
6 first six months. Some of the
7 investigations may be complicated. Some --
8 for individuals a person's background
9 history may vary because they moved around
10 pretty frequently and we require that the
11 IEB to request for background information
12 from a number of different jurisdictions,
13 different states that may prolong the
14 length of time of investigation. Doesn't
15 necessarily mean that they will discover
16 negative stuff, but it just means that the
17 investigation is a little more complicated
18 and takes more time.

19 Some investigations will lead down
20 to a path where they will not be found
21 suitable for licensure, but generally it's
22 because of the complexity of the background
23 of the individual.

24 COMMISSIONER STEBBINS: To take a

1 step back, I mean, one of the reasons for
2 the temporary licensure is that you have
3 some level of expectation that the
4 individual is going to be found suitable,
5 correct?

6 MR. ACOSTA: That is correct.

7 COMMISSIONER STEBBINS: So, I mean,
8 based on your experience and history
9 temporary licensure, is there a percentage
10 figure of those that wind up not being
11 found suitable for license?

12 MR. ACOSTA: My experience is that
13 probably 5 percent or less of the total
14 applicants are denied in the jurisdictions
15 that I have experience with. And that
16 number is even much lower with respect to
17 temporary licensure. So, I think, the
18 number would be very, very small, much less
19 than 5 percent.

20 COMMISSIONER STEBBINS: It sounds
21 like a suitable step, as Commissioner
22 Cameron pointed out, get people on the job,
23 not really negatively impact the operation
24 of our licenses.

1 CHAIRMAN CROSBY: Other thoughts,
2 questions? I certainly don't see any issue
3 with your ability to judge whether the
4 request is necessary or not. What I am not
5 quite clear on how would one come to the
6 conclusion that there is a reasonable
7 likelihood that they will be approved?
8 What is the mechanism that you use to make
9 that judgment?

10 MS. LILLIOS: And on that provision,
11 the agreement of the director of the IEB
12 would be required and as a prerequisite --
13 first of all, the application has to be
14 complete and some measure of the
15 investigation would have to have been
16 completed in order for her to have the
17 ability to say to include that.

18 CHAIRMAN CROSBY: This sort of means
19 that like a CORI check is done, for
20 example, or whatever but some sort of the
21 most obvious critical problems have been
22 resolved.

23 MS. LILLIOS: I think that's
24 correct, yes.

1 delegation to the general counsel of the
2 authority to attend certain conferences,
3 proceedings or other meetings required or
4 permitted by state or federal judicial
5 rules or orders.

6 And generally, and this is really
7 out of an abundance of caution, generally
8 when the general counsel goes to one of
9 these meetings, it's assumed that they have
10 the ability to represent the Commission but
11 sometimes certain state or judicial
12 authorities will ask for certain evidence
13 of that authority.

14 So what I'm requesting the
15 Commission to do is to vote to delegate to
16 the general counsel the ability to
17 represent the Commission at those
18 conferences, proceedings or other meetings
19 required or permitted by state or federal
20 judicial rules or orders.

21 And that way if I am requested to
22 show some sort of evidence of the ability
23 to represent you, I can refer them back to
24 these minutes. So it's a more out of an

1 abundance of caution that we are asking for
2 that.

3 CHAIRMAN CROSBY: Questions?

4 COMMISSIONER MCHUGH: No. This is
5 a -- as General Counsel Blue says, this is
6 typically when a lawyer shows up at a
7 conference, he or she is required to file
8 an appearance slip and that appearance slip
9 under the rules means that they are
10 asserting that they have authority to
11 represent the entity.

12 In the case of public entities, it's
13 sometimes not clear who has authority to
14 represent and there are multiple people
15 that are there in a decision-making
16 position, so potentially a decision-making
17 position. This says that for purposes of
18 litigation that we are involved in, General
19 Counsel Blue is one of those people.

20 The need for this came up yesterday,
21 and so that is why it's not on the agenda.
22 It's a general grant, and we can revisit it
23 in an agenda form later but this would be
24 something that we couldn't anticipate the

1 need for today.

2 CHAIRMAN CROSBY: So it has to do
3 with litigation, right?

4 MS. BLUE: It's the most common
5 situation, yes.

6 CHAIRMAN CROSBY: When you talked
7 about going to conferences, I thought you
8 were talking like the American Gaming
9 Association conference.

10 COMMISSIONER MCHUGH: No, no. It
11 says "permitted to require by judicial
12 order of rule." That's the limitation in
13 there.

14 CHAIRMAN CROSBY: Okay. Do I have a
15 motion?

16 COMMISSIONER MCHUGH: I move that we
17 grant and authorize -- grant authority to
18 General Counsel Blue to represent the
19 Commission at judicially required permitted
20 conferences or other proceedings.

21 COMMISSIONER CAMERON: Second.

22 CHAIRMAN CROSBY: Other discussion?
23 All in favor?

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER MCHUGH: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

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

6 MS. BLUE: Thank you.

7 CHAIRMAN CROSBY: You're welcome.

8 Anything else before topic seven, Region A?

9 MR. DAY: I have nothing.

10 CHAIRMAN CROSBY: Okay. Let's take
11 a quick break while we fix some logistics.
12 So we will be back in five or ten minutes.

13

14 (A recess was taken)

15

16 COMMISSIONER MCHUGH: All right. I
17 am going to call back to order the meeting
18 of the gaming commission in which we have
19 been engaged today to consider the status
20 of Region A matters. Chairman Crosby has
21 recused himself, and so the four of us will
22 proceed, as we have, with respect to these
23 matters for some time.

24

By way of background, we met a week

1 ago Tuesday on July 15th to discuss the
2 election of the City of Boston to waive its
3 right to arbitration with respect to
4 surrounding community matters involving
5 itself and the Wynn applicant and its
6 election not to participate further in any
7 negotiation or arbitration process and
8 decided at that time that even if the city
9 that was not going to protect its citizens,
10 the Commission had some obligation to do so
11 with respect to any harmful effects or
12 effects that needed mitigation with respect
13 to the Wynn application.

14 We agreed at that time in a
15 preliminary in a high level fashion that
16 the Commission would engage in some
17 outreach, some information gathering and
18 that we would ask the staff and did ask the
19 staff to begin that process and then to
20 return today to give us a report on what
21 they have done and what their
22 recommendations were for going forward.

23 I think that fairly summarizes our
24 meeting of July 15th but of course the

1 minutes -- the transcript will show it in
2 more detail.

