

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #198

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

August 18, 2016 10:00 a.m.

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

P R O C E E D I N G

CHAIRMAN CROSBY: All right. We will call to order the public meeting No. 198 of the Mass Gaming Commission at our offices on Federal Street, on Thursday, August 18th. First item on the agenda, Commissioner Macdonald.

COMMISSIONER MACDONALD: I move that the -- the minutes of the meeting of August 1, 2016 be approved subject to the usual qualifications and corrections, typographical errors on material matters.

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: Discussion? I had just one comment, which I'm just going to pass over. On -- at 12:36 p.m., it refers to a West Virginia conference that I attended. That's not right. It was a West Virginia court decision discussed. But here's the -- I -- just give this to Catherine for the change. Any other discussion? All in favor. Aye.

1 COMMISSIONER MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: The -- all
6 opposed? Excuse me. The ayes have it
7 unanimously.

8 Commissioners Updates, the only
9 thing that I have is some schedule changes
10 because of a lot of travel. We're going to
11 have our September meetings on September 8th
12 and 22nd. There was going to be scheduled --
13 there were going to be three. His so
14 September 8th will be the next meeting and --
15 that we have from now. And the first one
16 September, and the second will be on
17 September 22nd. And then we'll get back into
18 our regular biweekly schedule after that.
19 Anything else, other Commissioners?

20 COMMISSIONER STEBBINS: Just one
21 note. Our next access and opportunity
22 committee meeting in September is going to be
23 out in Springfield, as we switch them month to
24 month. But you and I, Mr. Chairman, I think,

1 have the opportunity to sit down with the new
2 president of Springfield Technical Community
3 College after our meeting.

4 CHAIRMAN CROSBY: Great. What day
5 is that?

6 THE FLOOR: 14th.

7 COMMISSIONER STEBBINS: 14th.

8 CHAIRMAN CROSBY: September 14th?

9 COMMISSIONER STEBBINS: Yes.

10 CHAIRMAN CROSBY: Okay. Anything
11 else?

12 COMMISSIONER CAMERON: (Commissioner
13 Cameron nodding her head side to side)

14 CHAIRMAN CROSBY: All right. We're
15 going to change the schedule a little bit to
16 accommodate the guests scheduled. We're going
17 to take Item No. 5, the racing division.
18 Director Lightbown is not here so we will be
19 conducted by General Counsel Blue.

20 MS. BLUE: Good morning,
21 Commissioners.

22 CHAIRMAN CROSBY: Good morning.

23 COMMISSIONER MACDONALD: Good
24 morning.

1 COMMISSIONER CAMERON: Good morning.

2 COMMISSIONER ZUNIGA: Good morning.

3 COMMISSIONER STEBBINS: Good
4 morning.

5 MS. BLUE: You have, in your packet
6 today, a memo and some materials regarding the
7 recommendation of the horseracing committee.
8 As you know, Commissioner Cameron is the
9 commission representative to the horseracing
10 committee so I'm going to let her describe
11 what the committee did and the results that
12 they came to, and then we can consider their
13 recommendation. So Commissioner Cameron --

14 COMMISSIONER CAMERON: Thank you,
15 General Counsel Blue. I think what's
16 important to note here is the committee had
17 all intentions of meeting yearly, after the
18 racing season, in the fall, in order to look
19 at the year's activities and decide if, in
20 fact, the split was appropriate for the
21 following year. In fact, we received a -- a
22 letter from the harness horsemen requesting
23 that we reevaluate that split, due to the fact
24 that they were doing -- conducting the bulk of

1 the racing here in the Commonwealth.
2 Unfortunately, with the change in
3 administration, it took us, you know, an
4 extended period of time to have two new
5 committee members appointed to the committee.

6 CHAIRMAN CROSBY: By the governor
7 and the treasurer?

8 COMMISSIONER CAMERON: By the
9 governor and the treasurer. So we were unable
10 to accommodate that request for almost a year,
11 11 months and change, so that's an important
12 piece to note.

13 We were able to meet earlier this
14 year, had meetings in May. We actually -- we
15 started March 29th and followed up with a
16 secondary meeting. We were gathering
17 information. We asked each industry to
18 provide a report to the committee on the needs
19 of industry, how the industry had changed, how
20 they saw their industries and how -- you know,
21 suggesting how the committee should go about
22 its work.

23 So we did receive those two reports
24 and had time to talk about them in public, at

1 our meeting, after reading them individually,
2 and a decision was made since -- since the --
3 the bulk of the activity around racing in the
4 Commonwealth is -- is with the standardbred.
5 A change in split was -- was recommended, was
6 decided upon. And that would be 55 percent of
7 the standardbred, 45 percent to the
8 thoroughbred. And that is a change from the
9 earlier decision, which was 75/25 in favor of
10 thoroughbred racing.

11 The other decision, or
12 recommendation -- that -- that was a decision.
13 The recommendation the committee had was,
14 because of the delay, which is no fault of any
15 of the committee members, and that this
16 request was almost a year old, that the --
17 the -- we'd start at this -- this year, this
18 calendar year. So January 1, that split.
19 Although, the decision wasn't made until --
20 until June, that the -- that the money should
21 be allocated back to January 1, that was an
22 issue of fairness. The committee, four to
23 one, thought that -- thought that that was
24 appropriate, since it took us that long to get

1 to having a meeting and making that decision
2 on the split.

3 So I believe General Counsel Blue
4 believes that, certainly, we have the
5 authority to -- to investigate and come up
6 with a split that we thought was equitable.
7 But that back dating the -- when that would be
8 effective was -- it was probably something
9 this Commission should consider and decide.
10 Am I accurate, when I say that?

11 MS. BLUE: That's correct.

12 COMMISSIONER CAMERON: So, yeah.
13 And, again, it was, according to the
14 committee, a question of fairness. The
15 request was -- was almost a year old and he
16 had been unable to meet before that, and that
17 was the rationale of the committee's decision
18 on January 1 versus June 1. Now -- rather,
19 July 1. Now, that does -- that will affect
20 some payments. In particular, payments that
21 went out to the breeders, but General Counsel
22 Blue does have a plan, if, in fact, the
23 Commission agrees with the committee that
24 those monies would be -- there would be no

1 taking back of monies. There's a way to move
2 forward without taking back money. And there
3 would be, certainly, some additional monies
4 that would go to the standardbred folks.

5 So I know that there's one of the
6 committee members here. Mr. Goldberg, do you
7 have anything to add to the work that we did?
8 You're welcomed to inform the Commission, if
9 you have something additional.

10 MR. GOLDBERG: If they would like.

11 COMMISSIONER CAMERON: It's up -- if
12 you think I missed something, or if there's
13 something --

14 MR. GOLDBERG: No, I don't think you
15 missed anything, Commissioner Cameron,
16 Chairman Crosby, Commission members. Yeah.
17 Just a little bit of --

18 COMMISSIONER CAMERON: Hit the
19 button on that.

20 MR. GOLDBERG: Oh, I'm sorry.

21 COMMISSIONER ZUNIGA: And introduce
22 yourself.

23 COMMISSIONER CAMERON: And introduce
24 yourself.

1 MS. BLUE: Oh, no, Peter -- Peter on
2 the mic.

3 COMMISSIONER STEBBINS: On the
4 microphone.

5 COMMISSIONER CAMERON: On the mic,
6 just the green button, and just introduce
7 yourself.

8 MS. BLUE: Yep, there it is.

9 MR. GOLDBERG: How's that?

10 COMMISSIONER CAMERON: Excellent.

11 MR. GOLDBERG: I'm Peter Goldberg.

12 I am the standardbred appointee to the
13 horseracing committee. I was appointed back
14 in March of 2012. I'm one of the original
15 members, along with Commissioner Cameron. We
16 started our work back in August of 2012. And
17 I think it's interesting just to note that way
18 back in the beginning, in probably our
19 first -- probably, second or third meeting,
20 one of the big things that our
21 then-chairperson John Sherman brought up when
22 we discussed back, again, in 2012, was that
23 this was not a static decision. The statute
24 required us as a committee to revisit the

1 split on an equitable basis, on a revolving
2 basis. And that was decided pretty early on.

3 When we made our initial
4 recommendation to the Commission back in -- we
5 voted on it, I think, in September of '14, and
6 in November it was actually presented to the
7 Commission, it was contemplated that it would
8 be add -- at a minimum, an annual review. And
9 what we decided, we talked about, discussed,
10 all of us, and it was five members were in
11 agreement, was that the racing season wraps up
12 around the end of October, middle of November
13 each year, so it would be -- it would be
14 well-thought-out to have a meeting in October
15 every year to begin the process of getting the
16 data from the prior racing season and evaluate
17 it to see if, in fact, there's any landscape
18 changes that needed to be considered.

19 So early in 2015 there were major
20 changes. And just briefly, because I could
21 talk for hours and I won't, in 2014 we made
22 our initial recommendation. Both industries
23 were, basically, planning, in 2015, of racing
24 the same number of live days. At the time,

1 thoroughbreds were planning on racing about 90
2 days in 2015, and the standardbreds a hundred
3 days. And that's based on a requirement of
4 the Class 2 license that Plainridge received.
5 So our split was basically -- that was one of
6 the major considerations in 2014.

7 Well early on, in 2015, it was
8 apparent that thoroughbreds were not going to
9 race those 90 days. That's when the request
10 was made by the HHA & E to revisit. Please
11 have the committee revisit the split. And, in
12 fact, 2015 bore out that concern, the
13 standardbreds race 105 days, thoroughbreds,
14 for three days.

15 Unfortunately, as
16 Commissioner Cameron noted, to no one's fault,
17 our committee wasn't seated. We had lost our
18 chairperson and the treasurer was appointee.
19 They weren't reappointed until, I think early
20 this year. In fact, early in 2016. If all
21 had gone well, if there was no turnover, I'm
22 quite certain that our discussions would have
23 been in October of -- at the latest, in
24 October of 2015, with, probably, a vote in

1 December, and come up with that recommendation
2 of the committee.

3 So that was our main part of the
4 discussion, that this really should have been
5 in October, November of '15. Again, we were
6 unable to meet and visit that, but nothing has
7 changed. In fact, the landscape has changed
8 further favoring the standardbreds since then.
9 But, at this point, our split was determined,
10 and I think they're going back to making
11 retroactives to January 1, 2016. It's only
12 fair -- I think it's based on what is best for
13 the Commonwealth and required -- and one of
14 the -- another big issue is, there's money
15 sitting in funds -- in that racehorse
16 development fund that's not being distributed,
17 and I think that can be problematic. There
18 was already two amendments in the House this
19 year that -- that tried to take -- one was
20 trying to take 10 million from that fund, and
21 one 4 million. There's only about 15 million,
22 so far, each year going into that fund. I
23 think it's a problem, if there's too much
24 money sitting around, the legislature's look

1 at it -- they look at it as a, hey, no one's
2 using that money, let's take it.

3 So I think, making this retroactive
4 to January 1st is what thought -- all thought
5 was fair and equitable, and I hope the
6 Commission feels the same.

7 COMMISSIONER CAMERON: Thank you.

8 MR. GOLDBERG: Thank you.

9 CHAIRMAN CROSBY: Comments,
10 questions?

11 COMMISSIONER ZUNIGA: Yeah. Let
12 me -- let me emphasize something. As the
13 treasurer I have many -- Commissioner Cameron
14 mentioned this, but I want to emphasize
15 something for everybody's benefit, the public
16 and commissioners.

17 So money flows into each -- each of
18 the -- there's -- there's really different
19 accounts, but money flows because of the
20 activity in Plainridge into -- into the fund.
21 Disbursements get made to -- to the different
22 groups, according to the split. And they have
23 continued to be made since January up until
24 now.

1 The thoroughbreds don't get the --
2 the money that gets into -- that would be --
3 that would be for thoroughbreds has been more
4 that flows into the fund because that -- the
5 money that flows out for thoroughbreds is
6 less. And that's the piece that Mr. Goldberg
7 is referring to.

8 There's -- everybody should
9 remember, also, that there's the purse
10 accounts, the 16 percent for both
11 thoroughbreds and standardbreds that goes to
12 breeders, and 4 percent that goes to health
13 and benevolence -- health and welfare.

14 Now, throughout this period, the 16
15 -- that's in question, the period between
16 January and June, the breeders continued to
17 get money according to the prior split. And
18 that's what you all have seen, have read some
19 of the letters in favor of one scheme versus
20 another that -- that is at the crux of our
21 decision here. Because the -- when the
22 horseracing committee made its retroactive
23 decision, I suggest that they may not have
24 taken into account that the mechanics of those

1 payments have already gone out for the
2 breeders.

3 What that does, it puts us in the
4 position that we're here today, which is how
5 do we comply with this recommendation? Could
6 we do it retroactive to January, as it was
7 suggested by the committee, or recommended by
8 the committee? That would mean that, for the
9 breeders, for the thoroughbred breeders, there
10 would be a period that you were talking about,
11 that we'd have to figure out how to adjust.

12 COMMISSIONER CAMERON: Agreed.
13 Correct.

14 COMMISSIONER ZUNIGA: That is, there
15 will be more money going to the standardbreds
16 because the 75/25 has been happening up until
17 recently.

18 COMMISSIONER CAMERON: Right. And
19 the standardbred breeders will tell you that,
20 frankly, there's a real need for those horses
21 immediately, and that additional money to
22 standardbred breeders is -- is really
23 important. And I understand the thoroughbred
24 breeders are -- would like to have additional

1 monies to breed, but I think that is something
2 the committee took a look at. Well, whose
3 horses are racing now kind of thing.

4 COMMISSIONER ZUNIGA: Right. Yeah.

5 COMMISSIONER CAMERON: So I know,
6 General Counsel Blue, what was your thought
7 on -- I know that there was a consensus
8 decision that we shouldn't ask for money back,
9 that it would be a slowing down of additional
10 monies?

11 MS. BLUE: The idea would be to not
12 make payments until the amount was caught up.
13 And I've talked to finance. We haven't gotten
14 a specific number of months, but we think it's
15 somewhere around three or four months that
16 they would go without payments, and then
17 payments would resume to get them so they were
18 where they should be for this year under that
19 new split.

20 COMMISSIONER STEBBINS: Just a
21 general question. I mean, as you know, I
22 appreciate Commissioner Cameron laying out the
23 history and why we ran into this problem.
24 And, hopefully, as we go forward beginning

1 this October, I expect the committee will,
2 kind of, conduct the same process and it will
3 be a consistent process.

4 COMMISSIONER CAMERON: We have
5 intentions of doing that.

6 MR. GOLDBERG: I believe there's
7 already a meeting scheduled for October.

8 COMMISSIONER CAMERON: There is.

9 COMMISSIONER STEBBINS: Yeah. You
10 know, I guess my -- you know, I was looking at
11 the information in the packets, even at 55 to
12 45, you know, you have 55 percent of the
13 racehorse development fund going to the
14 harness who run over a hundred days, you have
15 45 going to the thoroughbred Racehorse
16 Development Fund for six days of racing so --

17 COMMISSIONER CAMERON: Part of the
18 reason for that, Commissioner, is simulcast
19 monies.

20 COMMISSIONER STEBBINS: Right.

21 COMMISSIONER CAMERON: Even in a
22 racetrack in which harness live racing is
23 conducted, the bulk of the simulcast is with
24 thoroughbred, so there's still money being

1 generated on behalf of thoroughbred racing.
2 So we really did a complete analysis. So it
3 was more than live racing that we looked at
4 to -- to make that split decision.

5 COMMISSIONER STEBBINS: You know, I
6 think it's important, you know, as we think
7 about where the thoroughbred industry's going
8 to go, that -- I think it's been stated
9 already, that, you know, this is an annual
10 review for somebody who might be out there
11 thinking they want to invest in a thoroughbred
12 track in Massachusetts, that this is not a
13 split fixed in stone. And the committee does
14 a great job -- will be doing a good job of
15 reviewing this every year as we go forward.

16 I guess, my challenge, or my
17 hesitation, is with the retroactivity. You
18 know, I appreciate the fact that, you know,
19 the sense of the committee or the Commission
20 is, we don't want to go back and ask for money
21 back. It's a way of, how do we allow the
22 parties to kind of catch up? But, you know,
23 I'd be more comfortable saying, as of this
24 date and this Commission meeting, that we

1 approve, you know, the split --

2 COMMISSIONER CAMERON: I think the
3 two alternatives would be the date of the
4 decision, which was around July 1st, or
5 January 1st, which had would be the
6 retroactive date. Again, the recommendation
7 date based on the fairness issue.

8 COMMISSIONER STEBBINS: I'm
9 challenged by either one of those options.

10 COMMISSIONER MACDONALD: Yeah. I
11 share Commissioner Stebbins' concern for the
12 fairness of people being penalized, even if
13 that's a prospective penalty to a recoupment.
14 Through no fault of the stan -- I mean, the
15 thoroughbred breeders, they, in the ordinary
16 course, were provided with -- up until that
17 time, was the authorized split, and I think
18 it's just simply unfair to have them penalized
19 for a failure of -- of timely resolution of
20 this issue by the racehorse committee. Not
21 that I'm casting blame on it. There's a good
22 reason they didn't do it, but it's not a fault
23 of -- it's, certainly, not the fault of the --
24 of the thoroughbred breeders, so I'd be

1 against any retroactivity. I think I'd be
2 against any retroactive application.

3 CHAIRMAN CROSBY: It's funny because
4 I see it the opposite way.

5 COMMISSIONER ZUNIGA: I do too.

6 CHAIRMAN CROSBY: The people who
7 inadvertently were prejudiced against were the
8 standardbred breeders. Any rationale, I
9 think, assessment here is that, had it
10 happened in timely fashion, the standardbred
11 breeders' split would have taken effect back
12 on January 1st.

13 It was fortuitous, it was a windfall
14 for the thoroughbred breeders. And as you
15 said, there's no good guy, bad guy here but --
16 but the failure of the system, of the
17 statutory system, just because of the turnover
18 in personnel, was really prejudicial to the
19 standardbred people. They're the losers here.

20 And the one -- the opposing letter
21 we got from the counsel, for the thoroughbred
22 breeders, didn't take the argument that
23 there -- this was -- would really be a
24 hardship, or that they couldn't -- or they'd

1 lose the cash flow. They took the argument
2 that there was a -- an argument in the
3 statutory construction that we -- we didn't
4 really have the authority to do retroactivity,
5 and I'm gathering General Counsel Blue is
6 advising us that she disagrees with the
7 thoroughbred breeders on that, that we do have
8 the authority to construe our authority this
9 way; is that correct?

10 MS. BLUE: Our statute in our
11 regulations are silent as to when we go into
12 account -- into effect. And I think, had this
13 hadn't happened in the normal course, we
14 actually wouldn't be in front of the
15 Commission asking for your approval. We would
16 simply come to you and say, this was a
17 decision of the horseracing committee. It
18 starts with the next racing season, which
19 would be January 1st, and we filed it with the
20 legislature.

21 So, you know, when we came -- when
22 we did it first in 2014, and the report is in
23 the packet, we didn't come and ask the
24 Commission for a date at which to start. You

1 know, the general understanding was it started
2 at the beginning of the next racing season,
3 which was January 1st so --

4 I did look at the case -- one
5 particular case that was cited. We have a
6 little different situation here. We have -- I
7 don't think we've created any expectation as
8 to when this would start. I don't think the
9 Commission is changing the preexisting policy.
10 The Commission's been very clear that this can
11 be reevaluated at any time. And the first
12 report is very clear to that -- to that end.

13 So I think everyone knows that
14 everyone who's a stakeholder in this fund
15 knows that it could be reassessed at anytime.
16 We talked about yearly, but it could be
17 reassessed more than that. So I think you do
18 have the ability to go back. We just want to
19 go back in a way that's fair to everybody.

20 CHAIRMAN CROSBY: Right. Well, and
21 the third -- the argument in the thoroughbred
22 breeders is, one, we don't have the expressed
23 statutory authority. We know that. Second
24 is, that we can't apply retroactively where a

1 prior policy existed. You've spoken to that
2 issue, and I agree with that. The third is
3 argument that a new policy infringes or
4 individual property rights, and it has some
5 citations. I gather, you don't agree with
6 that.

7 MS. BLUE: I don't -- no. I don't
8 think anyone -- and this is a larger issue
9 that has come up a couple times. I don't
10 think anyone of the groups has a property
11 right in that fund. The legislature can
12 increase it, decrease it, take it away at
13 anytime, the script can be changed at any
14 time. So I don't think there was any
15 established property right in the fund.

16 CHAIRMAN CROSBY: Right. And
17 it's -- you could, maybe, make an argument if
18 you were trying to take back you might be able
19 to make a property-right argument, but I agree
20 with you.

21 So if we take General Counsel's --
22 our general counsel's judgment that this is
23 within our authority, then it's just a
24 question of weighing the equities who's being

1 hurt the most. And it does seem, to me, that
2 it was the standardbred breeders who lost out
3 here, now, due to no fault of their own. And
4 there is a way to remedy it that is relatively
5 painless to get it back to the split that the
6 committee thought was appropriate.

7 COMMISSIONER ZUNIGA: I agree with
8 that notion. I think there's -- you know,
9 while the emphasis on the 60 percent may be
10 relevant as to the breeders, which -- and,
11 again, I agree, remember there's 80 percent
12 that goes to purses that -- or their system,
13 which is really what the com -- what the
14 committee considered, and considers many
15 factors.

16 You mentioned, not just live racing,
17 but also simulcasting, number of farms, and
18 there's, you know, been a lot of study, a lot
19 of discussion that happened at the racehorse
20 committee -- horseracing committee that tries
21 to factor in.

22 And given that big piece, where the
23 alternative is for the money to just sit
24 there, we -- I think that by -- by following

1 the committee's recommendation of retroactive,
2 we'd be using that money for what it was
3 intended, which is property of the horseracing
4 industry. In this case, the standardbreds
5 because they have the mechanism and things.

6 COMMISSIONER CAMERON: And, for the
7 record, Commissioner Zuniga attended our
8 meeting. He had enough interest that he asked
9 to attend the meetings so he could hear all
10 the arguments firsthand, so he does have
11 knowledge.

12 COMMISSIONER ZUNIGA: Yeah.

13 COMMISSIONER MACDONALD: I have no
14 questions or, you know, authority here. As
15 the chairman said. It's really a
16 discretionary matter. And these would be the
17 thoroughbreds and the standardbreds that --
18 and, you know, where the equities lie. And,
19 once again, there is a -- there is a -- a
20 financial consequence here for the
21 thoroughbred breeders. Through no fault of
22 their own, they would be -- they would be
23 penalized.

24 I think this is a situation, in my

1 mind, if you look at the standardbreds, right
2 now they're flush. The thoroughbred industry
3 is on the ropes. I think this is an
4 unnecessary -- unnecessary, additional burden
5 under the circumstances, where there would be
6 no hardship at all on the standardbreds. That
7 this is a situation where -- where the
8 equities, not the sympathies, are
9 appropriately exercised in favor of the
10 thoroughbred breeders.

11 COMMISSIONER ZUNIGA: Can I ask you
12 something? The breeding program is a longly,
13 you know, consideration. So while it is -- it
14 may be the case that, comparatively, the
15 standardbred is flush with purse monies the --
16 and, again, you know, they're also required to
17 run a number of days by statute, et cetera,
18 the breeding program is a longly -- a seed
19 that gets planted and you know --

20 CHAIRMAN CROSBY: So to speak.

21 COMMISSIONER ZUNIGA: So to speak.
22 Yes. And you see the fruits, you know, really
23 to years' hence. So by -- by the decision
24 that, you know, that we're contemplating here,

1 we're really, you know, projecting on the
2 state of the industry two years from now, or
3 more. And that's important to consider on the
4 heel of your comments.

5 COMMISSIONER CAMERON: As a
6 committee member, I think that the
7 standardbred folks would argue with the fact
8 that they're flush. 25 percent of that
9 account and the number of days they've had to
10 race is really -- it's made a small
11 difference. Surprisingly, not a huge
12 difference. I was surprised at -- at how
13 little the purses actually did increase
14 because, don't forget that those monies -- the
15 new monies coming in are from the one casino.
16 And -- and it was a 25 percent. So,
17 Mr. Goldberg, you may have more details on
18 that, but I just --

19 MR. GOLDBERG: Yeah. The word
20 flush, the standard industry is, by no means,
21 flush. We're still at the bottom -- the
22 bottom of the tiers of all race --
23 standardbred racetracks in the northeast.
24 We're doing much better. Things are looking

1 up. More horses -- everything that the
2 statute was designed to do is working. More
3 horses are coming in, more horses are being
4 bred, fields have gone from 6.7 average to
5 up -- it's now nine, 10, horse fields racing
6 in Plainridge. It's getting much better. Our
7 purses are still low. People are, in
8 contemplation of what's going, are hoping that
9 it will increase. And, hopefully, they're
10 going to increase next year and the rest of
11 this year, but it's not -- they're not flush
12 by any stretch of the imagination.

13 And as far fairness, starting in
14 September the standardbreds race their
15 Sire Stakes program. Those are races only for
16 Mass-bred horses. You can't enter unless
17 you're a Mass-bred two-year-old, or
18 three-year-old. There's the pace and the
19 trot. There's fillies, mares and colts.
20 There's about 32 races that we race in
21 September and October. That money is just
22 the -- from the Sire Stakes money. Thirty-two
23 races. I don't think -- last year the
24 thoroughbreds raced their stakes races at

1 Finger Lakes racetrack in New York.

2 This is, I think, is what we
3 discussed at the committee -- our committee
4 discussions at length, so I don't want to go
5 into it.

6 CHAIRMAN CROSBY: Right.

7 MR. GOLDBERG: But as far as
8 fairness for the breeders, the money is
9 clearly in need right now, today, and as of
10 going back to January, it would be the fairest
11 way to go, especially for the breeders, for --
12 for the whole purse structure so we can get up
13 out of the basement, if you will.

14 CHAIRMAN CROSBY: Further
15 discussion? Do I have a motion?

16 COMMISSIONER ZUNIGA: I'll move that
17 we accept the committee -- the horseracing
18 committee recommendation to change the split,
19 as presented in the -- in the recommendation.
20 55 percent going to the standardbred industry,
21 and 45 to the thoroughbreds retroactive to
22 June -- January 1, as the committee
23 recommended.

24 CHAIRMAN CROSBY: Second?

1 COMMISSIONER CAMERON: Second.

2 CHAIRMAN CROSBY: Further
3 discussion? All in favor?

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 CHAIRMAN CROSBY: That would be
7 Commissioner Cameron, Commissioner Crosby,
8 Commissioner Zuniga. What did you do?

9 COMMISSIONER STEBBINS: I'm voting
10 no.

11 CHAIRMAN CROSBY: All opposed?

12 COMMISSIONER MACDONALD: Opposed.

13 COMMISSIONER STEBBINS: Opposed.

14 CHAIRMAN CROSBY: Commissioner
15 Stebbins and Mr. Macdonald. The motion
16 passes, three to two.

17 COMMISSIONER MACDONALD: And just
18 for the record, my opposition is not to the
19 split. It's to the retroactive.

20 COMMISSIONER STEBBINS: Same here.

21 CHAIRMAN CROSBY: Okay. So we are
22 now -- that was the only issue, I believe, in
23 the racing division. We now go to Item No. 4,
24 the ombudsman report.

1 COMMISSIONER STEBBINS: Can we take
2 a break?

3 CHAIRMAN CROSBY: Yeah. We'll take
4 a quick break.

5
6 (A recess was taken)

7
8 CHAIRMAN CROSBY: Okay. We are
9 reconvening at about 10:34. Ombudsman Ziemba.

10 MR. ZIEMBA: Good morning,
11 Commissioners. I have four items this
12 morning. First, for my brief update, we
13 continue to work with MGM Springfield and
14 Wynn Boston Harbor, as the construction
15 activities ramp up. Joe Delaney, our
16 construction oversight project manager, and I,
17 are actively engaged with our licensees, as
18 they are engaged in some of the biggest,
19 private construction projects in
20 Massachusetts.

21 On another matter, we have notified
22 all the community mitigation fund applicants
23 regarding the Commission's determinations on
24 their applications, and have drafted grant --

1 and have drafted grant contracts that we'll
2 work on with such applicants. In addition, we
3 continue to monitor progress our licensees
4 have had in giving all of their permitting
5 approvals. Notably, Wynn Boston Harbor's
6 recent receipt of its Chapter 91 approvals.
7 With that as a backdrop, the next items on the
8 agenda are the quarterly reports for Wynn
9 Boston Harbor and Plainridge Park Casino.
10 First, let me welcome Bob DeSalvio, president,
11 Wynn Mass, LLC; Chris Gordon, Wynn
12 Design & Development president; Jacqui Krum,
13 senior vice president of Wynn, and general
14 counsel; and Jennie Peterson, project manager
15 from Wynn Boston Harbor. Bob.

16 MR. DESALVIO: Thank you, John.

17 Good morning, Chairman and Commissioners.

18 COMMISSIONER CAMERON: Good morning.

19 COMMISSIONER STEBBINS: Good
20 morning.

21 CHAIRMAN CROSBY: Good morning.

22 COMMISSIONER MACDONALD: Good
23 morning.

24 COMMISSIONER ZUNIGA: Good morning.

1 MR. DESALVIO: And I am very pleased
2 to be able to say for the first at a public
3 Mass Gaming Commission meeting that
4 Wynn Boston Harbor is now under construction.
5

6 (Audience reaction)
7

8 MR. DESALVIO: And so, we feel
9 really good about that, as you can tell.

10 And so, today you're going to hear
11 from -- you'll hear from Chris in a minute to
12 give you the full permitting and construction
13 update. And then, we thought -- and then
14 Jacqui and I are going to step back for a
15 second and bring up Jennie and the folks from
16 Suffolk to talk about the diversity program
17 and what I'm going to call an enhanced version
18 of what we normally do for our update.

19 We thought that this is a really
20 good, sort of, jumping off point from -- we
21 went from being partially real to real, and
22 now there's really very serious efforts going
23 on to make sure that we're as inclusive as
24 possible as part of the project. So we

1 thought it would be a good idea to update the
2 Commission in a little more thorough basis
3 than what we normally do with the quarterly
4 update, where we just typically report
5 numbers, because there's a lot more to the
6 story than the numbers. So with that, I'm
7 going to turn it over to over to Chris, who's
8 going to talk about permitting and
9 construction.

10 MR. GORDON: Great. Thank you, Bob.
11 Going through the slides, the permitting one
12 as you may have heard, you heard a few times
13 this morning, granted our Chapter 91 permit.
14 You know that story very well. That, that did
15 allow us to go on the complete site, instead
16 of just working on part of the site. So that
17 is a -- a major step in the permitting.
18 There's other permits listed here, but the
19 highlighted one, of course, is the big story.

20 The federal permitting, we also are
21 anticipating our Army Corp permit. This
22 doesn't impact what we're working on on the
23 site. It impacts the work on the water. But
24 that is well underway, and we expect to get

1 that, hopefully, in the next month or so, and
2 that would be a -- a final piece on the
3 federal front. So we're -- we're very --

4 CHAIRMAN CROSBY: What does -- what
5 does that permit you do? What's the --

6 MR. GORDON: It's relating to the
7 work in the water. We have a lot of work to
8 do around the living shoreline, the bulkhead,
9 the dredging, the navigation bridge, so this
10 is -- allows us to proceed with all that.

11 Moving ahead to design, all aspects
12 of the building have reached the GMP level of
13 design, which means we're just about done.
14 They've all been submitted to the city for
15 review. The foundation permit has been
16 approved. That's why we're building it. We
17 actually have the building permit in hand.

18 We're now working with the city on
19 review of the tower, the podium, the site and
20 the marine work. So all those applications
21 have been submitted to the city. They have a
22 company, Four Leak, who has been working with
23 us on the review of those. We've been in a
24 number of discussions with them, and that's

1 all moving along quite well. You know, we
2 expect to have those building permits before
3 those aspects of the building start. The next
4 one, obviously, the podium and the tower will
5 go next, so we certainly want to get those,
6 and I'll show you, in a minute, some schedule
7 updates and when we expect to read.

8 COMMISSIONER MACDONALD: What does
9 GNP mean?

10 MR. GORDON: Guaranteed maximum
11 price.

12 COMMISSIONER MACDONALD: GMP.

13 MR. GORDON: Suffolk was hired as a
14 construction manager early on, so we benefit
15 from their expertise during preconstruction.
16 Cost-estimating, scheduling, workforce
17 analysis, that sort of stuff. And now that
18 we're under construction, we've yet to put a
19 final price in place. We're headed toward
20 that, probably, in October.

21 So the guaranteed maximum price
22 we've -- the drawings are what we call the GMP
23 level, meaning that they're done enough so
24 they're out -- the whole building's out in

1 market right now for procurement. Those bids
2 will be coming back this summer and fall.
3 Once they're back, we digest them, we approve
4 them, and eventually we'll put that into a
5 complete price for the project.

6 CHAIRMAN CROSBY: Chris, we talked
7 about this a little bit. We went through a
8 process with MGM where, from -- from the
9 original pricing to their final pricing, when
10 they got real bids in they'd some hugely
11 expansionary costs. And you're constantly
12 hearing about the pressures here, the labor
13 market costs and everything. You've already
14 raised your ceiling, to some extent.

15 MR. GORDON: Right.

16 CHAIRMAN CROSBY: You know, a little
17 bit. So I just wondered whether you have any,
18 sort of, preview on --

19 MR. GORDON: I will enjoy sleeping
20 better after.

21 CHAIRMAN CROSBY: Yeah.

22 MS. KRUM: We have put certain
23 sections of the building up that are ready and
24 have received bids that are consistent with

1 what our budgeting for those have been.

2 CHAIRMAN CROSBY: Really?

3 MS. KRUM: We've also, consistently
4 throughout the process, we've been doing
5 internal, as well as external reviews of the
6 budget. So what we're seeing to date is
7 consistent. But as we go forward, there will
8 be some changes where we articulate with them
9 what we have.

10 MR. GORDON: Yeah. The 2.1 billion
11 we've announced, includes current market
12 prices.

13 CHAIRMAN CROSBY: Right.

14 MR. GORDON: And as Jacqui said,
15 we've bid about 275 million so far. They've
16 all been on budget so far. We've got a couple
17 of big bids that are due soon, including
18 things like concrete, MEP and that sort of
19 stuff, and we're very anxious to see what the
20 prices are.

21 So, so far we're doing fine. You're
22 right about the pressure in the market. I
23 don't know if you saw this, but about three
24 weeks ago, Massachusetts was ranked the most

1 expensive market in the country right now.
 2 And that's not because of any demographics or
 3 anything else. It's because the market's so
 4 high.

5 CHAIRMAN CROSBY: Yeah.

6 MR. GORDON: I mean, it's a busy
 7 place. So when you put -- when you put a
 8 billion dollars out in the market that's the
 9 busiest in the country, you know, that's
 10 tough. But our estimates have all been set
 11 based on the current markets. So, so far,
 12 we're in good shape, but we'll certainly be
 13 nervous until October.

14 CHAIRMAN CROSBY: Yeah.

15 COMMISSIONER ZUNIGA: And if I can
 16 add, at the time that MGM -- that MGM
 17 happened, that the level of design was very
 18 different from where people at Wynn are
 19 currently.

20 MR. GORDON: That's correct.

21 MS. KRUM: I think that was their
 22 first adjustment of their budget.

23 CHAIRMAN CROSBY: Right.

24 MS. KRUM: Whereas, we've done that

1 a number of times. And, as you know, we
2 started at, what, 1.6?

