

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

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #224

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

September 14, 2017 10:00 a.m.

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

1 P R O C E E D I N G

2

3 CHAIRMAN CROSBY: All right. I am
4 calling to order public meeting No. 224 of
5 the Mass Gaming Commission at our offices in
6 Boston at 10 o'clock on September 14th.
7 First order of business is the approval of
8 the minutes. Commissioner Macdonald.

9 COMMISSIONER MACDONALD: Thank you,
10 Mr. Chairman. I move that we approve the
11 minutes of the August 10, 2017 meeting as
12 they appear in our packet, subject to
13 corrections for typographical errors, or for
14 other nonmaterial matters.

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Who did the
17 minutes this time? Haven't we lost our
18 minute --

19 MS. BLUE: Me.

20 CHAIRMAN CROSBY: Oh, yike. Well,
21 I'm sure they're good. Any discussion? All
22 in favor? Aye.

23 MR. MACDONALD: Aye.

24 COMMISSIONER STEBBINS: Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 CHAIRMAN CROSBY: Opposed? The ayes
4 have it unanimously. Item No. 3,
5 administrative update, Director Bedrosian.

6 MR. BEDROSIAN: Good morning,
7 Commissioners.

8 CHAIRMAN CROSBY: Good morning.

9 COMMISSIONER ZUNIGA: Good morning.

10 MR. BEDROSIAN: Just on the 3A
11 administrative update, couple of items.
12 Labor Day was the third but not final weekend
13 of racing at Suffolk Downs on Saturday or
14 Sunday. I went out on Saturday for about
15 three hours. It was a -- it was, really, a
16 gorgeous day. Report our staff, as usual,
17 has been doing a great job. And that's a --
18 an older facility, and our staff continues to
19 do a great job, in terms of licensing and
20 getting everyone ready for racing.

21 It was a robust crowd, the day I was
22 there. I was not there Sunday. It was -- I
23 think was the weather moved in. It was a
24 slightly lesser crowd. And then, they will

1 have one more weekend, which is the last day
2 of the month and the first day of October,
3 that split weekend will be the fourth
4 weekend. So thank you to our staff,
5 obviously.

6 The second update is, now that we
7 are actually slightly less than one year out
8 from opening of MGM Springfield --

9 CHAIRMAN CROSBY: What is the date,
10 September what?

11 MR. BEDROSIAN: I think it's
12 September 8th. That's the official date. So
13 we are slightly a year less.

14 CHAIRMAN CROSBY: Amazing. Great.

15 MR. BEDROSIAN: And because we
16 are -- we have started our preopening
17 preparations. And while it seems like a
18 year's a long time, it really isn't. So we
19 have a -- we have monthly meetings, staff
20 does, with MGM Springfield personnel, to go
21 over all the regulatory and nonregulatory
22 requirements that include building
23 commitments, host community commitments,
24 local commitments. And then, obviously, the

1 core of that for us, as we get closer to
2 opening, will be the commitments around
3 gaming operations and what they need to do
4 for their true gaming operation certificate.
5 Those meetings, I think, will increase in
6 tempo, as we get closer to opening. Probably
7 be every other week, and then probably
8 weekly, and then, you know, few days out
9 daily.

10 So -- and just an FYI, next Thursday
11 and Friday our staff is -- our senior staff
12 is going to be getting trained in project
13 management software to help us track these
14 commitments and use dashboards, and really --
15 really something I hope that can be visual
16 and we can show the Commission so -- that
17 we're on track.