3 So without further or due, let me
4 ask General Counsel Blue or Ombudsman
5 Ziemba or both to bring us up-to-date on
6 what's happened thus far since last week
7 and any recommendations you have for how we
8 might proceed from this point forward. Mr.
9 Ziemba?

10 MR. ZIEMBA: Thank you,
11 Commissioner. We provide the following
12 update.

13 Staff continues to review closely
14 review comments made during the host and
15 surrounding community hearings and written
16 correspondence submitted by Boston
17 residents in connection with the Wynn
18 proposal. Staff has reviewed Wynn's best
19 and final offer and has met with Wynn to
20 understand the basis for Wynn's best and
21 final offer.

22 Staff has met with the Commission's
23 traffic consultants to understand traffic
24 impacts to Boston. Staff has been in

1 contact with Metropolitan Area Planning
2 Council advising it of the current
3 situation and seeking its input. Staff has
4 also begun to reach out to a number of
5 Boston resident groups that have previously
6 communicated with the Commission.

7 Staff has also reviewed the statute
8 and the regs regarding the Commission's
9 process and procedures to address the
10 situation. The statute provides the
11 Commission has the discretion to designate
12 a community as a surrounding community.
13 Once that designation is made, as was done
14 in the case of Boston, the Commission's
15 regulations provide that the applicant and
16 the community must negotiate a surrounding
17 community agreement.

18 The agreement must provide a
19 community impact fee and address mitigation
20 of known impacts. If the parties cannot
21 negotiate an agreement, the regulations
22 require the parties to enter into
23 arbitration.

24 The regulations further provide that

1 if the community refuses to participate in
2 the negotiation arbitration process, the
3 Commission can deem the community to have
4 waived its surrounding community status.
5 And if the Commission awards a license to
6 the applicant, the Commission can impose
7 appropriate requirements for the mitigation
8 of impacts.

9 The statute also provides the
10 Commission cannot take action on an
11 application until the application is
12 complete. An application is not complete
13 until among other things, all surrounding
14 community agreements are executed. So in
15 order to -- for the Commission to award a
16 license in Region A, the Commission could
17 consider the following: The Commission
18 will need to consider whether Boston should
19 be deemed to have waived its surrounding
20 community designation based on its decision
21 not to participate in the arbitration
22 process.

23 As noted, we received correspondence
24 from the City of Boston. In the

1 correspondence from the City of Boston,
2 Boston cited the Commission's applicable
3 regulation, 205 CMR 12501682, which states
4 in part: In the event a community
5 designated as a surrounding community fails
6 or refuses to participate in the
7 arbitration process set forth in 205 CMR
8 125016C, the Commission may deem the
9 community to have waived its designation as
10 a surrounding community.

11 Following that letter, the city
12 advised the Commission that it did not plan
13 to participate in a process for determining
14 measures that could be implemented through
15 conditions. Since Boston's decision not to
16 participate in arbitration, the Commission
17 has not received any correspondence from
18 the city regarding its surrounding
19 community status or any requests for
20 regulatory measures to enable Boston to
21 maintain its status within the statutory
22 framework.

23 COMMISSIONER MCHUGH: Can I
24 interrupt you there for just a second? The

1 staff reached out to Wynn to get more
2 information from them about the best and
3 fine offer; is that right?

4 MR. ZIEMBA: That's correct.

5 COMMISSIONER MCHUGH: And at the
6 same time, did the staff reach out to the
7 city to ask them what their last and best
8 position was or what they had been trying
9 to get out of this negotiation process,
10 what their demand was or what their offer
11 was?

12 MS. BLUE: Yes, Commissioners, I
13 reached out to the city. I asked them if
14 they had a best and final offer whether --
15 and if they did, would they be willing to
16 share it with me. I also asked them if
17 they had any information about impacts that
18 they would like to share with me. This is
19 about a week ago now. They said they would
20 get back to us if they had anything, and
21 we've had no further conversation.

22 COMMISSIONER MCHUGH: So we've
23 reached out to the city to try and figure
24 out where the city was going, where the

1 city wanted to wind up, where the city
2 thought it could -- if mitigation was
3 needed and the city has declined to give us
4 even that information.

5 MS. BLUE: That's right.

6 COMMISSIONER MCHUGH: Okay. Go
7 ahead, Mr. Ziemba, if you would, please.
8 Sorry.

9 MR. ZIEMBA: So, in addition, the
10 Commission should encourage both parties to
11 enter into negotiations at any point in the
12 process to reach a mutual acceptable
13 agreement either before any decision on the
14 license or after any decision on the
15 license.

16 The Commission could review any
17 agreement and consider amending any
18 appropriate conditions if the license is
19 awarded to Wynn. Additional steps we've
20 taken and we're recommended. In addition
21 to outreach to Boston resident groups, the
22 Commission should encourage Boston
23 residents to provide new thoughts on
24 impacts and appropriate measures through

1 the current request for comments on the
2 Wynn transportation plan due August 1st and
3 during the upcoming host community hearing
4 to be held on August 12th.

5 I do note that we just recently
6 received an e-mail from the Rutherford Ave.
7 group requesting that we hold a community
8 meeting as well. Staff -- we did advise
9 them of the upcoming host community hearing
10 where there is an opportunity to testify.

11 Staff and the Commission's
12 consultants will continue to review any
13 comments submitted pursuant to the
14 Massachusetts Environmental Policy Act
15 process currently underway and any
16 decision, comments are due on August 8th.

17 We recommend staff should review
18 Wynn's best and final offer as part of the
19 effort to create conditions on any license
20 that may be awarded to Wynn.

21 In addition, any conditions arising
22 out of the Wynn best and final offer or
23 otherwise, the Commission could consider
24 whether it could pursue the appointment of

1 an independent third party to study the
2 traffic impacts on Boston resulting from
3 the Wynn project.

4 The statute provides, as you know,
5 Commissioners, the statute provides that
6 licensees are responsible to complete
7 projects to account for traffic mitigation
8 prior to opening. In regard to the
9 independent third party, an independent
10 third party could act as an advocate for
11 the residents of Boston and report back to
12 the staff regarding what measures, if any,
13 in addition of those provided in the Wynn
14 best and final offer or identified through
15 the MEPA process are necessary to mitigate
16 traffic impacts on Boston.

17 The third party could recommend a
18 process to determine what the impacts are,
19 how the impacts should be mitigated and how
20 the cost to mitigate those will be
21 determined. This staff could review the
22 recommendations and present them to the
23 Commission for consideration. Any
24 recommendations accepted by the Commission

1 could be incorporated into the license
2 agreement should Wynn be awarded a license.