3 CHAIRMAN CROSBY: 1.6 or 7, yeah.

4 MS. KRUM: And we're now at a
5 billion more so --

6 MR. GORDON: And remember, 2.1
7 includes a very good contingency.

8 CHAIRMAN CROSBY: Right.

9 MR. GORDON: So some bids will come
10 in over, some will come in under, but we've
11 got contingency. We've got about 7 percent
12 contingency, which is the national average, is
13 about right. And as what was mentioned a
14 moment ago, our design, good or bad, it takes
15 a long time to get through the approval
16 process. So we've had enough time to really
17 refine the design. There's no mysteries in
18 the design at all, which, normally helps a
19 lot, when the bidders look at the price.

20 CHAIRMAN CROSBY: All right. Good.
21 Great. Thank you.

22 MR. GORDON: We've very pleased to
23 have a new section to our briefing today,
24 which is actually construction photos. So

1 these are no longer renderings, they're actual
2 photographs.

3 You've obviously seen the site, but
4 if you look at the first photograph, this is
5 just an example of some of the slurry work.
6 It's a big dark so I'll go to the next one.
7 But if you -- I'm sorry, that's -- that's
8 right. That's as of June. If you go to the
9 next slide, that's as of August. So this is
10 an aerial photo. We have the flight flown
11 with a drone on a fairly regular basis, not
12 just to have pretty pictures, but it allows us
13 to document what's going on.

14 And if you look at this, just to --
15 to tell you a bit about it, on the far
16 left-hand side coming into the page is the
17 service road. That's the road that goes
18 around the MBTA. It includes most of the
19 major utilities, but it's also our primary
20 service road, so you can just see some
21 construction equipment there.

22 That road is going to open in
23 November, we think. So that will give us a --
24 a key access point. It starts at the

1 McDonald's on Broadway. McDonald's closed a
2 week ago Sunday. It's now closed. We closed
3 on the property this Monday, and now
4 demolition starts, probably, next week. So
5 McDonald's is being taken down. They're going
6 to build a new one. Our service road is going
7 to be connected. So you'll see the service
8 road by, roughly, November we'll be actually
9 functional, and that will give us a good
10 access route to the site.

11 If you go to the main part of the
12 site, it is a very busy site. We had about
13 275 workers on the site yesterday. Next week
14 we'll probably get about 300, and we hope by
15 the end of the year to get to 500. So for a
16 big job downtown, that would be by far the
17 peak. For us, it's just a small portion of
18 our workers, but it's a lot of workers.

19 It's primarily work right now on the
20 utilities and the foundation. As you know,
21 we're putting in the foundation in with the
22 slurry wall technique, which means you put the
23 walls in first. So if you look around the
24 site -- you can go into detail if you want,

1 but you can start to see the perimeter of the
2 building where they're actually trenching down
3 about a hundred feet and keying the
4 foundational into the bedrock. We're putting
5 in the rebar, the concrete, and then soon
6 we'll start excavating so --

7 And then, to the far right that's
8 the area we just started working. Now that we
9 have the Chapter 91 permit, that's where the
10 piles are going in, and some additional
11 utility work. So on the left-hand side of the
12 page, under the actual casino, the piles,
13 which is the foundation, is done. So they're
14 now starting to work on the pile caps and the
15 slab, and now they're down in the convention
16 area on the right. So that work outside the
17 garage is moving quickly.

18 CHAIRMAN CROSBY: Is that a big
19 excavation, on the right, where the convention
20 space is?

21 MR. GORDON: No. That is dark piles
22 of soil.

23 CHAIRMAN CROSBY: Oh, okay.

24 MR. GORDON: We were only allowed to

1 pile soil within the Chapter 91 area, not
2 create new excavation. Now, we're in there
3 digging like crazy, but, you know, early on we
4 were only able to stockpile slow.

5 CHAIRMAN CROSBY: Right.

6 MR. GORDON: If you go to the next
7 shot, this is a little closer in, one point of
8 interest, on the right-hand side, you'll see
9 the railroad tracks, and you may be able to
10 see on the left of the tracks is a new track.
11 That's the track we're building right now. It
12 is a new railroad spur into the site that's
13 going to be used to remove soil. We've got
14 500,000 tons of soil to get out. And so,
15 about a third of that will leave by rail.

16 So that rail track is just photos of
17 a week or so old so the track's now done. And
18 we expect, on Monday, to start bringing soil
19 out with the rail. Most of it goes to Ohio.
20 There's two landfills in Ohio, where Suffolk
21 has deals to take it to. And they're going to
22 use -- it's about 600 railcars that rotate
23 through, about 26 at a time, but 600 railcars
24 will rotate through the system, and they're

1 assembling those cars now so that the soil
2 will be leaving quickly by rail. And then,
3 the other two-thirds will continue to go by
4 truck over the roads.

5 COMMISSIONER STEBBINS: Chris, what
6 happens to that rail spur and when?

7 MR. GORDON: Goes away. It's a
8 temporary rail spur so in -- sometime within
9 the next 12 months it'll come out. They're
10 still looking at whether or not they can use
11 it for anything else during construction.
12 Primarily, for soils because that's the big
13 push, but we don't think it'll be used for
14 much else. Maybe a few other deliveries. But
15 during construction, it gets removed. And
16 it's not on our property. It's in the rail
17 right-of-way, which they can do. Railroads
18 have the ability to do that for various
19 temporary needs.

20 Across the site, again, I won't go
21 through every piece of equipment, but you can
22 see there's a pile-driver, there's slurry
23 rigs, there's cranes and there's quite a bit
24 of equipment.

1 The next one is a little bit more of
2 a close-up. You can see the tracks even
3 closer.

4 The next one, we had a very nice
5 event a couple weeks ago, the day after we got
6 a Chapter 91 permit. I know some of you were
7 able to be there, which we really appreciate.
8 We had a great event. And it was nice because
9 of the formalities, but it was also nice that
10 half of Everett showed up, which was great.
11 And then we had a very large collection of
12 construction workers. And they -- they
13 stopped, they came over, they cheered, they
14 had fun. You know, and it's nice because
15 they've been -- everybody's sort of been on
16 pins and needles for a long time so it was
17 just a nice event.

18 We also did a lot of tours, and we
19 got a lot of nice coverage, which was -- it
20 was -- it was a good motivator for the team
21 that's been out there working every day, so
22 very good event.

23 Next shot, as you saw Bob and the
24 mayor actually shooting off the -- the air

1 guns to signify the start of construction. A
2 very nice day.

3 As I mentioned, we've had about --
4 we're at about 275 workers so we're starting
5 to see all the issues be implemented. The PLA
6 is working fine. We're figuring out where
7 people park. We're getting back and forth
8 across the street. We're figuring how to feed
9 them, where the bathrooms are. So the whole
10 labor issue's working out very well, the
11 trades have been great, but there's a lot of
12 logistics. You know, there's just a lot going
13 on. We're working with local Everett
14 businesses to bring food trucks out. We've
15 got five or six major businesses that are
16 going to be bringing food trucks. In addition
17 to the regular, you know, trucks that normally
18 go to construction sites, we've got a few
19 local folks that are going to come out and
20 provide food. So the biggest issue's been
21 parking. We've got enough parking now, but
22 we've had to accelerate some demolition to
23 make sure we had enough parking for them.

24 The next is a shot with some folks

1 that were there, some of the local elected
2 officials, Bob Jacqui, the mayor, a very, very
3 good turnout. We are very pleased to continue
4 to have strong support around the -- around
5 everywhere of the elected folks.

6 Another shot, this is the Everett
7 United group. They've been with us from the
8 beginning. A pretty impressive crowd. If you
9 notice, in the photo, some of them have their
10 own hard hats, their own shirts. They're
11 ready to go to work. So we're lucky to have
12 Everett United around.

13 This is a shot from the river. If
14 you haven't noticed, it just looks like a busy
15 site. So when people say, is the Wynn Boston
16 Harbor for real, are you guys really going to
17 start, is Steve going to change his mind, if
18 you take a look at these photos, it's pretty
19 obvious. I mean, there's just a huge amount
20 of work going on.

21 Off-site infrastructure, as you
22 know, we have a very big agenda for off-site
23 infrastructure. It is moving quite quickly.
24 We have two design teams. We have AECOMM

1 that's doing everything but Sullivan Square.
2 And we have Howard Stein-Hudson doing
3 Sullivan Square. Both teams are at about 25
4 percent. One is just after, one is just
5 before, but they're just about 25 percent
6 design. That's sort of a milestone where you
7 have review it with the DOT, DCR, all the
8 cities and towns. So we've started all those
9 reviews. We're meeting with all the agencies,
10 and we'll spend most of the winter going
11 through the review process to make sure
12 everybody's comfortable with the design. And
13 then we will finish the designs and put them
14 out for bid. And we very much want to start
15 some construction on these roadways next
16 summer, which would be the summer of '17 and
17 then finish it up in the summer of '18.

18 It's a lot of work. It is a lot
19 of -- not only is it dollar value, but, you
20 know, you have the closing roads, detouring
21 traffic, and all that sort of stuff. It goes
22 -- it can go slow. So we're going to be
23 spending a lot of time in the next two summers
24 getting this in very good shape.

1 The good news is the designs have
2 been very well-received. We've had
3 preliminary meetings with just about everyone
4 from all the different agencies, and they're
5 very happy. I mean, it's a good chance to
6 upgrade a lot of these roads with some
7 private-sector money.

8 By the way, the one other bullet on
9 that slide, sorry, you notice, we're also --
10 continue to participate in the Lower Mystic
11 Regional Working Group. That's the larger,
12 bigger picture, Sullivan Square planning
13 group. We're at those meetings, we're
14 participating. We're, you know, certainly,
15 part of it, which is a good thing.

16 COMMISSIONER ZUNIGA: When is the
17 next one, I'm sorry?

18 MR. GORDON: September --

19 COMMISSIONER ZUNIGA: When is the
20 next meeting?

21 MR. DESALVIO: It's early September.

22 COMMISSIONER ZUNIGA: September.

23 MR. GORDON: And I would say, the
24 view from our side and others is, it's been a

1 functional, positive group. It hasn't just
2 been eyewash. It's actually been meeting,
3 talking and working.

4 MS. KRUM: They've hired really
5 great coordinators, and we've really seen
6 progress from one week to the next.

7 MR. GORDON: Sure. Project
8 schedule, that's a lot of materials here --

9 CHAIRMAN CROSBY: Excuse me. The
10 comments from Boston on Sullivan Square,
11 said -- you know, how were they?

12 MR. GORDON: Yep. We have -- we did
13 get comments back from the conceptual design
14 report. They were very constructive. They
15 were not extensive, and we're resolving them
16 all now, so it was very -- no -- no headlines,
17 no surprises.

18 CHAIRMAN CROSBY: Good.

19 MR. GORDON: We meet with the BTB
20 folks on a fairly regular basis now, and it's
21 been a -- and it's become a very good working
22 group.

23 CHAIRMAN CROSBY: Okay.

24 MR. GORDON: On schedule, we've got

1 a bunch of material, but I won't -- I'll go
2 through it a little bit quickly and then you
3 can slow down as you want. But these are
4 snapshots every six months during the project,
5 to give you an idea how we're going to do
6 this. The first one will be the end of this
7 year. So by the end of this year, if you look
8 across the top, we'll be erecting steel by
9 December. The actual first delivery is by the
10 first week of December. So the steel has been
11 awarded. It's going to be manufactured, and
12 then it's going to be delivered. So by
13 December, in both the left-hand area, the
14 convention area, the right-hand area, the
15 central utility plant, will actually be
16 putting up steel this year, which, I think,
17 visually that's a -- that's a great symbol to
18 see the things moving along.

19 In the casino floor area, the
20 middle, we'll be doing mass excavation. We'll
21 be about half done getting the soil out of
22 there. That's our critical path, is getting
23 rid of all that dirt. So we'll about
24 50 percent done by the end of this year, and

1 then we'll be pouring the slab at the B4 level
2 underneath the hotel.

3 COMMISSIONER STEBBINS: Chris, quick
4 question. On this slide and the next one, you
5 have B4, B3, B2. What are those referring to?

6 MR. GORDON: B4 is the bottom of the
7 ground. At ground level the numbers start
8 going down, and then they go up. So we go one
9 up to 27 down in the hotel, and one down to
10 four in the garage. So B4 is the lowest level
11 of the garage.

12 COMMISSIONER STEBBINS: Got it.

13 MR. GORDON: So that means, under
14 the hotel, which is the first area that gets
15 excavated, we're going to be down to the
16 bottom of the hole by the end of this year and
17 actually pouring the slab. Which is good,
18 because getting the hotel tower going is a
19 critical point as well.

20 CHAIRMAN CROSBY: How deep is that?

21 MR. GORDON: It's about 40 -- well
22 the first floor is partially above grade,
23 bottom of the hole is -- I got to get a exact
24 number, but it's roughly 45 feet.

1 CHAIRMAN CROSBY: All right.

2 MR. GORDON: Next, by next June the
3 -- the central utility plant will be
4 weather-tight, which is great because that has
5 to be on line early for the climate-controlled
6 of the building.

7 Far left, the structure will be
8 complete, and we'll be starting to put the
9 facade in the convention area. Hotel
10 structure will be up to the second floor, and
11 then we'll be still working in the garage
12 underneath the casino.

13 So by the end of next year, we'll be
14 actually doing finishes in the convention
15 area, so that's a big milestone. And the --
16 we'll be roughing in -- all the rough-ins will
17 be completed. Essentially, utility plant,
18 starting finishes. The facade will almost be
19 done on the casino, and the structure that
20 soon will be at the 27th floor, the top floor
21 of the hotel, by the end of next year. So
22 that will be another big milestone.

23 Middle of '18, similar. We'll
24 have -- we'll be punching out both the

1 convention and the cup, and the finishes will
2 be underway in the podium and in the tower.
3 And by the end of '18, it's going to look
4 done. It won't be done, but it will look like
5 it's done because most everything will be in
6 place. But then there's a lot of final
7 finishes, a lot of conditioning, a lot of
8 testing to get it ready.

9 And then, if you look at the
10 34th-month schedule we announced, from the day
11 we got a 91A permit, that puts you in the
12 first week of June of 2019. So we are riding
13 very hard to get that done. Suffolk is signed
14 up for that. Everyone else is signed up for
15 that. So we're currently forecasting June of
16 '19. Not just finished with construction, but
17 actually --

18 CHAIRMAN CROSBY: When does Popeye
19 come in?

20 MR. DESALVIO: At the very end.

21 MS. KRUM: Before June.

22 MR. GORDON: After that, there's a
23 series of bar charts, which I wasn't going to
24 go through, but they're reflect what we just

1 talked about, but they're here for the record,
2 if you want. They're much more detailed
3 schedules.

4 That was, sort of, the end of the
5 construction piece. Before we go to the
6 workforce and diversity, any specific
7 questions on the development side?

8 CHAIRMAN CROSBY: Any surprises,
9 Chris? Anything that, you know, it sound
10 like -- I'm sure there are surprises, but it
11 sounds like everything's going well. I mean,
12 this is a really interesting presentation. It
13 shows how it's coming along. But is there
14 anything that you have that --

15 MR. GORDON: Well, I'm always very
16 hesitant to be too comfortable or optimistic,
17 because construction doesn't work that way.
18 But right now there's nothing on the horizon
19 that we are -- today is a problem. But, you
20 know, as you said earlier, we're always
21 worried about bid prices, there's no question,
22 so we got to watch that very, very carefully.
23 Workforce, we're always making sure we have
24 enough workers out there.

1 We're spending an enormous amount of
2 time on safety. When you get that many
3 workers in that small of a place -- it's a
4 very tight site. So, for example, next
5 week -- two weeks we have a very large
6 emergency drill. We're going to bring in
7 fire, police. We've been -- we've been
8 getting ready for it for a month now, but
9 we're going to pretend there's a been a major
10 disaster. We're going to work on that with
11 various communities, various police and fire
12 departments, so that we worry about every day,
13 but no.

14 So I would say, if you ask me what
15 is the biggest worry I have, it's going to be
16 making sure we maintain the budget. I think
17 schedule will be in good shape. It's actually
18 moved along quite well. The design, we
19 think's fantastic. The permitting's in good
20 shape. We just want to get through the
21 complete bidding of the project.

22 CHAIRMAN CROSBY: Thank you.

23 MR. GORDON: We'll switch to
24 diversity.

1 MR. DESALVIO: Jennie.

2 MS. PETERSON: Commissioners, it's
3 great to be here.

4 CHAIRMAN CROSBY: Welcome back.

5 COMMISSIONER ZUNIGA: Welcome.

6 COMMISSIONER CAMERON: Welcome.

7 MS. PETERSON: I think many of you
8 know that every month we have a pretty
9 detailed update on where we were with the
10 numbers and what's been going on with outreach
11 to the Access and Opportunity Committee, and
12 really want to commend Jill Griffin and the
13 great work she's done in putting together the
14 committee and running the monthly meetings.
15 They really help us stay on track and give us
16 helpful suggestions and really just support
17 our efforts to ensure we have diverse and
18 inclusive workforce opportunities.

19 Also wanted to introduce the folks
20 from Suffolk that are working with us on -- on
21 diversity day in and day out.
22 Brian Mcpherson, director of diversity for
23 Suffolk, and Shelley Webster, who is the
24 dedicated compliance officer for the Wynn

1 Boston Harbor project.

2 MS. WEBSTER: Good morning.

3 CHAIRMAN CROSBY: Good morning.

4 MR. MACDONALD: Good morning.

5 COMMISSIONER CAMERON: Good morning.

6 COMMISSIONER ZUNIGA: Good morning.

7 COMMISSIONER STEBBINS: Good
8 morning.

9 MS. PETERSON: And I'll be speaking
10 on a lot of the points here today.

11 So first up, you know, we really
12 have -- there's two areas. There's workforce
13 and -- and our contracts and business
14 opportunities. So starting with what we're
15 doing to build diverse and local workforce.
16 We've done a lot of work with the trades, the
17 community. And one of the first things we
18 knew we needed to do was to build a great
19 relationship with the trades. So I'll let
20 Shelley talk a little bit about the meeting
21 that we had before we got started. This is
22 several months ago.

23 MS. WEBSTER: Actually, Brian's
24 going to start off on those things.

1 MR. MCPHERSON: Early on we --
2 before we even got started on the site, we met
3 with all the unions one-on-one. We went --
4 that was each business agent and their
5 training director, to have an open discussion
6 about the workforce that we provided on the
7 project. Specifically talk about diversity
8 and how the projects are going to be -- the
9 manpower on the projects. And it was a -- it
10 was a great, open, honest discussion. It was
11 welcomed, and it went very, very well. So we
12 met with all the trades.

13 We follow up every quarter with -- I
14 attend the -- the building trades training
15 directors' meetings, and we talk how they're
16 recruiting and how they're getting more of a
17 diverse workforce on the jobs. So it's been a
18 great discussion with them, and they've been a
19 great part of the -- the Wynn project in
20 getting us off to the right start.

21 CHAIRMAN CROSBY: You're
22 generalizing -- you're saying all 22 of them
23 have been responsive and good.

24 MR. MCPHERSON: Well, we haven't

1 been involved with the painters yet. But,
2 yes, we have been -- they all met with us, and
3 they were -- you know, we either met or had a
4 very good conversation. Some of them we
5 didn't need to meet with. There may be one or
6 two of them.

7 MS. WEBSTER: Yes. There are a
8 couple that we didn't meet with. But all have
9 committed, because the project is three years
10 in the making, so we said that we would meet
11 with trades again, when their trade is closer
12 to coming on the project.

13 CHAIRMAN CROSBY: We've, sort of,
14 heard a lot of good things about certain of
15 the trades. Like, obviously, the carpenters,
16 in particular, were notable, but I thought
17 that some of them were kind of unresponsive.
18 You were having a hard time getting in touch
19 with some of them.

20 MS. PETERSON: I think there were a
21 couple that we had a back and forth.

22 MS. WEBSTER: Right. There were
23 actually three that we did not meet with. One
24 being the tunnel workers. And the second was

1 the iron workers, but we sat and met with that
2 trade. And I think the third was maybe,
3 perhaps, the boiler-makers, and we are
4 expected to circle back around with them.

5 CHAIRMAN CROSBY: Okay.

6 MS. PETERSON: In general, very
7 positive meetings. And one thing I was
8 surprised to hear is that, in almost all the
9 meetings we had, the trades said that this was
10 the first time they have ever been approached
11 to talk -- to talk about this topic before
12 construction starts. I think, usually what
13 happens is, they get into it, there's a
14 shortfall with female, minority, veteran or
15 local workers, and then it's, suddenly, a
16 corrective action meeting. So they really
17 appreciated a proactive approach, and have a
18 chance to talk with Suffolk and Wynn before
19 even getting started, about how we were going
20 to reach these goals together.

21 CHAIRMAN CROSBY: Great.

22 COMMISSIONER ZUNIGA: On those
23 lines, Jennie, one of the things that we've
24 heard from Director Griffin, and I know of the

1 conversations with the Access and Opportunity
2 Committee, is that a project like this is an
3 opportunity to look at the apprenticeship
4 programs, in order to build both a pipeline
5 and diversity. Can you -- will you get into
6 that in your remarks or --

7 MS. PETERSON: Yes.

8 COMMISSIONER ZUNIGA: Okay.

9 MS. PETERSON: Yeah. So next up,
10 you know, we really wanted to find ways to --
11 again, to connect those folks that are seeking
12 careers with opportunities in the building
13 trades.

14 One of the first things we noticed,
15 is that there are not as many women in the
16 trades as we need to be on our job, and as,
17 you know, many of the other construction
18 projects in the Boston area also have goals
19 for women, minorities and veterans, and there
20 was -- certainly, we saw, a little bit of a
21 shortfall or a struggle to get enough women.

22 So one of the efforts we've -- we've
23 undertaken is, we founded a group called the
24 Massachusetts Girls in Trades, which brings

1 together representatives from career and
2 technical education schools, or the vocational
3 schools, the department of labor, the building
4 trades, general contractors and developers.
5 And we're working to ensure that young women,
6 who are enrolled in vocational school
7 programs, doing, you know, carpentry,
8 electrical, plumbing, any trade-related
9 program, have a clear path to get into the
10 trades.

11 We put on an event with the
12 Girls in Trades Committee last March that
13 drew, I think over 400 young women across the
14 state, 50 educators, and that was really a
15 terrific event. All of the trades were there.
16 And that was a chance for these young women to
17 connect with the training directors and
18 apprenticeship programs, and work on taking
19 that next step and planning their career after
20 high school. We were excited by the coverage
21 so --

22 CHAIRMAN CROSBY: I didn't
23 realize -- you know, it's a great event. The
24 coverage was terrific. I didn't realize you

1 were cofounders of that.

2 MS. PETERSON: Yes.

3 CHAIRMAN CROSBY: I thought the
4 organization had preexisted. Who were the
5 other founders?

6 MS. PETERSON: It was Wynn and
7 Minuteman High school. So where were the
8 organizations that -- we took a tour of
9 Minuteman, I think in December, and we saw a
10 lot of young women working in these classes,
11 and we asked the administers there what
12 relationship they had with the trades. And
13 the answer was, not much of a relationship,
14 and so we brought the group together and, in a
15 pretty short amount of time, got this, you
16 know, event put together and a lot of other
17 action items for, you know, efforts moving
18 forward.

19 CHAIRMAN CROSBY: Does the
20 organization have legs; is this going to
21 continue to operate?

22 MS. PETERSON: Yes.

23 CHAIRMAN CROSBY: Have a -- an
24 organizational structure of some sort?

1 MS. PETERSON: Yep. We had our
2 annual planning meeting a few weeks ago, and
3 there's -- you know, the board has been
4 defined. There's subgroups that work on
5 specific, you know, sort of, action items for
6 the group. We're planning on several
7 follow-up events this year, and are also
8 putting in place a mentorship program where
9 high-school girls can mentor middle-school
10 girls thinking about, you know, what program
11 they want to start for high school. And then,
12 similarly, building relationships between
13 women who are working in the trades and
14 students who are making career decisions.

15 CHAIRMAN CROSBY: That's great. I
16 didn't -- I didn't realize that. Is Liz
17 involved?

18 MS. PETERSON: Yes.

19 CHAIRMAN CROSBY: Is she on the
20 steering committee?

21 MS. PETERSON: Liz is on the board,
22 Jill Houser from the Department of Labor,
23 John Healy. It's -- it's a lot of folks from
24 the trades. Department of Labor, CTE

1 programs, SKANSKA, who's one of the other
2 general contractors, Suffolk is on board. So
3 it's really a terrific group with
4 representatives from all the stakeholders that
5 we think are necessary to get this work done.

6 CHAIRMAN CROSBY: That's great.

7 COMMISSIONER CAMERON: The mentor
8 piece is so important, right; you have to feel
9 welcome.

10 MS. PETERSON: Absolutely. So that
11 was a -- you know, one exciting initiative
12 that was launched last year.

13 Another -- another group we've been
14 working closely with is the One-Stop Career
15 Centers. So, again, you know, these are
16 places where hundreds of job seekers pass
17 through every week. And we reached out to the
18 four local One-Stop Career Centers that cover
19 Everett and the surrounding areas, and sort of
20 heard a similar story to what we heard at the
21 CTE programs, was that they definitely had
22 clients who were interested in pursuing
23 careers in the trades, but didn't have the
24 information they needed, or the relationships

1 with the trades they needed to help people get
2 into an apprenticeship program, and to get
3 into a construction career.

4 So we again, sort of, rallied the
5 troops, got together with the trades, the
6 contractors. We hosted a training for each of
7 the four One-Stop Career Centers in our host
8 and surrounding communities. And since then,
9 have just -- the training was regarding, you
10 know, how do the building trades work? How do
11 you navigate this process, when there's 17,
12 different, you know, individual trades and
13 application processes. So we train the staff
14 at those career centers, and have since been
15 keeping up with them to ensure they have the
16 information and know where to send their
17 clients who may be interested in these
18 careers.

19 We're sending out monthly building
20 trades application opportunities
21 notifications. So these are sent to over a
22 thousand job seekers. These are folks that
23 come to our job fairs or signed up on our Web
24 site, and to community partners so that people

1 can know, okay, what's coming up in September?
2 Which trade can I apply for? And I'll
3 actually have Brian talk about the walk-on
4 application process.

5 MS. WEBSTER: Thank you, Jennie. We
6 actually have a very extensive walk-on
7 process. It's very unique to other projects
8 here in Massachusetts. There are two ways
9 that applicants in the building trades can
10 sign up and express their interest in our
11 project. One via on line, and on the second
12 we have mailboxes at the site, two mailboxes.
13 One contains blank applications, where a
14 person can take the application, go and fill
15 it out at home go back and then come back, put
16 it in a lockbox, and that's collected every
17 week.

18 From there, we pull the applications
19 from either on line, or from the box, and
20 we -- we record them on a union -- a tracking
21 sheet for union job seekers, and another one
22 for nonunion job seekers, because they're both
23 treated differently. But with both, we
24 acknowledge that we received that application,

1 and these are the next steps.

2 For the union applicants, we
3 circulate, on a weekly basis to our
4 subcontractors, to union officials, the
5 business agents, and to their -- we ask that
6 our subcontractors, eventually circulate the
7 list to their subcontractors that these union
8 job seekers are looking to work on our
9 project, and please do everything within your
10 power to get them to work. And, especially,
11 with the focus on the Everett residents and
12 surrounding communities.

13 With regard to the nonunion workers,
14 we put them into our database so that they
15 would receive the monthly -- the monthly
16 building trade apprentice enrollment that
17 Jennie was just talking about. So we make
18 sure we -- we keep them informed as to what's
19 going on, which unions are accepting
20 apprentices, or apprentice applications.

21 There is, on our site, again unique
22 to other sites, our phone number is posted.
23 They can meet with -- with myself, the
24 compliance officer, there are office hours

1 posted where they can meet with me. There are
2 designated times twice a week.

3 COMMISSIONER ZUNIGA: Is ethnicity
4 part of what an applicant can check in these
5 applications?

6 MS. WEBSTER: I'm sorry?

7 COMMISSIONER ZUNIGA: Can these --
8 can they identify their ethnicity in these
9 applications?

10 MS. WEBSTER: Yes, they can. The
11 application it's pretty extensive, but
12 comprehensive at the same time. And yes, it
13 does -- it does allow your ethnicity, gender,
14 where you reside. And, you know, at the same
15 time we do say that, you know, this is for
16 purposes of ensuring diversity on the project,
17 but you don't have to answer it. You're not
18 obligated to answer it. And if someone is
19 uncomfortable, again, they can contact me. My
20 phone number is posted on the site at those
21 application stations so that they can contact
22 me and we can talk directly.

23 MS. PETERSON: So you drive by the
24 site, you'll see a sign, it's front and center

1 right as you pull in. It's got the phone
2 number to call, if you need help. So Shelley
3 and some other folks just, you know, are there
4 to provide support in directing people where
5 they need to go because it -- it is a complex
6 process to apply for the trades. It takes a
7 lot of time, and there's different processes
8 and places you need to go, depending on the
9 trade you're interested in.

10 COMMISSIONER STEBBINS: Jennie and
11 Shelley, you know, a lot of this Access and
12 Opportunity Committee meetings, the
13 membership, local stakeholders, how much are
14 you seeing them drive people to get into this
15 process?

16 MS. WEBSTER: Well, I can't say that
17 I have because we're located at a different
18 our -- our office is located at a different
19 side.

20 COMMISSIONER STEBBINS: Right.

21 MS. WEBSTER: So -- but with regard
22 to the process of apprentice enrollment, those
23 folks, the community advocates and, you know,
24 as Jennie said, our community partners, they

1 receive a notice of the apprenticeship
2 programs as well, so that, if they do have
3 workers who are seeking employment or
4 interest, they're given the link to apply, my
5 phone number, and again on which unions are
6 accepting applications within, you know that
7 month.

8 MS. PETERSON: We have seen a
9 handful of referrals. So I'd say, probably,
10 about 20 folks over the last few months have
11 come -- you know, to career centers or
12 community groups, have sent us specific names
13 of people that say this person has experience,
14 or they're interested, can you help them --
15 you know, follow it up, connect with them with
16 the trades. In many cases, made the personal
17 referrals, and that look like they were
18 someone who had an extensive enough background
19 that they could be accepted as a journey-level
20 worker to the trades.

21 COMMISSIONER ZUNIGA: What about
22 somebody who's already in the trades, let's
23 say, who's already a union member?

24 MS. PETERSON: Someone who's already

1 a union member, so those folks will be -- you
2 know, we want to be careful to not play the
3 role of the business agents, which is, you
4 know, the unions help to place their workers
5 on jobs, so we will -- Brian and Shelley will
6 connect them with the business agents, but
7 those are also circulated to our on-site
8 subcontractors. And it has, you know, their
9 name, the fact that they're a union member,
10 which trade they're in and where they reside,
11 so that any of the subs who are looking for
12 workers have those name in front of them.

13 MR. MCPHERSON: And we don't have a
14 problem making one-on-one calls with the
15 business agents. We get referrals from, you
16 know, elected officials, people saying, I have
17 a resident in my district that is interested
18 in working on the job. So there's been a
19 handful of those we'll handle one-on-one. You
20 know, Shelley and I are working full-time
21 handling those conversations.

22 MS. PETERSON: One other big thing
23 we've got coming up, we had some job fairs
24 planned for last bring, and those were put on

1 hold. For permitting reasons, those are now
2 being scheduled, and we should have some
3 information in the next day or two on the
4 exact dates and times. But, in September,
5 we'll be hosting seven job fairs. One in each
6 of our host and surrounding communities, who
7 are collaborating very closely with the
8 building trades on that. So we'll have a lot
9 of the training directors there to meet with
10 folks in the community who are interested in
11 getting connected with the apprenticeship
12 programs. Brian, do you want to say a few
13 words about our work with Building Pathways.

14 MR. MCPHERSON: Absolutely. Suffolk
15 is very proud to serve on the boards of both
16 Building Pathways, Youth Building and
17 Operation Exit, and they all are
18 preapprenticeship programs. We talk a lot
19 about how we feed these young people, people
20 in general, into -- into the trades. And
21 these preapprenticeship programs are set up to
22 guide them, to make sure they're doing the
23 small things. They're showing up on time,
24 they can pass a drug test, and all the things

1 we want an individual to work safely on our
2 project.

3 So we have already met with
4 Building Pathways several times. We're
5 looking at partnering with them on this
6 project to get a cohort of young people. I
7 think we said -- we're going to set a goal of
8 10 people over the course of the three-year
9 period of gone through the course and they're
10 actually working on our project. Building
11 Pathways has already done interviews in
12 Everett getting -- looking for -- seeking
13 residents to go through their 10-week program
14 where they -- Building Pathways was set up by
15 Marty Walsh -- Mayor Walsh, if you're not
16 familiar with it, where it's connected
17 directly with the building trades, and these
18 graduates go straight into the trades. And
19 once they finish their 10-week program, they
20 still have to go through the interview
21 process. But they're automatically into the
22 trades, and we work with them to place them on
23 our projects.

24 And Operation Exit is another

1 preapprenticeship program for those at-risk
2 individuals that are in or related to gang
3 situations, and we try to give them a way out
4 of that situation and bring them into a
5 preapprenticeship program. And we've had
6 great success in placing those students as
7 well. So we're very proud of these
8 organizations and working with them, and
9 finding ways to create opportunities for
10 residents that are these females and veterans
11 on our projects.

12 MS. PETERSON: And
13 Building Pathways has been terrific to work
14 with. They are a Boston-based organization.
15 And until, probably, nine months ago, had
16 never done information sessions and targeted
17 outreach outside of Boston. And they -- they
18 work with us and have now done several
19 information sessions in Everett, focused on
20 Everett residents. So we've been very happy
21 with that, and it's been great to work with
22 them.

23 Moving on to talking about some of
24 the business opportunities, I think, first and

1 foremost, when you look at a project of this
2 scale, one important element of ensuring that
3 local businesses and diverse-owned businesses
4 can have a chance to be a part of it, it's
5 breaking something of this scale down into
6 smaller pieces so that the smaller business
7 can actually bid on it and succeed.

8 And so, one of the first steps we
9 took, and this was several years ago in the
10 construction planning process, was to put
11 together -- breakdown the project into over
12 150 big packages that would facilitate access
13 to the project as smaller-scale contractors.
14 And then, the diversity goals themselves also
15 help with access to the project. Some of the
16 larger scale subcontractors that are awarded
17 work, in turn, may go out and find
18 subcontractors and subconsultants that they
19 can bring on, if you work with them, and take
20 a smaller piece of the project that might be
21 manageable, but, also, a huge opportunity for
22 some of these smaller businesses.

23 Last year, you know, we hosted a lot
24 of networking events, but one that I'll

1 highlight is, last June we brought together a
2 small group of minority women- and
3 veteran-owned businesses. We had, I think,
4 four different bid packages and consulting
5 areas that we were looking at, including
6 remediation. We had a group of about 25 or 30
7 businesses that came. One of those businesses
8 was Charter construction. A minority-owned
9 business based in Boston. We had never met
10 them before, and they were the business that
11 ended up being awarded the work for
12 remediation, which was our first major on-site
13 work.