18 CHAIRMAN CROSBY: So our directors
19 are being --

20 MR. BEDROSIAN: Our directors,
21 internal.

22 CHAIRMAN CROSBY: -- and key staff
23 are being -- in for internal tracking tool?

24 MR. BEDROSIAN: Exactly.

1 CHAIRMAN CROSBY: I'd like to see
2 that.

3 MR. BEDROSIAN: Sure.

4 CHAIRMAN CROSBY: I didn't know you
5 were working on that.

6 MR. BEDROSIAN: Absolutely.

7 CHAIRMAN CROSBY: I think, I'm sure
8 all of us would like to see that.

9 MR. BEDROSIAN: Absolutely. I think
10 Commissioner Zuniga is well-versed in it,
11 quite frankly.

12 COMMISSIONER ZUNIGA: I've used it,
13 actually.

14 MR. BEDROSIAN: Yeah, yeah, yeah.

15 CHAIRMAN CROSBY: Okay. Great.

16 COMMISSIONER ZUNIGA: GERA
17 (phonetically).

18 MR. BEDROSIAN: I don't know if he's
19 leading one of the sessions or not but...

20 COMMISSIONER CAMERON: Does the
21 commissioner have an Avatar?

22 COMMISSIONER ZUNIGA: Yes. There is
23 an option to put an Avatar.

24 MR. BEDROSIAN: I only smell

1 trouble. So --

2 CHAIRMAN CROSBY: Well, so, maybe
3 all the commissioners would be interested in
4 seeing something. Maybe put that on a agenda
5 soon, to show us what you're -- what you're
6 doing, us and the public, for that matter.

7 MR. BEDROSIAN: Absolutely. So
8 that's -- that's an administrative update.
9 With that, I would like to turn Item 3B.
10 This is, I think, something we are
11 revisiting, our mission and values, over to
12 Deputy General Counsel Todd Grossman.

13 CHAIRMAN CROSBY: Good morning, Mr.
14 Chairman, Commissioners.

15 COMMISSIONER MACDONALD: Good
16 morning.

17 COMMISSIONER CAMERON: Good morning.

18 COMMISSIONER ZUNIGA: Good morning.

19 COMMISSIONER STEBBINS: Good
20 morning.

21 MR. GROSSMAN: We have, before you,
22 the core values and mission statement of the
23 Commission for a look. You'll recall a
24 couple weeks back we discussed some of the

1 modifications. And the version before you
2 reflects the changes you requested at the
3 last meeting.

4 CHAIRMAN CROSBY: Any discussion
5 about these changes, or any other ideas?

6 COMMISSIONER CAMERON: I thought it
7 read nicely. I think you did incorporate
8 those changes. It looks great.

9 COMMISSIONER MACDONALD: I had one
10 question. And that was, in the core values,
11 the second-to-last paragraph, "We value a
12 diverse workforce and supplier base in an
13 inclusive culture internally and among our
14 partners in the Massachusetts gaming
15 industry." Who are our partners? Who's
16 intended to be our partners?

17 COMMISSIONER ZUNIGA: I remember
18 having a discussion about this in the last
19 meeting. I think, initially, there was a
20 presumption that it would be people we
21 license. But, really, it means everybody
22 that we come in contact with, in my -- in my
23 view, other agencies that the gaming act
24 touches.

1 CHAIRMAN CROSBY: Municipalities.

2 COMMISSIONER ZUNIGA: Municipalities,
3 surrounding communities, host communities.
4 And the notion that everybody's treated as a
5 partner, I think, is a strong principle
6 operating here. So it's pretty much --

7 COMMISSIONER MACDONALD: Yeah. I
8 thought that was what the -- what the
9 intention was. But I thought that the phrase
10 "other participants" in the Massachusetts
11 Gaming industry, and with industry not being
12 capitalized, would be more to the point.

13 COMMISSIONER CAMERON: I think
14 partners sends the message that we're working
15 with you.

16 COMMISSIONER MACDONALD: Maybe
17 that's too strong a message.

18 CHAIRMAN CROSBY: Yeah. I think the
19 point gets made with your language, I agree.
20 The question is, you know, we're talking
21 about angels on the head of a pin here. But
22 I think we were kind -- we've always, kind
23 of, tried to imply and say that this is a
24 partnership. So, you know, I mean, it's not

1 a literal partnership. And this is a line we
2 walk. You know, we often say, we're your
3 partners, but we're also your regulators, or
4 in the case of the cities and towns, you
5 know, we're your peers.