3 One other note, we also recommend
4 that the Commission extend an invitation to
5 Mohegan Sun to meet with commission staff
6 and its consultants to describe its
7 agreements with -- its agreement with the
8 City of Boston. This is recommended to
9 give Mohegan Sun the same opportunity
10 afforded to Wynn to provide valuable
11 information directly to the Commission's
12 consultants engaged in the application
13 review process.

14 COMMISSIONER MCHUGH: Okay, that's
15 helpful. Why have you limited the reach of
16 an independent advocate, if you will, to
17 traffic considerations? What's the
18 thinking for that?

19 MR. ZIEMBA: Well, part of the
20 reasoning is there is obviously there's a
21 community mitigation fund that has been
22 established to mitigate impacts. That is
23 available.

24 COMMISSIONER MCHUGH: The statutory

1 community mitigation fund?

2 MR. ZIEMBA: Correct. That is
3 available to mitigate impacts that are
4 determined basically after the licenses are
5 operational and are going to the
6 development process. But at this stage in
7 point, we need to make determinations
8 regarding what are the plans that are
9 approved by the Commission and what are the
10 infrastructure improvements that need to be
11 made as part of the process.

12 Now, obviously, MEPA has reviewed
13 the experts at DOT are currently reviewing
14 all of these plans and they will review
15 these as they go forward in the review
16 process and in their permitting process.
17 But we are at a critical stage in our
18 licensing process as well and significant
19 amount of work will be required regarding
20 traffic mitigation as we move forward.

21 In addition, there is a regional
22 context. We have heard of time and again
23 from numerous communities in the region how
24 important this specific portion of the

1 traffic infrastructure is to them and it's
2 been the number one concern raised by
3 citizen groups and others.

4 COMMISSIONER MCHUGH: Traffic has
5 been the number one concern raised by
6 citizen groups. Is that what you said?
7 That wasn't a statement. That was a
8 question.

9 MR. ZIEMBA: That is correct.

10 COMMISSIONER MCHUGH: The final
11 comments are the comments with respect to
12 Wynn's final environmental impact report
13 are due when?

14 MR. ZIEMBA: August 8th are the
15 comments, and the decision is anticipated
16 on the 15th of August.

17 COMMISSIONER MCHUGH: All right. So
18 on August 8th all the comments from the
19 people who wish to comment have to come in
20 and on the 15th the secretary or his
21 designee, whoever does this, makes the
22 final decision. And that final decision
23 could be to accept the final environmental
24 impact report or to say it's incomplete,

1 insufficient or otherwise and require
2 further filings.

3 MR. ZIEMBA: That's correct.

4 COMMISSIONER STEBBINS: What was the
5 August 1st date you threw out again, John?

6 MR. ZIEMBA: We have a request for
7 comments on the transportation plans that
8 were presented.

9 COMMISSIONER STEBBINS: Okay.

10 COMMISSIONER ZUNIGA: I failed to
11 understand your recommendation relative to
12 inviting Mohegan to explain their
13 agreement, how that ducktails into Wynn.

14 MR. ZIEMBA: One of the difficulties
15 of engaging in this process is that we're
16 in the middle of a competition and every
17 opportunity that we give for the Wynn folks
18 to further explain their transportation
19 plans, we want to make sure that it is an
20 evenhanded approach such that the Mohegan
21 Sun folks would get an opportunity to
22 present not only their transportation plans
23 but all other items that were included in
24 their agreement with the City of Boston.

1 If one party is having direct
2 communications with our consultants, we
3 think that it's fair for the other party,
4 even though we are not engaged in a process
5 on their agreement with the City of Boston,
6 but they should be given the same
7 opportunity so that it's an evenhanded
8 nature as part of our review process.

9 COMMISSIONER MCHUGH: There's really
10 three not always consistent goals that we
11 have to look at here, right? I mean, we
12 have to -- we have already started down the
13 path. We have to continue down that path.
14 The city is basically without saying that
15 telling us why. They basically said we are
16 not interested in advancing any mitigation
17 issues with respect to the Wynn applicant.
18 We are not going to negotiate with the Wynn
19 applicant. We're not going to go to
20 arbitration with the Wynn applicant. We're
21 not going to tell you what things we think
22 need to be mitigated. We are just
23 abandoning that section of the city. So we
24 have some obligation to look after the

1 impacts that have to be mitigated. I think
2 we all agree on that.

3 But as you say, Ombudsman Ziemba, in
4 doing that, we have to do it in a way that
5 maintains our neutrality because we are
6 ultimately going to judge between the two
7 applicants. So we can't either give the
8 appearance of or actually get into a
9 position where we are creating something
10 that looks like we are favoring one over
11 the other.

12 And the third thing that occurred to
13 me as I have been thinking about this over
14 the past week is that we've got two
15 communities who engaged in the arbitration
16 process, did the best and final arbitration
17 process, went to arbitration and lost and
18 are unhappy, as all people who lose at
19 arbitration are understandably, but they
20 followed the process and they went through
21 the process.

22 The idea that you can improve your
23 hand by not going through the arbitration
24 process and letting the Commission do some

1 work for you and perhaps put you in a
2 better position than you would have been in
3 if you lost the arbitration, that strikes
4 me as something that they might well and
5 legitimately be concerned about. It seems
6 to me we have to think about that as well.

7 I don't know what you -- the others
8 think about that, but that occurred to me
9 as I was thinking about it over the last
10 week too. Any thoughts on that? It seems
11 to me we have to keep those processes and
12 those considerations in mind as we move
13 forward.

14 COMMISSIONER ZUNIGA: In addition
15 to -- and I agree, and there is a tension
16 among them obviously. And in addition,
17 there is these sort of catch 22 between the
18 completion of the application and the
19 ability of the Commission to reach a
20 condition, let's say, go through the
21 evaluation process, reach a number of
22 conditions if the city continues to be
23 designated as a surrounding community
24 because that process has not been

1 concluded.

2 COMMISSIONER CAMERON: So we have a
3 couple of decisions, right? We're talking
4 about whether or not to -- and maybe it's a
5 question of we will need to at some point
6 in order to continue the process that's the
7 designation piece. And the other piece is
8 how do we best -- how do we best look at
9 those impacts on behalf of the city?
10 What's our best mechanism for doing that
11 without being -- having an appearance and
12 being unfair to other communities and/or
13 the other applicants, so those -- that's
14 where we need to balance those interests.