14 This past February, similarly, we
15 hosted the trades partnership event, where we
16 introduced the project and -- and had the full
17 Suffolk estimating team there, so estimators
18 from every single division of Suffolk over
19 there to speak with local-, minority-, women-,
20 and veteran-owned businesses. We had over 400
21 businesses attend that. It was --

22 MR. MCPHERSON: Yeah, we had about
23 400 businesses, probably, 600 people that were
24 in the room. We had held it during the -- the

1 February break week at the Everett High
2 School. So if you've ever been there, it's a
3 pretty big auditorium, well-attended. We had
4 Suffolk estimators and the project management
5 staff were there. We set up about 12 separate
6 tables, and each table had a specific
7 division. So table three was the concrete
8 division. If you were a concrete contractor,
9 you could go and speak directly to the
10 concrete estimator and the project manager
11 that was going to be managing that job. So we
12 got direct information on bidding
13 opportunities and scopes of work. So very,
14 very successful.

15 Through that event, we generated a
16 list of all the contractors and the contacts
17 from that event and -- and we were able to
18 sort out a master list, which we still use
19 today, and we still edit and revise every day,
20 of all the minority, federal-owned,
21 women-owned and local businesses that attended
22 so -- and I mean -- and I want to emphasize
23 again, this event was for all businesses. Any
24 and every business that wanted to work on this

1 project was required to attend.

2 MS. PETERSON: So we had, you know,
3 a great turnout from the diverse business
4 community, the local business community, and
5 then, also, just the -- a lot of the subs that
6 would typically bid on a Suffolk job, and this
7 was a chance for them to connect up with
8 diverse businesses that they have, in turn,
9 partnered up with on our project.

10 One other effort we've had going on
11 is outreach to the veteran-owned business
12 community. This, as you know, is a new goal
13 area for a lot of state projects, and that
14 was, I guess, less robust pool of existing,
15 certified, veteran-owned businesses, so we
16 feel like they're out there. They're are, you
17 know, veterans that are running great
18 businesses, design and construction. They
19 just haven't been certified. We're really
20 grateful for the streamlined process that the
21 Gaming Commission has put in place. We've
22 heard that the national veteran-owned business
23 certification process is quite lengthy. So
24 we've done a lot of work to notify local

1 businesses of the Gaming Commission's
2 veteran-certifying process, and make sure they
3 know that we want them on our job, and this
4 could be a competitive advantage for them.

5 We're sending out, every other week,
6 a business-opportunities update that -- that
7 began to opt many of these same community
8 partners, and to the list of folks who
9 attended our even back in February, and
10 others, who've expressed interest in working
11 with us since then that kind of outlines, here
12 are the upcoming bid packages, and -- and also
13 let's people know who has recently been
14 awarded work on the project. So if, you know,
15 you're a smaller-scale business that provides
16 supplies or services to subcontractors, you
17 can see who has just gotten work on the job
18 and might be looking for that local- or
19 diverse-owned partner.

20 We mentioned, earlier, about the
21 local food vendors. So we saw -- we're going
22 to have lots of hungry construction workers on
23 the site, and we saw an opportunity to reach
24 out to a lot of the local food businesses in

1 our host and surrounding communities. So
2 similarly to how we've done for other, you
3 know, other bids, we've kind of had an
4 outreach event and invited a lot of the local
5 food vendors to come in and hear about the
6 project. We had them submit proposals for
7 what they would like to do, and we ended up
8 selecting four vendors. It's Square Deli,
9 which is a local Everett business.
10 Morning Salute, which is a veteran-owned
11 business, and Stock Pot of Malden. Stock Pot
12 of Malden and Commonwealth Kitchen, which is a
13 group out of Roxbury that has a lot of
14 different food trucks they work with. So
15 these are fun food trucks that will be on the
16 site, and it'll be great for the workers
17 because they'll have a greater variety of food
18 to choose from than just the normal canteen
19 that pulled up on construction site. And it's
20 a great chance for these local businesses to
21 access -- I think, at a peak we'll have 16 or
22 1700 construction workers on site that will be
23 great business for them.

24 CHAIRMAN CROSBY: Great.

1 MS. PETERSON: Also going to have
2 Brian talk about that subject, Trade
3 Partnership Series.

4 MR. MCPHERSON: Well, the Trade
5 Partnership Series is -- is a series of
6 classes. It's a training class. So similarly
7 for a minority-, women-owned and veteran-owned
8 businesses. It's Suffolk's fifth year of
9 producing these classes, and holding these
10 classes. We do it every fall. And it's just
11 a great way of getting to know more businesses
12 and increasing diversity on our projects, but
13 it also increases competition as well.
14 They're -- these are contractors that are
15 getting prime contracts on our job, as well as
16 the second- and third-tier opportunities as
17 well.

18 We've run this class from September
19 through October. It's an eight-week class
20 where we have all of our top executives teach
21 them everything from estimating, procurement,
22 the project management life cycle, we teach
23 them how to schedule, and we kind of open up
24 our playbook. And we don't -- you know, if

1 there's an electrician there, we don't teach
2 them how to do electrical work. We teach them
3 how we want things done, and how we like to
4 see things performed on our project. So we're
5 very proud to be in our fifth year, and we
6 look forward to having, I think, one or two
7 Everett contractors that have signed up for
8 this year's class.

9 COMMISSIONER ZUNIGA: So this class
10 is open to anybody, any business, Brian?

11 MR. MCPHERSON: We just completed
12 our application period, and we just -- my
13 internal board, we just selected the
14 applicants this week. So yes to the question
15 that, if you're -- if you've been in business
16 for two years and you're certified by the
17 state as a minority-, women-owned
18 veteran-owned, or a disadvantaged business,
19 then, yes, you can apply for the class, and we
20 look at a selection process, and then,
21 typically, we select about 15 contractors and
22 students.

23 MS. WEBSTER: And, usually,
24 construction, construction-related, or

1 suppliers, suppliers -- suppliers and
2 contractors.

3 MR. MCPHERSON: Yeah. As long as
4 you can provide us a service to the job. You
5 know, we're not -- interested in people who
6 are selling us calendars.

7 COMMISSIONER ZUNIGA: Yes.
8 Understood.

9 MR. MCPHERSON: Exactly.

10 COMMISSIONER STEBBINS: How many
11 applicants did you get?

12 MR. MCPHERSON: We got 34 applicants
13 this year, and we're probably going to select
14 about 12 this year.

15 CHAIRMAN CROSBY: What does -- how
16 long does the program go, and what does it
17 consist of, how many contact hours?

18 MR. MCPHERSON: There are -- every
19 Thursday night, starting September the 8th, we
20 go from 6:00 p.m. to 8:00 p.m. If you guys --
21 if you're not doing anything September
22 the 8th, it's -- it's our opening night, and
23 it's designed to introduce the class, but
24 you're more than welcomed to join us at

1 Suffolk's office, 65 Allerton Street at
2 6:00 p.m. There'll be networking and plenty
3 of food.

4 And we introduce everyone to Suffolk
5 at that class, and we have elected officials
6 and people who come out and meet the students
7 that night. I have all -- a lot of top
8 executives from Suffolk that will be there,
9 the instructors will be there. And so it's --
10 so the second -- and, again, it's every
11 Thursday night. The second class we do
12 estimating. Vice president of estimating
13 comes down. We walk them through the
14 estimating, the preconstruction. We also walk
15 them through risk management and safety. So
16 our top directors are teaching them how to
17 fill -- how to fill out our prequalification,
18 because that can be cumbersome for some
19 contractors, especially smaller contractors,
20 how to get prequalified with us. Also, we
21 walk them through, step-by-step, how to get to
22 get that application done.

23 The third class, we talk about the
24 project management life cycle, and we take

1 them through from cradle to grave, how to work
2 on a Suffolk job and all the documents that --
3 you know, from getting a requisition approved
4 to make -- you know, to everything you need to
5 -- to complete that -- that project life
6 cycle.

7 Then we get into a little bit more
8 detail. We -- the following class is our
9 director of scheduling, and he comes and we
10 talk about our main principals, and how -- you
11 know, that schedule that Bob just went over,
12 how -- how we can make that even tighter, and
13 how we are very strict about our schedule, and
14 the things we look to to make that a success.

15 The last two classes are strictly
16 outside vendors. I bring in banks and
17 insurance companies, teach them how to build
18 access to capital. And I have one class where
19 I teach them how to get certified with other
20 agencies as well so they can look for
21 opportunities or -- if it's with the City of
22 Boston, or whether it's with the Gaming
23 commission. If they want to, you know, figure
24 out how to get certified with the

1 Gaming Commission and look for other
2 opportunities outside of something.

3 So we teach them how to build up
4 that skill set as well. Because the class --
5 I didn't say this earlier, but the class is
6 open to both union and nonunion contractors.
7 So I invite the building trades in, and they
8 do a great job of talking about the union
9 process for those nonunion companies that you
10 want to become affiliated with the unions and
11 ultimately end up on our projects. So we try
12 to cover all the bases. Again, it's an open
13 playbook to these contractors.

14 At the end, when they graduate, we
15 assign a mentor. And so, they get a top
16 executive at Suffolk Construction that can
17 hold their hand through, you know, from all of
18 the things that go on from beginning to end on
19 a project. You know, it's not that I just
20 make a phone call all the time. You know,
21 they're calling one of our top executives to
22 really get an inside track, whether it's on a
23 project they're trying to get, or a project
24 that they're currently working on.

1 CHAIRMAN CROSBY: That's great.
2 Sounds really good.

3 MS. PETERSON: And, finally, we'll
4 talk a little bit about how we keep track of
5 all this, how we enforce it, and how we keep
6 the team encouraged and motivated.

7 So, as you know, there's the monthly
8 access and opportunity meeting at the
9 Gaming Commission. That is great for keeping
10 us accountable and keeping us on track, and
11 for generating great ideas. We also have
12 weekly internal diversity meetings with our --
13 with the small team that's focused directly on
14 diversity. We discuss diversity at our weekly
15 project team meeting with the site
16 superintendents, the whole construction
17 project management staff, our executive team
18 and the project architect, and we bring up any
19 challenges that we're having, and also
20 celebrate some of the successes.

21 And the key to that is that, you
22 know, diversity and ensuring inclusion of
23 local folks on the project doesn't happen if
24 it's just two or three people working on it.

1 It's really the responsibility of every single
2 team member to make sure this works. So all
3 the project managers that are out there on the
4 site every day are working on this and making
5 sure that it happens.

6 A couple of things we've instituted
7 at the site, we got an SC background turnstile
8 system. It's a safety system on site, where
9 every worker who sets foot onto the project
10 goes through a turnstile so that we know
11 they're there, we know that they've left, and
12 in the case of an emergency, we can check in
13 on everybody. But we have another benefit to
14 the SC background system is, sort of, realtime
15 tracking so we can check in and see if a
16 contractor's on site, if they have the workers
17 that they said they would have, and that
18 they -- that they laid out in their plan
19 before coming on the site.

20 And then, we also have the
21 LCP Tracker, which is our certified payroll
22 reporting system. That's how we generate the
23 reports that we show the Commission every
24 week, and that we use -- or every month, and

1 that we use for our weekly internal reporting.
2 And Shelley, do you want to talk about the
3 preconstruction meetings?

4 MS. WEBSTER: Sure. Well, we talk
5 about diversity all the time, and the
6 commitment from the top down. That being
7 Mass Gaming and Wynn, and Suffolk. And we do
8 not miss the opportunity to express that to
9 our subcontractors. So in our bid documents
10 diversity and what the requirements are, are
11 spelled out -- it's spelled out in the
12 subcon -- in the bid documents, I'm sorry, and
13 made part of subcontract.

14 In addition to that, we have a list
15 of -- when we send out the bid documents,
16 we're thinking of ways that we can involve and
17 recommend a list of the subcontractors,
18 minorities, veterans, local businesses, women,
19 to our subcontractors that may express that
20 they're having a difficult time locating these
21 businesses. So we created a list that
22 started, actually, from the February event
23 that was mentioned earlier for the trade
24 partners that was attended by over 400 folks.

1 We did vet that list, and we put it out as
2 part of our bid documents that are going out
3 and being circulated now.

4 I'm participating as a compliance
5 officer in the descoping meetings, just
6 introducing, at a very high level, what the
7 diversity requirements are trying to get a
8 feel for who their point person would be so
9 that we can schedule a preconstruction
10 compliance meeting.

11 At the preconstruction compliance
12 meeting it's really drilled down. Bring your
13 workforce plan to the meeting so that I can
14 understand what the diversity composition is,
15 as well as the duration of your work, who your
16 minority -- MWVBE and local business
17 participation or your subcontractors and
18 suppliers are, because, at that time, if we
19 determine that they're coming in lower than
20 where they should be, there's a conversation
21 around that, and there has to be a strategy
22 on, how can we help you to get those numbers
23 up?

24 So that's the preconstruction

1 meeting that I have with all subcontractors
2 including lower-tier subs. Our subs -- our
3 subs subs. I'm even meeting with them as
4 well, because we want to make sure that
5 diversity is universal and the responsibility
6 of all the on the project.

7 MS. PETERSON: So a lot of upfront
8 planning and preparation to make this happen.
9 Finally, you know, I think we spend a lot of
10 time, you know, tracking and working with
11 folks when, you know, struggle to meet the
12 goals, but we also wanted to really to
13 celebrate our contractors that are doing a
14 great job, so we're working right now to put
15 in place a quarterly recognition and award
16 program so that, the subs that come on site
17 really do a stellar job with their workforce,
18 or their subcontractors they're engaging
19 are -- are recognized and celebrated so we
20 should have more to report on that in the next
21 couple of months.

22 We know we've run pretty long here
23 to giving you an in-depth look. Happy to
24 answer any questions. In terms of the numbers

1 for the last quarter, you can look through
2 these. They're all reported here. We won't
3 go through them right now. Thank you.

4 MS. WEBSTER: Thank you.

5 COMMISSIONER CAMERON: Thank you.
6 Excellent report. Sounds like the team,
7 including Suffolk, are letting others know
8 that you're serious about this. And I know
9 that's leadership, and the speed of the
10 leaders, sometimes, does shape behavior so
11 that was impressive. Thanks.

12 COMMISSIONER ZUNIGA: Very
13 impressive and comprehensive. I think I want
14 to ask just one question. It may go without
15 saying, but you really have a lot of aspects
16 here, a lot of very interesting programs for a
17 number of purposes. Will there be an
18 opportunity to look at the successes as you go
19 along, certainly, not at the end, as to what
20 --what programs may have been, you know,
21 really good planters of seeds the way --
22 whether it's, you know, the Building Pathways,
23 or whether -- whether you obtained more
24 success than, say, comparatively with your

1 partnerships like the one with Minuteman, will
2 you be tracking those success -- those
3 metrics?

4 MS. PETERSON: Yes. Definitely.
5 We'll be -- we'll certainly be keeping track
6 of successes and, you know, how we can
7 actually get people onto the site. And you
8 know, we've highlighted a few of the successes
9 that we already had, including bringing
10 Charter and a local MBE onto our job for
11 remediation work. But we will keep track of
12 those successes and work on them.

13 CHAIRMAN CROSBY: Will you be able
14 to track the people who come -- that have
15 actually gotten into the -- into the training
16 program?

17 MS. PETERSON: I think we'll do our
18 best to keep -- to track that. We've got a
19 lot going on, and we're certain -- we're very
20 good track of folks that are applying for us.
21 And we hear, sort of, qualitative stories.
22 You know, there's actually been several people
23 who came to a job fair we put on with the
24 trades last May, and have now come to the site

1 and said, hey, I took to the time, I went
2 through the application process, I was
3 accepted to the apprenticeship program and now
4 I'm looking for work. So that's been exciting
5 to see, but it is a long lead time so we'll do
6 our best to track that. But there's a lot of
7 moving pieces and a long lead time.

8 CHAIRMAN CROSBY: Yeah.

9 COMMISSIONER STEBBINS: I think,
10 even anecdotally, having one or two, or three
11 of those success stories is certainly worth --
12 would be great.

13 CHAIRMAN CROSBY: No question about
14 it. But it would be nice to know, at the end
15 of this process, in three years, that you
16 actually moved the needle on the numbers of
17 people, particularly in this case of woman,
18 which has been so difficult, but to actually
19 move the needle on the people -- number of
20 people who actually get in these programs,
21 it's really powerful. And it's -- as we've
22 discussed, it's a needle that hasn't moved
23 much for a long, long time. And part of
24 Access and Opportunity Committee effort was

1 because back when we thought, you know, what
2 might be a mechanism, coupled with the
3 commitment you guys are making to actually
4 make a difference in terms of the hard count,
5 you know, the percentages, it would be great
6 to know if we can.

7 MS. PETERSON: Absolutely. And I
8 think with all the -- with all the systems we
9 have in place and all the data we're getting
10 in, that that is definitely something that we
11 could be able to track over the life of the
12 project.

13 CHAIRMAN CROSBY: Yeah, great.

14 MS. WEBSTER: Even with regard to
15 our collaboration with unions and our
16 conversations with them, again, they said that
17 this is unprecedented, that they've never been
18 invited to the table to discuss projects and
19 requirements, and their involvement before the
20 project started. So I think that after -- and
21 we talked a lot about how they enroll the
22 apprentices into their programs, and how they
23 inspire women to apply. So I think that,
24 after this project is over, there will be

1 further collaboration between us and the
2 respective unions to see what the successes
3 were.

4 CHAIRMAN CROSBY: That's great.
5 I've said this before, Bob, but Jennie
6 represents your company very well.

7 MR. DESALVIO: Yes, she does.

8 CHAIRMAN CROSBY: Pass the word up
9 the chain of command.

10 MR. DESALVIO: I will. Great.

11 CHAIRMAN CROSBY: Thank you.

12 COMMISSIONER ZUNIGA: Thank you.

13 COMMISSIONER CAMERON: Thank you.

14 MR. DESALVIO: Just in closing, and
15 I know we did -- we used a nice big chunk of
16 time for that last program, in your packet,
17 I'm not going to get through it, there's five
18 pages of different community meetings and
19 groups that have been part of the process. I
20 know you're always interested in that so I'm
21 not going to go through and read them, but
22 they're there for you to review. It's a very
23 extensive list we sort of, share it around.
24 Jacqui does some, Chris does some, Jennie,

1 John Tocco. And so, we're all trying to
2 remain active and get to as many of the
3 different meetings as we can.

4 And on one final note, I'm sure
5 you've heard about this, but it's a really
6 exciting time for Wynn Resorts. On Monday, we
7 are opening up Wynn Palace in Cotai.

8 CHAIRMAN CROSBY: Wow.

9 MR. DESALVIO: And it's the largest
10 project that Mr. Wynn has ever undertaken,
11 about 4.1 billion, I think, was the -- the
12 final tally. It is an amazing project. I saw
13 some slides and videos. Chris and I are
14 leaving tonight to head out there. We think
15 that's important for this project because we
16 have meetings lined up that Chris put together
17 with the construction design team to find out
18 all of what happened out there, the good
19 stories, maybe the -- maybe a few areas where
20 improvements could be made, but we want to go
21 and soak up all the knowledge and kind of
22 understand what that project's about, get a
23 good look at the project. Also, look at the
24 way that they do the openings. Mr. Wynn has a

1 very particular style about how properties
2 open in that last few weeks before opening.
3 So this will be some great knowledge that I
4 think Chris and I can get and bring that back
5 to the job site here. So it's a real exciting
6 time for Wynn Resorts.

7 CHAIRMAN CROSBY: Yeah, that's
8 great.

9 MR. DESALVIO: And with that, we're
10 actually done, and we'll take any other
11 further questions.

12 COMMISSIONER ZUNIGA: Yeah, very
13 exciting. I've been reading the financial
14 news on the three public companies that we
15 follow, our licensees, and a lot of great
16 expectation on the Wynn Palace opening.

17 CHAIRMAN CROSBY: Heard you've only
18 got a hundred gaming tables.

19 MR. DESALVIO: Yeah, we were able
20 to -- you know, there's some misnomer about
21 that.

22 COMMISSIONER ZUNIGA: Yeah.

23 MR. DESALVIO: In that we shifted --
24 you know, we were able to shift tables from

1 one property to the other so they wound up --
2 you know, with a good amount. I think it's
3 350 and 270. 350 at palace, 270 at Wynn and
4 Encore on the peninsula.

5 So we you know -- and our company,
6 as you know, and you heard this in Mr. Wynn's
7 comments, it's not about quantity for us.
8 It's about the quality of the guest
9 experience. So we've never -- we've already
10 come to the conclusion, we'll never be the
11 operator of the most of -- the most slots, the
12 most tables. But, as you know, we've always
13 been highly productive with the amount of
14 equipment that we have or we're assigned. And
15 we usually, on all the metrics, perform better
16 than any gaming company out there.

17 So we're fine. Mr. Wynn's happy
18 with where we are. I talked to him this week.
19 He said the product is amazing. We can't wait
20 to get there. We think it's going to be
21 highly successful for our company.

22 COMMISSIONER CAMERON: The pictures
23 are impressive.

24 MR. DESALVIO: Yeah.

1 CHAIRMAN CROSBY: Yeah. Well, if
2 you -- I was going to say, if you got videos,
3 or come back with videos and pictures next --

4 MR. DESALVIO: We'd be happy to
5 share them.

6 CHAIRMAN CROSBY: Yeah, we'd love to
7 see them.

8 MR. DESALVIO: Great.

9 CHAIRMAN CROSBY: I think it would
10 be great. Jacqui, are you staying, or are you
11 leaving? We've got this licensing
12 conversation coming up.

13 MS. KRUM: Yes.

14 CHAIRMAN CROSBY: Are you going to
15 be around?

16 MS. KRUM: I'll stay.

17 CHAIRMAN CROSBY: Okay.

18 MR. DESALVIO: Yes. Thank you.

19 CHAIRMAN CROSBY: Thank you.

20 MR. DESALVIO: Sorry, gentleman.
21 Chewed up so much time.

22 MR. ZIEMBA: No, no, no.

23 CHAIRMAN CROSBY: No. It was time
24 well spent. Thank you.

1 MR. ZIEMBA: Thank you.

2 CHAIRMAN CROSBY: Appreciate the
3 extra time.

4 MR. ZIEMBA: Mr. Chairman, I was
5 going to ask your permission to reverse the
6 order of my next two topics. And I'm sorry to
7 the Plainridge Park folks, but we've had a
8 couple of folks here from the Caring Health
9 Center that have traveled from Springfield.
10 They want to hear what we have to say, and at
11 the end of our discussion regarding the
12 Springfield Mitigation Grant, perhaps, they
13 would want to comment, but they'd prefer --
14 would, at least, like to hear what we had to
15 say. In respect of their travels today, I
16 thought we'd just reverse the order.

17 CHAIRMAN CROSBY: Sure.

18 MR. ZIEMBA: So Commissioners,
19 during the -- the last item on my agenda is
20 the Springfield Community Mitigation Grant
21 application. During the August 1st
22 Gaming Commission meeting, the Commission
23 reviewed Springfield's 2016 Community
24 Mitigation Fund specific impact grant

1 application.

2 The Commission unanimously agreed
3 that Springfield's application described
4 significant parking issues in the area
5 immediately adjoining the MGM Springfield
6 project site that needed to be addressed.

7 In discussing the short- and
8 longer-term parking issues, the Commission
9 instructed Commission staff to reach out to
10 the City of Springfield, the Springfield
11 Parking Authority, and MGM Springfield, in
12 order to determine how the parties can
13 collectively address current and potential
14 construction-related parking issues.

15 This collective effort is consistent
16 with the Commission's 2016 Community
17 Mitigation Fund guidelines relative to funding
18 for nongovernmental entities, and, as you are
19 aware, is consistent with the approach that
20 MGM Springfield, the city, and the Commission
21 have taken to resolve issues throughout the
22 history of this project.

23 As part of the effort to address
24 such parking issues, the Commission decided

1 that it would authorize up to \$150,000 for a
2 pilot valet parking program, provided the
3 Commission staff are able to determine the
4 pilot program is the best available method of
5 serving the public purpose of addressing
6 parking related concerns, including concerns
7 that have been raised by Caring Health Center.

8 Staff was also instructed that a
9 further Commission approval would be
10 necessary, in the even that any recommended
11 parking solution exceeds \$150,000. Since that
12 time, a couple of weeks ago, the Commission
13 staff has worked diligently with
14 representatives form the city, the city
15 parking authority, and MGM, to determine what
16 is the best available method to address the
17 parking needs in that area.

18 As a result of those conversations,
19 it was determined that we would pursue the
20 option of a shuttle service that would serve
21 the Main Street area between Union and
22 State Street in Springfield. The group tasked
23 the Commission's staff and the city parking
24 authority to reach out to the Pioneer Valley

1 Transit Authority to determine if it could
2 help provide a shuttle that would connect up
3 this area to parking at a facility away from
4 Main Street.

5 The group, at that time, noted that
6 PVRTA has very significant expertise and
7 capacity regarding accessibility issues that
8 could provide a very significant benefit to a
9 potential shuttle.

10 In addition, because the PVRTA is a
11 public agency, the PVRTA could provide
12 assistance to this area of Springfield much
13 more quickly, given the otherwise need to
14 procure private services. I want to thank
15 Mary McGinnis, the executive director of the
16 Pioneer Valley Transit Authority, and can't
17 say enough how much I appreciate all of her
18 efforts in this period. Mary's immediate
19 response to our question was that she and the
20 PVRTA would do whatever they could do to help
21 Springfield. I thank --Indeed, I thank
22 everyone in the group for working together,
23 especially those from the city, and for trying
24 to come up with good ideas to address the

1 parking issues.

2 With that as a backdrop, Community
3 Mitigation Fund review team is recommending
4 that the Commission provide additional
5 authority for the Springfield grant to
6 potentially be used for this shuttle service.

7 As I noted earlier, the Commission
8 already has previously authorized a valet
9 service in the -- in the area. In order to
10 move forward with the shuttle, assuming that
11 the city and the group determines to move
12 forward with this option, additional
13 authorization from the Commission is needed.

14 This shuttle service would pick up
15 people at a lot outside of the Main Street
16 area, and drop them off on Main Street between
17 Union and State. The shuttle would then take
18 these same people back to their cars at the
19 lots.

20 The intent would be that the route
21 would run, approximately, 10 minutes. The
22 current planned location of the lot is at a
23 Springfield Parking Authority lot between
24 Worthington and Winter Streets in Springfield.

1 The plan is that the parking would be free, or
2 close to free as possible for those riders. I
3 know that there's significant work on details
4 and necessary approvals for this to become
5 a -- the final determination. I especially
6 want to thank Thomas Moore from the
7 Springfield Parking Authority for his efforts
8 to help, and for his can-do attitude.

9 In this regard, Commissioners,
10 included in your packet is a draft -- draft
11 grant contract for the first 90 days of this
12 parking service in Springfield. We anticipate
13 that this will -- that we will continue to
14 evaluate how the service will work to address
15 parking needs during that time, and we'll make
16 adjustments.

17 The value of the draft in your
18 packet reflects one quarter of the 150,000
19 previously authorized. The new potential
20 value of the service would be 184,000. And
21 so, thus we're asking for one quarter of that,
22 should we be able to move forward with the
23 option. But, again, we want to talk to
24 Caring Health and a number of other parties in

1 the area to determine the final best option.

2 COMMISSIONER STEBBINS: John, first
3 of all, good work in the work with Joe and
4 Mary, also. Couldn't agree more that
5 Mary McGinnis is a rock star.

6 Couple of quick notes. First of
7 all, in the contract, top of page six you
8 reference Pioneer Valley Planning Council
9 That's probably just a typo. You're
10 referencing the planning commission?

11 MR. ZIEMBA: Oh. Planning
12 commission, yeah, exactly. Yeah. I should
13 know that by now.

14 COMMISSIONER STEBBINS: Is the
15 parking service going to be available to
16 construction folks on MGM's project?

17 MR. ZIEMBA: No. That's not
18 planned. The parking service would only
19 available to patrons and patients.

20 COMMISSIONER STEBBINS: Okay. Good.

21 CHAIRMAN CROSBY: Other questions
22 or --

23 COMMISSIONER ZUNIGA: So there's a
24 quarter of original 150 is what's reflected in

1 this draft, 37,500.

2 MR. ZIEMBA: 37,500.

3 COMMISSIONER ZUNIGA: And does that
4 take us through 90 days? Did I understand
5 that correctly?

6 MR. ZIEMBA: So since that time that
7 I put this in the packet, yesterday morning,
8 the latest update is the estimated value of
9 the service with just the parking shuttle
10 would be 184,000, so I would be asking for
11 46,000 for the quarter's worth of service.

12 And, again, we'll need to continue
13 to evaluate, if indeed, we get -- if, indeed
14 we get additional costs, I would have to come
15 back to the Commission for -- for that
16 service. But because the annualized value of
17 that services goes beyond that 150, and I
18 wanted to get the approval of the Commission,
19 it's quite possible that the costs of that 184
20 could go down, based on some bidding of
21 drivers and the like. There's some other
22 additional potential needs, administrative
23 expenses, for the Springfield Parking
24 Authority that have not been taken into

1 account.

2 Again, we'll have to have a lot of
3 conversations, but what we really wanted to do
4 today was, we wanted to move forward as
5 quickly as we possibly could, get the
6 necessary approvals from the Commission so
7 that we could continue the dialogue with the
8 city and the city's parking authority, take
9 into account local needs, have conversations
10 regarding, is this the best service with
11 Caring Health Center and others? Does it
12 work? Could this work? Should the shuttle be
13 utilized on just a temporary period, while we
14 go and procure other services? There's a
15 number of things we could take a look at, but
16 I think, at least initially with this -- with
17 this collective effort, to get these done as
18 quickly as we possibly can with respect to
19 Caring and the rest of folks in the
20 neighborhood. That's why I'm asking for the
21 approval for the option today.

22 COMMISSIONER ZUNIGA: So we
23 effectively, last time, approved and gave you
24 all that authority about working out the scope

1 and given you all of those details with the
2 150?

3 MR. ZIEMBA: Correct.

4 COMMISSIONER ZUNIGA: For the --

5 CHAIRMAN CROSBY: For valet.

6 COMMISSIONER ZUNIGA: For valet.

7 MR. ZIEMBA: For valet.

8 COMMISSIONER ZUNIGA: So,
9 effectively, we should give you an increase,
10 if you will, to the 184, that's effectively
11 what you're asking for to continue with the
12 same -- with the same approach? You're
13 working out the details. You're working out
14 the, you know, cost benefit, et cetera, et
15 cetera.

16 MR. ZIEMBA: Sure. I'm just trying
17 to be respectful of the Commission's
18 prerogative on this, and only asking for the
19 -- for the quarter, that we view that first 90
20 days a very critical, evaluative period. But
21 to the extent that greater authorization --
22 and, again, we would work with the executive
23 director and General Counsel Blue on
24 everything.

1 CHAIRMAN CROSBY: But the real issue
2 is, you're asking for a authorization to look
3 at, not only a pilot valet program, but also a
4 pilot shuttle program?

5 MR. ZIEMBA: Exactly.

6 CHAIRMAN CROSBY: So originally it
7 was only the valet, and now we've been -- so
8 we would be delegating to you, the ability to
9 either work with Caring, with the city and
10 whoever else, the parking authority, to
11 determine which -- which use you think is the
12 better, and to be to spend that 49,000 in the
13 first 90 days on that at your discretion,
14 correct?

15 MR. ZIEMBA: That's right. And,
16 again, this is the City of Springfield's grant
17 so we're working with them directly to find
18 out, what is the best available method? We
19 want to make sure that the parking service is
20 available to the corridor. That has been a
21 priority of the Commission, and we'll continue
22 to make sure that that is reflected in
23 anything that is developed by the city and all
24 those partners.

1 CHAIRMAN CROSBY: Right. And I
2 should disclose that Mary McGinnis used to
3 work for me, but I had no involvement in this
4 conversation, no financial interest in the
5 Pioneer Valley Transit Authority.

6 COMMISSIONER CAMERON: Good to know,
7 Mr. Chair.

8 COMMISSIONER MACDONALD: That
9 enabled her to be a rock star?

10 CHAIRMAN CROSBY: Yeah, it was all
11 my doing.

12 COMMISSIONER MACDONALD: Do I
13 understand it accurately, John, that while
14 Caring Health Center here has been in the
15 vanguard here, that this shuttle on this
16 10-minute loop would be available to be used
17 by others who have been displaced by the
18 construction of MGM?

19 MR. ZIEMBA: Exactly. And so, what
20 we would anticipate, it would be available to
21 businesses in that entire corridor, from Union
22 to State, along Main. We have heard from some
23 businesses in the area that they have had some
24 parking issues. We want to make sure that

1 their issues are addressed.

2 So in addition to Caring, Caring
3 would probably be the most robust utilizer of
4 that service, based on the numbers that we
5 have seen, but it would be available to other
6 folks.

7 Now, we don't have expressions of
8 interest of all businesses, but part of what
9 we would have to do, in cooperation with the
10 City of Springfield, is determine who needs
11 this, how do they need this, and what is the
12 best way to move forward. But Caring and the
13 City of Springfield put together a very robust
14 deliberation on parking issues in the area.
15 But in all fairness, we have heard from Caring
16 that it has some specific needs. It put
17 forward a valet for a purpose. Obviously,
18 that was there preferred, when they referenced
19 this to the City of Springfield.

20 MR. MACDONALD: Is it fair to say
21 that one advantage of proceeding in this
22 manner is that, inasmuch as Pioneer Valley
23 Transportation Authority, it's an existing
24 up-and-running, operation, and that the effect

1 here with regard to the -- with regard to the
2 shuttle is that it's very substantially
3 expedited, the mitigation impact, in response
4 to the -- in response to the parking issues?

5 MR. ZIEMBA: That's exactly right.
6 So an interest -- a governmental service
7 agreement could be issued between the City of
8 Springfield, once they get their approvals
9 with PVTa. There would be no need for lag
10 times regarding procurement. Mary, with her
11 can-do attitude, said that they're ready to
12 go, whenever we're ready to go. So with all
13 of that, you know, there's significant
14 benefits of shuttle service, but we obviously
15 have to take into account everyone's needs.

16 COMMISSIONER STEBBINS: And if I'm
17 not mistaken, John, is everybody on the east
18 side of Main Street, since the west side of
19 Main Street is all MGM.

20 MR. ZIEMBA: That's right.

21 COMMISSIONER STEBBINS: So it's
22 really business on the east side of the
23 corridor.

24 MR. ZIEMBA: That's right.

1 COMMISSIONER STEBBINS: I think this
2 is --

3 CHAIRMAN CROSBY: When -- yeah, I
4 agree. When do you expect construction will
5 be done to the extent that this won't be a
6 problem?

7 MR. ZIEMBA: We'll we've been
8 breaking things down into, sort of, subgroups
9 of impact. Now, there's some significant
10 utility work going on right now, water main
11 work, and that's probably going to continue,
12 at least, through the middle of September. So
13 there's a few more weeks of that very
14 significant impact, but there will be some
15 other work. And Joe can give you a little
16 more detail of -- and that's more towards the
17 springtime. But what we're really looking at
18 is the period between now and the time that
19 the MGM garage is opened. When they complete
20 that garage, and I think it's scheduled for
21 completion around December 2017, that will
22 provide, you know, a lot more parking in the
23 area. And I think that, that's what we're
24 using, at least now, for our marker on, you

1 know, real critical period parking.

2 CHAIRMAN CROSBY: The issue here
3 isn't parking. The issue here is access to
4 the front door.

5 MR. ZIEMBA: Well, both. If you
6 take a look at what the Caring Health Center
7 folks have put forward, is that there were a
8 number of lots that previously were available
9 on the MGM site, and that, that has impacted
10 folks ability to get parking right in that
11 vicinity. You know, we've walked a few
12 streets over, and yes there are spots
13 available on the street a few streets over,
14 but sometimes that doesn't meet the needs of a
15 person with a disability, or others with
16 specific needs.