6 I don't know that I needs to be --
7 either G and I need to be capitalized.
8 That's really a super detail. But I think
9 I'm comfortable with partners, but whatever.
10 Anybody else have a reaction, one way or the
11 other, on this?

12 COMMISSIONER ZUNIGA: I'm
13 comfortable the way it is. I get the point.
14 But I'm comfortable with the way it is.

15 CHAIRMAN CROSBY: Bruce?

16 COMMISSIONER STEBBINS: I'm
17 comfortable with it, yeah.

18 COMMISSIONER MACDONALD: And as much
19 as everybody is comfortable and the points
20 have been made on the record, I'm comfortable
21 with it.

22 CHAIRMAN CROSBY: All right. Good.
23 You learn to take your lumps in this
24 business. Okay. Any further discussion?

1 COMMISSIONER STEBBINS: We need a --

2 CHAIRMAN CROSBY: We need a vote to
3 adopt. Somebody want to move?

4 COMMISSIONER CAMERON: Mr. Chair, I
5 move that we adopt the revised core values
6 for the Massachusetts Gaming Commission.

7 COMMISSIONER STEBBINS: And mission
8 statement.

9 COMMISSIONER CAMERON: And to
10 include the mission statement, yes.

11 COMMISSIONER STEBBINS: Second.

12 CHAIRMAN CROSBY: I will note that
13 I've met twice now with the new chair of the
14 Cannabis Control commission, Steve Hoffman.
15 And the first time he came, he was sitting in
16 the lobby and noticed our mission and values
17 up on the wall and commented on them. Read
18 them, saw what they were, thought they were
19 good, commented on them, said that was
20 something he wanted to be sure he was doing
21 right away too, so that was good.

22 COMMISSIONER ZUNIGA: Yeah, they
23 hold up well, by the way. I think, you know,
24 when we first came up with them, you know, it

1 was a very different time, perhaps, but they
2 hold up.

3 CHAIRMAN CROSBY: I agree with that.
4 I mean, obviously, changing from emphasis of
5 licensing to regulation, you know, was
6 natural. There's a few, sort of, things that
7 we had to change to get up to date. But I'm
8 proud of the values. I mean, I think we did
9 identify things that we really cared about.
10 And we're, you know, doing our best to stick
11 with these. I agree. I think they -- I
12 think it was -- it's interesting that six
13 years on, you know, we have the same sense of
14 what our priorities ought to be, in terms of
15 values. Okay.

16 MR. BEDROSIAN: So Mr. Chairman, in
17 that vein, the next item --

18 COMMISSIONER ZUNIGA: We just need
19 the vote.

20 CHAIRMAN CROSBY: We need a vote.

21 MR. BEDROSIAN: Oh, I'm sorry, you
22 didn't vote.

23 CHAIRMAN CROSBY: No. Yeah. Any
24 further discussion? All in favor? Aye.

1 MR. MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

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

7 MR. BEDROSIAN: Okay. Sorry.

8 CHAIRMAN CROSBY: Okay. Next up.

9 MR. BEDROSIAN: Sorry for jumping
10 the gun there. In that vein, we are also
11 revisiting an item that I think has -- a
12 document that has served us well for the last
13 six years but might need a little revisiting,
14 which is our enhanced ethics.

15 And this is, I think, like the
16 mission and value statements went through a
17 couple of iterations with the Commission.
18 This is just the beginning of a conversation,
19 which I will turn over to general counsel and
20 deputy general counsel.

21 And what you have in front of you
22 are just some suggestions of items for the
23 Commission to consider. Some are what I
24 might call procedural, where do we file a

1 particular type of disclosure or something
2 like that, and some are more substantive. So
3 with that, I will turn it over to General
4 Counsel Blue.

5 MS. BLUE: Thank you. And good
6 morning. I think, Executive Director
7 Bedrosian has pretty much summed it up.
8 We'll let Deputy General Counsel Grossman go
9 through some of the highlights. But this is,
10 essentially, your first look at it. It is
11 designed more to prompt a discussion. We
12 will be having more discussion about some of
13 the issues as time goes on, and then
14 eventually red lining the code of what we
15 agree to do so. Deputy Counsel Grossman, if
16 you'd describe the high points.