15 But I do feel strongly about the
16 fact that we do have that responsibility on
17 behalf of the residents of the city to make
18 sure we considered all the impacts, and
19 that conditions would be appropriate for
20 those impacts.

21 COMMISSIONER MCHUGH: How about if
22 we unpack those? I think those are the two
23 major decisions, Commissioner. But let's
24 take the first one. The determination that

1 the city's waived its right to community --
2 surrounding community status. Does it make
3 sense to just take a look at that one
4 first? That is --

5 COMMISSIONER CAMERON: Yes.

6 COMMISSIONER MCHUGH: It seems to me
7 that ultimately we do need to come to grips
8 with that substantively but that now isn't
9 the time to do it. Because even though it
10 looks hopeless, I think we should continue
11 to urge the city to reach out to the Wynn
12 people and do some negotiation.

13 And as long as they're a surrounding
14 community, they have the right to do that
15 and they have a right to a surrounding
16 community agreement if they can reach one.
17 And I'd encourage them to reach one and not
18 give them an easy pass away from exercising
19 that responsibility by taking away the
20 surrounding community designation now.

21 COMMISSIONER STEBBINS: I agree with
22 that. I would like to see us at least
23 reach back to the city and help them
24 understand what that action if we undertook

1 it, again, probably not today, but if we
2 undertook it, what it meant -- what it
3 means for our process, what it means for
4 the City of Boston so they understand the
5 ramifications of the D designation if we
6 did that.

7 COMMISSIONER CAMERON: I would agree
8 with that as well. Hope springs internal
9 and possibly they could get back and
10 negotiate. And, I think, for us to remove
11 that possibility would not be prudent at
12 this time. I think we have up until the
13 final licensing decision to deal with that
14 matter. So it's not imperative that we do
15 that this week or next week.

16 COMMISSIONER ZUNIGA: But that would
17 assume that the application is complete.
18 And if it isn't, there's a catch 22 here
19 that created by, you know, these
20 circumstances along with superposing of
21 different regulations here.

22 COMMISSIONER MCHUGH: There's a
23 timing thing, I think, ultimately we will
24 have to face that issue substantively. I

1 think that if -- I think we have to make
2 sure there's a completed application and we
3 certainly have the right to deem them to
4 have waived their surrounding community
5 status, and they cited the very regulation
6 that says this.

7 So they declined to engage and
8 participate in the arbitration process
9 knowing that that was a clear likelihood
10 that if they pursued that route that's what
11 would happen.

12 COMMISSIONER ZUNIGA: That's right.

13 COMMISSIONER MCHUGH: But all I am
14 saying now is that we don't have to do that
15 now. We don't have to think about that
16 now, and we can still encourage them to --
17 continue to encourage them to negotiate to
18 see if they can come up with a surrounding
19 community agreement. In all likelihood,
20 they are not going to.

21 COMMISSIONER STEBBINS: I agree with
22 that. I just want to make sure our staff
23 has had communication with the City of
24 Boston and they are pretty clear on what

1 that means and how they every step of the
2 process for their benefit.

3 MR. ZIEMBA: Obviously the City of
4 Boston is pretty knowledgeable about our
5 regulations, but we have not had a
6 conversation about this direct issue up to
7 this point.

8 COMMISSIONER ZUNIGA: Well, I look
9 forward to discussing that substantively
10 whenever we get around to it.

11 COMMISSIONER MCHUGH: And we'll have
12 to. In fact, the two primary benefits of
13 surrounding community status are the right
14 to a surrounding community agreement and
15 the right to participate in the statutory
16 hearing that we're now in the process of
17 holding. They have elected not to
18 participate in the surrounding community
19 negotiations.

20 They've, in fact, waived one benefit
21 and they've never showed up at one of
22 these -- at the statutory surrounding
23 community hearing that we've held. So,
24 anyway, but we don't have to deal with

1 that. You don't have to deal with that
2 now. Are we agreed that we can just put
3 that to one side?

4 COMMISSIONER CAMERON: Yes.

5 COMMISSIONER MCHUGH: So now what do
6 we do? One of the benefits of the
7 surrounding community process, the
8 negotiation process is you have two people,
9 two entities that represent self-interest
10 working toward a middle and we don't have
11 that here. The idea of appointing somebody
12 if that were -- if we decided to go that
13 route, who could look at traffic, who could
14 look, say, who could look at the best and
15 final offer and see if there were anything
16 omitted from that that was fundamentally
17 unfair to a section of the city might be a
18 way to proceed.

19 I still am troubled by the idea of
20 having the Commission create a process that
21 would improve the city's chance of getting
22 a better outcome than if it lost the
23 arbitration. I am troubled by that, but I
24 welcome everybody else's thoughts on that.

1 COMMISSIONER CAMERON: I am not as
2 troubled by that because I think if we
3 did -- if we had an advocate that was, you
4 know, certainly just had the best interest
5 of the residents of Boston and looked --
6 had access to all of our consultants and
7 all of the information from the applicants
8 and could speak to whomever they deemed
9 appropriate, I don't see -- because we
10 don't know what a result of an arbitration
11 would have been.

12 So, I think just having a fresh set
13 of eyes, take a look on behalf of the
14 residents is -- I look at that as maybe a
15 good way to proceed. It's, you know, we're
16 the Commission. We make the ultimate
17 decision to have someone else take a look
18 and maybe make recommendations to us as to
19 what they see after speaking to everyone
20 and, you know, understanding the issues I
21 see as a possible way to proceed. That
22 makes some sense.

23 COMMISSIONER STEBBINS: I don't
24 necessarily disagree. I guess with what

1 comes in the back my mind is related to
2 timing, keeping with the timing of closing
3 our host community agreement or host
4 community hearing, being able to have the
5 challenge of going out and actually
6 selecting an individual.

7 I'm certainly mindful of the
8 talented group of people that we have
9 assembled to, you know, traffic is one area
10 that we've brought on a pretty experienced
11 team of consultants and one, you know,
12 we've obviously cleared of any conflict of
13 interest obviously going through that whole
14 process selecting a consultant. But I
15 don't necessarily disagree.

16 I just I'm mindful of how this fits
17 into the schedule that we're under, whether
18 an individual would have the appropriate
19 amount of time to even conduct this work.

20 COMMISSIONER ZUNIGA: Yes. I'm not
21 just mindful, but I am worried exactly
22 about the same thing. I am concerned that
23 there would be some up to speed, getting up
24 to speed by whomever, you know, on all of

1 that other background that has already an
2 information flow that has already taken
3 place.