17 CHAIRMAN CROSBY: Right. Okay.

18 MR. DELANEY: And there will be --
19 parking on Main Street will be restricted at
20 various points in time, between now and the
21 opening of the facility. There will be --
22 there will be some utility tie-ins, and
23 they're going to be reconstructing that whole
24 section of Main Street. So, you know, there's

1 curbing, sidewalks, other things. So there
2 will be -- definitely be parking disruptions
3 throughout the duration. I've asked
4 Brian Packer to put together a -- kind of a
5 list for me of when we expect those things to
6 be. But right now, of course, is the big
7 issue with the water main, what I'm speaking
8 of right now.

9 CHAIRMAN CROSBY: Okay. Other
10 comments, thoughts, questions? We -- I guess
11 we need a motion here, right? Somebody?
12 Commissioner Stebbins?

13 COMMISSIONER CAMERON: She wants
14 to --

15 CHAIRMAN CROSBY: Oh, I'm sorry.
16 Yeah.

17 MS. BARBER: Good afternoon,
18 Mr. Chairman, Good afternoon, Commissioners.
19 My name's Tania Barber. I'm the president and
20 CEO for Caring Health Center. And I'd like to
21 say that I really appreciate the Mass Gaming
22 Commission's commitment to looking at the
23 impact of a casino -- the impact of
24 construction by the casino. And so, in

1 respect to ombudsman's proposal for the 90-day
2 pilot parking for a shuttle, I just want to
3 express my current concerns as it relates to
4 Caring Health Center.

5 So if we're looking at a shuttle,
6 and Caring Health Center's patients would have
7 to drive to the other part of the city, the
8 other part of Main Street, and we're speaking
9 about patients who are aging, patients who are
10 elderly, refugee patients who have large
11 families, a family could be the size of six,
12 at best. And so, we're asking them to drive
13 their vehicles to the other end of
14 Main Street, wait, and supposed it's winter,
15 we're asking them to wait outside in the cold.
16 Families are not feeling well, families are
17 sick. Some have -- some could be coming in
18 with influenza, some could be coming in with
19 chickenpox -- the chickenpox, and now we're
20 exposing other people on the shuttle to try to
21 transport them to Caring Health Center.

22 So I'm asking that, that be
23 considered. It makes sense that valet
24 parking, we've done the research, we've looked

1 at all other alternative options, and while we
2 do agree that a shuttle would be best for
3 businesses -- surrounding businesses in a
4 neighborhood, we do not feel that is the best
5 solution for Caring Health Center, given what
6 I've mentioned our patients -- you're speaking
7 of a mom, who might have three children,
8 nine-month old baby, four-year-old and a
9 three-year-old, and she's trying to unload a
10 stroller, trying to get on the shuttle. You
11 know, one baby on the hip, one baby running
12 off, you know, the kids are sick, vomiting,
13 screaming. You're on the shuttle in now, and
14 you're out in the cold over -- even the heat,
15 if it's the heat in the summer months, and
16 then, you know, being transported all the way
17 down to the other end of Main Street in front
18 of Caring Health Center.

19 And going back to Chairman Crosby's
20 statement with regard to being able to access
21 our facility, we have difficulty accessing our
22 facility because we are the only one in the
23 neighborhood who have a side-street entrance.
24 And so, not only do you have the trucks on

1 Main Street, the construction trucks on
2 Main Street and the fencing off of Main
3 Street, then you have the rigs on the side of
4 the street where there's absolutely no
5 entrance at all on our side street.

6 I've had to go out and apologize to
7 patients who are there in wheelchair, who have
8 absolutely no handicapped parking, they're not
9 able to access the building. So, for me,
10 valet parking is the best solution because
11 they can come in front of the health center,
12 someone can take their vehicle, and then they
13 don't have to worry about waiting outside in
14 the cold.

15 And then, when you're looking at
16 other businesses in the area, one in
17 particular, one of the largest health
18 facilities in Springfield, they too have a
19 valet service for their patients. And so,
20 while the shuttle is a good, alternative
21 solution, I would see -- I would see it --
22 that it's good by way of employees, but not
23 necessarily in the best interest of patients.

24 And, again, keeping in mind, we're

1 talking about elderly, aging, refugee, people
2 that are sick, people that are not feeling
3 well. And to have to wait outside, you know,
4 to drive themselves to an area, only to wait,
5 and whether it's 10 minutes, 10 minutes is
6 still a long time when you're not feeling
7 well, and you just come in and get the care
8 that you need. Not to mention the fact that,
9 if you have influenza, we have to bring them
10 in, and we have to isolate them in, you know,
11 a room, so that they're not exposing others to
12 whether it's the chickenpox, or whether it's
13 influenza.

14 So I'm asking the Gaming Commission,
15 if you really would keep this in mind, as
16 you're making the decision, based on the
17 information that I just shared with you, that
18 we think Valet parking is in the best interest
19 of Caring Health Center. And we are willing
20 to work with the other businesses, such as
21 Springfield Department of Health and Human
22 Services, and also Square One, who are our
23 neighbors, and so we think that they would, of
24 course, benefit from valet parking as well.

1 CHAIRMAN CROSBY: Is Square One a
2 health organization?

3 MS. BARBER: Square One is a
4 daycare.

5 CHAIRMAN CROSBY: Daycare.

6 MS. BARBER: Daycare.

7 CHAIRMAN CROSBY: What percentage of
8 your clientele uses public transportation
9 versus private cars now, more or less,
10 roughly?

11 MS. BARBER: Yeah, it's in the
12 application. I don't have that data off the
13 top of my head, but that is a part of the
14 application we provided you, a percentage of
15 folks that use public transportation. We do
16 have a good number of -- I do know that we do
17 have a good number of individuals who do have
18 their own vehicles.

19 CHAIRMAN CROSBY: Yeah. I would
20 that a lot of people are using public
21 transportation already, which presents a lot
22 of the problems you've described. You know,
23 it's in the nature of public transportation,
24 and it's well just beyond the shuttle.

1 MS. BARBER: We do have some
2 individuals who use public transportation.
3 However, we also have a good percentage of
4 patients who own their own vehicles and are
5 not able to access parking.

6 CHAIRMAN CROSBY: Right. Okay.

7 MS. NAYLOR: My name is
8 Jasmine Naylor. I'm the executive vice
9 president of Caring Health Center. I don't
10 have the exact figures in front of me, but I
11 did spend extensive time with the team
12 collecting data and doing surveys on this
13 exact question. And I do note that
14 information should be in the original
15 application. But what I can say, the fact
16 that I do recall, is that, over the years,
17 most recently with our most recent survey, is
18 that more patients are driving themselves to
19 the Caring Health Center, which used to not be
20 the case many years ago. So while we do still
21 have a percentage using the public transit
22 system, more of our patients are actually
23 driving themselves.

24 COMMISSIONER ZUNIGA: Can you state

1 your name again, for the record; I think we
2 missed it.

3 MS. NAYLOR: My name is
4 Jasmine Naylor with Caring Health Center.

5 CHAIRMAN CROSBY: Thank you.
6 Questions, other comments?

7 COMMISSIONER ZUNIGA: If I
8 understand correctly, the approach that Mr.
9 Ziemba is asking here, it's not on an
10 alternative, necessarily, it's an increase
11 of -- an additional option that is being
12 contemplated here to -- in addition to the
13 valet parking that we already discussed last
14 meeting, to test, in a similar way, the
15 shuttle. So, you know, while you -- you know,
16 you paint scenarios that are very important to
17 consider and so on, it does not come at the
18 expense of the pilot program for the valet
19 parking; is that -- is that a fair statement?

20 MR. ZIEMBA: No. I think what we're
21 recommending is that move forward with one
22 option or the other, rather than both
23 concurrently. But that's certainly something
24 we can discuss with -- with Springfield that

1 has significant cost implications, I would
2 imagine, trying to run concurrent programs.

3 CHAIRMAN CROSBY: Right. We're
4 authorizing them to pick one.

5 MR. ZIEMBA: Pick one --

6 COMMISSIONER ZUNIGA: To pick one.

7 MR. ZIEMBA: Right.

8 CHAIRMAN CROSBY: Or -- or that
9 there's some kind of an amalgamation. I don't
10 know the --

11 MR. ZIEMBA: Correct.

12 CHAIRMAN CROSBY: That would be
13 within what we're privy to.

14 MR. ZIEMBA: Yep.

15 CHAIRMAN CROSBY: I hear your
16 points, absolutely, and John has represented
17 here, your concerns about this all along. I
18 don't think we're the right ones to decide
19 whether it ought to be a shuttle or a valet,
20 or some combination. You know, I think that
21 you and Springfield and all the Springfield
22 Public Health people would be the players in
23 that process. But we certainly hear and are
24 directing John to take that into

1 consideration, when he's making the decisions
2 on this.

3 MS. BARBER: I agree. And with that
4 being said, then, I'd like to be a part of
5 those meetings, part of those conference calls
6 and meetings because I have been excluded from
7 those meetings. While John has been very
8 great in contacting me to let me know that
9 conference calls have taken place, in terms of
10 details, I have not been provided with
11 details, with the exception of yesterday, late
12 yesterday afternoon.

13 So I think that it is very
14 important, as we are a partner with the City
15 of Springfield, I think it's very important
16 that we do have a seat at the table to so that
17 we can express, you know, what are some of the
18 variables that are maybe not being looked at,
19 as it relates to Caring Health Center and
20 other neighbors in the south-end corridor.

21 MR. ZIEMBA: Ms. Barber and I
22 discussed this a little bit earlier today, and
23 I did reference to her, and I think she
24 agreed, that as the details of even the

1 option, I think, were discussed in more
2 concrete fashion by 8:30 a.m. yesterday
3 morning, and I gave her a phone call to give
4 her the details of that, probably, around 10
5 o'clock or 10:30. So we're trying to work in
6 realtime to provide -- to provide updates to
7 Caring.

8 But, again, we the way that we view
9 this application is, this is the City of
10 Springfield's application, and that Caring's
11 needs are a big part of the concerns in that
12 area. But there are other needs in that area
13 that, sometimes, just the public entities have
14 to take a look at. But, obviously, there's
15 some concerns that have been raised, Caring's
16 concerns raised today that has to be part of
17 all of the equation that is considered by
18 Springfield and by us in being able to move
19 forward.

20 COMMISSIONER STEBBINS: John, I
21 mean, I appreciate also hearing about, you
22 know, the some of the points expressed by
23 Caring Health Center. I do also appreciate
24 the speed and efficiency of which we can get

1 some solution up and operating. But I think,
2 to your point, you know, kind of, a ongoing --
3 you know, John you're kind of three-month
4 review of this should include some of the
5 other, you know, stakeholders, obviously.

6 MR. ZIEMBA: Absolutely.

7 COMMISSIONER STEBBINS: I would
8 suggest that, you know, some folks from the
9 City of Springfield, who are doing a lot --
10 you know, I think a lot of water main work
11 that's interrupting a lot of parking isn't
12 necessarily only related to the MGM project.
13 You know, there's been geysers all along
14 Main Street for a number of years. So there
15 are other folks, I think even at City Hall, I
16 think would be helpful to have at this table.
17 Look at timelines from when parking is going
18 to be made available. So this kind of ongoing
19 analysis, ongoing review to see if, you know,
20 what we're suggesting and what we're working
21 in partnership with the city and the PVRTA
22 continues to be helpful to all the parties
23 involved, including Caring Health.

24 MR. ZIEMBA: Commissioner, exactly.

1 One of things that we've been discussing in
2 just those meetings since a couple weeks ago,
3 is that there obviously has to be a big,
4 robust outreach to all of this -- this is up
5 and down the corridor. MGM hears from the
6 folks, as it has its abutters meetings as its
7 context. We're going to utilize that. MGM
8 has offered to -- to provide names of folks
9 that -- that -- with which it does business,
10 and then we'll work with the City of
11 Springfield. But the outreach activity is one
12 of the first things to do to learn what
13 concerns there may be out there, who wants to
14 take advantage of it, who won't take advantage
15 of it.

16 Part of the 90-day recommendation is
17 we have to see whatever service, valet or
18 shuttle, is it being utilized? Is it being --
19 is it cost effective? What tweaks can be done
20 and the like? But I should have mentioned, as
21 part of my initial remarks, one of the first
22 and foremost things has to be that an outreach
23 up and down that corridor, which, I don't
24 think it really hasn't been done to date.

1 MS. BARBER: I would just like to
2 add that I probably agree with what John said,
3 in terms of the other businesses. However,
4 Caring Health has done extensive research, in
5 terms of what would be the needs for, again,
6 our patients.

7 So this is -- we submitted a
8 application February 1, 2016. We've answered
9 all of the questions that were posed to us.
10 And so, for me, the longer that we delay, it's
11 going to only impair our ability to provide
12 health care to our patients. And so, I mean,
13 I would like, in the interim, if we are
14 provided with, at least the valet parking that
15 we're proposing for our patients, our patients
16 are being impacted now, and have been impacted
17 for several months now. You know, again, I
18 sympathize with the family who pulls up and
19 has nowhere to take their mother or parent out
20 of their vehicle, you know, who's in need of
21 handicapped accessibility because there is
22 absolutely nowhere for them to pull up in
23 front, take the wheelchair out, get their
24 parent inside. Then, it delays the process.

1 You know, places the providers behind in
2 seeing other patients, so there's a ripple
3 effect, you know what I mean? So I'm just,
4 again, asking that you all consider that as
5 well.

6 MS. NAYLOR: And I'd just like to
7 add one additional thing as well. Is, the
8 application that was submitted was very robust
9 and extensive. And we believe that that
10 application should be approved for the valet
11 parking, and between now and the next
12 application deadline, the thorough review that
13 is necessary to take into consideration that
14 other stakeholders is done, and in that next
15 application review we will have data on how
16 successful the valet parking is, in addition
17 to what potential other alternative or better
18 solutions exist. But allow that to take place
19 in the next application cycle, if one choice
20 must be chosen.

21 COMMISSIONER ZUNIGA: You know,
22 we -- I know we discussed this before, but our
23 constraint is that, in general, the Community
24 Mitigation Fund goes to cities and towns for

1 -- hence its name, which is why we're
2 operating, and as John emphasizes, this is
3 review as a Springfield application. And you
4 make important points, and we hear you, but
5 the city's an important element here -- and
6 important stakeholder here at the table. And
7 we'll communicate, as I know you do, to the
8 city, that communication with you should
9 perhaps improve. But our -- we have the
10 constraint of making sure that money goes to
11 these cities and towns, and then they figure
12 out how the local mitigation is addressed.

13 Also, I forget if it's a -- what
14 article, but if we open the door to -- to
15 private entities for this sort of funds, we --
16 we may go down the road that we don't -- we
17 cannot go, which is why, again, the city here
18 is an important stakeholder.

19 CHAIRMAN CROSBY: You know, just to
20 be fair about this. One of the issues is
21 speed, and we'd like to start this Monday
22 morning. Whatever decision that gets made,
23 we'd like to make it immediately. February to
24 now is a long time for this kind of a problem

1 to fester.

2 But I wouldn't be surprised, if you
3 said to Mary McGinnis, could you do a valet
4 program, she probably could, you know. And,
5 it could -- you know, I haven't thought it
6 through, but I'll bet that she could figure
7 out a way to start something up pretty
8 quickly, if, indeed, it was a decided by the
9 various stakeholders was the better way to go
10 but for timing.

11 MR. ZIEMBA: Well, I think she would
12 have to procure the valet service, because
13 they have on-site drivers, but I'm not sure if
14 they have the -- sort of, the valet service
15 providers.

16 CHAIRMAN CROSBY: Might be worth --
17 I mean, I don't know. If they got drivers --
18 if they've got drivers who could use some over
19 time and, you know, would be happy to stand at
20 the door and wait and drive a car back and
21 forth. I don't know, but it's just a thought.

22 MR. ZIEMBA: And, again, one thing
23 I'll mention, is that, you know, I think that
24 we've been working pretty proactively to get

1 all the parties together to move as quickly as
2 we possibly can. So quickly that, you know,
3 we scheduled this meeting even before we had
4 any ideas that we're going to present. You
5 know, and we referenced that to you.

6 And so, we're trying to move quickly
7 as we can. We understand the needs out -- out
8 in the area. And what was determined by that
9 group was that the shuttle service was --
10 definitely seemed to be the quickest possible
11 opportunity.

12 CHAIRMAN CROSBY: Right. Okay.

13 MR. ZIEMBA: But the valet service
14 will take a little bit of procurement. Who
15 knows what we can do in that regard. People
16 will have to have further conversations.

17 CHAIRMAN CROSBY: Right. I mean,
18 we're not in the business of making decisions
19 about what services should be provided. We're
20 in the business of responding to applications
21 from cities and towns that ask us for money to
22 do certain things, you know.

23 MR. ZIEMBA: Correct.

24 CHAIRMAN CROSBY: So it's really got

1 to be driven by Springfield, frankly. If
2 Springfield says, we want a valet, that's
3 their judgment, then, that may be where we
4 wold tend to want to go. That's the way we've
5 conducted our business all along. It's been
6 in deference to the city and town
7 decision-making, construction.

8 MS. BARBER: And I would add that
9 the city -- of course, we are partnering with
10 the city, and of course, you know, they -- we
11 have the support of the still council, who
12 also is aware of our application, and
13 respectfully to -- I can't see your name,
14 Commissioner.

15 CHAIRMAN CROSBY: Zuniga.

16 COMMISSIONER ZUNIGA: Zuniga.

17 MS. BARBER: Zuniga. I agree with
18 your role and responsibility as it relates to
19 the city. And so, again, with us partnering
20 with the city, and, of course, willing to
21 bring others in, such as I mentioned earlier,
22 Springfield Department of Health and Human
23 Services, Square One, you know, then it -- it
24 is the community. It's the -- and I do

1 understand that you have to go above and
2 beyond to look at all the other businesses
3 that were impacted.

4 However, before an immediate
5 resolution, the city is in partner with us,
6 with the valet parking, and we do have the
7 support of our mayor, we do have the support
8 of the city council on behalf of the
9 application submitted for valet parking. It's
10 already gone through that process.

11 COMMISSIONER ZUNIGA: Well, it
12 sounds like, as Chairman says, you know,
13 continue to evaluate this. You know, as far
14 as we're concerned, if you need additional
15 monies to make the workable solution that
16 satisfies the most, you know, we'll -- we'll
17 look at it, or we have looked and it and we
18 can authorize more money, or the incremental
19 money. But it really does sound like the
20 city's an important stakeholder here. And to
21 the extent that all of those conversations
22 can -- can continue to happen to -- to figure
23 out what the most workable solution that
24 satisfies the most people is, we're all for

1 it.

2 MR. ZIEMBA: I would note,
3 Commissioner, that, you know, one of the
4 charge -- one of the charges that I think that
5 you have given the fund is that it enables
6 partnerships that can be sustainable. And the
7 way that the Community Mitigation Fund was
8 drafted, it was that -- very much that
9 partnership between the licensee, the host
10 community, and the Gaming Commission.

11 And I think if you take a look at
12 the guidelines, it respected the ability of
13 all three entities to provide some part of the
14 solution. So to the degree that additional
15 funding is necessary from one or more
16 entities, it's great that the city of
17 Springfield has expressed support, and,
18 perhaps, it can provide -- can comment on
19 resources in the future, if things get more
20 beyond what we have in the application.

21 COMMISSIONER ZUNIGA: Yeah, that's
22 an excellent point. In fact, we've done that
23 in other instances with the Sheriff, for
24 example, as you -- as you suggest.

1 CHAIRMAN CROSBY: Okay. So we need
2 a motion to authorize the use of funds for
3 either of these two purposes, for the use of,
4 say, up to 50,000 for the use of these two
5 purposes. Somebody want to put that on the
6 table?

7 COMMISSIONER STEBBINS: Mr.
8 Chairman, I would move that we direct the
9 ombudsman and MGC staff to enact -- enact a
10 program, as has been discussed for a
11 three-month basis, at a total cost of
12 \$50,000 for the first 90 days, and instruct
13 staff to continue to work with the city,
14 applicable parties, other stakeholders to
15 monitor and come back to us in 90 days with
16 any potential recommendations, or earlier, if
17 there's significant changes that need to be
18 made.

19 COMMISSIONER MACDONALD: Second.

20 CHAIRMAN CROSBY: Further
21 discussion? All in favor? Aye.

22 COMMISSIONER MACDONALD: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

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

4 MR. ZIEMBA: Thank you.

5 CHAIRMAN CROSBY: We have one more
6 item from the ombudsman. I think we'll do
7 that and then take a lunch break. I'm going
8 to take another break right this minute
9 anyway, but I just -- just for planning
10 purposes.

11 So we'll do the update from
12 Plainridge, then we'll take a lunch break, and
13 then we'll get to the Investigations and
14 Enforcement Bureau, and the various items
15 under there. Be right back.

16
17 (A recess was taken)

18
19 CHAIRMAN CROSBY: We are ready to
20 reconvene public meeting 198.
21 Ombudsman Ziemba.

22 MR. ZIEMBA: Thank you,
23 Mr. Chairman. We now have the quarterly
24 report from Plainridge Park. We're joined by

1 Mike Thoma, Plainridge Park slots director;
2 Eli Huard, purchasing manager; Michele
3 Collins, managing director; and Lisa McKenney,
4 compliance manager. I'm going to turn it over
5 to them.

6 MR. THOMA: Good morning, Chairman,
7 good morning, Commissioners.

8 CHAIRMAN CROSBY: Good morning.

9 MR. MACDONALD: Good morning.

10 COMMISSIONER CAMERON: Good morning.

11 COMMISSIONER ZUNIGA: Good morning.

12 COMMISSIONER STEBBINS: Good
13 morning.

14 MR. THOMA: Start off with
15 employment. No material changes from previous
16 updates in this area. Full-time, part-time
17 mix remains largely consistent at 67/33 for
18 the total amount of employees at 499. One
19 thing I'd like to point out is total employee
20 count for Q1 was 522, and, as stated, for Q2
21 it's 499. This can be attributed to the
22 turnover in a few areas, and the time it's
23 taken to backfill some of those positions.
24 Our current staff is now at 514, and we have

1 30 open reqs that we're filling. Additional
2 information on the work force?

3 COMMISSIONER STEBBINS: Is there a
4 particular area of work where you're seeing
5 more turnover than in other positions?

6 MR. THOMA: A lot in food and
7 beverage and security, mostly.

8 COMMISSIONER STEBBINS: Okay.

9 MR. THOMA: Continued good news as
10 it that relates to diversity hiring. At the
11 end of Q2the property was at 16.6, exceeding
12 the goal of 10 percent. In addition,
13 Massachusetts residents comprise 70 percent of
14 Plainridge Park's workforce. The property
15 continues to place a priority on diversity
16 hiring, and hiring in-state. Additionally,
17 our male-female ratio is 51/49, and the
18 percentage of veterans is 3 percent.

19 Continuing with employment, numbers
20 relating to promotions and transfers, it's
21 good news for employees on all fronts.
22 Promotions and a number of employees that are
23 taking on larger roles from the property is 29
24 for Q2, and the number of internal transfers

1 from department to department is six.

2 Revenue and taxes, revenue is on a
3 monthly basis, and a total has been provided
4 as well as a 2015 number. All in for Q2
5 combination of taxes paid to the Commonwealth
6 and fees paid to the horsemen, 49 percent.
7 Total's just over 19.1 million. And with the
8 gaming revenue just over 39.1 million. The
9 net win per unit was 344 in Q2, compared to
10 340 in Q1, and the best month that we had in
11 Q2 was in April, which came in at 357. With
12 that, I'll turn it over to Eli.

13 COMMISSIONER ZUNIGA: Before we
14 leave that, I did have a question on
15 employment numbers, and you can answer this
16 later, if you -- if you don't know the answer,
17 obviously. But your Host Community Agreement
18 identified a, what I would say, rather
19 ambitious number of 90 percent of local
20 hiring. That was when -- when the Host
21 Community Agreement was signed?

22 MR. THOMA: Correct.

23 COMMISSIONER ZUNIGA: We've had a
24 number of discussions along the way, a number

1 of reports, this is -- this is from a very
2 high-end goal talked about the surrounding
3 communities and identified along the way and,
4 you know, gateway cities nearby, as -- and in
5 this particular areas of focus where, you
6 know, this all could -- could also be counted
7 towards.

8 The auditor -- the state auditor
9 identified this -- this area as a finding, in
10 the area that they conducted for us. Has
11 there been any -- and, you know, will remain
12 so, and, you know, we'll see what that -- how
13 that -- when that comes out. But there is any
14 thought relative to clarifying that goal,
15 specifying any more detail, revising it or --
16 or really striving to achieve it? What can
17 you tell me to that -- to that effort?

18 MR. THOMA: I would have to probably
19 get back to you with specifics. But as you
20 know, we've ran job fairs in all of the host
21 communities. We gave preferential hiring to
22 those communities. We worked with workforce
23 development to help target applicants from
24 those communities. And in those communities,

1 in our host agreement, they had a low
2 applicant pool, there was a low number of
3 applicants from those areas, but it,
4 obviously, remains a priority with hiring in
5 Plainridge Park.

6 COMMISSIONER ZUNIGA: Yeah. And
7 part of the reason I'm asking, again, to
8 consider, maybe Lance can come back next time
9 and tell us more about what may -- what may
10 be, you know, the thought process. But my
11 guess is that now you're -- you're obviously
12 constrained by turnover, as you're already one
13 year mature and so on.

14 So if we need to revise, adjust
15 clarify, or simply let it be, I just wanted to
16 highlight that, because, at least in the mind
17 of somebody who looked at this, because they
18 look at many things, they said all right,
19 identify these as an area that they felt they
20 needed to mention. So, perhaps, again, just
21 for sometime in the next quarterly report, is
22 there anything that we can further discuss on
23 this topic?

24 MR. THOMA: Absolutely. We'll put

1 something together internally.

2 COMMISSIONER STEBBINS: I would just
 3 -- I would just add to that that it's pretty
 4 well-accepted that the first year is always
 5 the toughest year, in terms of employees. It
 6 would be great if -- if the next time we got
 7 together we could focus a little bit of our
 8 conversation on that, too, in terms of what
 9 you expected to see the first year, what you
 10 realized the first year, and then, you know,
 11 some of the strategies you may look at going
 12 forward to, you know, reduce that issues going
 13 to further -- years further on.

14 MR. THOMA: Absolutely.

15 CHAIRMAN CROSBY: Next up?

16 MR. HUARD: Sure. So moving on into
 17 the curable category. You can see by the
 18 slide here, we have significant spends in the
 19 Commonwealth of Massachusetts done by
 20 Plainridge Park Casino. More than two-thirds
 21 of our spend has been done in -- with the
 22 vendors of the Commonwealth. The next states
 23 involved would be Nevada, Iowa, Illinois and
 24 Michigan, an Pennsylvania. And then, the

1 remaining 4 percent would be other states
2 around the country.

3 COMMISSIONER STEBBINS: Eli, just
4 quickly, I went back and looked at your first
5 quarter. Some of the numbers stay consistent,
6 you know, Iowa, Illinois.

7 MR. HUARD: Sure.

8 COMMISSIONER STEBBINS: I'm assuming
9 you don't have to say one way or the other.
10 Some of them might be based on national
11 contracts, but it might be helpful for Jill
12 and I to come out and visit with you, and see
13 where we can, again, help you dig in where
14 there's some spending opportunities.

15 MR. HUARD: Absolutely. We welcome
16 the opportunity to have you guys come down.

17 COMMISSIONER STEBBINS: Okay.

18 CHAIRMAN CROSBY: Good idea.

19 MR. HUARD: So shifting over to
20 local host community agreements, that three
21 large focus area in Wrentham, Mansfield and
22 Attleboro. A lot of that really stems from
23 the various needs from Q2, a lot of those
24 marketing and some other various materials

1 that were needed for some projects that we had
2 along the way.

3 Next up is vendor diversity. We're
4 overall pleased with the diversity for this
5 quarter. This was, by far, the best quarter
6 that we've had so far in the WBE and VBE
7 categories. Recognizing we still have some
8 work that needs to be done in the MBE area.
9 There was a slight drop in this category,
10 which -- which could be driven through a
11 couple of different factors. Most dramatic
12 was a continues of a bus marketing vendor,
13 whose services were -- proved to not be
14 profitable.

15 We have since hired a bus marketing
16 manager, who has put together some very
17 exciting programs for us, and we are starting
18 to use those vendors as of the last -- the
19 last couple weeks. Two of those vendors that
20 we've put together for the bus marketing
21 program are minority-owned businesses, and
22 they were approved as of mid-July. So we
23 started those programs with them as soon as
24 the -- their licenses came through.

1 COMMISSIONER STEBBINS: Are those
2 yearly goals, or Q2 goals, the blue?

3 MR. HUARD: Those are our
4 commitments. Our goals are 12 percent for
5 women-owned, 6 percent for minority-owned, and
6 3 percent for vendor-owned Those are our
7 standard goals across the board, every
8 quarter, every year.

9 COMMISSIONER STEBBINS: Okay.

10 MR. HUARD: So the results of
11 efforts of the bus marketing program will
12 start to appear in the Q3 report. We've also
13 got a couple categories that we are bidding
14 out as we speak. And we feel that these
15 areas, we have a strong presence of diverse
16 vendors to be included int his file.

17 Looking ahead, we're in the midst of
18 our 2017 budgetary planning program. The
19 purchasing department will be working very
20 closely with various departments around the
21 property and gather quotes for as many
22 traditionally disadvantaged vendors as
23 possible to start the registration process as
24 necessary.

1 Lastly, we already offer a 5 percent
2 consideration on all bids that involve diverse
3 vendors. We try and group as many diverse
4 vendors that we can to all of these bids that
5 we're doing for various programs across the
6 property.

7 CHAIRMAN CROSBY: 5 percent
8 consideration, what does that mean?

9 MR. HUARD: That means if a diverse
10 vendor goes up against a nondiverse vendor,
11 we'll allow a 5 percent of the -- the bid's --
12 5 percent allowance against for the
13 minority-owned vendors, as long as it's within
14 5 percent of the next low bid, we would
15 offer --

16 CHAIRMAN CROSBY: In terms of
17 brackets, you're talking about?

18 MR. HUARD: Correct.

19 CHAIRMAN CROSBY: Okay.

20 MR. HUARD: Right. So we will be
21 looking at each purchase very carefully and
22 increase the consideration throughout the
23 threshold in situations where it makes good
24 sense to do so. Any questions on those areas?

1 CHAIRMAN CROSBY: No.

2 MR. MCKENNEY: Next slide is
3 compliance with regulations. Specifically, if
4 focuses on underage guests. As you can see
5 from the slide, team members, along with the
6 Gaming Commission and the state police are
7 continuing to identify underage guests
8 attempting to come into the casino, and
9 they've prevented 128 underage guests from
10 entering the casino during the quarter.

11 You can also see that we did not
12 identify any underage guests on the gaming
13 floor, or found consuming alcohol either.
14 It's pretty good news and a good slide. And
15 we're just confident in the success in this
16 area will continue as we move forward. If
17 there are no questions from the Commission,
18 I'll send the next slide over to Michele.

19 Good work there.

20 CHAIRMAN CROSBY: Yeah.

21 MR. MCKENNEY: Yeah, it's good work,
22 and it's all coordination with the on-site
23 gaming commissioners and state police, yeah.
24 Good job.

1 MS. COLLINS: So going into lottery
2 sales, on line we had 250,000 instant tickets.
3 The scratch tickets was 507,000, with a total
4 in lottery for 758.

5 CHAIRMAN CROSBY: This is for the
6 quarter?

7 MS. COLLINS: This is for the
8 quarter.

9 CHAIRMAN CROSBY: Jesus.

10 MS. COLLINS: Yeah, I know. Note
11 that there is an 8-percent compared to Q1.
12 And, again, a good portion of that is also
13 attributed to the Winning Wednesdays we do
14 with the lottery. So on site we give out
15 Red Sox lottery tickets, that's what we give
16 for Wednesdays in April and May, and that
17 attributed to 6 percent of that 8 percent of
18 the increase.

19 CHAIRMAN CROSBY: Six, meaning
20 three-quarters of the eight?

21 MS. COLLINS: Yeah. Typically, we
22 see about 900 to a thousand people show up for
23 that giveaway, and it's anywhere between a
24 dollar and a \$20 ticket based on card level.

1 Charitable contribution. So Lance
2 mentioned this in the last review. We are
3 doing the New England states with the Red Sox
4 NESN sponsorship. To date, they have won 11
5 games so that money will be going to Relay for
6 Life.

7 In addition to that, we did the
8 Relay for Life walk, which was an initiative
9 through Penn and 23 of our properties actually
10 are doing something with Relay for Life. We
11 placed number four in the money we raised, and
12 we actually had an individual who walked
13 31-miles in this, and he was number one in the
14 amount of money he raised, number one out of
15 590 participants so -- his name's Chuck
16 Cassidy, and we're very proud of him.

17 CHAIRMAN CROSBY: He's one of your
18 employees?

19 MS. COLLINS: He is -- yeah, he's
20 the facilities manager.

21 CHAIRMAN CROSBY: Great.

22 MS. COLLINS: We also hosted a
23 Doug Flutie Foundation for Autism benefit in
24 Doug Flutie's Restaurant, where we were able

1 to raise \$20,000 through the sale of tickets
2 to guests. There was about a hundred people
3 who attended, and we did live auction items
4 and that sort of thing.

5 COMMISSIONER CAMERON: Excellent.

6 MS. COLLINS: Continued partnerships
7 and sponsorships, again, as you know, we
8 partnered with Xfinity within the concern
9 series. I mentioned NESN, Red Sox pre- and
10 postgame was beneficial during the Responsible
11 Gaming education, because we were able to do
12 live reads during the games that had to do
13 with responsible gaming.

14 The Wrentham Outlet road trip expo,
15 this is the first one we did this year, so we
16 joined them, and we had a partnership where we
17 attended the event. Unfortunately, it rained
18 that day so the attendance wasn't great, but
19 of the vouchers we did give out, we saw a
20 60-percent redemption rate, which is pretty
21 substantial.

22 CHAIRMAN CROSBY: What is a outlet
23 road trip expo mean; what is it?

24 MS. COLLINS: So they had cars show

1 up. Like antique cars that are supposed to
2 be -- but as I said, it was the first year so
3 the turnout wasn't what they were hoping.

4 Day trips and destinations, this
5 here we partnered with Southeastern Mass CED,
6 and we had a booth there, and it actually was
7 in Connecticut, and we found out that
8 awareness in Connecticut about Plainridge Park
9 Casino was extremely low so it was a good
10 opportunity. There was about 4,000 attendees
11 so we were able to get some good traction on
12 some bus leads, about 25 bus leads.

13 And then, the Massachusetts
14 Coalition of Police event at Patriot Place,
15 this was about 700 police, men from the force,
16 men and women, and we sponsored the
17 presidential dinner that they had, and we gave
18 away raffles that were Play and Stay packages.
19 We partnered with local hotels, and gave that
20 out as prizes.

21 So some of the events that you
22 should be familiar with, because we've
23 highlighted them in the last presentation,
24 we've partnered with Bass Pro Shops. We did a

1 pontoon boat giveaway. Winning Wednesdays, as
2 I already mentioned were the lottery tickets.
3 We presented a new idea concept called the
4 Monthly Massachusetts Champion Slot
5 Tournament.