17 CHAIRMAN CROSBY: Todd, before you
18 do that, would you just -- either of you
19 remind us, the statutory mandate, it simply
20 said do an enhanced code of ethics? What was
21 the mandate we were under, under the statute?

22 MR. GROSSMAN: There is a mandate
23 that says we shall have an enhanced Code of
24 Ethics, which is more rigid than the state

1 Conflict of Interest Law. It does include, I
2 think, four items that have to be in the
3 code, such as not accepting gifts. I can't
4 remember all the specifics.

5 CHAIRMAN CROSBY: Do you have it
6 there, Catherine, just out of curiosity, can
7 you get it, while we're talking?

8 MS. BLUE: We can get the language,
9 yes.

10 CHAIRMAN CROSBY: Okay. Just --
11 just for the record, I'd like to be reminded
12 of what those four were.

13 MR. GROSSMAN: Sure.

14 COMMISSIONER ZUNIGA: One of them
15 must be the prohibition relative to
16 employment after and before?

17 MR. GROSSMAN: Well, Section -- 23K,
18 Section 3 actually creates and governs the
19 Commission in many respects, and that's where
20 the code is. And things like that are in, I
21 think, other paragraphs. So they're not all
22 required to necessarily be --

23 COMMISSIONER ZUNIGA: In the code?

24 MR. GROSSMAN: -- in the Code of

1 Ethics. Though, we have incorporated them.
2 There are a number of other provisions that
3 govern our behavior here, though. So the
4 Code of Ethics is intended to, kind of,
5 encapsulate it all. Some of those things,
6 though, we don't actually include in the code
7 because they're in the statute so we didn't
8 want to --

9 CHAIRMAN CROSBY: Right.

10 MR. GROSSMAN: -- create any
11 conflict relative to the areas the Commission
12 could modify at times and those that it
13 can't. And something like the postemployment
14 restrictions are in the statute, so the
15 Commission can't modify that, grant variances
16 or anything of that nature. So that's not
17 actually even in the -- the Code of Ethics.

18 CHAIRMAN CROSBY: Okay.

19 MR. GROSSMAN: So the -- just to add
20 to the overview, the legal department and
21 staff took the first pass at going through
22 the code and identifying some areas that we
23 thought the Commission might be interested in
24 having a look at, revisiting, refreshing or

1 whatnot. It's certainly not necessarily
2 comprehense -- or all-encompassing, so if
3 there are other areas, of course, we can add
4 them to the list. But we thought we would
5 present this to you, just to get the
6 conversation started and start thinking about
7 whether we want to modify any of the existing
8 provisions of the code.

9 I'd be happy to go through them in
10 any way that's helpful to you. There are a
11 couple of areas that I think will attract the
12 most attention. If you have that --

13 MR. BEDROSIAN: We do.

14 MS. BLUE: We do. We have the
15 section. The section is 23K, Section 3M.
16 And it reads as follows, "Chapters 268A and
17 268B shall apply to the commissioners and to
18 employees of the Commission. Provided,
19 however, that the Commission shall establish
20 a Code of Ethics for all members and
21 employees that shall be more restrictive than
22 said Chapters 268A and 268B. A copy of the
23 code shall be filed with the State Ethics
24 Commission.

1 The code shall include provisions
2 reasonably necessary to carry out the
3 purposes of this chapter and any other laws
4 subject to the jurisdiction of the
5 Commission, including but not limited to,
6 one, prohibiting the receipt of gifts by
7 commissioners and employees from any gaming
8 licensee, applicant, close associate,
9 affiliate, or other person or entity subject
10 to the jurisdiction of the Commission.

11 Two, prohibiting the participation
12 by Commissioners and employees in a
13 particular matter, as defined in Section 1 of
14 said Chapter 268A, that affects the financial
15 interest of a relative within the third
16 degree of consanguinity, or a person with
17 whom such commissioner or employee has a
18 significant relationship as defined in the
19 code. And three, providing for recusal of a
20 commissioner in a licensing decision due to a
21 potential conflict of interest."