4 I was rereading the section of the
5 statute that this applies that the
6 communication recently and, you know, it
7 clearly -- which we have articulated well
8 in regulation and it's all relative to
9 direct impacts. And it occurred to me that
10 when parties come to negotiations and
11 eventually arbitration, they're making
12 their best guess. They are projecting, you
13 know, those impacts. But they are making a
14 projection with the information available.

15 And I wonder if there is a process
16 that could be put together that would be
17 similar to the look back that I know Penn
18 and others were able to negotiate with some
19 of the surrounding communities around them
20 that would really, you know, move this
21 process forward, whether that is an
22 independent party that helps us do that or
23 consultants or a combination of them.
24 Anyway, I just want to throw that out

1 there.

2 COMMISSIONER MCHUGH: Right. Let me
3 just -- it seems to me that in a
4 negotiation the two sides often are doing
5 more than just looking at the impacts.
6 That is why we talked about before that you
7 can get a lot more from a negotiation
8 potentially than you can get by order of
9 the commission. That is in fact why we
10 have that fundamentally inconsistent
11 process and took away some things that had
12 been negotiated, because they weren't
13 called for by the statute. So you can
14 always get much more by negotiation than
15 you can by this.

16 And in terms of timing, I'm not -- I
17 don't think we have to be limited by the
18 end of the statutory hearing. It seems to
19 me we have to make a decision by then as to
20 whether to deem the city to have waived its
21 rights but the information gathering by an
22 independent person or by staff and continue
23 right up until the time we make our
24 decision. We'd hope to have it before

1 that, but we'd have to have it before that.
2 But that's not a limitation on the time, so
3 there is basically the whole month.

4 COMMISSIONER CAMERON: The whole
5 month of August.

6 COMMISSIONER MCHUGH: There is
7 basically some time left to do that. But,
8 Commissioner Cameron, let me just probe a
9 little bit on the -- there is no harm to
10 allowing an independent person and/or staff
11 to think about a best outcome as opposed to
12 being bound by or using as a point of
13 departure the best and final offer. How
14 does that impact the people who follow the
15 rules?

16 COMMISSIONER CAMERON: I wasn't
17 talking about an outcome as much as I was a
18 person to look on behalf of the citizens at
19 the impacts. So we're looking at real
20 impacts, and I wouldn't necessarily think
21 that it would be needed just to look at
22 transportation.

23 COMMISSIONER MCHUGH: No, I hear
24 you.

1 COMMISSIONER CAMERON: So I would
2 think this person would be looking at --
3 and, you know, as was just pointed out, you
4 know, it is someone's best estimate, right,
5 whether that be transportation, whether
6 that be schools, whether that be
7 appropriate resources, whatever impacts may
8 be there, so our consultants advise us,
9 right, with their expertises but it's an
10 opinion. It's their educated opinion.

11 So I was looking for this person to
12 not negotiate a deal but just to really
13 look at the impacts with a fresh set of
14 eyes and advise us and come back and make
15 recommendations.

16 Ultimately the decision is ours.
17 It's not any kind of an attempt to have
18 someone else make that decision. It's just
19 someone with a fresh set of eyes that could
20 take a look on behalf of the city at those
21 impacts, ask a lot of questions and be free
22 to speak to both applicants.

23 Again, we are trying to be fair to
24 everybody here. I am cognizance of that

1 but then to come back and make
2 recommendations to us as to what that
3 person sees as impacts.

4 COMMISSIONER MCHUGH: I mean, that
5 course of action certainly would help with
6 the neutrality piece and would help with
7 the -- and it would help with the
8 mitigation piece. It would be from the
9 sort of self-interest piece that is present
10 when you have two self-interested entities
11 negotiating with each other.

12 What in your view though would be
13 the effect of the best and final offer that
14 the Wynn interest put on the table? How
15 would that play into what this person is
16 supposed to look at?

17 COMMISSIONER CAMERON: It would be
18 one piece of documentation, one document
19 out of many that this person would take a
20 look at is how I would see that. Again,
21 it's the recommendations back to us and
22 then it would be our judgment as to whether
23 some of those recommendations did in fact
24 improve if we saw that to be the case, but

1 I would think that would be a piece of
2 information. There is so many comments and
3 studies that have been done and our experts
4 have really taken a lot of time to look at
5 these issues.

6 COMMISSIONER MCHUGH: Any other?

7 COMMISSIONER ZUNIGA: Yes. I am
8 having a hard time trying to imagine --
9 trying to put myself, and maybe I just
10 shouldn't, in the shoes of this person.
11 What is -- and perhaps that is part of the
12 question Commissioner McHugh is asking --
13 what is the framework; what are the
14 boundaries; what is this information that
15 I, as that person, may have never looked at
16 and are we being overly optimistic as to
17 what could be achieved out of that?

18 COMMISSIONER CAMERON: I am always
19 overly optimistic.

20 COMMISSIONER MCHUGH: You are, you
21 are. That's one of your graces, one of
22 your many graces.

23 COMMISSIONER ZUNIGA: You know, when
24 you had an arbitrator or even a panel of

1 arbitrators, you had a process that was in
2 regulation. It was very clear with the
3 safety of the fundamentally consistent
4 petition. You had two offers.

5 COMMISSIONER CAMERON: You'd love it
6 to be that clean, but it's not.

7 COMMISSIONER ZUNIGA: That is what I
8 mean and perhaps I am a little too
9 pessimistic but I am trying to imagine
10 what -- under what framework, under what
11 guidelines somebody comes in, whatever, and
12 makes this work or provides those
13 recommendations that you keep talking about
14 that we will then weigh against each other.

15 COMMISSIONER MCHUGH: You picked up
16 correctly what I was trying to get at and
17 think about out loud without actually going
18 there as directly as you did. But what is
19 the mandate, what is the framework for this
20 person's operation? And I think that
21 Ombudsman Ziemba by suggesting traffic was
22 trying to do the same thing.

23 Here's a piece. I guess I had a
24 little bit broader mandate in mind, which

1 would have been taking into account the
2 best and final offer. Take a look at
3 traffic, which every time you mention this
4 application people talk about traffic,
5 right, fairly, unfairly, whatever and take
6 a look at traffic, make recommendations
7 about traffic and I'm still thinking at a
8 high level and tell us about any
9 fundamentally unfair deficiencies in the
10 best and final offer.