6 So, currently, we have about 680
7 people who have participated over the course
8 of the last few months. And on the 12th
9 month, we'll do a really big event and try and
10 get a celebrity in to host it and that sort of
11 thing. And they get this commemorative belt
12 that's got the plate and -- it's pretty cool.

13 Wizard of Oz necklace giveaway.
14 This was a concept we did trying to really
15 promote what kind of new product we're putting
16 on the floor. So the marketing team dressed
17 as the Wizard of Oz and we gave out some
18 gifts.

19 Marquis Rewards Universal Benefits,
20 we're currently working on different local
21 sponsors so that the benefits of the card are
22 created, not only across the Penn universe,
23 but also so that we can do more with
24 businesses and share a customer base.

1 Live racing, as you know it began in
2 April, and we had the Kentucky Derby, the
3 Preakness and the Belmont Stakes.

4 Kentucky Derby, we had a 19 percent increase
5 in revenue year over year. Preakness had a
6 15 percent, and Belmont was at 5-percent,
7 which are all significant, considering last
8 year we were up against the crown, so it's
9 quite impressive. And then again --

10 COMMISSIONER ZUNIGA: Michele, was
11 is that increase over, attendance, live
12 handle?

13 MS. COLLINS: Yeah, revenue, actual
14 racing revenue. And then, our one-year
15 anniversary, as you know. So we did a
16 motorcycle giveaway, and a Mustang giveaway
17 for that weekend.

18 Some of our Q3 initiatives, as I
19 mentioned, the Charter and line run. It's a
20 bus program that started in mid-July.
21 Currently, we're in Malden, Revere, Everett.
22 Warwick and Fall River are the locations that
23 in downtown Boston are picking up. Both of
24 the bus groups that we're working with are

1 women- and minority-owned. So as Eli
2 mentioned, that will get our numbers back up
3 into Q3.

4 Responsible Gaming Education Week.
5 As you know, August 1st through the 5th, we
6 had done that presentation. One thing I do
7 want to note that I thought was impressive,
8 and obviously this was attributed to the fact
9 that PlayMyWay was getting so much
10 recognition, there was about a 30-percent
11 spike in sign-ups that week, compared to what
12 we do -- we see.

13 Flutie's Brothers Band, they did a
14 play at the Revolution Lounge on the last day
15 of that week. And one of the things we're
16 starting do, as I mentioned earlier, is kind
17 of work with local businesses and restaurants
18 so that our customers can experience what else
19 is offered in the area. And last night, we
20 did our first event at Luciano's, where we had
21 about 15 of our guests, and we hosted a dinner
22 there.

23 Patriot season ticket sponsorships.
24 So we've partnered with the Patriots, where

1 we've purchased four tickets for the season so
2 we'll be able to do giveaways at a Flutie's
3 and really promote and try and get some of the
4 business that we obviously see diminish when
5 there's a Patriot's game. Last year, we
6 really didn't do much because we didn't know
7 the market as well as we do now. So we'll
8 have an opportunity to test it for things and
9 try things.

10 Tiffany Gift Giveaway. We partnered
11 with Tiffany's for our tier launch. So people
12 who were upgraded to a new tier level received
13 a gift from Tiffany's.

14 We extended our partnership with
15 Xfinity with a Brad Paisley meet-and-greet.
16 So four of our customers will actually get to
17 meet and greet with Brad Paisley. And then,
18 again, we continue with the larger giveaways
19 on a monthly basis for the pontoon boat,
20 Wrangler -- Jeep Wrangler, this month, and the
21 Ford Explorer that we'll be doing next month.

22 COMMISSIONER ZUNIGA: Those
23 giveaways, I'm just curious, does any patron
24 at the casino can get a raffle ticket, or how

1 do they -- how do they work, generally?

2 MS. COLLINS: For the Brad Paisley?

3 COMMISSIONER ZUNIGA: For the boat
4 or the -- you know, the boat or the -- or the.

5 MS. COLLINS: There's a couple of
6 different ways we do it. Typically, with a
7 boat, it's sweepstakes so it's a month-long
8 earning period. They play with their Marquis
9 Rewards card. They actually earn points while
10 they're playing, and it accumulates throughout
11 until we do the drawing. Other times for,
12 maybe Brad Paisley, it might be more of a
13 concentrated group that we're targeting where
14 they earn entries, or it's a ballot, or that
15 sort of thing.

16 CHAIRMAN CROSBY: So if you -- if
17 you're playing on your -- it's Marquee
18 Rewards, so if you spend X dollars you have X
19 chances in a drawing; is that how it works?

20 MS. COLLINS: Correct, yeah. So you
21 earn, essentially, a virtual entry.

22 CHAIRMAN CROSBY: Right.

23 MS. COLLINS: And when your card is
24 in, there's a display where you can press a

1 button to actually see what you have for
2 entries.

3 CHAIRMAN CROSBY: Right. Okay.

4 COMMISSIONER ZUNIGA: I have to
5 admit, I don't know who Brad Paisley is.

6 COMMISSIONER CAMERON: Oh, you
7 don't?

8 COMMISSIONER STEBBINS: Country.

9 MS. COLLINS: He's friends with
10 Florida Georgia line.

11 COMMISSIONER ZUNIGA: Shows my music
12 preference.

13 CHAIRMAN CROSBY: I wasn't going to
14 mention it, but I didn't know him either.

15 COMMISSIONER CAMERON: Oh, I know.
16 Was there an uptick, and did people come to
17 see Flutie's Band.

18 MS. COLLINS: They did. I think
19 most were friends of Flutie's. Any other
20 questions for me? All right. So Eli's going
21 to go over our Q2 project.

22 MR. HUARD: So our final slide,
23 we're going to wrap it up here with what we
24 kind of accomplished in Q2, and some things

1 that we're going to highlight in Q3.

2 We had a fairly substantial sized
3 video poker sign installed in the property in
4 the -- in the back, over by the -- to the left
5 of Revolution Lounge to highlight our video
6 poker area. It's a large sign that hangs on
7 the wall. Installation went in on the 8th of
8 this month. It was done by Matriarch, who was
9 another women-owned business. The sign is
10 going to, hopefully, draw some more attention
11 to that area as a focal point. Kind of
12 matches the mirrors, the decor of the casino
13 floor, and has some LED lighting in it that
14 can change, along with the signs at the
15 Revolutionary Lunge as well, so it really ties
16 in nicely to the property. You can't miss it
17 when you walk in the door, and it looks great.

18 Some capital improvements that we
19 did on the racing side, we completed the
20 paddock and barn renovations that were started
21 in Q1, and we also installed a high-definition
22 video tote board on the facing side as well.
23 It's really great, if want to catch a Red Sox
24 game on the off-racing days, it's nice, very

1 large screen.

2 COMMISSIONER CAMERON: Do you play
3 them out there? Do you put the games on?

4 MR. HUARD: Sometimes. When we're
5 not racing, or when there's not simulcast
6 going on, if there's a game that's of
7 interest, yeah, can be played out there.

8 COMMISSIONER CAMERON: Those are
9 really nice improvements.

10 MR. HUARD: Yes. They're gorgeous
11 to the property. We're really happy to have
12 that -- have that completed. And coming up in
13 Q3, we're going to do some renovations in the
14 garage. There is currently no LED lighting in
15 the garage. We're going to upgrade that to
16 LED lighting, and we expected to see some
17 savings of \$6,000 a month starting in October
18 or so. We're working with a vendor who's
19 acting as a consultant for us, and we have
20 asked them -- we provided to them three or
21 four different vendors that are all diverse
22 vendors that are currently registered with the
23 Gaming Commission that can supply the
24 installers with the appropriate materials we

1 needed to complete the installation. So
2 that's going to be another big boost to those
3 different vendors.

4 COMMISSIONER CAMERON: Thank you.

5 MR. HUARD: Thank you.

6 CHAIRMAN CROSBY: Do you have a
7 process in place with Plainridge to monitor
8 the capital expenditure?

9 COMMISSIONER ZUNIGA: It's
10 forthcoming.

11 MS. BLUE: Are you talking about
12 their capital expenditures required by
13 statute?

14 CHAIRMAN CROSBY: Right.

15 MS. BLUE: We are discussing that
16 with them, currently.

17 CHAIRMAN CROSBY: Because I just was
18 making sure you keep track of your capital
19 expenditures, because that's got to fit into
20 the mix.

21 COMMISSIONER ZUNIGA: A couple of
22 discount accounts.

23 CHAIRMAN CROSBY: Okay. Great.
24 Anything else?

1 MR. HUARD: We're done. Thank you
2 very much.

3 CHAIRMAN CROSBY: Great. Thank you
4 very much.

5 COMMISSIONER CAMERON: Thank you.
6 Good work.

7 COMMISSIONER ZUNIGA: Thank you.

8 MR. THOMA: Thank you.

9 CHAIRMAN CROSBY: Yep. That was a
10 good month -- that was a good month in July.
11 Okay. We are done with the ombudsman report,
12 I believe. The next up is the IEB. Why don't
13 we come back at 1:30, and we will pick up Item
14 No. 6.

15
16 (A recess was taken)

17
18 CHAIRMAN CROSBY: All right. We are
19 ready to reconvene. Are you folks ready,
20 Karen?

21 MS. WELLS: Yes, sir.

22 CHAIRMAN CROSBY: Okay. We are to
23 Item No. 6, which is Director Wells, the IEB.

24 MS. WELLS: Mr. Chairman, I think it

1 would make sense to just switch it up a little
2 bit in the order of things and have Chief of
3 Horsemen Counsel, Loretta Lillios, do the Wynn
4 key gaming executive licenses and the MGM
5 qualifier suitability determinations. Those
6 are quick, and then we can get into a
7 substantive discussion.

8 CHAIRMAN CROSBY: Okay. Fine.

9 MS. LILLIOS: Good afternoon,
10 Commissioners. We have the applications of
11 three individuals before you this morning, who
12 have applied for licensure as key executive
13 gaming employees. All three of them are
14 currently working under temporary licenses for
15 Wynn Mass, and all three of them submitted the
16 required forms and supplemental documents as
17 requested by the IEB, and the investigators
18 conducted the rigorous background checks that
19 are protocol for key gaming executives under
20 the governing statutes and statute
21 regulations.

22 The first is Mr. Douglas Neithold,
23 and he was hired with Wynn Mass in April of
24 2015 as its director of casino finance. He

1 has been working in finance and marketing
2 positions for casinos since 1980, when he
3 started as an accountant for The Great Bay
4 Hotel and Casino in Atlantic City, up until
5 his most recent position before joining
6 Wynn Mass as Senior VP of Finance and
7 Administration for Sands in Bethlehem,
8 Pennsylvania. He received a master's in
9 accounting from Temple University, and he was
10 interviewed in person by the IEB state police
11 and financial investigators as part of the
12 background protocol. The investigators also
13 conducted a financial suitability evaluation
14 for financial responsibility, integrity and
15 background with positive results.

16 Mr. Neithold disclosed, in his
17 application, that he has been licensed as a
18 key gaming employee in Pennsylvania and
19 New Jersey, and the investigators verified
20 those licenses. No derogatory information was
21 reported by those jurisdictions. During the
22 course of the investigation, no significant
23 issues were uncovered related to his
24 application for licensure, and the IEB

1 believes that he has demonstrated, by clear
2 and convincing evidence, that he's suitable
3 for approval by you as a key gaming employee
4 executive.

5 I can roll right into the other two
6 and you can vote at the end, if that sounds
7 appropriate.

8 COMMISSIONER CAMERON: Does anyone
9 have any questions on it?

10 CHAIRMAN CROSBY: Fine.

11 MS. LILLIOS: The next is
12 Mr. Gregory Dauenhauer. And he is working as
13 a vice president and chief information officer
14 of information technology for Wynn Mass. He
15 was hired by Wynn Mass in June of 2015. He's
16 worked in information technology in the casino
17 environment for decades, holding management-
18 and director-level IT positions in a number of
19 casinos, both domestically and
20 internationally. He attended the University
21 of Nevada, where he was awarded a bachelor of
22 arts degree in psychology.

23 He also was interviewed in person by
24 state police and financial investigators, and

1 the investigators also conducted all the
2 requisite suitability aspects of the
3 evaluation process. He disclosed that he has
4 been licensed or registered to participate in
5 some form of gaming in four jurisdictions, and
6 we did confirm licenses or registrations in
7 Nevada, Louisiana and Singapore. Although all
8 of them are currently expired or inactive, all
9 jurisdictions reported no derogatory
10 information. And during the course of his
11 investigation, no significant issues were
12 uncovered related to his application, and he
13 is also being recommended for approval for
14 licensure as a key gaming executive.

15 Are there questions about
16 Mr. Dauenhauer?

17 COMMISSIONER CAMERON: I just have a
18 generic question. When we check with other
19 jurisdictions, are they all forthcoming with
20 information, or is it -- in my experience is
21 that some are more cooperative than others
22 when it comes to this. Is --

23 MS. LILLIOS: We typically have
24 success getting responses through written

1 correspondence, but if there are indicators of
2 anything worthy of discussion, those
3 discussions usually take place over the
4 telephone. So we've had good luck in getting
5 responses from other jurisdictions.

6 COMMISSIONER CAMERON: In other
7 countries as well?

8 MS. LILLIOS: In this instance, we
9 did get a response from Singapore. But you're
10 correct, if what you're asking is, we usually
11 focus domestically because we get a more
12 robust -- regulatory scheme is more similar to
13 ours, so it's more meaningful to us to inquire
14 domestically, and that's usually what we do.

15 COMMISSIONER CAMERON: Thank you.

16 MS. LILLIOS: The third Wynn
17 executive is Mr. Michael Carrazza. And he --
18 his key executive application's also before
19 you for a vote. His employment with Wynn Mass
20 began in September of 2015, and he holds the
21 position of director of compliance and
22 corporate investigations.

23 He also was subject to the rigorous
24 background review, including an in-person

1 interview of him by state police and financial
2 investigators. Mr. Carrazza has worked for
3 the Boston office of the FBI for over 25
4 years, until he retired from the FBI in 2015.
5 At the FBI, he worked as a financial analyst,
6 as a special agent, and ultimately as a
7 supervisory special agent.

8 He received a bachelor's degree in
9 business administration from Sienna College in
10 New York. His position with Wynn Mass is his
11 first position in the gaming field. And, as
12 such, he has not been licensed by any other
13 gaming jurisdictions. Because he has been
14 involved in law enforcement locally,
15 investigators from the IEB know his
16 reputation, which is excellent. No
17 significant issues or concerns were revealed
18 during the investigation, and the IEB
19 recommends him for licensure, as well as a key
20 gaming executive employee.

21 So if there are no questions about
22 the three of them, we would have for to you
23 vote on each of them for licensure.

24 CHAIRMAN CROSBY: Questions, anybody

1 else?

2 COMMISSIONER CAMERON: Claim
3 investigations with all three, well done,
4 well-prepared. Certainly, I would make a
5 motion that we approve all three Wynn
6 employees.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER ZUNIGA: Second.

9 CHAIRMAN CROSBY: Further
10 discussion? All in favor? Aye.

11 COMMISSIONER MACDONALD: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 CHAIRMAN CROSBY: Opposed? The ayes
16 have it unanimously.

17 MS. LILLIOS: Also before you today
18 is the suitability of two MGM qualifiers,
19 Mr. Jorge Perez and Mr. Theodore Whiting.
20 Background reviews were also conducted on both
21 of them, and they, likewise, supplied all of
22 the requested information and participated in
23 interviews.

24 Mr. Theodore Whiting has been deemed

1 a qualifier for MGM, due to his position as
2 vice president of corporate surveillance for
3 MGM Resorts International. MGM Resorts
4 International is the parent company of our
5 Massachusetts MGM licensee.

6 Mr. Whiting was promoted to his
7 current position in April of 2015. He's a
8 qualifier for the first time, as a result of
9 this promotion. He has a 20-plus year career
10 with MGM, starting out as cage cashier, and
11 then as director of surveillance for
12 The Mirage, and then the Aria before his
13 recent promotion to VP of corporate
14 surveillance.

15 He was interviewed by state police
16 -- state police and financial investigators.
17 And both myself and Detective Lieutenant
18 Brian Connors have also had the opportunity to
19 meet with him as well.

20 The investigation confirmed that he
21 is licensed in Nevada and Maryland, with his
22 licenses in good standing and no derogatory
23 information revealed.

24 The financial review of Mr. Whiting

1 has confirmed that he entered into a
2 entrepreneurial adventure that struggled
3 during the economic downturn. Despite this,
4 he has met and continues to meet his financial
5 obligations, he has a positive net worth, and
6 he is meeting, has met and continues to have
7 the ability to meet his debt obligations. The
8 IEB is recommending a finding of suitability
9 for Mr. Whiting. Any questions about
10 Mr. Whiting?

11 COMMISSIONER CAMERON: Apparent from
12 reading the report, that there were, as you
13 mentioned, some financial issues that arose,
14 certainly, due to his -- probably -- his other
15 business. Typically, a in-face interview will
16 reveal the information needed to really assess
17 a situation like that. From reading the
18 report, and I know you had you met this
19 individual personally, responses were honest,
20 and you had an opportunity to assess
21 credibility?

22 MS. LILLIOS: That's correct. And
23 he was, at all turns, completely forthcoming
24 with information, offering information. And

1 as I indicated, despite a lack of success in
2 his entrepreneurial adventure, he has
3 continued to meet his financial obligations,
4 so the recommendation stands.

5 COMMISSIONER CAMERON: Thank you.

6 MS. LILLIOS: And Mr. Jorge Perez is
7 a qualifier for MGM by virtue of his position
8 as a senior VP and chief financial officer of
9 MGM Resorts Regional Operations, LLC.

10 MGM Resorts operations is based in
11 Maryland, and it was established in 2014 to
12 coordinate and provide management services to
13 MGM's casinos in Maryland, Michigan,
14 Mississippi and MGM Springfield,
15 Massachusetts.

16 Mr. Perez was awarded a bachelor
17 degree in managerial studies from
18 Rice University, and a master's of business
19 administration from the University of Nevada.
20 He has been working in the casino industry
21 since the mid-1990s, working his way up from a
22 position as the accounts receivable, accounts
23 payable clerk at Treasure Island in Las Vegas,
24 to positions as senior staff accountant,

1 general ledger accounting manager, assistant
2 hotel controller, hotel controller, director
3 of finance, VP and CFO, and to his current
4 position as senior VP and CFO.

5 The investigation confirmed that
6 he's licensed in three jurisdictions, Michigan
7 Mississippi and Maryland, and that his
8 licenses there are all in good standing with
9 no derogatory information reporting from any
10 of those jurisdictions.

11 I have met with him and communicated
12 with him on multiple occasion, and have always
13 found him to be reliable, helpful and
14 informative. No significant issues were
15 uncovered in the investigation, and the IEB
16 has no concerns about his suitability.

17 And if there are questions about
18 Mr. Perez and -- and if not, I ask for votes
19 on the two MGM qualifiers' suitability.

20 COMMISSIONER MACDONALD: Well, just
21 a comment that the -- Mr. Perez's career has
22 been impressive. Starting in the cage and all
23 the way to senior VP.

24 MS. LILLIOS: Agreed.

1 COMMISSIONER STEBBINS: As usual, a
2 good level of detail information throughout
3 the report. Mr. Chairman, I move that the
4 Commission approve Theodore Whiting and
5 Jorge Perez as individual qualifiers for
6 MGM Resorts.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER MACDONALD: Second.

9 CHAIRMAN CROSBY: Further
10 discussion? All in favor? Aye.

11 COMMISSIONER MACDONALD: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 CHAIRMAN CROSBY: Opposed? The ayes
16 have it unanimously.

17 MS. LILLIOS: And thank you. And
18 I'd also like to thank Lieutenant
19 Kevin Condon, troopers Dean Cerullo and
20 Kevin Kennedy, and the financial investigator,
21 Ed Jay, for conducting these investigations.

22 CHAIRMAN CROSBY: Thanks, folks.

23 COMMISSIONER CAMERON: Thank you.

24 Good work.

1 COMMISSIONER STEBBINS: Nice job.

2 MS. WELLS: Okay. So the next item
3 on the agenda, Mr. Chair and members of the
4 Commission, is the review of the proposed
5 regulation changes into -- in 134 CMR 134, and
6 those are in your packet. These proposals are
7 based upon our own internal experience. So
8 this is a package for the Commission. You
9 know, as we have gone through the opening of a
10 casino, we have our own experiences, we've got
11 input from our licensees and other
12 stakeholders, and also review of best
13 practices in jurisdictions.

14 This is also a package, which we
15 looked at mindful of the fact that we have got
16 to be ready to open these two big casinos in
17 2018 and 2019. So we're looking for
18 efficiencies. We're looking to do things
19 better, streamline things, and just make the
20 most of -- of the resources that we have. So
21 that's sort of the mentality as to this
22 package of -- of regulatory changes before the
23 Commission.

24 You know, all our efforts are -- all

1 are efforts are ongoing. You know, we have a
2 conversation with Commissioner Stebbins, you
3 know, there's another, sort of, emergency,
4 what do you do if a vendor needs to register
5 in a emergency fashion?

6 So there's going to be other things
7 down the road so it's not as if this is the
8 be-all and end-all forever, but the -- but
9 this is, sort of, the package based on our
10 experiences that -- sort of, that
11 Edmunds-based data-driven, you know, analysis.
12 This is what we're presenting to the
13 Commission. These are things that are going
14 to help us, and we think these are things that
15 can be efficient when we have to open those
16 big casinos. So that's, sort of, the overview
17 of what we're looking at here.

18 COMMISSIONER CAMERON: And I know
19 you mentioned you had conversations with our
20 licensees as well?

21 MS. WELLS: Yep. Yes, yes.

22 COMMISSIONER CAMERON: And some of
23 this work, one or more, may have suggested; is
24 that accurate?

1 MS. WELLS: Correct. So, for
2 example, the -- the recommendation on the
3 de minimus exemption, that came, you know, as
4 a directed, insisted recommendation from MGM.

5 So, you know, there's input from the
6 -- from the casinos, and we talked to them,
7 made sure that, you know, our minds are open.
8 If they've any suggestions, we, you know, are
9 open to that.

10 So what I'm going to do, if it's
11 agreeable with the Commission, is, instead of,
12 sort of, going in a chronological order, I've
13 sort of grouped them in categories,
14 efficiencies and best allocation of resources.
15 I would then have Loretta Lillios talk about
16 the ones involving process, and then
17 Director Connelly talk about the ones that
18 are, sort of, that clarification and cleanup,
19 and will mention, sort of, the highlights of
20 all that's in the packet. There are certain
21 other little minor, technical corrections
22 you'll see through the packet. We won't
23 highlight all of those because they're in the
24 packet and they are redlined, but just so the

1 Commission is aware, that's what's in there.

2 Does that make sense? Is that agreeable?

3 COMMISSIONER CAMERON: Yes.

4 MS. WELLS: Okay. So the first one,
5 I'll direct your attention to page 26 in your
6 packet. This is the 134.081C. What we're
7 asking for, in this case, is really a
8 requirement that a casino certify that there's
9 a potential ongoing business relationship with
10 the registrant before they register. And what
11 we're looking to -- the issue we're looking to
12 address by this reg change is, we found that
13 not having this requirement, which we have for
14 employees, is a potential drain on our
15 resources where -- whereby there are
16 potential -- or there are registrants, vendor
17 registrants, who are not doing business with
18 the casino, may never do business with the
19 casino, and we're spending time and effort on
20 those applications.

21 So the proposal would require the
22 casino to establish a good-faith basis that
23 they're going do business with this nongaming
24 vendor registrant. It doesn't mean that they

1 have to have a signed contract. You know,
2 we're looking just for a good-faith so we can
3 really ensure that -- that we are spending our
4 time doing the licensing processing and the
5 investigations on vendors that are actually
6 going to do business, especially, as we're
7 opening.

8 It may be, in a few years, after the
9 casinos are open and things settle down, you
10 may want to revisit this. And whether or not,
11 at that point, you want to open it up, I would
12 leave that to the discretion of the Commission
13 at that time. But as far as planning for the
14 next few years, it's our recommendation that
15 this is a good idea. We also, in talking to
16 other jurisdictions, for example, Michigan,
17 they insisted that this -- this was something
18 that we definitely wanted to do.

19 COMMISSIONER STEBBINS: I think this
20 is -- from my viewpoint, it's a good solution.
21 I've kind of gone back and forth thinking,
22 okay, if I'm a small business, do I have a
23 better opportunity if I can go into a meeting
24 with a licensee and say, hey, look, I'm

1 already registered? I'm good to go. You
2 should pick me. But when you think of what
3 the queue would be for businesses lining up to
4 do -- to work with these two big projects,
5 I've come around the idea that I think is a
6 workable solution. It has us being responsive
7 to our licensees. It has our licensees
8 understanding our constraints and use of
9 resources. At the end of day, everybody comes
10 out being in a better position when they're
11 ready to open their doors.

12 COMMISSIONER ZUNIGA: I think it's a
13 very good recommendation. I'm just curious,
14 what -- what might be that good-faith
15 junction --

16 MS. WELLS: Well --

17 COMMISSIONER ZUNIGA: -- when -- let
18 me --

19 MS. WELLS: That's a good question.

20 COMMISSIONER ZUNIGA: Could it be an
21 instance in which they would be invited to
22 bid, or they've received bids, or they've gone
23 to third bidder, you know, and become, you
24 know, listed in the big database of local

1 businesses that they're going to be -- what is
2 the thinking, I'm curious?

3 MS. WELLS: Yeah. So we've
4 discussed that internally. And
5 Director Connelly may -- may want to chime in
6 here, because he's had conversation with the
7 -- you know, it's, sort of, the business side
8 of the house.

9 I think that -- I think it would be
10 more than just you've been to a fair, and it
11 would -- but you wouldn't necessarily have to
12 have the contract. So I think that it's --
13 it's almost like that reasonable likelihood
14 standard. That it's reasonable to believe
15 that you're actually going to do business.
16 And what wire thinking, as far as going
17 forward in the -- you know, future with the
18 LMS system, is similar to how the -- we have
19 an automated process by which, in that system,
20 the casino would be able to certify that
21 someone has a job offer. You don't have to
22 send the letter. There would just be an
23 electronic. We would have that kind of
24 electronic.

1 So I think we'd have to -- and I'd
2 want to communicate with the licensees as to
3 what makes sense for them. And then, the
4 director of licensing would, sort of, set that
5 up. And how they would certify that in the
6 form, and then the LMS form would -- we'd set
7 that up. So I don't know if you have any
8 other thoughts on that.

9 MR. CONNELLY: Sure. I think -- I
10 think what you characterize,
11 Commissioner Zuniga, is very close to what
12 we're talking about.

13 We've been working, and you'll see
14 both in the recommendations here, as well as
15 the emergency regulation that you promulgated
16 last meeting, we're taking away the
17 fingerprinting. We're trying to move towards
18 an environment where, particularly for vendor
19 registration, it's almost -- I'd say, it's
20 after the fact, in the sense that there's a
21 business relationship that begins. At which
22 point, there'd be that good-faith
23 relationship. Yes, we intend to do business.
24 We haven't signed the contract, but we're in

1 negotiations.

2 So start that -- we'd like -- we'd
3 like the casinos to start that process and
4 then send them to us for registration. So
5 that registration is not the first hurdle to
6 start talking to the casino. Because,
7 obviously, we'd like these businesses,
8 particularly the small ones, to aggressively
9 market themselves on, you know, all kinds of
10 factors, not the least of which is that we're
11 registered. They want to talk about price and
12 the quality of service, and goods they might
13 be able to provide.

14 So once they kind of get that
15 engagement and the gaming establishment is --
16 starts to think that they're open to engaging
17 in business, I think that would satisfy the
18 good-faith -- the good-faith relationship, or
19 the good-faith prospect that you'll do
20 business.

21 And as Director Wells said, you'll
22 see -- I don't want to jump ahead of
23 ourselves, but it talks about the manner
24 prescribed by the division of licensing. One

1 of the themes throughout these regulations is
2 that, there's many pieces that kind of tie
3 together. And as Director Wells mentioned,
4 that aspect -- and I'll get to it later in --
5 in my section, so I'm kind of jumping the gun
6 here.

7 MS. WELLS: Yeah, a little bit.

8 MR. CONNELLY: But with LMS and
9 where we're thinking of in the future, trying
10 to be as flexible and kind of regulation of
11 the speed of business, right, so that the --
12 this can happen, kind of, automatically
13 seamlessly, behind the scenes, where the
14 casino would see that a vendor had submitted
15 an application and they would advance it
16 through the system, through, literally, the
17 push of a button, so that they would say, yes,
18 these are the ones that we intend, you know,
19 to do business with. Then that queue would be
20 seated to us with, frankly, vendors that are,
21 you know, most of the way there, if not all of
22 the way there, in terms of likelihood. So
23 we're allocating our resources, really, on
24 those vendors that are going to do business.

1 COMMISSIONER ZUNIGA: Right. So
2 that proof could be as straightforward -- I
3 don't want to call it simple, but as
4 straightforward as yet click a bottom --
5 button. This --

6 MR. CONNELLY: Exactly.

7 COMMISSIONER ZUNIGA: We have that
8 intention.

9 MR. CONNELLY: And in the
10 meantime --

11 COMMISSIONER ZUNIGA: Whether it
12 comes to fruition or not.

13 MR. CONNELLY: Right. And in the
14 meantime, our intention is entirely to make it
15 as simple as possible, a, you know, one-page,
16 very simple form to send with the application
17 so that it really builds on the relationship
18 that we have with the gaming establishments.

19 For example, with Eli Huard in
20 Plainridge, I mean, there's constant
21 communication about his pipeline and who he's
22 thinking about. So it kind of codifies what
23 we're already doing. We have a sense of who's
24 coming down the pipeline. This will just kind

1 of create a paper trail and let's us lean on
2 the regs.

3 So if we're getting flooded with
4 vendors that are kind of coming from really
5 prospective, you know, we're just trying
6 standpoint and we can't handle it from a
7 research perspective, we can say, look, we
8 need that piece of paper from the casino, or
9 that authorization electronically from the
10 casino, before we're going to move your
11 application forward.

12 COMMISSIONER ZUNIGA: But it applies
13 to everybody, including nongaming vendors,
14 right, on any level of -- of activity.

15 MR. CONNELLY: That's correct, yep.
16 And we already see that with primaries. It
17 really -- it's kind of -- reflects the same
18 thing there, where the primaries contact us
19 when they started to initiate a relationship
20 with a gaming establishment and we initiate a
21 scoping-of-licensing discussion with them. So
22 it -- in a certain way, you can say it is
23 analogous to that.

24 CHAIRMAN CROSBY: Would -- go ahead.

1 COMMISSIONER CAMERON: So two
2 separate efficiencies, right? One would be
3 utilizing resources wisely, and the second is
4 the efficiency of the LMS system, which is
5 moving along?

6 MR. CONNELLY: Right. That's
7 correct.

8 COMMISSIONER CAMERON: Yes.

9 CHAIRMAN CROSBY: It sounds totally
10 reasonable. It sounds totally reasonable.
11 Was there any push back from -- from
12 licensees? Is there any --

13 MS. WELLS: Not really. You know, I
14 think that -- I think the licensees are
15 interested in us being efficient, because when
16 they're preparing for opening, they don't want
17 to wait, you know. They've got someone in the
18 pipeline and they're waiting, they don't want
19 to wait to be able to get that person moving
20 or work with that vendor. So for them, for us
21 to be efficient with our resources and moving
22 is a good thing.

23 CHAIRMAN CROSBY: Yeah. I said it
24 sounds reasonable. I just want to make sure

1 that there wasn't something I missing that you
2 guys had some issue with it.

3 MS. WELLS: Okay. So the next --
4 the next proposal, 134.4, this is an
5 administrative closure, addition of a
6 regulation. And this proposal, it really
7 provides an efficient formal process for
8 closing out a license application.

9 COMMISSIONER CAMERON: Director,
10 what page are you on?

11 MS. WELLS: Oh, on -- pardon me.
12 Thirty-three, page 33. Closing out a license
13 application for nonresponsiveness by the
14 applicant. You know, particularly when we're
15 faced with a large volume of the applicants,
16 when the Category 1 casinos open up, it'll be
17 important for us not to waste resources
18 chasing down folks that are negligent about
19 providing information back to the Commission.
20 And this -- you know, we already have the
21 ability to deny a license for
22 nonresponsiveness, but this is, sort of, a
23 less-Draconian measure. It basically -- you
24 can close out the application, the

1 investigator can put it -- close it out, and
2 then the applicant would then have, sort of, a
3 30-day period before they can reapply again.

4 So there is some teeth to the fact
5 that, you know, we're saying, if -- we need
6 this information by a certain date. If you
7 are not responsive, you may your application
8 may be administratively closed.

9 So this would just be a very big
10 help to us, particularly, when we've got a
11 large volume in a short period of time so we
12 can prioritize it in a formal process. I also
13 think, having this we can notify the
14 applicant. We have the ability to close this
15 out, so if you don't respond in this amount of
16 time, we will close it out. Sometimes, when
17 you set a deadline, people meet the deadline.
18 So that, I think, will also help people move
19 along and get the information to us.

20 COMMISSIONER STEBBINS: I like this
21 idea as well. Is there -- because we don't
22 want to set somebody up as just being --
23 slapped with a denial --

24 MS. WELLS: Correct.

1 COMMISSIONER STEBBINS: -- just
2 because they decided not to go ahead with the
3 application for whatever reason. Is this tied
4 the previous requirement, that if they were to
5 ask for their application to be reopened that
6 it would -- also ties back into having a
7 business relationship?

8 MS. WELLS: Well, this is for --
9 well --

10 CHAIRMAN CROSBY: Its employees.

11 MS. WELLS: I think it applies more
12 to employees.

13 COMMISSIONER STEBBINS: Well, it's
14 for vendors too.

15 MS. WELLS: But I guess it does
16 apply to vendors as well. That's a good
17 point. Yeah, so it would tie in.

18 COMMISSIONER STEBBINS: Okay.

19 COMMISSIONER CAMERON: And I've
20 heard frustration, right so --

21 MS. WELLS: Oh, yeah.

22 COMMISSIONER CAMERON: This gives
23 you a little bit -- a little bit of a stick to
24 assist with that.

1 MS. WELLS: Correct.

2 COMMISSIONER ZUNIGA: But the 14
3 days, or 30 in the case of a vendor, are only
4 triggered, if they're not responsive to
5 additional request for information, right?

6 MS. WELLS: Correct.

7 COMMISSIONER ZUNIGA: Because you
8 have the ability, and I think you should
9 retain it, to extend that to manage your
10 workflow and your pipeline. An depending on
11 the need that you ascertain from applicants,
12 from licensees, put somebody on the back
13 burner and speed up others, for example.

14 MS. WELLS: Right. So it gives --
15 these have discretion whether to use this or
16 not.

17 COMMISSIONER ZUNIGA: Yes.

18 MS. WELLS: You know, there may be
19 reasonable -- you know, someone -- we find out
20 anecdotally someone's on vacation, you know,
21 we're not going to close out their
22 application.