22 CHAIRMAN CROSBY: Okay. Great.
23 Thank you. Yes. I think going through what
24 you've considered to be the highlights is a

1 good idea, so go ahead.

2 MR. GROSSMAN: Sure. I think the
3 first one on here is worth a careful look.
4 That pertains to how we treat consultants and
5 how the code applies to consultants. That
6 includes, at first, mostly it was our gaming
7 consultants that we were concerned with.

8 Now, of course, and over time, we
9 have others. We have outside counsel.
10 There's the Mass Counsel on Compulsive
11 Gambling. All types of other entities that
12 do consulting -- what we would consider to be
13 consulting work for us. And -- so we need to
14 just have another look how the enhanced Code
15 of Ethic applies to these entities. And at
16 the moment it applies, in many respects, the
17 same way it applies to employees of the
18 Commission. So that's an area that we
19 thought you might want to have a second look
20 at.

21 COMMISSIONER STEBBINS: Are we
22 trying to make a -- you know, as you just
23 pointed out, our consultant mix has changed.
24 Are we trying to differentiate between when a

1 consultant is actually, maybe visiting a
2 gaming facility while they're working for us,
3 or whether, at some point, you know, one of
4 our consultants is taking a vacation. Are we
5 trying to be that clear and make that type of
6 distinction?

7 MR. GROSSMAN: Well, I think we
8 should -- yes, I think we should try to make
9 some distinctions. There is a provision in
10 the existing code that we can try to make
11 better use of, which says that it's not
12 actually the entity that would be a
13 consultant for purposes of the code. And
14 it's not an entity that becomes a special
15 state employee under the Conflict of Interest
16 Law. The law applies to individuals.

17 So what we can do a little better is
18 identify the individuals within certain
19 entities, who we contract with, and identify
20 those folks as the consultant/special state
21 employee. That resolves some of those
22 issues.

23 So it's not everyone who works at a
24 law firm that is prohibited from engaging in

1 certain conduct, or everyone who works at the
2 Mass counsel who is prohibited from going to
3 casinos. It's the folks who really do work
4 for us that we're concerned with.

5 So there are a couple of ways that
6 we can modify and improve this part of the
7 process. But one of them is making sure the
8 underlying rule is sound. So that's why this
9 is on the chart.

10 COMMISSIONER ZUNIGA: Now, what --
11 we've had our share of consultants that have,
12 you know, come and gone. Does the conflict
13 on consultants goes away when their contract
14 ends, on the current or proposed --

15 MR. GROSSMAN: I believe, in large
16 part, depending on what the contract says,
17 that it would -- essentially, the
18 relationship ends when the contract ends.
19 And there's no postemployment restrictions or
20 anything like that so --

21 COMMISSIONER ZUNIGA: Right.

22 MR. GROSSMAN: -- they would no
23 longer be consultants, which means the code
24 no longer applies.

1 COMMISSIONER ZUNIGA: Applies. And
2 what about -- I'm sorry. And what about
3 nonpaid advisers? We have a number -- a
4 couple of advisory committees. You know, a
5 couple are statutory and others are ad hoc.
6 Do they generally fall under this definition
7 of consultant?

8 MR. GROSSMAN: Well, it's an
9 excellent point. And that's actually the
10 last one on the first page, I think, gets to
11 that point, where we recommend that we have a
12 look at that so...

13 Those folks, by law, are considered
14 special state employees. So there is a body
15 of law as part of the Conflict of Interest
16 Law that covers their behavior, what they can
17 and can't do. At present, in theory, they're
18 also subject to the enhanced Code of Ethics.

19 So the question is whether that's
20 really -- what was the intended effect of the
21 code, or whether that just certain -- that,
22 sort of, happened that way. But yeah, so
23 that's something we should look at, as well.
24 All the members of the advisory committees

1 and all of these folks, who we train on
2 ethics, we want to figure out whether we
3 really think that all these provisions of the
4 enhanced code applies to them.