11 I mean, is there something out there
12 that really needs to be corrected for this
13 thing to work? I mean, that's a
14 hypothetical. It makes a persons -- makes
15 a person's commission comprehensible.
16 Still is a lot of work, but at least it
17 gives some recognition to the fact that
18 only one person participated in this and
19 put a best and final offer and takes some
20 impact and it's not inconsistent with what
21 we can do anyway.

22 I mean, we can impose any kind of
23 conditions we want on the license even
24 after the arbitration process goes forward

1 and it's over and add more things. So, I
2 mean, that might be the kind of frame. And
3 I'd just throw that out as a possibility
4 but that would make the job comprehensible
5 rather than go out and explore the whole
6 world and come back.

7 COMMISSIONER ZUNIGA: That's right.
8 Well, I would be a lot more comfortable in
9 terms of timing or, you know, setting up
10 somebody for success, not necessarily
11 failure.

12 COMMISSIONER MCHUGH: Right.

13 COMMISSIONER ZUNIGA: And, by the
14 way, we could always take it incrementally,
15 right. We could always say, you know,
16 here's the mandate for now, come back. And
17 then through the process, there might need
18 to be another mandate here, you know, if
19 that's the case.

20 COMMISSIONER MCHUGH: Right.

21 COMMISSIONER CAMERON: Well, I think
22 impacts are pretty well defined, right,
23 legislation speaks to many of them,
24 regulations. We've had two prior processes

1 where we really dealt with impacts as
2 communities have dealt with them. It's not
3 always easily -- not always a clean
4 solution, but we have dealt with impacts.
5 So I don't think we are talking about
6 things that are totally unknown at this
7 point.

8 COMMISSIONER MCHUGH: No. And we --
9 but the other cases we've always, always
10 been reviewing something that other people
11 have hammered out, right?

12 COMMISSIONER CAMERON: Yes, that is
13 the difference.

14 COMMISSIONER MCHUGH: That's the
15 difference here. We hold one of the
16 hammers here and it's uncomfortable,
17 necessary but uncomfortable and just in
18 terms of our function as the decider.

19 COMMISSIONER CAMERON: Well, that is
20 what I liked about a fresh set of eyes.

21 COMMISSIONER MCHUGH: Yes, yes. No,
22 no, I hear you. And I'm tending in that
23 direction as well. The question is: What
24 is the -- what kind of a mandate do we give

1 the fresh set of eyes? Is it completely
2 open-ended or do we say here's traffic and
3 here's the BAFO and the point of departure?

4 Traffic is wide open because there
5 is so much information, and we know a lot
6 of the information and we are going to get
7 more of the information. It's out there
8 for everybody to know. But did somebody
9 who simply looking at it from the city's
10 standpoint would be a fresh set of eyes, so
11 that is one thing that we can say. We can
12 also say here's the BAFO. Tell us about
13 any fundamentally wrong, fundamentally
14 missing things here.

15 MR. ZIEMBA: One thing I will
16 mention is the city will likely speak on
17 transportation and other impacts as part of
18 its submission for MEPA. It is highly
19 likely that they would submit that. So
20 there will be a further known of
21 information about what the city feels about
22 current plans, future plans, et cetera.

23 COMMISSIONER MCHUGH: I just want
24 to -- given the history here, we can't

1 count on anything. I mean, it maybe an
2 anchor to Wynn would, but we can't count on
3 anything.

4 COMMISSIONER STEBBINS: I mean, one
5 of the pieces in thinking about what
6 expertise or what we want this person to
7 look at is certainly a lot is going to be
8 covered by the FEIR certificate, I think,
9 you know, from the secretary of
10 environmental affairs, so having somebody
11 who has the expertise also digest that, as
12 well as our consultants that have been able
13 to digest that as well.

14 I want to take a quick step back and
15 think about the invitation that we received
16 to go back into -- I'm assuming it's the
17 Charlestown neighborhood to have a hearing
18 and talk about issues and talk about maybe
19 having such a hearing produces an index of
20 the things that the residents of the City
21 of Boston wants us to look at. I mean,
22 building off of whatever we hear there,
23 that might translate into the
24 responsibilities or, you know, activities

1 of this advocate.

2 COMMISSIONER ZUNIGA: I think having
3 more input is always great, although we
4 have heard -- you know, we have had two
5 hearings where a lot of people from
6 Charlestown show up and it's all
7 documented. We can go back to each one of
8 the comments and, you know, a lot of those
9 are really along the lines of traffic.

10 COMMISSIONER MCHUGH: I think we
11 need to think about that. I think that at
12 this point we are going to have an open
13 hearing at which we close the statutory
14 hearing. We're going to post that within
15 days, and we will hear from everybody that
16 comes.

17 What I think would be most useful at
18 this point would be to have an independent
19 fresh set of eyes, perhaps staff meet with
20 folks looking for solutions or looking for
21 ways to deal with traffic issues or
22 explaining in detail why no solution will
23 work rather than a large gathering at which
24 we get understandably a lot of individuals

1 who are -- who have been working diligently
2 on an idea for a long period of time and
3 understandably have a position that is
4 going to be very hard to change.

5 There may be a role staff may
6 suggest at some point that there's a role
7 for that. But it seems to me a more
8 productive role, a more helpful role, a
9 more useful role would be to take a look
10 here at a give and take in an environment
11 in which a gave and take can occur.

12 That is very hard to do in an
13 auditorium with 500 people, although that
14 kind of a hearing may be at least from my
15 standpoint. I don't know, Bruce. What do
16 you think? I am not trying to shoot that
17 idea down.

18 COMMISSIONER STEBBINS: No, no. I
19 was just thinking we had an invitation
20 extended to us, and I just saw it as maybe
21 a way to really focus this fresh set of
22 eyes into looking at, yes, we know that a
23 predominant amount of comments come from
24 the question of the transportation. We

1 have seen in other surrounding communities
2 where folks have raised the issue of public
3 safety. I don't know what we might learn
4 that we don't already know.

5 But to give that as some type of,
6 you know, direction to our fresh set of
7 eyes may or may not be helpful. But in the
8 end, we still have to think about an
9 invitation that we've gotten about the
10 hearing.

11 COMMISSIONER MCHUGH: Right. The
12 fresh set of eyes would be an independent
13 person, not our agent anyway. But we can
14 certainly let him or her know if we decided
15 to go that route that this invitation was
16 there, and we could find other ways to
17 respond to it.

18 I don't think we ought to ignore it.
19 I am just trying to struggle with how we
20 have a limited amount of how do we get the
21 best information while maintaining
22 neutrality and giving due way to the fact
23 that others participated in a process we
24 created and are -- didn't win, and we've

1 got to be fair to everybody.