23 COMMISSIONER ZUNIGA: No, no. I
24 meant, if you need to take longer than 30

1 days, let's say, but you're not triggering
2 anything --

3 MS. WELLS: Correct.

4 COMMISSIONER ZUNIGA: -- in your
5 investigation, because you have not requested
6 additional information.

7 MS. WELLS: Correct.

8 COMMISSIONER ZUNIGA: So there's no
9 closure of those that take you longer.

10 MS. WELLS: No, no.

11 COMMISSIONER ZUNIGA: If they are
12 not --

13 MS. WELLS: You are correct.

14 COMMISSIONER ZUNIGA: Thank you.

15 MS. WELLS: You are correct. So are
16 there any questions on that?

17 COMMISSIONER ZUNIGA: No. That
18 looks -- that looks very perfect.

19 MS. WELLS: Okay. So the next is on
20 -- if you look at page five and page six, so
21 this -- this proposal really modifies the
22 existing regulatory language, emphasize the
23 statutory discretion that IEB and licensing
24 has in designating a nongaming vendor as a

1 gaming vendor secondary.

2 So as you may recall, a gaming
3 vendor secondary is -- is a regulatory
4 construct the Commission came up with.
5 Instead of just designating them all as the
6 gaming vendor, a gaming vendor, they
7 delineated primary gaming vendor and gaming
8 vendor secondary. So what with he did in the
9 proposed language, is we put together, you
10 know, sort of in practice what we're looking
11 at, and we're looking for some feedback from
12 the Commission on the -- a nonexhausted list
13 of factors for licensing and IEB to take into
14 consideration, when we make the determination
15 whether or not to have a nongaming vendor rise
16 to that secondary level for a more in-depth
17 investigation.

18 So I think that, you know, some
19 feedback from the Commissioners on what types
20 of vendors that that nongaming vendor, once
21 that hit that threshold, that's the trigger
22 that they may be designated as a secondary.
23 And we're looking, you know, to see if you're
24 supportive of the language that we propose

1 about looking at these factors and, sort of --
2 you know, I'd be curious which factors really
3 stand out for you as the strong factors that
4 we really should consider, when we're making a
5 determination to do that higher level of
6 investigation.

7 So the -- the net effect of having
8 this and getting some feedback, is that, it
9 would allow the IEB investigators to focus on
10 those investigations that the Commission finds
11 critical to that level of in-depth review. So
12 which vendors do you want us to really take a
13 look at?

14 One, you know, topic to, sort of,
15 start off the conversation, I think would be
16 differentiating between vendors at that
17 preopening stage, and then vendors at that
18 postopening stage. We've got a lot of
19 vendors, particularly now with MGM, and with
20 Wynn, that are at -- during that construction
21 phase. Now, you know, the construction
22 companies, we've already designated them as a
23 secondary, because there's so much money,
24 there's so many contractors, such a big

1 project, I think that's completely
2 appropriate. But there are other vendors at
3 -- in the construction phase and, you know,
4 looking at these factors, they may or may not
5 need to be designated as secondary vendor,
6 because once the casino opens they won't be
7 involved in the casino process anymore.

8 So I'm curious, you know, just to
9 get some feedback, A, if you're supportive of
10 the language and doing it this way, just any
11 sort of weight that the Commission would give
12 to those factors will be helpful, because when
13 we sit around, around the table, and we have a
14 team approach to making these determination,
15 we get feedback and we hear other opinions,
16 and we get data from the licensing division,
17 it's helpful to sort of -- for me, in the
18 ultimate decision, to think about, well, what
19 did the Commission say, and what's the
20 Commission's directive about this? So that's
21 what I'm, sort of, looking for here today,
22 from -- from the members here.

23 COMMISSIONER ZUNIGA: I have a
24 couple thoughts.

1 MS. WELLS: Yeah.

2 COMMISSIONER ZUNIGA: I think -- I
3 think you're thinking about it -- thinking
4 about it in a preconstruction, or during
5 construction and after is very appropriate.
6 And, perhaps, what I'm thinking about is more
7 on the operations side, but it could obviously
8 apply.

9 My thought is that, if after,
10 relative to the type of service, a good or
11 service, has to be considered. And what I'm
12 thinking about is, if they service being
13 delivered is such that it's very specialized,
14 there's very few companies around that -- or
15 that can provide the service, it could be a
16 consulting, it could be highly technical, that
17 brings an additional level of risk to the --
18 to the casino that may be worth of, sort of,
19 considering, you know, do we need to take an
20 extra look? It could be pretty
21 straightforward. It could be, you know, a
22 very reputable, highly-specialized
23 organization. But the type of service, in my
24 mind, by itself, given the population of -- of

1 companies that may be servicing is an
2 additional level of regs.

3 If, on the contrary, it's -- you
4 know, people are providing commodities and you
5 could, you know, go to a distributor of office
6 supplies here and there, or over there, then,
7 to me, that's less -- less of a risk, just by
8 the mention of a service.

9 MS. WELLS: So what I hear you
10 saying is, that for those specialized goods or
11 services, if there's a problem and then
12 something happens, we haven't investigate --
13 there's a problem and say the company tanks
14 and something happens, and then they can't
15 easily replace it, that puts the casino and
16 their operations at risk?

17 COMMISSIONER ZUNIGA: Yes.

18 MS. WELLS: Is that correct?

19 COMMISSIONER ZUNIGA: Okay.

20 MS. WELLS: Okay. Is that, you
21 know, something that -- I guess there's a
22 body that --

23 COMMISSIONER ZUNIGA: It's a factor
24 that you could exercise at the discretion.

1 But if we're really just looking for what
2 factors to consider, I think of, you know, the
3 -- the power, the Monopoly, or an oligarchy
4 exercise over their, you know, suppliers or
5 vendors, you know, it just adds that initial
6 level of risk.

7 MS. WELLS: Yeah. That's the kind
8 -- that's the kind of thing that's helpful
9 here.

10 COMMISSIONER CAMERON: Well, and,
11 you know, in my brain, when I look at that
12 list, those two -- kinds of services that have
13 had organized crime backgrounds, certain
14 businesses that are listed there. But,
15 certainly, I would not -- you know, I
16 certainly have had many conversations with the
17 state police. They're very well aware of
18 which companies have had issues in this state,
19 so I certainly would judge -- would defer to
20 their knowledge of certain companies, and
21 knowing they would want to do a deeper dive,
22 if there is been any kind of a history. But
23 when I look at this list, and I think of
24 issues that occurred in the Atlantic City,

1 that's -- that's how I think of the list. But
2 I don't want to prejudge and I -- and I do --
3 you have the ability, at anytime, to change a
4 designation.

5 MS. WELLS: Yes, yes.

6 COMMISSIONER CAMERON: So that's the
7 comfort level I would have, if, in fact, one
8 of the companies would -- has had issues in
9 the past here in the Commonwealth.

10 MS. WELLS: Okay.

11 CHAIRMAN CROSBY: And that's not
12 really mentioned as a criteria. You do save
13 public safety as the last --

14 MS. WELLS: Yeah. I think that's
15 sort of our mentality, yeah.

16 CHAIRMAN CROSBY: Okay. Because I
17 agree with Commissioner Cameron, that an awful
18 lot of -- you're going to know -- there's
19 going to be a lot of knowledge out there, if
20 there's a company that might have a problem.
21 And I would want to rely very heavily on going
22 where we have some reason to think there might
23 be a problem, rather than -- you know, the
24 thing about the criticality of the player is

1 something that I would think companies
2 themselves would be sensitive to. They're
3 going to put their business at risk, you know,
4 I would think, so I'm not sure they're meaning
5 to take on that responsibility, but I get that
6 point.

7 But I care more about the plausible
8 plausibility that there might be a problem
9 than volume or frequency, or anything like
10 that. You know, if it's just a first-rate
11 company that does a lot of business, it's a
12 nongaming vendor that doesn't really both me.
13 But if it's -- if there's some knowledge that
14 the FBI or state police or whatever so -- it
15 all -- excuse me, go ahead.

16 COMMISSIONER ZUNIGA: Well, you
17 know, maybe we're -- I'm repeating myself a
18 little bit. What was, at least, historically,
19 you know, garbage collection, perhaps, an area
20 of risk, I view it also as -- of course,
21 important to know the intelligence work, et
22 cetera, but it's also -- it was an area of
23 risk because it was a monopoly, because
24 there -- you know, where he was because

1 there's not a lot of companies that will do,
2 you know, that kind of service, so it works --
3 anyway, you get my drift.

4 MS. WELLS: Okay.

5 CHAIRMAN CROSBY: It also sort of
6 relates to a related question that it would
7 increase the importance of this, is if we
8 reconsidered what we do for nongaming vendors
9 in general. As I read the statute, and this
10 is maybe one of the ones that's very
11 debatable, but if I read the statute, we're
12 really only required by law to register for
13 the period, and then collect -- goes on to
14 say, "and collect whatever other information
15 we deem appropriate", or words to that effect.

16 Now there's other clauses in this
17 mishmash of 15, 16, 30 and 31 that I think
18 that makes that debatable, and maybe that's
19 the debate we should have, but I want to put
20 on the table the thought -- and I don't have a
21 conclusion here at all, this is not a
22 rhetorical thought, but I think it's worth
23 thinking about whether we need to do much of
24 anything for nongaming vendors, which would

1 increase the importance of this clause, where
2 we have, sort of, you know, a discretion to
3 pick and choose, you know, judiciously, where
4 we were going to make them secondary, which
5 brings them into the investigation.

6 MS. WELLS: Right. Yeah.

7 COMMISSIONER ZUNIGA: Yeah, I agree
8 with that. I don't know what the best, you
9 know, forum is to think about that. I think
10 there's a parallel to registrants and the
11 individual side.

12 CHAIRMAN CROSBY: Right. And I want
13 to -- as to the form, I want to put some
14 thoughts on the table now. We won't resolve
15 them. One of the reasons, I want to make sure
16 that the licensees were listening in, because
17 I think these are -- these are issues that we
18 need to think about, and we will want not only
19 our own staff to think about and prepare, but
20 also to get feedback from our licensees and so
21 forth. So I think ideas that relate to these
22 topics that we want to consider further, let's
23 get them on the table now and we'll bring them
24 back and kind of think about.

1 MS. WELLS: Yeah. I guess we only
2 thought on that -- just to put on the table,
3 we don't -- we don't have to resolve it now,
4 is part of the comfort level and, sort of,
5 narrowing which vendors are considered
6 secondaries and not just having be an
7 automatic trigger, is that there's a comfort
8 level they already have some level of
9 investigation, so I'll just -- I'll just throw
10 that out there.

11 Part of -- you know, you're numbers
12 are going like this, but at least you have
13 sort of a -- if you have a baseline. And, you
14 know, what may be helpful too is, you know,
15 when the LMS is up and running, a lot of
16 systems are more automated, if the efficiency
17 is -- is so great that it's not very difficult
18 to do a quick -- you know, check on the
19 nongaming vendor, particularly, where the
20 Commission has now just changed the rule
21 on the -- on the fingerprint requirement,
22 we're just focusing on the company, it's much
23 easier, we can -- we can look at that as a
24 data point for analysis.

1 CHAIRMAN CROSBY: Right, because it
2 is -- right, and this is a cost benefit. It's
3 several things. One of them's a cost benefit.
4 There's also, sort of, the philosophy of
5 regulation, you know, which is -- we can talk
6 about. But on a cost benefit, is how much
7 time does it take, the energy does it take by
8 everybody versus for whatever benefit is. And
9 for sure, if the LMS is making it happen like
10 that with very little cost, then, you know,
11 that weighs, so I -- I agree that with that.

12 And I -- I would like also to know,
13 because these are in flux, I'm hearing around
14 the industry that this kind of an issue is
15 being rethought. I'd like to know what our
16 other brother and sister jurisdictions do on
17 registrants, while we're at it, and nongaming
18 vendors, you know, the other, four, five, six
19 jurisdictions that we kind of thing of
20 ourselves as kind of being comparable too
21 would be another data point.

22 COMMISSIONER ZUNIGA: You know, one
23 thought that -- that I had thought about, that
24 I think is relevant to mention here, is it

1 actually may apply less here, but perhaps in
2 other areas, but I'm -- as I'm reminded, what
3 we've done with some of these red line is
4 effectively covered by something that we've
5 already done in practice, which is delegate
6 quite a bit of discretion to you in the
7 determination of those --

8 MS. WELLS: Secondaries?

9 COMMISSIONER ZUNIGA: --
10 secondaries, et cetera. And the statute does
11 talk about the Commission. And, you know,
12 there's a case to be made that, you know,
13 there's a lot of -- a lot of that really means
14 the agency not --

15 MS. WELLS: Right.

16 COMMISSIONER ZUNIGA: -- not the
17 five of us. And -- but if we stuck with the
18 notion that it could apply, at least to the
19 Commission, I'd like to suggest that the
20 diversity that we bring, that we brought, is
21 something that we should try to also emulate
22 at the agency level.

23 And one thought that I had was to
24 codify, in regulation, the role of diversity

1 office, in terms of the consultation.

2 Jill Griffin brings a unique perspective in
3 terms of the, you know, burden, effort,
4 certification. And so, as we -- as we talk
5 about the division of licensing, which is
6 appropriately, you know, part of our gateway,
7 if you will, to this process, in consultation
8 with the IEB in the trenches of both the
9 investigation and the licensee, I would add in
10 consultation, or further consultation with --
11 with the likes of Director Griffin. And in
12 recognition that, you know, some of these
13 decisions are -- you know, should be thought
14 through in the same manner that you're
15 thinking them, but with perspectives from --
16 you know, from multiple places.

17 So I wanted -- I wanted to throw
18 that out there as -- you know, if it's in
19 consultation, you know, it should be -- it
20 could be something that we would all benefit
21 from.

22 COMMISSIONER CAMERON: Involved in a
23 licensing investigative decision?

24 COMMISSIONER ZUNIGA: No. Involving

1 a -- that when a gaming secondary -- a
2 nongaming vendor may -- may need to be done --
3 deep as a gaming vendor secondary, for
4 example.

5 COMMISSIONER CAMERON: I'm missing
6 how Jill would have any expertise in that
7 area.

8 COMMISSIONER ZUNIGA: Bringing -- I
9 thought I just said it. Bringing the
10 perspective of the kind of burden that -- that
11 reg -- becoming a secondary is, just having
12 somebody -- having her at the table of how
13 this determination affects the other goal that
14 we have, which is to -- to make sure that
15 there's a number diverse vendors, a multitude
16 of vendors, not just one, perhaps, or not just
17 a small group, trying to further the goal of,
18 you know, the local business, et cetera.

19 COMMISSIONER CAMERON: But that's
20 suggesting that -- and we probably need to do
21 this at a different time. I don't think this
22 is on the agenda, and I think we can probably
23 continue this at another time, this whole
24 conversation.

1 COMMISSIONER ZUNIGA: What is not on
2 the agenda?

3 COMMISSIONER CAMERON: Well, I think
4 we have now gone from looking at regulations
5 into a whole discussion on, you know,
6 appropriate changes to regulations, other
7 regulations that we're not talking about here
8 so I'm just --

9 COMMISSIONER ZUNIGA: No. I'm
10 talking about exactly 134.

11 CHAIRMAN CROSBY: It relates very
12 much to this.

13 COMMISSIONER ZUNIGA: It relates
14 very much to this issue. We're -- we've
15 delegated, effectively, you know, the
16 decision -- the determination of these issues
17 to we're delegating that down with these
18 changes. We're codifying them. I'm
19 suggesting that part of that perspective --
20 again, the division of license will continue
21 to make the decisions and the determinations.
22 I'm suggesting the consultation should be
23 brought, and, perhaps, with the help of the
24 supplier diversity levels.

1 COMMISSIONER MACDONALD: Let me ask
2 Enrique, you know, a scenario here on -- or
3 hypotheticals here, concern that since what's
4 being proposed here is a mechanism for
5 actually requiring a more detailed and
6 in-depth investigation of the -- of the
7 entity, and that, if I understand this right,
8 and correct me if I'm wrong, if what's being
9 focused on here is -- is a -- is an entity
10 that, at the outset, would only be required to
11 register?

12 MS. WELLS: Correct.

13 COMMISSIONER MACDONALD: But under
14 these circumstances because of various factors
15 that you've listed out here in this proposal,
16 that you're proposing that they be subjected
17 to a more a more detailed, multifactor,
18 essentially the licensing, the licensing
19 investigation?

20 MS. WELLS: Correct.

21 COMMISSIONER MACDONALD: So if
22 that's the case, it's the scenario you're
23 concerned about, Commissioner Zuniga, that --
24 that this may create, you know, a burden, an

1 unreasonable burden on a -- what's called a
2 minority business enterprise that is -- that
3 is just getting up to speed, if you will, as a
4 mature business, and that by imposing this
5 extra burden, that it might result in -- in
6 the exclusion of the minority business
7 enterprise, or the withdrawal of the minority
8 business enterprise --

9 COMMISSIONER ZUNIGA: It's one
10 scenario. I suppose, if, by the designation
11 that would -- that the division of licensing
12 is going to continue to start and continue to
13 do, there's going to be a -- a
14 precedent-setting number of these issues,
15 is -- is my guess.

16 We should, you know, this -- such
17 and such company now is, you know, doing
18 \$300,000 a year with their -- with the casino,
19 which is one of the thresholds. It could be,
20 I don't know, any number of services that do
21 not rise to the level of what is typically
22 licensed as a secondary or a primary vendor
23 elsewhere, and we've never done it.

24 But somebody with the perspective of

1 how many businesses are now going to be --
2 could provide those services? How many small
3 businesses or diverse businesses are out there
4 could qualify may have the unique perspective
5 of saying, you know, why don't we hold off
6 on -- even if they're hitting that threshold
7 right now, given the size of this -- of this
8 purchase, is it okay to hold off on the
9 designation because the level of risk is such
10 that -- and, by the way all, of this happens
11 in a collaborative consultation way.

12 I'm not saying that the
13 determination and the discretion is gone
14 from -- from licensing. I'm saying, could it
15 be done in a way that we also codify the role
16 of the -- of the office of supplier diversity.
17 For the other goals, which are spreading the
18 benefit of economic development to small
19 businesses, diverse businesses, Massachusetts
20 businesses, et cetera, et cetera.

21 COMMISSIONER CAMERON: I thought
22 Commissioner McDonald's question was
23 interesting, which was, is it a burden, or is
24 there a concern that if more scrutiny the

1 company would not measure up? Which -- do you
2 know --

3 COMMISSIONER ZUNIGA: No, no, no.

4 CHAIRMAN CROSBY: Well, could be --
5 could be either.

6 COMMISSIONER ZUNIGA: I'm more on
7 the burden side, and, you know, are we
8 diversifying enough? You know, it's -- it's a
9 perspective that I think we bring when we make
10 these kinds of decisions, that by delegating
11 down to the division of licensing I'd like to
12 think we preserve, if Jill was involved.
13 That's all I'm saying.

14 CHAIRMAN CROSBY: Right.

15 COMMISSIONER STEBBINS: I don't
16 necessarily disagree with the point you're
17 making. And there's a fine line that we're
18 walking here. I think, in terms of licensing
19 and the Bureau's responsibilities, and the
20 impact Jill could bring, because I think just
21 listening beyond our licensees we -- I think
22 we learned for a fact that fingerprinting was
23 kind of an unnecessary hurdle. Well, we
24 didn't hear that from the licensees. We heard

1 that from businesses that are like, I'm not
2 going to send my sales manager off to get
3 fingerprinted.

4 So it was some good advice, in terms
5 of how we looked at the regulations. But I
6 would suggest, instead of trying to figure out
7 language to put into these draft changes, that
8 maybe, if we want to come back and look at
9 some these other issues in a little bit more
10 detail, with your suggestion as an example,
11 that we kind of move along, just say, let's
12 set this change aside, we can move on to the
13 next one.

14 COMMISSIONER ZUNIGA: I have very
15 specific language that could be very
16 straightforward, where it says the division of
17 licensing, after consultation with the Bureau
18 and the supplier diversity office, may
19 designate a gaming vendor secondary, et
20 cetera, et cetera.

21 COMMISSIONER CAMERON: Have you
22 discussed this with IEB at all?

23 COMMISSIONER ZUNIGA: No. I'm doing
24 it now with everybody.

1 COMMISSIONER CAMERON: I am not in
2 favor of looking at anything new that's not
3 here and making a decision on that. I don't
4 think that's how we've ever done business.

5 COMMISSIONER ZUNIGA: I thought
6 that's the whole purpose of looking at draft
7 regulations.

8 COMMISSIONER CAMERON: No. I mean,
9 if I had a change, I think I would have
10 discussed it first. And that way, you know,
11 give -- give the team time to absorb that can
12 look at consequences of that. So it gets back
13 to my point that I just don't think we're
14 prepared to make those kinds of changes here
15 today. None of us have had to -- I'm still
16 not sure I totally understand your point, to
17 be honest, Commissioner.

18 CHAIRMAN CROSBY: We do amend things
19 all the time in -- you know, in realtime.
20 There have been amendments that have not been
21 discussed before. And if Commissioner Zuniga
22 wants to propose an amendment, he can, and,
23 you know, it'll either, you know, pass or not.

24 I do think that -- I think it's an

1 important point that we all know about because
2 we all wrestle with this, you know, there is
3 this tension that we've talked about many
4 times, between on the one hand of trying to
5 keep the system totally clean and efficient,
6 and perceived as being efficient on the one
7 hand, and on the other hand, make sure we
8 maximize the economic benefits and the
9 diversity of those benefits, and so forth and
10 so on.

11 And trying to figure out how to
12 levin this process -- I think -- I'm not sure
13 that I think this is the place to do it, you
14 know, because it -- you know, it's really kind
15 of a law enforcement decision as to whether --
16 or a regulatory decision as to whether or not
17 you should raise the level of scrutiny.
18 Whether they get kicked out or not at the end
19 of the day, maybe that should be informed by
20 somebody who knows something about, sort of,
21 the cultural issues that another small
22 business might be dealing with or something.

23 You know, and the conversation that
24 we -- that I've used before as an example,

1 when we were all deliberating on some guy who
2 had gotten in trouble at one of the tracks,
3 Commissioner Zuniga brought up the fact that
4 his -- he was Hispanic, from South America
5 somewhere, Central America, and Enrique talked
6 about the fact that he comes from a culture
7 where the police are very authoritarian, and
8 -- this guy spoke English paltingly as a
9 second language, and maybe we should be
10 sensitive to what -- how this guy might have
11 reacted to the cop in the environment. You
12 know, it was just a perspective that none of
13 the rest of us had, and it caused us to think
14 through how we treated that. So -- and I
15 think there might be a place that sets, sort
16 of, an example of that perspective.

17 I wouldn't be in favor of amending
18 this right now, because I'm not -- personally,
19 I don't know if I think it's the right place,
20 but I do think the point is a good one, and
21 it's something you've talked about, you know,
22 that you want to be sure that your particular
23 focus is -- you know, emphasis of economic
24 development and diversity and so forth, and

1 small business development are comp -- are
2 complemented in the -- in the licensing
3 process, and not in any way compromised by
4 the -- by the process. So I think there's a
5 place to think about this, and I think it's a
6 reasonable proposition. Personally, I'm not
7 sure I think it ought to be that one right
8 now.

9 COMMISSIONER ZUNIGA: Well, maybe
10 not here, and maybe not as I mention overly
11 simplistic. I do -- I do want to propose that
12 somewhere, whether it's a policy statement
13 even, or a preamble to our regulation, et
14 cetera, to, again, codify the role that I feel
15 is very important, and I know others agree, of
16 how, when we make these kinds of decisions
17 whether it's, you know, the forum, which I
18 know we're going to talk about at some other
19 time because there's a lot of language that
20 this is stricken out of this, that is now
21 going to be in the forum that we'll see later.
22 So this conversation is ongoing, really, as
23 far as I'm concerned. There is a perceptive
24 of, you know, supplier diversity and

1 development workforce development.

2 COMMISSIONER STEBBINS: I would
3 agree with that. I mean, one of the first
4 things I told Jill, when she started the job,
5 is that she and the director of licensing
6 would be married to each other, back when I
7 first said that but --

8 MR. CONNELLY: Our marriage is
9 strong.

10 CHAIRMAN CROSBY: Both of them.

11 COMMISSIONER STEBBINS: Yes. But,
12 you know, in terms of information sharing back
13 and forth, how they communicate information
14 out together about the licensing process, I
15 think to your point, to make it -- make it
16 easier to take all view points kind of into
17 consideration is important.

18 I mean, maybe I'm echoing the
19 chairman, but I think it involves, maybe, a
20 little bit more discussion and review, and to
21 have Jill at the table to try to figure out
22 what are the appropriate points where we can
23 reach out.

24 COMMISSIONER CAMERON: I think those

1 discussions are really important, and I know
2 they have been ongoing. And I'm not of the
3 opinion that our two goals are necessarily in
4 conflict. In fact, I have not seen any
5 evidence of that.

6 One, we have to -- very important,
7 the integrity of this new entity in
8 Massachusetts. That's critical. That's
9 critical. And, secondly, our commitment to
10 jobs and diversity critical. So I -- but I
11 don't see evidence that they're right now in
12 conflict. I just haven't seen that. So
13 that's, I guess, where I'm struggling with
14 making changes in a regulation where I see no
15 evidence of an issue.

16 COMMISSIONER ZUNIGA: I'm not
17 suggesting it's an issue. As I -- as I
18 started this, and maybe we should move on from
19 this, where the statute talks about the
20 Commission making those decisions, and, again,
21 it could have been this body, or it could have
22 been the agency, I'm thinking the same
23 diversity of perspectives that we bring, with
24 the diversity of backgrounds that is embedded

1 in who appoints what commissioner and what
2 sort of experience they have to bring is
3 something that we also preserve, that's the
4 same diversity of perspectives we also
5 preserve somehow by codifying, wherever it
6 fits, the role of diversity. That's all I'm
7 saying.

8 COMMISSIONER MACDONALD: Let me just
9 observe a couple of things. Number one, I'm
10 -- I totally support of Commissioner Zuniga's
11 last comment as to -- as to the importance of
12 weaving into almost all of our decisions and
13 consideration of the objective of increasing
14 diversity in the -- in the fair-sharing
15 economic development.

16 Second thing I want to observe is
17 more for the benefit of people who are
18 observing us, and wondering how come these
19 five people didn't talk about this beforehand?
20 The reality is that we are statutorily
21 forbidden to talk about substantive matters
22 relating to the business of the Commission,
23 except in an open meeting. And so, I think
24 that Commissioner Zuniga has done a real, you

1 know, service to us by -- by identifying this
2 as an issue.

3 I'm of the mind that it ought to be
4 it ought to be teed up for staff review and
5 further discussion as to -- as to where in the
6 fabric of our regulations these considerations
7 of institutional involvement of the access and
8 opportunity director be placed. I think that
9 makes sense.

10 MS. BLUE: Mr. Chairman, if I might,
11 maybe this is helpful. Just to kind of put in
12 perspective where we are in this process.
13 This is the first time you're seeing these
14 amendments. If you are comfortable at the end
15 of the day approving any or all of them, they
16 can move forward. If you have other things
17 you want to direct staff to take back and look
18 at stuff, and do that, come back to you again.

19 We have not started the promulgation
20 process so there is time for more stakeholder
21 comment, there's time for other comments. So,
22 certainly, if you have a question and you want
23 staff to go back and look at it, we can
24 obviously do that. There is room to do those

1 things.

2 COMMISSIONER ZUNIGA: Which is what
3 we've done in the past. We've often have,
4 actually, the dual, first initial, informal
5 comment. You know, at some period of time
6 there is initial discussion like this, and
7 then we have a revised draft that, that after
8 the second discussion, can begin the formal
9 process.

10 CHAIRMAN CROSBY: And I -- at the
11 end of this I think we will end up by saying,
12 okay, here's some stuff we want to do to
13 follow up. And I looked at this, as
14 Director Wells said, the IEB has, with general
15 counsel's office, has started the process,
16 have taken a look at our regs, now that we've
17 got some experience under our belt, and see
18 how they think they work, and to see how we
19 can maximize the efficiency of our resources,
20 streamline the process, make sure that we're
21 putting our priorities right in terms of
22 emphasis, and -- and they have made a
23 judgment, which Director Wells said is not the
24 end-all and be-all. There no doubt will be

1 other things. There are other things in the
2 IEB's consideration, but it starts the process
3 going, which I want to add to, which is to
4 bring other folks into that conversation to
5 see whether anybody else thinks there are
6 other regs in the licensing package that ought
7 to be looked at. And some tangential issues
8 of the -- that relate -- such as this one that
9 we all talked to.

10 So, I mean, I give great credit, I'm
11 really appreciative the IEB has done so much
12 work to try to take -- you know, take the
13 year-and-a-half that's gone by and figure out
14 what we can do better, and that's great.

15 Ultimately, as you say, it does come
16 to us. Now we got to rethink some decision
17 we've made too, in light of the
18 year-and-a-half that's gone by, policy
19 decisions as well as regs, which both of them
20 are our responsibility.

21 So when I throw out -- you know,
22 that you've raised the issue of the -- the
23 transitioning between nongaming vendors and
24 gaming vendors secondary, and I'm saying I

1 would even take that a step further, which is
2 let's think hard, and open-mindedly and
3 rigorously about whether we ought to do very
4 little of anything for nongaming vendors, and
5 what would that -- if you did that, what
6 impact would that have. But so there will
7 be -- and I'm sure there will be others of us
8 that have, sort of, ripple effects from this
9 conversation now.

10 COMMISSIONER STEBBINS: I would
11 agree with that. From the briefings we got
12 earlier on, this year, a lot of that is
13 materializing in the proposed changes. And a
14 lot of that, Mr. Chairman, as you pointed out,
15 is based on our experience opening a slots
16 parlor.

17 I would say, we're doing some good
18 work on those changes, but at the same time,
19 it -- I think it behooves us to work with IEB
20 and licensing, and begin to think a little bit
21 ahead to the size of the entities that we're
22 getting ready to open. And review whether the
23 regulations --

24 MS. WELLS: Keeps me up at night.

1 COMMISSIONER STEBBINS: You know,
2 how the regulations are going to play into
3 that where we don't have experience in not
4 making a lot of suggestion based on past
5 experience as well.

6 MS. WELLS: All right. So the next
7 item, if you look on page seven, 134.044C --

8 COMMISSIONER ZUNIGA: Director,
9 before we get there, I had a question on 134,
10 page six were you moving --- are you moving --

11 MS. WELLS: No, no.

12 CHAIRMAN CROSBY: That's the one
13 she's going to.

14 COMMISSIONER ZUNIGA: Oh, I'm sorry.

15 MS. WELLS: Are you doing the
16 qualifiers? Are you doing --

17 COMMISSIONER ZUNIGA: The gaming
18 member qualifiers.

19 MS. WELLS: Yep, that's my next --
20 oh, no. I guess you're right, it's page six
21 and page seven.

22 COMMISSIONER ZUNIGA: Okay.

23 MS. WELLS: So, you know,
24 particularly for those who may be watching on

1 line, the term scoping is sort of a term of
2 art in our industry. And really what it means
3 is, who of the applicant entity, you know, the
4 subentity, subentities or individuals, who do
5 you capture, and who has to be subject to the
6 investigation by the Bureau.

7 So currently in the regs, there --
8 there are rules about scoping for gaming
9 vendor -- gaming vendors. And what we're
10 proposing here is that we separate out the
11 gaming vendor primary scoping, keep that how
12 the Commission set it up, because what we
13 found is we're consistent with other
14 jurisdictions. The entities that we're
15 investigating, they have the stuff on file,
16 it's not burdensome. It seems to be working
17 well, and separating out scoping requirements
18 by the Commission for secondary vendors.

19 And what this will do is, it's
20 different in that it gives more discretion to
21 IEB and licensing in capturing those secondary
22 qualifiers so that's there's not so much of a
23 mandate to capture the entire universe, but
24 there's some discretion that allows us to

1 focus on more of the local operational
2 connection.

3 You know, remind the Commission,
4 generally, the gaming vendor primaries, those
5 entities are used to this kind of
6 investigation, they have everything on file.
7 You ask for information, they're like, here it
8 is. It's just the way they do business.

9 A lot of these secondary vendors are
10 not used to this. It's brand new, they're
11 filling out the forms. It's -- so it's
12 certainly more of a burden on the company.
13 And what we're looking to do is really focus
14 our energies on what matters to Massachusetts,
15 what matters to the Massachusetts Gaming
16 Commission, as far as, who do you want to
17 investigate?

18 Now, we -- it leaves us the ability,
19 if we want to capture, you know, all the
20 entities, or, you know, a variety of
21 individuals we still can. It just gives us
22 more discretion than currently we have, as far
23 as who needs to be captured, who needs to fill
24 out the forms, and who has to go through the

1 background check.

2 COMMISSIONER ZUNIGA: So the first
3 --the gaming vendor qualifiers, in this
4 section we were talking about A through A,B,
5 these are for primaries, right?

6 MS. WELLS: Correct. So we get into
7 C on page seven, is gaming vendor secondary,
8 correct.

9 COMMISSIONER ZUNIGA: Vendor
10 secondary.

11 MS. WELLS: Correct.

12 COMMISSIONER ZUNIGA: So C -- C
13 applies only for the qualifiers are
14 secondary --

15 MS. WELLS: Correct.

16 COMMISSIONER ZUNIGA: -- gaming
17 vendor.

18 MS. WELLS: Correct.

19 COMMISSIONER ZUNIGA: Just remind
20 me, on the gaming vendors primary, those
21 multinationals with a lot of executive vice
22 presidents, et cetera, with responsibilities
23 in other countries with little oversight, you
24 know, through the food chain on, let's say the

1 North American or Massachusetts operation,
 2 what -- what is the opportunity to not
 3 designate those as qualifiers, or do all of
 4 them qualify?

5 MS. WELLS: Loretta maybe be able to
 6 answer that because she and Paul did most of
 7 the scoping there.

8 MS. LILLIOS: So in the situation
 9 you described, with the gaming vendor primary
 10 applicant, multinational company, the
 11 corporate officers of all of the companies all
 12 the way up to the parent -- ultimate parent
 13 company, would be required qualifiers.

14 Now, that does not mean every
 15 individual with the title of vice president,
 16 sometimes there can be hundreds of those, so
 17 they would not be, necessarily, qualifiers,
 18 but corporate officers.

19 COMMISSIONER ZUNIGA: So it's the
 20 officers, corporate officers.

21 MS. LILLIOS: Corporate officers.

22 COMMISSIONER ZUNIGA: Okay. Fair
 23 enough.

24 MS. WELLS: So are there any

1 questions on that? Okay. So we're looking at
 2 tiered approach. Your top tier is your
 3 primary. Second tier is your secondary, and
 4 then you go into your nongaming. This, sort
 5 of, codifies that approach.

6 COMMISSIONER ZUNIGA: So when you
 7 say directors and outside directors, those are
 8 the corporate officers?

9 MS. LILLIOS: No. Those would --
 10 sometimes they overlap, but here we're talking
 11 about boards of directors.

12 COMMISSIONER ZUNIGA: Okay. So
 13 where are the corporate officers? Where is it
 14 understood in the regulation that the
 15 corporate officers are qualifiers?

16 CHAIRMAN CROSBY: Says it. Each
 17 officer.

18 MS. LILLIOS: Subsection 2A.

19 COMMISSIONER ZUNIGA: Oh.

20 MS. WELLS: Yeah.

21 COMMISSIONER ZUNIGA: Tough to read.

22 MS. WELLS: It's little. All right

23 so --

24 COMMISSIONER ZUNIGA: So what's the

1 difference with the secondaries?

2 MS. WELLS: So, really, it's -- I
3 would say it's sort of that -- that core is
4 the same, but as you branch out more, you have
5 more discretion. So as you're going up the
6 chain, or there's side -- these are side
7 pieces, there's more discretion.