5 COMMISSIONER CAMERON: Yeah. I
6 would think -- well, I'll use someone who
7 serves on the public safety committee that
8 may be from the county level. I think, to
9 prohibit that person from a casino might be
10 something we do want to take a look at.

11 MR. GROSSMAN: It's worth having a
12 look, for sure.

13 COMMISSIONER CAMERON: Yeah. As
14 well as your point about individuals as
15 opposed to an organization. You know, the
16 counsel's a good example. Certainly the
17 GameSense advisers should, of course, because
18 they're working in a casino. But there are
19 other folks, I'm sure, that have no -- their
20 job does not touch gaming at all so -- casino
21 gaming.

22 MR. GROSSMAN: Right, right.

23 COMMISSIONER CAMERON: So I think
24 that certainly makes sense to look at that.

1 CHAIRMAN CROSBY: Try to remember
2 what the filter is. You know, what are we
3 trying to accomplish here. And first and
4 foremost, we're trying to protect the
5 integrity of the games and of the gaming
6 regulatory environment. And, secondly, we're
7 being sensitive to the way things appear, you
8 know, to the optics. But when you actually
9 start thinking about should have, somebody
10 who's serving on a local public safety
11 committee, is it -- do you either risk the
12 integrity of the process, or even create an
13 optics problem, if the person goes and
14 gambles at the casino. You know, it just --
15 it seems like a big stretch. But we just
16 want to remember what it is we're trying to
17 accomplish here and use that filter to not
18 overreach.

19 COMMISSIONER ZUNIGA: Well, on
20 the -- one or the other. I think, extending
21 it -- extending the code to -- on paid
22 advisers, on some of these committees, is a
23 little bit more than necessary, in my
24 opinion.

1 I think the way I read the
2 applicability to -- on the enhanced Code of
3 Ethics is people -- certainly, us and people
4 who are considered a state employee by virtue
5 of their contract with us, I think it really
6 drops down when -- when we get to, you know,
7 these ad hoc committees. And that by itself
8 may be a bit of a deterrent, in our ability
9 to attract the participation of some people
10 that we want them to participate.

11 They already volunteer their time in
12 many ways. We have to first train them and
13 then enforce, in some way, or monitor the
14 enhanced Code of Ethics. Somebody qualified
15 and willing might say, you know, what, I'm
16 good.

17 CHAIRMAN CROSBY: Give me a break.
18 Yeah, right.

19 COMMISSIONER ZUNIGA: So that's just
20 my -- you know, we -- drawing the line
21 somewhere it's -- you know, may not be
22 elegant, but I think that's my position.

23 MR. GROSSMAN: One of the other
24 areas of interest is the next-to-last one on

1 the first page, where we talk about terms
2 like licensee and the license licensed under
3 this chapter. These terms appear in Chapter
4 23K. We've mirrored them in the enhanced
5 code in a number of areas. It's worth just
6 affirming what those terms mean to the
7 Commission. Whether that means really just
8 the gaming licensees, or it means everyone
9 who is licensed under Chapter 23K, including
10 gaming employees, gaming vendors and folks of
11 that nature. Not excluding people who are
12 registered, because the term refers to people
13 who are licensed.

14 But the breadth of the term is
15 important in a number of areas, including
16 preemployment restrictions, postemployment
17 restrictions. Some of the things that govern
18 our conduct while we're here. And that's
19 just worth having a close look to provide
20 some guidance on where the Commission stands
21 on -- on those definitions.

22 One of the other areas that is of
23 interest -- this is on page two. There are
24 two entries on here that apply to immediate

1 family. In Chapter 23K, Section 3, there is
2 a restriction relative to immediate family
3 members of commissioners, and employees who
4 hold major policy-making positions within the
5 Commission, and some of the financial
6 interests and employment that can be held by
7 their immediate family members.