2 COMMISSIONER ZUNIGA: Can I just ask
3 what are the assumptions of this third
4 party? Is it a paid volunteer, a citizen
5 of somewhere or I meant to say an unpaid
6 volunteer, a paid consultant? Because I
7 would imagine that, you know, we would like
8 somebody to have some familiarity in urban
9 planning or traffic or at least
10 understanding of the issues before them or
11 maybe, you know, concentration processes.

12 COMMISSIONER CAMERON: Now that we
13 have this person up on a pedestal, we have
14 to find the person.

15 COMMISSIONER ZUNIGA: Right. We
16 have to find a person, yes, in short order,
17 by the way.

18 COMMISSIONER CAMERON: I know there
19 have been individuals who have contacted
20 the Commission and volunteered to do
21 something meaningful. I think we would
22 have to talk about a process. Do we say,
23 look, if you're interested in helping out
24 the city we -- I am just not sure about the

1 process.

2 But I thought of it less as a real
3 expert as more of someone who cares deeply
4 about the city, the region, the
5 Commonwealth and would look at this as a
6 meaningful project to take a look at these
7 impacts.

8 COMMISSIONER MCHUGH: I am not sure
9 we can get into a process now --

10 COMMISSIONER CAMERON: I know.

11 COMMISSIONER MCHUGH: -- today
12 because maybe we do. We don't know -- this
13 is a constantly evolving environment and,
14 you know, there may be issues -- things
15 that occur next Monday or Tuesday or
16 Wednesday that make clear what we're trying
17 to do, where we are going and make the need
18 for an independent set of eyes go away.

19 COMMISSIONER CAMERON: Next Monday.

20 COMMISSIONER MCHUGH: Next week
21 sometime. The city could decide to go back
22 into negotiations. It's not likely to
23 happen. But so it seems to me the best we
24 can do today is to come up with a plan that

1 has a number of elements and then say let's
2 go about implementing that plan without
3 getting down into a process kind of thing
4 and here who is going to do what, and we're
5 going to have this step followed by this
6 step, followed by this step, followed by
7 this step because I just think we have to
8 maintain maximum flexibility in totally
9 uncharted waters. That would be my
10 recommendation.

11 COMMISSIONER STEBBINS: So can I
12 recommend -- I mean, we have two kind of
13 quick immediate steps that we've already
14 talked about to some degree. One is having
15 staff communicate back to the City of
16 Boston the whole nature of the impacts and
17 ramifications and D designations in the
18 surrounding community; secondly, again, you
19 know, we have an invite for a public
20 hearing. How do we deal with that? When
21 do we deal with that? Do we want to do
22 that? You know, hopefully those two we can
23 check off.

24 MR. ZIEMBA: Commissioner, we have

1 obviously reached out to a number of
2 different groups for at least that smaller
3 meeting that we discussed. And for next
4 steps, I think that would be a very good
5 thing to try to convene as soon as
6 possible, if it's possible that we can have
7 this person, if that person is available to
8 help out with that process, that would be
9 great in any regard and we can continue on
10 as staff in reviewing everything that we
11 have been talking about in getting further
12 info from MMBC.

13 We have a meeting scheduled for
14 early next week. So there's a number of
15 things that will allow us to carry on while
16 we pursue this idea. There's one other
17 thing I just wanted to mention.

18 Obviously we had an applicant that
19 is involved. That applicant was going
20 through the process as they were supposed
21 to in regulations. We will have to keep
22 them in mind that they have not heard this
23 idea of an independent third party.

24 Certainly they may have some ideas

1 about how they might want to have input
2 into that party, et cetera, et cetera. But
3 these are all things that can be considered
4 over the next few weeks.

5 COMMISSIONER MCHUGH: Well, this
6 party would be -- we take comments on
7 everything from everybody and they
8 certainly would have an opportunity to
9 comment. This person would be, as I
10 understand Commissioner Cameron's thoughts,
11 this person would be an advocate for the
12 city basically.

13 And the question of the scope of
14 this person's mandate would certainly have
15 to be clear and transparent so that so --
16 and the results would have to be clear and
17 transparent so that there is nothing that
18 everybody doesn't know about what this
19 person is concluding and recommending.

20 So we need to work out all those
21 details, but those are details we certainly
22 work out within a principal and would
23 maintain our equilibrium between the two
24 applicants. One reason perhaps to think

1 about at least initially having the staff
2 respond to the groups that they have
3 reached out to as commissioners going over
4 and hearing one side of the story.

5 COMMISSIONER STEBBINS: That's fine.

6 COMMISSIONER MCHUGH: Let me just
7 hypothesize here a plan and still at a
8 fairly high level because it's evolving, a
9 plan in which we ask the staff to continue
10 to reach out to the city to encourage them
11 to, again, encourage them to negotiate with
12 Wynn, encourage them to tell us what it is
13 that they think are things that
14 fundamentally need familiarization for this
15 project to succeed, to meet with the people
16 they have reached out to and that we
17 consider as a Commission, if appropriate,
18 reaching out to somebody to act as an
19 advocate for the city with respect to
20 traffic issues and ask that person to make
21 recommendations about any fundamental
22 omissions from the Wynn BAFO that he/she
23 thinks ought to be remediated for this
24 project to succeed.

1 And then if circumstances dictate,
2 come back and change -- recommend changes
3 to that approach at our next meeting and in
4 any event update us on where we are at the
5 next meeting. We don't have a lot of time,
6 right?

7 COMMISSIONER ZUNIGA: I am fine with
8 that.

9 COMMISSIONER STEBBINS: Okay.

10 COMMISSIONER MCHUGH: What do you
11 think, Commissioner?

12 COMMISSIONER CAMERON: I think that
13 you outlined our thoughts very well as
14 always, and I am concerned about the time
15 though. I think that to give someone, if
16 we go in this direction, the month of
17 August would be appropriate but -- or we
18 don't meet again for two weeks.

19 COMMISSIONER MCHUGH: Right. We
20 could always -- if there is something that
21 really has to be decided -- that's of
22 course that's the other piece of our
23 puzzle. We can only meet in these, and
24 this is appropriate. I mean, we should be

1 out here talking about this in the public.
2 But we need to meet on 48 hours notice, and
3 we need to meet in this kind of
4 environment.

5 So we can't just make a decision
6 some night that we are going to change
7 course. But we can -- if something comes
8 up that needs immediate attention, we could
9 schedule a special meeting. What do you
10 think about that kind of a lineup? What is
11 your reaction?