8 COMMISSIONER ZUNIGA: And the
9 threshold is that 5 percent that you talk
10 about here?

11 MS. WELLS: For the initial. So if
12 there's a 5-percent ownership in the actual
13 applicant, you still have to. But as you go
14 up the chain, then you get some more
15 discretion. Everybody comfortable on that
16 side? Okay.

17 CHAIRMAN CROSBY: Director, just
18 ensure, under C2A, this says "Each officer,
19 member, partner, or functional equivalent,
20 expected exercise operational control." So it
21 doesn't necessarily mean each officer. This
22 gives IEB the discretion to figure out which
23 -- who, among the officer, members, partners
24 and functional equipment is necessary?

1 MS. WELLS: Right.

2 CHAIRMAN CROSBY: Okay. That's
3 good. So that's a -- that's a way to narrow
4 things down to what really matters?

5 MS. WELLS: Correct. So that's,
6 sort of, the objective. This is, again, the
7 efficiency of resources, what we're spending
8 our time on, who we're spending our time
9 investigating?

10 CHAIRMAN CROSBY: Okay. You have --
11 it writes some flexibility into all of those
12 -- each of those categories.

13 MS. WELLS: Right.

14 CHAIRMAN CROSBY: Okay. Good.

15 MS. WELLS: And that's sort of the
16 theme you'll see through all of these, is a --
17 you know, a little more flexibility with --
18 still with the Commission oversight, a little
19 more discretion flexibility, you know. And as
20 we are more experienced, you know, that adds
21 to our judgment in how to approach these.

22 So the next -- I direct your
23 attention to page 11, 134.07 on the forms.
24 And I would like to compliment

1 Attorney Stempeck who helped, particularly on
2 this area. The approach to the forms section,
3 initially, we had some recommendations on
4 changes to the forms, and we started going
5 through and making the changes. He then
6 realized, look, it doesn't make any sense to
7 have everything you've got to have in the form
8 listed out in the -- in the regulations. It's
9 too cumbersome. It's too hard to make
10 changes.

11 So what he recommended and drafted
12 for you was, he included, what are the
13 statutory requirements? Added that into
14 the -- into the recommendation, but not -- not
15 every little thing that needs to be in the
16 form. Particularly where, you know, as its
17 written the Commission approves the form with
18 any -- and then if there any material changes,
19 also has to go before the Commission. So the
20 Commission retains control over the form
21 without having to go through the promulgation
22 process to change a reg in order to change the
23 form. And this -- you know -- you know, a
24 dynamic environment, in particular, we've got,

1 you know, new LMS. The way we set up LMS
2 we're able to change things because we'd like
3 to -- you know, like to think that we're a
4 dynamic organization. And if we get new
5 information and like to change a process, that
6 we can -- you know, as Director Connelly said,
7 you know, and work at the speed of business,
8 and make things happen and just come before
9 the Commission. So that's the approach with
10 the forms, which is a significant change. It
11 also cuts down the number of pages, makes it
12 easier to read.

13 I think that Director Connelly was
14 working with the legal department, you know,
15 just streamlining the -- the entire set of 134
16 regulations. But once that whole set came
17 out, actually, really wasn't a need to redo it
18 all because it read much better. It was -- I
19 think it'll be better for our licensees and
20 for us to be familiar with the regulations.
21 You don't get overwhelmed with all the
22 regulations.

23 COMMISSIONER ZUNIGA: Yeah, I think
24 that form -- that approach is very

1 appropriate, and I look forward to looking at
2 the revised forms, et cetera.

3 MS. WELLS: Yeah, right.

4 CHAIRMAN CROSBY: Are you -- are you
5 working on revisions on the forms?

6 MS. WELLS: Yes.

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER ZUNIGA: That's going
10 to be forthcoming.

11 MS. WELLS: Right. And it kind of
12 ties into the whole LMS process because what
13 we don't want to do is, you know, set up LMS
14 and have to change the forms three weeks
15 later. So we'd like to -- to have that be
16 part-in-parcel of the whole rollout. I think
17 that would be the most efficient way to do it.
18 And then as you, you know, have a new system,
19 here's the form, people are used to it. And
20 we're trying to create some efficiency with
21 the forms.

22 CHAIRMAN CROSBY: Just make -- just
23 make sure that -- I don't exactly what the
24 links are between the forms and LMS is, but I

1 know that the commissioners are going to
2 want --

3 MS. WELLS: Correct.

4 COMMISSIONER ZUNIGA: -- have input
5 on the forms.

6 MS. WELLS: Correct. Yes.

7 CHAIRMAN CROSBY: So don't get
8 locked into something in LMS before we've have
9 a chance --

10 MS. WELLS: Oh, no. So -- and even
11 by regulation, our recommendation is that the
12 Commission -- you know, the Commission retains
13 the authority to approve the form.

14 CHAIRMAN CROSBY: No, I know that.
15 I just didn't want to run afoul with the
16 development of the LMS.

17 MR. CONNELLY: No. Absolutely. And
18 Mr. Chairman, from the very beginning of
19 design discussion on the new LMS, we had
20 exactly this concept and conundrum, frankly,
21 in mind. So where we have the -- what we have
22 hard-coded in the system is kind of that basic
23 information you would need to identify someone
24 uniquely and kind of follow them through their

1 life cycle. All of the information and the
2 rest of information that we perform that would
3 support kind of a background investigation, et
4 cetera, is put in in a highly-flexible manner
5 in kind of a PDF format that we can change,
6 you know, somewhat easily.

7 As a matter of fact, I can change it
8 myself and upload it, you know, within a day.
9 So we did keep this in mind for exactly this
10 reason, because we know we're in this constant
11 mode of self-evaluation where a change would
12 have a cost. So I think, for the most part,
13 unless we're not asking, you know, name, date
14 of birth, residence, things like that, we have
15 flexibility.

16 CHAIRMAN CROSBY: Okay.

17 COMMISSIONER ZUNIGA: Can I go back
18 to the prior section, just briefly.

19 MS. WELLS: Yeah.

20 COMMISSIONER ZUNIGA: I just
21 realized I have a note. You were also looking
22 for feedback onto the factors that -- in
23 determination of secondary vendors?

24 MS. WELLS: Yeah.

1 COMMISSIONER ZUNIGA: And I did
2 mention that the approach could be
3 preconstruction and after -- you know, is this
4 an appropriate one. On the pre -- on the
5 construction side.

6 MS. WELLS: Yeah.

7 COMMISSIONER ZUNIGA: And remind me
8 because there's language elsewhere where we
9 already allude to this, professionals,
10 services, firms, architects, licensed site
11 professionals that are actually heavily
12 regulated by other agencies, federal and
13 state, occur to me that are a good candidate
14 for exercising quite a bit of that discretion.

15 MS. WELLS: Yeah.

16 COMMISSIONER ZUNIGA: And you could
17 always --

18 MS. WELLS: Right. And
19 intellectually, that ties in with some of the
20 exemptions.

21 COMMISSIONER ZUNIGA: Yes.

22 MS. WELLS: You know, the exemption
23 there, then the other business. Because --
24 and that, I think, ties into how we are

1 thinking. I think we are thinking along the
2 same lines. Is that, if it's being regulated
3 by another body and then we're doing it over
4 again, that's sort of a redundancy of
5 resources.

6 Okay. So where was I? So the last
7 one in the section regarding efficiency and
8 best allocation of resources is at the bottom
9 of page eight. And this is the proposed
10 de minimus exemption, as I just mentioned.
11 The reg already has a 134 number of exemptions
12 from registration. And this proposal really
13 came, you know, as -- at the request, you
14 know, of MGM attorneys. We did some -- some
15 research. Many other jurisdictions have this
16 kind of de minimus exception.

17 Under this proposal, it provides
18 that nongaming vendors who do not hit a
19 minimum threshold, they do not need to
20 register with the Commission. In the
21 proposal, the casino must provide a written
22 petition to the Commission, requesting that
23 the vendor be except to ensure that there's a
24 good faith. We have some control over the

1 casino. We don't have control over
2 nonregistrants. So if the casino has to
3 certify, this is someone -- you know, we're
4 spending X amount of dollars, a de minimus
5 amount of money. We don't expect to do more.
6 You know, this is not someone that we need to
7 register.

8 COMMISSIONER CAMERON: I'm sure you
9 provided some examples, Director, when we --
10 when you briefed on this. I'm just trying to
11 remember an example of -- of -- of someone you
12 would think would fall under this category.

13 MS. WELLS: It could be anyone.

14 MR. CONNELLY: Could be anyone who's
15 providing just a -- you know, a really low
16 monetary threshold service or goods. And,
17 really, what it would be, would be somebody in
18 a nonrecurring fashion. It's a one-off -- you
19 know, they're coming to do an event, you know,
20 small impact, or they're providing some
21 trivial -- I mean trivial in the monetary
22 sense, service or good so that it's one time
23 and out.

24 COMMISSIONER CAMERON: Okay.

1 MS. WELLS: Yeah, this does tie
2 in -- it's interesting because it does tie
3 into the fact that we've made other changes.
4 So the fact that the Commission approved the
5 change in the fingerprint form, made it easier
6 for the vendors to register. So now, it's the
7 -- the burden on the vendor to registrant is
8 pretty small. So -- it's a hundred dollars
9 for five years.

10 MR. CONNELLY: Correct.

11 MS. WELLS: They fill out a small
12 form. It's not burdensome on the applicant.
13 This -- you know, this exemption, you know,
14 there's certainly an interest in the industry
15 for it. I know our executive director
16 supports that. But I know there's, you know,
17 sort of, potentially, a difference of opinion
18 on that. And I think that that's -- it's
19 reasonable to have it. It's reasonable -- and
20 if the Commission doesn't want to go there
21 right now, but we're just sort of looking for
22 feedback. And then as far as the --

23 COMMISSIONER CAMERON: Dollar
24 amount.

1 MS. WELLS: -- dollar amount blank.

2 I would say, for points of reference, most
3 recently, Maryland, they had it at \$2,500 and
4 recently raised it to \$10,000. So that's,
5 again, comparable jurisdiction with recent
6 activity. You know, I think our
7 recommendation is, if you want to adopt
8 something like this would be -- it's easier to
9 start small than increase --

10 COMMISSIONER CAMERON: Yeah, agreed.

11 MS. WELLS: -- if you're going to do
12 that. But, ultimately, my thought is, you can
13 have, potentially, some kind of discussion,
14 even leave it blank for the comment period, or
15 if the Commission, as a body, sort of, agrees
16 with the proposal, you could put that number
17 in when we put it out for public comment. So
18 I'll defer to how the Commission wants to --

19 COMMISSIONER STEBBINS: Yeah, this
20 is the -- this is the issue I always try to
21 side on, the going the side of the small
22 business person. But this was the
23 recommendation that, I guess, I had the most
24 trouble with. You know, I think some of the

1 other changes you've talked about, about
2 establishing business relationship, gets to
3 the overall number of applications that
4 you'll -- you'll see coming through the door.

5 I know Director Connelly and I have
6 talked about trying to find a provision for an
7 emergency service or ant emergency meeting
8 which may be that one-off, you know, we don't
9 want a kegerator going down over the weekend
10 and they are stuck, not being able to sell
11 beer for the reset of the weekend.

12 So I think there is some other
13 avenues to other remedies you've come up with,
14 maybe set this aside. You know, I just have a
15 general concern, or a general feel that, if
16 for any reason we saw an award of a check or
17 an invoice paid to somebody who we would not
18 want our licensees doing business with, that
19 will tarnish all the good work we have done to
20 this point.

21 I would suggest, you know, even
22 throw out the idea, and we can talk about this
23 further, if, after their initial five-year
24 registration period, that they would not have

1 to come back and review. You know, pay your
2 hundred dollars, get through the five years,
3 no major issues, you continue to be a
4 registrant without the renewal.

5 That's just my opinion. I just -- I
6 just think we're being so closely watched.
7 And to come up -- come up with this provision,
8 I'd rather find a way of getting more
9 resources to look at everybody than try to set
10 this threshold.

11 COMMISSIONER ZUNIGA: I disagree
12 with that. I think the recommendation is very
13 appropriate. That the risk, I see very
14 little, if the amount is \$10,000 in a year or
15 less. I think there's flexibility to other --
16 you know, if you know of somebody that's a
17 quick run, there's intelligence, people know,
18 there's a quick Google search that uncovers
19 something. There's a lot -- there's a lot
20 of -- that you can -- can do on the -- what
21 really matters, which is, you know, somebody
22 that's going to have a recurring, you know,
23 important relationship, if it's, you know,
24 something de minimus, just like -- like it

1 says, and it's anticipated to be that.

2 I mean, I know there's other
3 provisions in which I forget where I was
4 looking at the reference -- oh, it was the
5 registration of another company, let's say, in
6 order to circumvent certain requirements.

7 MS. WELLS: Yeah, yeah, right.

8 COMMISSIONER ZUNIGA: You can't do
9 that.

10 MS. WELLS: Right. Yes.

11 COMMISSIONER ZUNIGA: If it's,
12 obviously, a -- you know, couple of purchases
13 under \$9,000, let's say, that begins to be
14 suspicious. But I -- I really think this
15 gives you the flexibility to really
16 concentrate resources where they married it.

17 MS. WELLS: Right.

18 COMMISSIONER ZUNIGA: It's a best
19 practice of other jurisdictions, so I'm really
20 in favor of the way it is, even with the
21 \$10,000 Maryland went through -- to recently.

22 MS. WELLS: Yeah. And just to
23 confirm, to make sure we're on the same page,
24 if someone doesn't register and we don't get

1 the information, then, there wouldn't be any
2 type of look.

3 COMMISSIONER STEBBINS: There won't
4 be a Google search. They couldn't do anything
5 on anything.

6 COMMISSIONER CAMERON: Yeah.

7 MS. WELLS: Yeah, there wouldn't be
8 anything like that. Just --

9 CHAIRMAN CROSBY: You wouldn't know
10 about it.

11 COMMISSIONER CAMERON: Right.

12 MS. WELLS: Right. So just so
13 you're aware. And you're comfortable with
14 that?

15 COMMISSIONER ZUNIGA: I'm
16 comfortable with that.

17 MS. WELLS: Yeah.

18 COMMISSIONER ZUNIGA: And the
19 scenario that you point out, Commissioner,
20 that I find very small. And, you know, we
21 could rely back on the fact that it was a de
22 minimus purchase.

23 CHAIRMAN CROSBY: Yeah, and I
24 might -- again, this relates to the nongaming

1 vendor.

2 MS. WELLS: Right.

3 CHAIRMAN CROSBY: If we were
4 treating nongaming vendors differently,
5 it's -- I'm thinking we should think about
6 doing it, then, this might not be necessary
7 because there's really no imposition on
8 anybody for anything. But as it stands -- as
9 things now stand, I would agree with this
10 also, at 10.

11 I'm puzzled by the note above it, on
12 number N. "A submission by a written petition
13 that demonstrates to the Commission." So
14 means that -- is that -- would that not be
15 better than that it be the Bureau.

16 MR. CONNELLY: That's the way it's
17 been -- been working.

18 MS. WELLS: Yes, through the agency.

19 MR. CONNELLY: We've been
20 receiving -- licensing has been receiving
21 those petitions. This would have been reading
22 Commission as the agency in this case.

23 CHAIRMAN CROSBY: Well, okay. Well,
24 I wouldn't do that.

1 MR. CONNELLY: Okay.

2 CHAIRMAN CROSBY: The word Bureau
3 means Bureau. The word Commission means
4 Commission.

5 COMMISSIONER ZUNIGA: Well, it's
6 really's licensing.

7 MS. WELLS: Its' really -- yeah.

8 COMMISSIONER ZUNIGA: It's really
9 the division of licensing.

10 MS. WELLS: So licensing actually
11 sends out the --

12 COMMISSIONER CAMERON: Which is the
13 Bureau.?

14 MS. WELLS: Well, yeah, it's tricky
15 now, because, really, under the statute
16 there's the Bureau. We did sort of a reorg
17 here and put licensing under the Bureau,
18 but --

19 CHAIRMAN CROSBY: Right. Okay. But
20 anyways --

21 MS. WELLS: I mean, do you think
22 that should read --

23 CHAIRMAN CROSBY: -- the way it's
24 working now, is it is licensing who's --

1 MS. WELLS: Yeah.

2 MR. CONNELLY: That's correct.

3 CHAIRMAN CROSBY: Okay. All right.

4 As a habit, I don't think -- I don't read
5 Commission to read bureau sometimes, or
6 licensing division sometimes. Might decide
7 that, and we can certainly delegate, which we
8 frequently have, but I would presume the word
9 Commission means the five of us. I think
10 that's appropriate.

11 MS. WELLS: So would you
12 recommend --

13 CHAIRMAN CROSBY: I would -- I mean,
14 apparently, the practice has been, let's say
15 that we have delegated it, and I'm fine with
16 that. But you can change the word, if you
17 want to.

18 COMMISSIONER ZUNIGA: I actually
19 think that, in instances like this, it's
20 flexible to have that be Commission and have
21 us, by practice, be division.

22 CHAIRMAN CROSBY: But it's the only
23 practice that we have approved.

24 COMMISSIONER ZUNIGA: Okay.

1 CHAIRMAN CROSBY: I mean, that's
2 sort of important.

3 COMMISSIONER ZUNIGA: Until we
4 approve differently, right.

5 CHAIRMAN CROSBY: So I'm happy
6 with --

7 MS. WELLS: There's a few ways we
8 can deal with that sort of issue.

9 COMMISSIONER CAMERON: I actually
10 would be more comfortable starting, if we were
11 going to do this, to start something like
12 \$5,000, just so we have a comfort level and we
13 see how it works. But, you know, I'm just
14 thinking 10,000 is -- you know, I just -- so
15 much of this is we don't have a body of work.
16 So I just personally, I'm not -- I'm not
17 against this, but do we want to go to \$10,000
18 right away? I don't know.

19 MS. WELLS: We could put a
20 placeholder number and --

21 CHAIRMAN CROSBY: We've got a body
22 of work with Plainridge. Plainridge is a
23 little -- tiny, so how much would this
24 affect --

1 COMMISSIONER ZUNIGA: You know what,
2 on that -- on that note, is it possible to ask
3 Plainridge how many vendors they have on their
4 10,000 or 5,000?

5 MR. CONNELLY: Yeah, we actually --
6 you know, we did that analysis. And if you
7 set it at \$10,000, it would be close to a
8 third of registered vendors would be
9 eliminated.

10 COMMISSIONER CAMERON: Wow.

11 CHAIRMAN CROSBY: Wow. So
12 \$10,000 may not seem like a lot, but in this
13 context --

14 COMMISSIONER CAMERON: It is.

15 MR. CONNELLY: -- it is, at this
16 point in time.

17 COMMISSIONER STEBBINS: I just worry
18 there's a lot of people we just don't know who
19 we're doing business with.

20 COMMISSIONER CAMERON: I agree.

21 COMMISSIONER ZUNIGA: Point
22 well-taken.

23 CHAIRMAN CROSBY: Who cares?

24 COMMISSIONER ZUNIGA: Why do we need

1 to know?

2 COMMISSIONER CAMERON: We do care.
3 We're really concerned with the integrity.

4 COMMISSIONER STEBBINS: We're going
5 to wind up all over the Herald or anybody
6 else, and somebody bad got a check.

7 COMMISSIONER ZUNIGA: Well, maybe
8 the threshold is really the operative thing
9 here.

10 MS. WELLS: So we could put it out
11 for comment with just a -- nothing or we could
12 propose a five or 10. Whatever the Commission
13 wants to do, I'm happy to do. It's a little
14 tricky to vote on.

15 CHAIRMAN CROSBY: I'll go along with
16 the consensus, so let's -- let's get some
17 feedback on it, see what people say.

18 MS. WELLS: Leave it blank.

19 COMMISSIONER ZUNIGA: But you're
20 generally in favor of the provision?

21 CHAIRMAN CROSBY: Right.

22 COMMISSIONER MACDONALD: I'm
23 generally in favor of the provision too. I
24 don't think the 10,000 -- didn't strike me

1 as -- as an awful lot, but I am, you know,
2 struck by Commissioner Stebbins' reaction. So
3 I think this deserves further -- further
4 attention. But \$2,500 seems very small for 12
5 months.

6 MS. WELLS: So for purposes of the
7 process, I'll leave just the blank. Can I do
8 that? All right. We'll leave that, and we'll
9 see what the comment is --

10 CHAIRMAN CROSBY: Yeah --

11 MS. WELLS: -- and that will
12 inform the --

13 CHAIRMAN CROSBY: -- and we are
14 requesting comment.

15 MS. WELLS: Okay. So I'm going to
16 turn it over to Attorney Lillios, just a
17 comment on recommendations on the process, as
18 she does deal with the process as the -- you
19 know, her position as the chief enforcement
20 counsel.

21 MS. LILLIOS: So one recommendation
22 you can see on pages 27 and 28 of your packet.
23 And this recommendation directs the IEB to
24 approve or deny applications for key gaming

1 executive applicants, and for primary vendor
2 applicants. And adopting this recommendation
3 would bring the process for approval or denial
4 of all categories of applicants in line with
5 one another. The regulation is supported by
6 the statute of Section 30 on employee
7 licensing and Section 31 on vendor licensing,
8 which states that the Bureau shall approve or
9 deny the license.

10 And the purpose of the
11 recommendation is to afford key gaming
12 executives and primary vendor applicants the
13 same dual level of review that the other
14 applicants get, in the event that there is a
15 license denial. Specifically, they would get
16 two bites at the apple for appellate review.

17 First, in an adjudicatory hearing
18 before an impartial hearing examiner. And
19 then, if the hearing examiner does not rule in
20 their favor, they get another bite at the
21 apple of appellate review before the
22 Commission on the record.

23 If we continue to put the
24 responsibility for deciding those two

1 categories of applicants with the full
2 Commission instead of IEB, we end up being in
3 a process quagmire, because anybody who is
4 denied ends up, essentially, being deprived of
5 an additional level of -- of the level -- the
6 second level of appellate review.

7 CHAIRMAN CROSBY: When we went
8 through this with a case and point, wasn't the
9 concern that for people at this level, we
10 didn't want them to have a denial on their
11 record? And prior --

12 MS. WELLS: Oh. Oh, I see what
13 you're saying.

14 COMMISSIONER ZUNIGA: No, no, no.

15 CHAIRMAN CROSBY: Because now we're
16 going to get denied. That wasn't the --
17 what --

18 MS. WELLS: No. I know what you're
19 talking about. Intellectually, this is a
20 separate analysis. This is the analysis of,
21 okay, going forward what makes sense as far as
22 a process that's consistent across the
23 Commission and that -- and that makes sense,
24 as far as the kind of appellate review that an

1 applicant has available.

2 MS. LILLIOS: So, for instance, we
3 brought three key executives to you today for
4 review. If you had decided to deny one of
5 those, that person would then be denied, and
6 essentially can't go back to the hearing
7 officer for a hearing, because he's supposed
8 to have that hearing the first instance. And
9 the hearing examiner holds a mini trial, and
10 then there's a result, written decision, and
11 then that decision comes -- the person -- the
12 hearing examiner agreed with the denial, that
13 person would have no opportunity to come back
14 to you because you already denied him.

15 So there is really a big difficulty
16 of leaving -- leaving those individuals where
17 we're going now, if we want to -- if we want
18 to offer them the two appellate review
19 opportunities.

20 CHAIRMAN CROSBY: So if the new
21 system were in place today, you would -- what
22 would have happened with those folks? We
23 would not have heard anything about them, or
24 you just would have told us you didn't approve

1 them or --

2 MS. LILLIOS: Right. It would have
3 been in a reporting capacity, but what we're
4 asking for is that you allow the IEB to
5 approve or deny them. And for the process
6 reason, also for the statute reason. And the
7 statute says that the Bureau shall approve or
8 deny those licenses.

9 COMMISSIONER CAMERON: I think it
10 makes perfect sense, and then the
11 opportunity's there for a hearing officer, who
12 does a very thorough vetting of the entire
13 matter, and then we see those documents.

14 COMMISSIONER ZUNIGA: I agree with
15 that.

16 CHAIRMAN CROSBY: That's what
17 happens with the racing commission --

18 COMMISSIONER CAMERON: Yes.

19 COMMISSIONER ZUNIGA: Yes.

20 CHAIRMAN CROSBY: -- now right?

21 MS. BLUE: It's what happens on
22 other employee licensing matters. The real
23 bottom line is, that if you were to approve or
24 deny, if you denied it, the person would have

1 to go straight to superior court. There'd be
2 no other mechanism. And, you know,
3 oftentimes, that'd be a hard thing to do. So
4 this brings it in line with the other
5 categories, as well as what we do on the
6 racing side.

7 CHAIRMAN CROSBY: Is there ambiguity
8 in the statute? If the statute says this, why
9 are we talking about this?

10 MS. BLUE: Because originally we
11 drafted our regulations in a way that, you
12 know, based on advice of counsel at the time
13 and outside consultants that that was a good
14 way to go. We have better experience now, and
15 we have an excellent hearing officer. The
16 Commissioner itself has been through many
17 appellate reviews on the record. So we have a
18 very good to take these on.

19 CHAIRMAN CROSBY: It sounds like
20 you're saying we probably misconstrued the
21 statute originally.

22 MS. WELLS: Well, I think there
23 was -- I think there was a presumption that
24 the Commission never, ever, ever --

1 COMMISSIONER ZUNIGA: Disagree with
2 the Bureau.

3 MS. WELLS: Disagree with the
4 Bureau. And, you know, I don't think that's a
5 healthy, you know, necessarily an attitude.
6 If I do something and you don't like it, you
7 can disagree. So it was almost set up like a
8 perfunctory approval, as opposed to a true --
9 and I think that that -- the idea of that
10 should be superseded by a true process.
11 That's more important than a perfunctory
12 approval.

13 COMMISSIONER MACDONALD: So let me
14 just ask for clarification just so I
15 understand it. Ms. Lillios, is that -- is the
16 current procedure, if we had -- let's take the
17 hypothetical of the people we approved earlier
18 today, if we had denied those licenses under
19 the current -- under the current practice, the
20 Commission would have denied the license, then
21 the appeal would have been to -- under the
22 current -- current regs, the appeal would have
23 been to a hearing officer, correct?

24 MS. WELLS: No. They couldn't have.

1 MS. BLUE: They couldn't have. They
2 would have to go straight to superior court.

3 COMMISSIONER MACDONALD: Why would
4 that be?

5 MS. BLUE: Because you are the
6 Commission, you could not rehear the hearing
7 officer's appeal, after you denied the
8 license. So --

9 COMMISSIONER MACDONALD: Well that's
10 what I understood the problem was.

11 MS. BLUE: That is the problem. And
12 that's why -- you would be the final
13 decision-maker. So they would only have a 30A
14 appeal to superior court, the way the process
15 is now.

16 If it's set up like this, then, what
17 happens is, that person, if they're aggrieved
18 can go through the steps, you would be the
19 second level of appeal, and then you would be
20 able to hear that on the record, as you do
21 other appeals now.

22 COMMISSIONER ZUNIGA: But does this
23 mean that, then, all recommendations for
24 licensure will first go through a hearing

1 officer who may deny them.

2 MS. WELLS: No. Only if it's a
3 denial.

4 MS. LILLIOS: Only if it's denial.

5 COMMISSIONER ZUNIGA: Only if it's a
6 denial.

7 MS. BLUE: Only if it's denied,
8 that's right.

9 COMMISSIONER CAMERON: And if they
10 choose to appeal the denial.

11 MS. BLUE: That's right. If they
12 choose to appeal the denial.

13 MS. WELLS: Yeah. The other issue,
14 when you talk about the example, so
15 hypothetically, if we had denied, you know,
16 someone at the Commission meeting today, the
17 other piece is that you really need a robust
18 hearing process in order to have a fair
19 hearing.

20 The process we have now is that we
21 come and we give you a summary of the report
22 and the recommendation. So if X, Y or Z
23 applicant didn't even have an opportunity to
24 bring witnesses and come in and have a

1 hearing, it's not very fair.

2 COMMISSIONER ZUNIGA: Well, that was
3 another -- that was a very important piece
4 that I remember Commissioner McHugh bringing
5 up initially. That, if we were going to be
6 the first appeal, when we were -- when we were
7 in the, you know, conceiving the hearing
8 officer, the rights of the person denied is
9 very uncomfortable during the open meeting.
10 And --

11 CHAIRMAN CROSBY: This would be --
12 now, it would be adjudicatory, right, so that
13 we could -- we could do that?

14 MS. BLUE: Well, you would do it --
15 we would have to think about it because we've
16 have done suitability hearings that are
17 adjudicatory, but we've always done them in
18 public sessions. So we'd have to put more
19 thought into it, if the Commission decided
20 that every time -- but it would have to be
21 every time you had one of these, it would have
22 to be adjudicatory.

23 COMMISSIONER ZUNIGA: But, you know
24 what, we already decided that one. I don't

1 know that we want to reopen that unless --

2 MS. BLUE: Well, no, not on the
3 qualifiers. But what I'm saying is that --

4 COMMISSIONER ZUNIGA: On the hearing
5 officer.

6 MS. BLUE: On the hearing officer,
7 they're not open to the public. So the
8 hearing officer goes before them, they just --
9 you know, he hears it, they have witnesses,
10 they take testimony, they have exhibits. It's
11 a very robust kind of hearing. If there's an
12 appeal from the hearing officer, it's comes to
13 you, it's also adjudicatory. It's not public.
14 When you do it, you do it on the record.

15 COMMISSIONER ZUNIGA: Right. Like
16 we've done in some instances with racing.

17 MS. BLUE: Yeah. And we've done
18 that. And then it goes to superior court
19 after that.

20 COMMISSIONER CAMERON: And we've
21 improved our hearing process tremendously.
22 It's a process that works very, very well now.

23 CHAIRMAN CROSBY: Well, and this --
24 going with this -- if race is what we've

1 talked about, racing too, which, this has got
2 to move fast, and it's not fair to deny
3 somebody and then have two hearings that
4 stretch out for seven months when you know --

5 COMMISSIONER CAMERON: That has
6 improved as well.

7 MS. BLUE: It has. And, many times,
8 the reason it stretches out is because,
9 sometimes, the person appealing it can't be
10 here.

11 CHAIRMAN CROSBY: Yeah. Well,
12 that's a different issue.

13 MS. BLUE: But it's not because we
14 don't schedule it. I mean, we do try to
15 schedule them very, very quickly, the hearing
16 officer makes himself available. Oftentimes,
17 people need more time to put their case
18 together, they want more time to get -- gather
19 facts and -- you know, so it stretches out
20 that way.

21 COMMISSIONER CAMERON: The racing
22 season's over there's no -- there's no rush to
23 do it immediately, so lots of times, then they
24 leave the state. So there's those kinds of

1 issues, which is why that takes so long in
2 many cases.

3 MS. BLUE: Some of that, too, in the
4 racing, yes.

5 CHAIRMAN CROSBY: Okay.

6 MS. LILLIOS: And on the casino
7 side, we have been scheduling those hearings
8 within 30 to 45 days after the request, and
9 the hearing officer turns around the opinions
10 very, very quickly, often, in days. And if we
11 had a volume of those, there would be an
12 opportunity to have multiple hearing officer,
13 if we needed to.

14 CHAIRMAN CROSBY: So I think
15 we're --

16 MS. WELLS: You're comfortable.

17 CHAIRMAN CROSBY: We're comfortable
18 with this one.

19 COMMISSIONER CAMERON: Yes.

20 MS. LILLIOS: Okay. So the next one
21 is on page 30 of your packet. And this may
22 be, Mr. Chairman, what you were referring to
23 earlier. So this has to do with recommended
24 changes dealing with the opportunity given to

1 applicants who have prior convictions, and
2 their opportunity to demonstrate
3 rehabilitations.

4 So under the statute, gaming
5 employees, gaming service employees and
6 nongaming vendors, who were convicted of
7 disqualifying offenses 10 years before their
8 applications, have the chance to show that
9 they're rehabilitated and should be licensed.

10 Under the current regulation, the
11 IEB is first required to deny their license
12 and say to them, we deny you, but you have the
13 opportunity to show rehabilitation and here's
14 how you do it. But now, by this time, they
15 have a denial on their record and can't stop
16 -- can't start working.

17 So the proposed regulation would
18 allow the applicants to show rehabilitation as
19 parts of the application process, rather than
20 waiting for the denial in the first instance.

21 COMMISSIONER CAMERON: And how would
22 that be -- how would they demonstrate? How is
23 that --

24 MS. LILLIOS: Actually, the way it

1 would work is that, when the IEB sees the --

2 COMMISSIONER CAMERON: Convictions?

3 MS. LILLIOS: -- prior offense, and
4 falls in the 10-year prior window, we would
5 contact them and let them know, hey, you've
6 got this offense. It could be a disqualifying
7 offense, but you have the chance demonstrate
8 rehabilitation. The regulation lists the
9 factors that we have to look at, so we would
10 attach the a copy of the regulation to the
11 letter that we send them.

12 We -- typically, we have dealt with
13 this on two occasions in the past. We've had
14 to deny first, because of the regulation, but
15 there's a telephone to the person, make sure
16 they understand the process, and they -- and
17 in one instance, we sent investigators to meet
18 with the person.

19 One of the factors that we're to
20 look at are recommendations from employers,
21 reference letters so we can get some reference
22 letters. So there is a list of factors in the
23 regulation that also in the statute that we
24 direct the applicant to.

1 COMMISSIONER CAMERON: So then, the
2 investigator obtains the information and
3 brings it back and IEB -- at the top level?

4 MS. LILLIOS: Yeah, that's correct.

5 COMMISSIONER CAMERON: Okay. So the
6 investigator is not making that decision. The
7 top level of the IEB is, in fact?

8 MS. LILLIOS: That's correct.

9 COMMISSIONER CAMERON: Okay. Well,
10 I like this idea. I like that we're not
11 denying people. That we're giving them a
12 chance to demonstrate rehabilitation before
13 there's any denial.

14 MS. LILLIOS: And a denial on the
15 record in a -- in a gaming state is a very
16 significant thing, standing alone. Even if
17 the person says, oh, I was denied, but I ended
18 up getting licensed, the -- the denial is
19 significant.

20 COMMISSIONER ZUNIGA: Yeah, I agree
21 with the recommendation.

22 COMMISSIONER STEBBINS: So do. It's
23 a good one.

24 CHAIRMAN CROSBY: This is one of

1 these places where I find the statute
2 completely confusing, and is one of the ones
3 that I'm going to ask, at the end, that you
4 put on the agenda for subsequent conversation,
5 and raise it to the quarry (phonetically),
6 which I also find completely confusing, but it
7 look -- I find three different readings for
8 what we may or shall do relative to
9 rehabilitation. Section 16A seems, to me, to
10 say that under certain circumstances,
11 convicted of a felony, crime embezzlement and
12 so forth, we will not issue, we shall deny.
13 Section 16B says that there is a possibility
14 of rehabilitation after 10 years?

15 MS. WELLS: Yeah. There are two
16 different levels of licensure. So there's no
17 possibility for the key and for, you know,
18 gaming licensee.

19 CHAIRMAN CROSBY: Oh, okay, the key.
20 Right. Okay.

21 MS. WELLS: But the lower level, the
22 gaming employees and service employees, they
23 can show rehabilitation.

24 CHAIRMAN CROSBY: Okay. And then,

1 on it's 30 -- 16F, it's may deny.