12 MR. ZIEMBA: I think that's
13 appropriate. Let's move forward. We have
14 already done the outreach to a lot of
15 different groups. We will undoubtedly hear
16 from other groups. We will try to make
17 sure that it's a balanced approach within
18 Charlestown.

19 Obviously there's been a number of
20 differing opinions raised over the years,
21 so we will continue to do that and do these
22 steps and work with Director Day and all
23 the mechanisms that would be needed to have
24 this person aboard and the other steps you

1 identified.

2 COMMISSIONER STEBBINS: I just want
3 to pause for a minute. I mean, yes, we
4 have heard mostly predominately from
5 residents from Charlestown because they are
6 the closest abutting neighborhood to this
7 project in Everett but the whole City of
8 Boston was designated as a surrounding
9 community.

10 So, I think, we should imply however
11 we can that, you know, comments and
12 thoughts and ideas are generally welcome
13 from throughout the City of Boston, even
14 though obviously we have heard mostly from
15 the neighborhood of Charleston.

16 COMMISSIONER ZUNIGA: You know, and
17 on that note, as I understand it, the
18 complexity around Sullivan Square because
19 we are talking traffic and that is on the
20 top of the agenda for, you know, at least
21 for this discussion. It strikes me as it
22 really is a regional, you know. There is
23 more than one party here, not just -- you
24 know, clearly the people in Charlestown

1 are. But, you know, there is a lot of
2 people that go through that intersection,
3 so I wouldn't try to eliminate to any one
4 group. I think we should be as broad as
5 possible in the regional and having a MAPC,
6 including the MAPC I think is very
7 important but implications around other
8 cities is also very important.

9 MR. ZIEMBA: For example, I had a
10 comment on transportation that is obviously
11 open for everyone to comment and welcome
12 comments. MGC will look at all of the MEPA
13 related submissions on data, the numerous
14 communities will submit comments to that as
15 well.

16 COMMISSIONER MCHUGH: Yes. And that
17 is part of our ongoing responsibility.
18 That's what we've done with respect to
19 every license consideration we have made
20 thus far that we -- and it seems to me
21 we -- that's part of the difficulty of
22 this. We have to line that up and run that
23 in parallel with the concerns that arise
24 out of the city's refusal to participate in

1 the process of ensuring that its own
2 citizens are -- the adverse impact on
3 citizens are mitigated. Those two
4 process -- one's a general process that we
5 run all the time. The other is one borne
6 of this necessity.

7 And it seems to me we don't
8 necessarily deal with things differently
9 but we have to keep those two tracks in
10 mind and recognize that they are separate
11 tracks, although closely related. I would
12 hate to divert energy, for example, from
13 what is on our plate by going out and
14 reaching out now to a whole bunch of new
15 groups and surrounding communities all over
16 the place and start reinventing the wheel
17 on some of that stuff.

18 COMMISSIONER ZUNIGA: I didn't mean
19 it in that context, but thank you for the
20 clarification.

21 COMMISSIONER MCHUGH: All right.
22 Suppose -- should I try to restate that or
23 do we -- is it clear enough --

24 MR. ZIEMBA: It's clear.

1 MS. BLUE: Yes, it's clear.

2 COMMISSIONER MCHUGH: Do we have a
3 consensus around -- I don't think we need a
4 vote.

5 COMMISSIONER STEBBINS: I think you
6 capitalized our consensus at this point
7 very well.

8 COMMISSIONER MCHUGH: Commissioner?

9 COMMISSIONER CAMERON: No, I would
10 agree. So we are going to continue to
11 gather information. Staff will have
12 meetings, and we are going to explore this
13 alternative possibility.

14 COMMISSIONER MCHUGH: Of a person to
15 act as an advocate for the city.

16 COMMISSIONER CAMERON: Yes.

17 COMMISSIONER MCHUGH: And then the
18 next step is to for staff to develop a
19 mechanism and process for bringing to our
20 attention the results of all of this, when,
21 how and in what form. I guess how is in
22 what form but when and how.

23 COMMISSIONER CAMERON: What, when,
24 where.

1 COMMISSIONER MCHUGH: Right.

2 COMMISSIONER CAMERON: Tall task for
3 staff.

4 COMMISSIONER MCHUGH: Right. But as
5 usual, they are capable of doing all of
6 this. Thank you. Any further business,
7 comments, commentary?

8 COMMISSIONER CAMERON: No.

9 COMMISSIONER STEBBINS: I thought it
10 was a good discussion.

11 COMMISSIONER MCHUGH: Motions?

12 COMMISSIONER ZUNIGA: To adjourn, so
13 moved.

14 COMMISSIONER MCHUGH: Second?

15 COMMISSIONER CAMERON: Second.

16 COMMISSIONER MCHUGH: All in favor?

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER MCHUGH: The ayes have
21 it unanimously. We are adjourned. Thank
22 you all.

23

24 (Meeting adjourned at 4:40 p.m.)

1 MASSACHUSETTS GAMING COMMISSION STAFF:

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3 Richard Day, Executive Director

4 Derek Lennon, CFAO

5 Mark Vander Linden

6 John Ziemba, Ombudsman

7 Catherine Blue, General Counsel

8 Danielle Holmes, Deputy General Counsel

9 John Glennon, Chief Information Officer

10 Todd Grossman, Deputy General Counsel

11 Loretta Lillios, Deputy General Counsel

12 David Acosta, Director of Licensing

13

14 GUEST SPEAKERS:

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16 Hunter Clayton, Executive Vice President of MGM

17 Resorts Development

18 Marty Nastasia, Brown Rudnick, LLP

19 Chuck Irving, Davenport Companies

20 Christopher Cignoli, Director of Public Works,

21 City of Springfield

22 Matthew Burnham, Accenture

23 Ed Burke, North Passage Associates

24 Russell Meekins

1 GUEST SPEAKERS:

2 Rachel Volberg, SEIGMA team

3 Amanda Houpt, SEIGMA team

4 John Polanowicz, Secretary, Executive Office of

5 Health and Human Services

6 Jack Rauen, Penn National

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COMMONWEALTH OF MASSACHUSETTS

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I, KRISTEN M. EDWARDS, COURT REPORTER,
do hereby certify that the foregoing is a true and
accurate transcription of my stenographic notes,
to the best of my knowledge and ability.

WITNESS MY HAND, this 28th day of July,
2014.

Kristen M. Edwards