2 COMMISSIONER ZUNIGA: You mean, 30F.

3 CHAIRMAN CROSBY: Yeah, sorry, 30F.

4 May deny for key gaming employee, or gaming
5 employee, if you're disqualified under 16, or
6 unsuitable under 12. However, we make take
7 into consideration if the applicant could
8 demonstrate rehabilitation.

9 MS. WELLS: Right. Well, if you'll
10 notice, though, it only talks about gaming
11 employee license or a registrant. So that
12 comports exactly with 16B. So --

13 CHAIRMAN CROSBY: It says --

14 MS. WELLS: So it says, "Provided,
15 however, the Commission at its discretion may
16 issue a license to an applicant up for a
17 gaming employee license." That's not a key
18 license. That's a gaming employee license, or
19 a registered gaming service employee. So that
20 actually does match up with 16B, which says
21 you can show rehabilitation for these lower
22 level of employees.

23 CHAIRMAN CROSBY: Okay. Right.

24 MS. WELLS: So it's the keys --

1 COMMISSIONER ZUNIGA: The keys can
2 never be --

3 MS. WELLS: It's like -- you're a
4 felon, you know, you're out. There's certain
5 things you're out. But for this lower
6 level --

7 CHAIRMAN CROSBY: How do you -- I
8 get it. That's great. I understand that.
9 Thank you. How do you square the 10 years?
10 How do you square 10 years between --

11 COMMISSIONER ZUNIGA: The 10-year is
12 a typo.

13 CHAIRMAN CROSBY: -- between --

14 MS. BLUE: This is -- this is a very
15 confusing and somewhat ambiguous part of the
16 statute. It's something that has to have
17 further analysis and conversation with our
18 staff. So if we want to add it to a list of
19 things to look at, we can. But there -- there
20 are ways that parts of the statute do that, so
21 that don't make sense.

22 CHAIRMAN CROSBY: Well, let's leave
23 it at that, because I -- I think, also, there
24 is real confusion on a quarry (phonetically),

1 on who is required to have a background check
2 and who is not. And that relates to this.
3 It's related to this. So rather than get into
4 it now, let's have you guys take a look at
5 that, tell us what you've been thinking, and
6 then we'll see -- you know, and this is
7 another one, right, we want to get other --
8 other constituents involved, and the CORI
9 folks among others, but, particularly, I'd
10 like to have you guys explain me how you're
11 reconciling this at this point and he'll see
12 how we go along with that. Okay.

13 MS. WELLS: So now I turn it over to
14 Director Connolly, so that clarification
15 cleanup. These are, sort of, those catchall
16 provisions we're just trying to --

17 COMMISSIONER ZUNIGA: Are we going
18 to look at 134.11 as part of that --

19 MS. WELLS: Oh, I'm sorry. I'm
20 sorry.

21 MS. LILLIOS: Actually, those are
22 the rehabilitation section. The first one is
23 for licensees, and that's the 134.10 one, and
24 the 134.11 section is -- deals with

1 rehabilitation for registrants. Both --

2 COMMISSIONER ZUNIGA: Yeah. And --
3 right. Well, you know what, actually,
4 Mr. Chairman already talked about that
5 further, looked into the confluence of these
6 sections. You mentioned a CORI. I just want
7 to put on the table, financial stability and
8 financial integrity for registrants. And I
9 know it's part of a confluence of sections in
10 the statute. I think the -- the statute is
11 permissive when it comes to all the criteria
12 for issuing or denying -- denying a license of
13 a an individual in this case. But when it
14 comes to registrants, I think you really need
15 to think as to why you want to be checking for
16 financial stability of -- of individuals that
17 are -- you know, that are newly registrants.
18 I know that part of a read of statute, but
19 that's -- that's something I want to put on
20 the table as further analysis.

21 CHAIRMAN CROSBY: Right. I mean,
22 I -- I would say the whole registrant
23 category, you know, is there anything that we
24 should be doing, besides registering, or we

1 have to, but should we be doing -- should we
2 be doing any checking, not just the financial.
3 Again, that's not a rhetorical statement.
4 That's a question. What should we be doing
5 here. Okay. So we'll put that on the list as
6 well.

7 MR. CONNELLY: Okay. So I guess I
8 get to figuratively and literally bat cleanup.

9 CHAIRMAN CROSBY: Actually, how
10 would you like to figuratively bat cleanup in
11 about five minutes?

12 MR. CONNELLY: No problem.

13
14 (A recess was taken)

15
16 CHAIRMAN CROSBY: We are reconvening
17 our meeting 198. Where were we? We are over
18 to --

19 MS. WELLS: Mr. Connelly.

20 MR. NOSAL: With cleanup only.

21 MR. CONNELLY: That's right.

22 COMMISSIONER STEBBINS: We got some
23 cleanup.

24 CHAIRMAN CROSBY: Mookie Betts.

1 MR. CONNELLY: Mookie Betts, I love
2 it. Third best -- statistic -- statistically,
3 third best at his age, only behind
4 Ted Williams and Tris Speaker.

5 CHAIRMAN CROSBY: Really?

6 MR. CONNELLY: Well, so the Globe
7 told me the other day.

8 CHAIRMAN CROSBY: For the Red Sox?

9 MR. CONNELLY: For the Red Sox,
10 yeah. For any franchise history.

11 COMMISSIONER STEBBINS: So you went
12 above your replacement.

13 MR. CONNELLY: Yeah, thank you. My
14 stat geek, you know, failed me. So as
15 Director Wells said, I'm going to touch on a
16 few regulations amendments that we're calling,
17 kind of, clarifications in cleanup.

18 The first being, you'll find across
19 pages one, two four and five. And what this
20 does is provides some clarity regarding the
21 timing of licensure. So right now, there's
22 mentions in the regulations that we will
23 license the following positions in a gaming
24 establishment.

1 Now, when you talk about a gaming
2 establishment, that's a physical structure
3 that is open and is subject is to a number of
4 other rules. And what it means is that, for
5 example, in this period of time, Wynn
6 employees and MGM employees, what we do with
7 them. We feel it's important that we license
8 those folks who provide clarity. We have very
9 clear rules about how it should work.

10 And so, what we've done is removed
11 reference to gaming establishment changed to
12 gaming licensee. So that it would be very
13 clear that employees and vendors must be
14 licensed and registered before starting to
15 work, or providing goods and services,
16 regardless of whether the establishment's open
17 yet or not.

18 COMMISSIONER ZUNIGA: Which section
19 again?

20 MR. CONNELLY: It's --

21 CHAIRMAN CROSBY: There's four of
22 them.

23 MR. CONNELLY: It's 134.01, 02, 03
24 and 04. It's kind of spread across the first

1 four to five pages. You'll notice a number of
2 strikeouts of gaming establishment, where it
3 changes to gaming licensee.

4 COMMISSIONER ZUNIGA: Yeah. Yeah,
5 no, and I agree with all of that. Perhaps,
6 again, ongoing conversation of additional
7 things to look at. Is there any thought on
8 refining -- redefining the job classifications
9 of the GELs, the licensees?

10 MR. CONNELLY: So we have a -- we've
11 started thinking about that, particularly as
12 we look to MGM and Wynn opening. One of the
13 steps we take is they provide us with what's
14 called a jobs compendium that lists out every
15 position, its level of responsibility, it's
16 access, where it fits in the organization
17 chart, and we do a crosswalk between those
18 positions and their level of licensure.

19 So to a certain extent, while there
20 are specific job titles here enumerated, you
21 know, these -- these facilities may come up
22 with their own position titles, obviously.
23 And so that there is certainly work to be done
24 in that -- in that area. We haven't started

1 it yet, frankly, just because of where
2 everyone is in their development, but we know
3 it's in the pipeline to -- to discuss. And
4 you know, we've been working, you know,
5 regularly, for example, with Bruce Band and
6 IEB, who has a lot of experience with this in
7 other jurisdictions, you know, kind of figure
8 out, at least in his experience folks have
9 landed.

10 COMMISSIONER ZUNIGA: Yeah. Which,
11 by the way, subsections J through Q are pretty
12 broad, in terms of catching whatever,
13 regardless of the job presentation, but more
14 of the duties and risk around their duties,
15 regardless of the time. But anyway I -- thank
16 you.

17 MR. CONNELLY: But to further --
18 that's a discussion that will be had and needs
19 to be had as to where everyone falls.

20 CHAIRMAN CROSBY: Okay. Sounds
21 good.

22 COMMISSIONER CAMERON: Yeah, good
23 clarification.

24 MR. CONNELLY: The next one up is --

1 you'll find on page eight, and it has to do
2 with the exceptions. Director Wells talked
3 about the potential addition of a de minimus
4 exemption. This clarifies -- does a specific
5 clarification, on 6D, doing two things. One
6 removing the word professional, because
7 that -- the term professional had provided a
8 lot of ambiguity and questions from vendors,
9 because, obviously, the term professional
10 services is kind of a -- you know, a term of
11 art, and people will use it to encompass
12 everything under the sun.

13 We went back and really kind of
14 looked at what the original intention was, and
15 it was not intended to kind of create this
16 massive loophole for all kinds of professional
17 services, so we chose to recommend eliminating
18 it. And, instead, insert lobbying where to --
19 this was -- had already been contemplated.
20 There was actually a letter that was drafted
21 earlier on by -- by the Commission's legal
22 staff to specifically address lobbying
23 services. As you had mentioned, I believe,
24 Commissioner Zuniga, where certain types of

1 industries already fall under a regulatory
2 scheme, and this obviously does under --
3 under, you know, campaign and political
4 finance, that it made sense to exempt it
5 explicitly and remove any doubt.

6 COMMISSIONER STEBBINS: So we
7 weren't suggest legal folks were not being
8 professional.

9 COMMISSIONER CAMERON: That was my
10 interpretation as well. I said, it must
11 consider some legal services.

12 MR. CONNELLY: I would be fearful of
13 seeing what unprofessional legal services
14 looked like.

15 CHAIRMAN CROSBY: Is there a
16 statutory reference to exemptions?

17 MR. CONNELLY: There is not. As a
18 matter of fact, in 31 -- 31A I believe it is,
19 says that all vendors shall be registered or
20 licensed with the Commission.

21 My understanding is that this listed
22 exemptions was put in place, frankly, as a
23 very realistic reflection of what would happen
24 if we tried to license, for example, big law

1 firms who were doing work for our licensees,
2 or for massive corporations that fall, for
3 example, under other scrutiny.

4 COMMISSIONER ZUNIGA: Banks.

5 MR. CONNELLY: Banks. Where --

6 COMMISSIONER ZUNIGA: Insurance
7 companies.

8 MR. CONNELLY: -- one of a few
9 things would happen. They would just say,
10 fine, we won't do business with, you know --
11 even -- even as big as -- as Plainridge Park
12 is to Massachusetts, it's not big to Bank of
13 America. We're just not going to do business
14 there.

15 And so, it was a reflection of
16 reality. Two things. One, we would have a
17 very hard time capturing those folks. Two,
18 they already fall under a very, very -- a
19 regulatory structure themselves and we can
20 rely on that.

21 COMMISSIONER STEBBINS: And that
22 even extends to things like charities. You
23 know, there was --

24 MR. CONNELLY: Correct.

1 COMMISSIONER STEBBINS: There was no
2 sense in asking them to get a hundred dollars
3 to get a donation --

4 MR. CONNELLY: Exactly. And that--

5 CHAIRMAN CROSBY: Well, we could
6 have named the nongaming vendors and have had
7 done nothing but --

8 COMMISSIONER ZUNIGA: If we -- if we
9 had the nongaming vendor scheme that you're
10 thinking about.

11 MR. CONNELLY: Well, and we could
12 have -- but again --

13 COMMISSIONER ZUNIGA: Registrants,
14 rather. Registrants.

15 MR. CONNELLY: And at that time as
16 well, there was the fingerprinting
17 requirement, which would have made it
18 extremely problematic for some of these --
19 some of these companies.

20 COMMISSIONER ZUNIGA: I think this
21 is really cleaner, because there's clear
22 reason, in terms of the exception, regardless
23 of the level of service, that were to parallel
24 to nongaming vendor and it gets escalated to a

1 secondary, has to do with the level of -- of
2 business --

3 MR. CONNELLY: Business.

4 COMMISSIONER ZUNIGA: Business,
5 yeah, with the intensity.

6 CHAIRMAN CROSBY: You know, it's
7 just -- if our -- what we wrestle here with is
8 trying to figure out, you know, where do we
9 need to put our intentions in order to try to
10 keep the place clean? But if you think about
11 it, an organization's lawyers, an
12 organization's accountants, an organization's
13 lobbyists, an organization's unions, you know,
14 are places where you might very well have
15 serious trouble, much more serious than a lot
16 of the people we regulate, you know.

17 So, I don't know, I'm not
18 particularly proposing that we put through
19 anything there, but just in -- you know, in
20 the logic of -- we sort of made up an
21 exemption for, let's assume good reason at the
22 time, but -- but if you think about who you
23 want to keep an eye on, who do you want to
24 know is really a straight shooter, you know,

1 lawyers, accountants, lobbyists and --

2 COMMISSIONER ZUNIGA: Usually, all
3 those lawyers take direction from their
4 client, and maybe their corporate counsel, and
5 that person is qualified -- unqualified. So
6 if somebody -- it's all about making, you
7 know, bad decisions, good decisions, what you
8 may be eluding to -- alluding to, and, you
9 know, they usually, you know --

10 COMMISSIONER CAMERON: They don't
11 have control.

12 COMMISSIONER ZUNIGA: They -- they
13 don't have direct control. It's ultimately
14 about that control. There's also a reality of
15 the feasibility of licensing people --

16 CHAIRMAN CROSBY: The way things
17 stand now, we make balloon vendors,
18 registrants, right, with nongaming vendors?

19 COMMISSIONER ZUNIGA: If they supply
20 \$300,000 worth of balloons, potentially.

21 CHAIRMAN CROSBY: Yeah. As
22 nongaming vendors, which means we have-- right
23 now we're doing a series of routine background
24 checks on nongaming vendors so we -- we do

1 limit it.

2 COMMISSIONER CAMERON: But we're
3 very limited for registrants.

4 CHAIRMAN CROSBY: Well, I understand
5 that, but we're doing for balloon vendors and
6 nothing for lobbyists or labor unions, or
7 lawyers or --

8 MS. BLUE: We do have certain union
9 requirements. Unions have to register. So we
10 do -- the statute requires them to register.
11 If they're organizing in a -- in a facility,
12 in a gaming establishment.

13 MS. WELLS: That's next on the list.

14 MR. CONNELLY: That's up next.

15 CHAIRMAN CROSBY: So this -- I
16 thought they were except here but --

17 MR. CONNELLY: They are exempt here
18 from vendor registration, because there's
19 instances where a gaming establishment will
20 pay them, you know, they may pay dues, or pay
21 the organization for services. And -- but
22 they're exempted here, because specifically
23 they're mentioned where they have to file, and
24 we have some proposed changes to that. But

1 they do have to file a labor organization
2 registration statement. So it's a very
3 specific and unique statement in and of
4 itself, which isn't vendor registration.

5 COMMISSIONER MACDONALD: I think
6 he's regretting --

7 CHAIRMAN CROSBY: Jed, I'd be
8 interested in your sense. What is the -- come
9 up and take a mic. You know, what is the --
10 you're --

11 MR. NOSAL: I have to defend the
12 entire legal --

13 CHAIRMAN CROSBY: Well, if not --
14 but I just means conceptually. And I don't
15 know where this goes, if anywhere, but if what
16 we're trying to do is keep out bad influences,
17 that's what we're trying to do, and we're
18 concerned about garbage providers that might
19 sneak in, you know, so we're trying to make
20 sure that the people who can influence the
21 real heart of an -- of an operation are clean,
22 what is -- what's the logic for making the
23 distinction between these kinds of providers
24 from, you know, the garbage companies.

1 MR. NOSAL: I think your staff
2 summarized it really well, initially. Is that
3 these particular professions, and I stress
4 that -- that term, are really under other
5 regulatory frameworks. So I'd suggest, sort
6 of, the difference of being a balloon vendor
7 and the lawyer is -- the rules of professional
8 conduct, you're under a very strict set of
9 rules that govern your conduct that would
10 suggest you are held to a very different
11 standard than someone else in the business.

12 You know, accountants are under all
13 sorts of state and federal requirements for
14 their particular conduct. And I think that
15 that's the -- you know, the genesis around
16 this. Lobbyists are disclosing all of their
17 conduct through the office of -- through the
18 Secretary of State's office, in a very
19 transparent way, and are under very tight
20 regulations as to their particular conduct.

21 So I think that that's where the
22 genesis of this comes from, this type
23 regulation. This is something, I think, that
24 staff's pointed out as well, as very commonly

1 consistent what you see in all other
2 jurisdictions as well.

3 COMMISSIONER ZUNIGA: Well said.
4 Thank you.

5 CHAIRMAN CROSBY: Thank you.

6 MR. CONNELLY: To mix sports
7 metaphors, that's what you call an assist.

8 So up next is, as you started to
9 elude to, Mr. Chairman, labor organizations.
10 So current in the current statute -- well, let
11 me back it up. What we're attempting on pages
12 nine, 23 and 28, it's across those three --
13 there's three mentions. But what we're
14 attempting to do here is in line with what
15 we've already discussed in 134.07 forms.

16 So as it stands right now, I had
17 just indicated that there's a requirement for
18 labor organizations that represent
19 individuals, who work in a gaming
20 establishment, to submit both the labor
21 organization registration statement, and as
22 well as key individuals submit an individual
23 disclosure form.

24 In the current regulations, the

1 contents of those two forms are listed out
2 line by line. What we're suggesting -- excuse
3 me. What we're recommending is that -- and we
4 take the same approach we did to 134.07, and
5 just indicate that they must file on a form to
6 be prescribed by the Bureau.

7 But what we're doing in addition to
8 that, I just mentioned, there's two forms.
9 There's a labor organization registration
10 statement, and an individual disclosure form.
11 We're collapsing those two into one form,
12 because what we found in practice was there --
13 there's great redundancies across the two.
14 And in the statute, there's one key element
15 that the statute wants us to get to, which is
16 does anyone involved, any principal or agent,
17 or officer of that union have a financial
18 interest in the establishment that they're
19 representing? And so, what we intend to do is
20 capture that information, find out which
21 organizations are representing individuals
22 there, who are the key principals, and is
23 there any financial interest. So just kind of
24 cleaning it up and consolidating it.

1 CHAIRMAN CROSBY: Everybody okay
2 with that one?

3 COMMISSIONER CAMERON: Yep.

4 COMMISSIONER STEBBINS: Sounds good.

5 MR. CONNELLY: Next up is -- is
6 really kind of true cleanup. It's on page 25,
7 and it's 134.08, submission of application.
8 This does a few things. Primarily, it
9 corrects the references, if you are indeed
10 to -- and we're going to move on and adopt the
11 changes to 134.07 forms, it updates all the --
12 you know, relevant references. Is also allows
13 a primary vendor qualifier to submit the
14 multijurisdictional personal disclosure form,
15 in addition to the Massachusetts supplement,
16 or the key standard form. The reason for this
17 is, many of these primary qualifiers have
18 already filled out that that MGPHD, and we're
19 allowing them to submit it, because they
20 already have it together. And it's just
21 easier for them, frankly. It's a convenience,
22 to be honest, to those qualifiers.

23 It also -- it allows for some
24 flexibility in how some things are

1 demonstrated. Such as, if you're to adopt it,
2 proof of that good-faith proof of a business
3 relationship with a vendor, as well as an
4 employment relationship with an employee. And
5 it provides flexibility in the sense that
6 it -- it says, "in a manner prescribed by the
7 division of licensing."

8 Now, the reason we put that language
9 in was to kind of reflect that -- the
10 flexibility that we're looking for in a
11 electronic world, meaning, the new LMS, to
12 specifically describe how would be kind of --
13 it would be difficult, and right now, we're
14 asking for an offer letter. We have no need
15 for an offer letter. We can basically have
16 the casino, the gaming establishment just vet
17 these folks electronically by pushing a button
18 and certifying so to speak, so it's a good bit
19 of a technical clear there.

20 COMMISSIONER ZUNIGA: I have a
21 question on 130 -- on the prior section, on
22 page 24, Subsection 6. How are we designating
23 a subcontractor, currently or proposed to do.

24 MR. CONNELLY: So a subcontractor,

1 any nongaming vendor, or gaming vendor,
2 secondary or primary, for that matter, that
3 uses a subcontractor to complete but fulfill
4 the contract with our gaming licensee, they
5 have to provide us information regarding those
6 subcontractors.

7 So, for example, Suffolk
8 Construction right now, they've a great number
9 of subcontractors and it's only going to grow.
10 They provide us information about those
11 subcontractors, and we deal entirely with our
12 licensee, meaning Suffolk. Suffolk provides
13 us with that information on all of their
14 subcontractors, and it's a basic information
15 form.

16 COMMISSIONER ZUNIGA: It's a listing
17 -- in general, the type of service --

18 MR. CONNELLY: Who they are, how
19 long they're going to be there, how much, who
20 -- you know, principals and are they're
21 sharing, et cetera.

22 COMMISSIONER STEBBINS: Is that
23 regardless of the dollar value of the
24 contract?

1 MR. CONNELLY: It is. It is. And
2 it's for the primary contractor, so the first
3 level of subcontractor we require that. So
4 you're -- especially, in the construction
5 phase, these are big-dollar -- big-dollar
6 subcontractors.

7 COMMISSIONER ZUNIGA: And, in
8 general, you can go through the list and say,
9 look at this company type of service, or level
10 of service, and say we need to think about
11 designating --

12 MR. CONNELLY: So we don't -- it's
13 an important distinction. Subcontractors are
14 a bit of a different animal in our word.
15 They're not a registrant, and they're not a
16 licensee.

17 COMMISSIONER ZUNIGA: Okay.

18 MR. CONNELLY: We're, frankly,
19 informed of them by our licensee. So our
20 relationship -- when we have registrants and
21 licensees, there's obviously a direct
22 relationship with each of them. We can
23 enforce certain actions on them. We can
24 revoke a license or a registration. With the

1 subcontractors, it's a -- the relationship is
 2 through the licensee or the registrants. To
 3 be frank, it's quite uncommon that a
 4 registrant has a subcontractor. It's -- it's
 5 very frequent in the construction phase,
 6 obviously that a -- that a licensee --

7 COMMISSIONER ZUNIGA: General can
 8 have some --

9 MR. CONNELLY: Exactly.

10 COMMISSIONER CAMERON: So they're
 11 responsible, the licensee is responsible.

12 MR. CONNELLY: Perfectly said. And
 13 that is it for me. There is one more cleanup
 14 item, but I'm going to turn that over to
 15 Loretta to discuss.

16 MS. LILLIOS: Saving the best for
 17 last, this has to do with the hearing
 18 regulations. And this these are changes that
 19 appear on pages 28 and 29 of your packet. And
 20 you'll see, at the bottom of page 28 and over
 21 two-thirds of way, kind of, down page 29, a
 22 lot of cross out.

23 So when -- when this regulation, the
 24 licensing regulation was adopted, there was no

1 comprehensive hearing regulation. Now, we
2 have a comprehensive hearing regulation in 205
3 CMR 101 that covers the hearing process for
4 casino qualifiers, racing, licensees. And so,
5 what we've done with the changes here, you'll
6 see in red, on Page 28, just make reference to
7 101.

8 So it's says, "Hearings held under
9 this section shall be held in accordance with
10 205 CMR 1.01, instead of relisting all of the
11 hearing requirements. And we've done the same
12 thing on top of page 29, it -- reviewed the
13 Commission, so appearance before the
14 Commission are now to be held in another
15 section of 101. So, in a way, this was just
16 cleanup and refers us back to the more
17 comprehensive appearance section.

18 COMMISSIONER ZUNIGA: Who is the
19 clerk of the Commission?

20 MS. LILLIOS: Cecilia.

21 MS. BLUE: Cecilia.

22 MS. WELLS: So that wraps up the
23 package. I think, at this point, if the
24 Commission is comfortable, the Commission

1 could take a vote to move this forward to that
2 informal comment period so you can get
3 comments for the -- on the proposed
4 regulations and sort of move forward from
5 there.

6 I would like to say, just, you know,
7 as an aside, I do want to thank the legal
8 department. That, you know, they really were
9 tremendous on this. And, particularly,
10 Director Connelly and Loretta Lillios on
11 these. This is really hard, to go through all
12 this. These things are so interwoven, and
13 they really made a huge effort to take, sort
14 of, what we learned in practice and really
15 implement that in part of the regulation, it's
16 a very difficult project to do this. And I
17 think the team did a tremendous job on this,
18 and I think this will be very helpful going
19 forward.

20 COMMISSIONER STEBBINS: I would echo
21 those accolades. I think they've done good
22 job. I've talked to them on a number of
23 occasions about some of the changes. But, you
24 know, I think everybody recognizes there's

1 still a lot of stuff that we may go back and
2 revisit and tackle with, maybe a new set of
3 eyes looking towards the next phase. Maybe
4 not just a lot of work based off of
5 experience.

6 MS. WELLS: Right. I would think --
7 you know, it was a good experience to do this.
8 I think the model we used, of having, you
9 know, that, sort of, collaborative process
10 with the legal department with licensees,
11 checking in the with Commissioner and things
12 like that, that was very helpful, I would use
13 that same model. And then, periodic review.
14 You know, after the next casino opens, I would
15 do that all over again. Sort of look at --
16 look at what we've learned, how do things
17 work.

18 I also think we're going to get some
19 real data now, once we have a system of record
20 through the LMS. And that will help me, you
21 know as a manager on efficiencies. How long
22 are things taking? Where -- where are the
23 points? Are we getting our bang for our buck
24 on X, Y or Z, so that'll help as well. So an

1 analysis after that would be forthcoming.

2 COMMISSIONER ZUNIGA: I agree. I
3 think there's a lot of work that's done -- of
4 thought that has gone into the crossing and
5 multireference sections of the statute and our
6 track record, and the decisions we've made
7 along the way, and hearing regulations, and
8 every other -- you know, any other instance.
9 So thank you for all the hard work.

10 I do have a question of process.
11 You know, we've done -- whether with take a
12 vote or not, you know, we've had a lengthy
13 discussion here, some thoughts about, maybe, a
14 new paragraph here or there, or a new thought
15 on sections, like you suggested. I'd like to
16 just pose the question as to how -- how best
17 to accomplish that.

18 COMMISSIONER MACDONALD: If I
19 recall, wasn't it just one or two of these
20 specific suggestions that we weren't
21 comfortable with taking to the next stage? I
22 mean, for example, the reservations, and the
23 affirmative proposal that you had,
24 Commissioner Zuniga, with regard to the

1 secondary license Section 5 or 6. That seemed
2 to be clearly something that we wanted to
3 think about more with -- with the benefit of
4 staff. But on the other hand, we seem to be
5 in agreement with, as to almost all of others,
6 at least going to the next stage.

7 CHAIRMAN CROSBY: Well there were
8 two that we were not in a consensus on. One
9 was the secondary designation, and one was the
10 de minimus exemption. All of the rest of
11 them, if my notes are accurate, we were. And
12 none of these has been cast in stone. We're
13 putting these out for comment anyway.

14 MS. WELLS: Right.

15 MS. LILLIOS: Right.

16 CHAIRMAN CROSBY: But I think we
17 particularly want some further discussion on
18 those two, pursuant to -- to the issues that
19 we raised.

20 In addition, I want to put on the
21 table to have the staff think about the issues
22 of, what are we doing for GSEs and nongaming
23 vendors, and gaming service employees and
24 nongaming vendors, and might we do less. And

1 that would include, like I said, what's -- how
2 are the jurisdictions handling those -- other
3 comparable jurisdictions handling those.

4 This -- the issue of the
5 rehabilitation and the quarry (phonetically),
6 and reconciliation, how we are interpreting
7 those sections now, and now would like to
8 interpret those, and are there other ways to
9 interpret those sections.

10 We didn't mention today, but there
11 is a reciprocity clause in 30F, and I'd like
12 to know how that's being used, if at all, and
13 have us think about whether or not you can use
14 reciprocity for -- you can have reciprocal
15 agreements for a certain kind -- for any
16 vendors, actually, on how -- what are we doing
17 with that, if anything. And I think we ought
18 to rethink that. The forms is already in
19 process so that would be in the list.

20 And then, in general, within
21 licensing, are there any -- is anybody else
22 out there in the world or here, or anyplace
23 else have other -- other licensing regs that
24 they would like to take a look at. These, I

1 think, are ones that we know right now are
2 teed up, except for reciprocity we've talked
3 about today. But I think, you know, we should
4 take a look at them. And if our licensees
5 think there are other ones that they want to
6 look at, we should think about that. So
7 that's -- that would be the process that I
8 would like to take a look at.

9 There are other -- some of them, not
10 very many, but there are some other areas of
11 our regs, particularly in internal controls
12 and surveillance, where we do now have the
13 year's plus experience. And we might think
14 about taking a look at those as well. But I
15 think licensing is the big kahuna, and
16 licensing is the one with the -- with the
17 priority on the table. So I'm not proposing
18 to do doing anything with those other regs, at
19 least, for now.

20 COMMISSIONER STEBBINS: Are you
21 suggesting, except for the areas where we may
22 have some disagreement launching those into
23 the formal regulation process?

24 MS. WELLS: My understanding is

1 the -- what would make sense is that, we sort
2 of know we're going to have further discussion
3 on the next phase of this on those two issues.
4 But my understanding was, you were comfortable
5 at least moving this packet to informal
6 comment period.

7 COMMISSIONER STEBBINS: Right.

8 COMMISSIONER CAMERON: Correct.

9 MS. BLUE: You know, so we would --
10 we would post this. You don't have to vote on
11 it. You can just instruct us to post it. We
12 would just post it for about two weeks, take
13 informal comments, you know, make -- use the
14 suggestions what makes sense, but make sure
15 you see the comments. Bring it back. And, at
16 that point, you can determine if you want to
17 start through the more formal promulgation
18 process. But you'll also provide for another
19 comment period too, so there's lots of room
20 for comment.

21 COMMISSIONER STEBBINS: I agree with
22 that suggestion. We're in the waning days of
23 August there's really focus. And to start the
24 clock now and use the two weeks when nobody's

1 paying attention, I don't think makes sense.

2 MS. BLUE: I agree.

3 COMMISSIONER STEBBINS: But doing
4 the informal two weeks will take us right
5 through the Labor Day and we can jump back in.

6 CHAIRMAN CROSBY: Yeah. And our
7 neck meeting now is September 8th, so that
8 sort of fits that schedule. Okay. Does that
9 answer your questions?

10 COMMISSIONER ZUNIGA: Sounds like a
11 consensus, yeah.

12 CHAIRMAN CROSBY: Okay, great.

13 COMMISSIONER MACDONALD: I move that
14 we adjourn.

15 MS. BLUE: No, no, we have impact
16 statements.

17 CHAIRMAN CROSBY: Nice try, Judge.

18 COMMISSIONER STEBBINS: That seemed
19 about as long as a ballgame.

20 MS. BLUE: So you have in your
21 packet, two small business impact statements.
22 The first one is for 205 CMR 134. This is the
23 small business impact statement for the
24 fingerprinting amendment that you approved at

1 your last meeting.

2 Just by way of update, that has been
3 filed on an emergency basis with the Secretary
4 of State and accepted. So that is in the --
5 in the process. By approving the small
6 business impact statement, we'll start the
7 formal promulgation process. So that's the
8 first one.

9 The second one is the small business
10 impact statement. It goes across a couple of
11 regulations, 138, 144 and 145. This is the --
12 the amendments that you approved, I think at
13 the last meeting as well that talk about the
14 approval and -- the approval process for
15 delivery inspection for slots machines. There
16 was a whole bunch of sections that got
17 covered. So when you approve this small
18 business impact statement, we will take those
19 through the formal process. We did not do
20 those on an emergency basis, so that's just a
21 normal process for that. So if we could get
22 your approval on those two, that would be
23 great.

24 COMMISSIONER STEBBINS: Mr. Chair, I

1 move the Commission approve the small business
2 impact statement for the amendment to the 205
3 CMR 134 licensing registration, employees,
4 vendors, junket enterprises and
5 representatives and labor organizations as
6 included in the packet. Authorizing the staff
7 to take all necessary steps to file the SBIS
8 with the secretary of the Commonwealth and
9 proceed with the regulation promulgation
10 process.

11

12 CHAIRMAN CROSBY: Those were all
13 done right off the top of your head. Second?

14 COMMISSIONER CAMERON: Second.

15 CHAIRMAN CROSBY: Further
16 discussion? All in favor? Aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 CHAIRMAN CROSBY: Opposed? The ayes
22 have it unanimously.

23 COMMISSIONER STEBBINS: Mr. Chair,
24 I'd also move the Commission approve the small

1 business impact statement for the amendments
 2 of 205 CMR -- 205 CMR 138, uniform standards
 3 of accounting procedures and the internal
 4 controls, 205 CMR 144, approval of slot
 5 machines and electronic gaming equipment and
 6 testing laboratories, and 205 CMR 145,
 7 possession of slot machines, as included in
 8 the packet, authorize the staff to take all
 9 steps necessary to file the SBIS with the
 10 secretary of the Commonwealth and proceed with
 11 the regulation promulgation process.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER CAMERON: Second.

14 CHAIRMAN CROSBY: Further
 15 discussion? All in favor? Aye.

16 COMMISSIONER MACDONALD: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes
 21 have it unanimously.

22 MS. BLUE: Thank you.

23 CHAIRMAN CROSBY: Now, we can have
 24 your motion.

1 COMMISSIONER MACDONALD: I move that
2 we adjourn.

3 CHAIRMAN CROSBY: All in favor?
4 Aye.

5 MR. MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: The ayes have it.
10 We are adjourned.

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12 (Proceeding concluded at 3:54 p.m.)

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GUEST SPEAKERS:

Robert DeSalvio, President Wynn MA, LLC

Chris Gordon, Wynn Design and Development
Massachusetts

Jacqui Krum, General Counsel/Senior Vice
President, Wynn Resorts

Jennie Peterson, Manager Development Wynn MA, LLC

Brian Mcpherson, Director of Diversity & Workforce
Compliance, Suffolk Construction

Shelley Webster, Compliance Officer, Suffolk
Construction

Tania Barber, CEO, Caring Health Center

Jasmine Naylor, Executive Vice President, Caring
Health Center

Michael Thoma, Slots Director, Plainridge Park
Casino

Eli Huard, Purchasing Manager, Plainridge Park
Casino

Lisa McKenney, Compliance Manager, Plainridge Park
Casino

Michele Collins, Vice President of Marketing,
Plainridge Park Casino

Jed Nosal, Esq., Brown Rudnik LLP

1 MASSACHUSETTS GAMING COMMISSION:

2 Catherine Blue, General Counsel

3 Karen Wells, Director, Investigations Enforcement
4 Bureau

5 John Ziemba, Ombudsman

6 Joseph Delaney, Construction Project Oversight
7 Manager

8 Loretta Lillios, Deputy Director of Investigations
9 Enforcement Bureau

10 Paul Connelly, Director of Licensing

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C E R T I F I C A T E

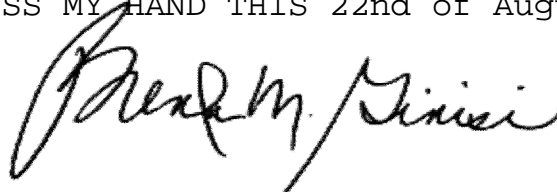
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

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

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

WITNESS MY HAND THIS 22nd of August
2016.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021