8 Now, the term "immediate family" is
9 fairly well-defined. And we, in fact, define
10 it ourselves consistent with the state
11 Conflict of Interest Law, as well as one area
12 that determines the fine, within Chapter 23K.
13 So the definition itself is fairly
14 well-settled and it's fairly narrowed so
15 that's not really the issue.

16 But the question becomes how, if at
17 all -- so we presently train our employees as
18 to what the law is. But how -- what type of
19 diligence we expect of our employees, when it
20 comes to checking to make sure that the law
21 is being complied with. And secondly to that
22 end, how close a relationship we would expect
23 one to have with certain family members
24 before we expect them to actually inquire of

1 certain folks. For example, if they haven't
2 spoken to someone who happens to be an
3 immediate family member for a number of
4 years, whether we expect them to call them up
5 and ask them about their financial holdings.

6 So these are a few areas that the
7 Commission should certainly have a look at
8 and think about what exactly is expected of
9 our staff, when it come to immediate family
10 members.

11 CHAIRMAN CROSBY: What do people
12 think about that? So -- and I know -- I
13 think Commissioner Macdonald went through
14 this experience.

15 COMMISSIONER ZUNIGA: We all did.

16 CHAIRMAN CROSBY: Well, we all went
17 through the vetting originally. But, you
18 know, if we have a kid or a parent, or a
19 brother or sister, who owns stock in MGM,
20 that is unacceptable, under the present
21 circumstances, right?

22 COMMISSIONER ZUNIGA: Yes.

23 COMMISSIONER STEBBINS: It's not
24 more than 5 percent?

1 COMMISSIONER ZUNIGA: No, no, no.

2 MR. GROSSMAN: It's a financial
3 interest.

4 COMMISSIONER ZUNIGA: A financial
5 interest.

6 MR. GROSSMAN: Right.

7 CHAIRMAN CROSBY: Do we mean that?
8 Is that something --

9 COMMISSIONER ZUNIGA: Yes. That's a
10 requirement. Just like --

11 CHAIRMAN CROSBY: Well, I know
12 that's what it means now. But I mean, is --

13 COMMISSIONER ZUNIGA: The question
14 is, how often do we need to check; what is
15 expected of us to certify, to ask, to
16 demonstrate, you know...

17 CHAIRMAN CROSBY: But I'm raising
18 the question -- I know that's what it now
19 says. I'm just saying now, in rethinking, is
20 that something that we really think is
21 central to the integrity of the process, that
22 my brother, you know, who lives in Lynn can't
23 own MGM stock. Is that --

24 MR. GROSSMAN: Well, that is in the

1 statute.

2 COMMISSIONER ZUNIGA: That's in the
3 statute.

4 CHAIRMAN CROSBY: Oh, it's in the
5 statute.

6 MR. GROSSMAN: We can't change that.

7 COMMISSIONER CAMERON: Oh, I'm
8 sorry. Okay.

9 MR. GROSSMAN: But we can change how
10 we apply it and what we think it means, and
11 what type of enforcement there is.

12 COMMISSIONER ZUNIGA: Well, this
13 also begins to get a lot more complicated
14 when we talk about the definition of licensed
15 under this chapter, which you alluded to
16 earlier.

17 It's easier to see the requirement
18 of, you know, asking relative to the three
19 major gaming licenses. But it becomes very
20 complicated because we quickly, if we are
21 talking about licenses of all the people that
22 we license. Gaming companies, gaming
23 vendors, gaming vendor secondaries, people
24 having to do nothing with gaming that are

1 providing services to the casino, those apply
2 as well.

3 COMMISSIONER CAMERON: I guess I
4 assumed, and maybe incorrectly, that we were
5 talking about major gaming companies here,
6 when we inquire of relatives if they have
7 stock. I never thought about a vendor, do
8 you know what I'm saying? Is that right now,
9 every single person we license, every --

10 MR. GROSSMAN: I believe it says the
11 business which holds the license under the
12 chapter. But I'd have to go -- there's a
13 number of areas that that terminology's used.
14 I'd have to check on this area specifically.

15 But that's why it's important for us
16 to look at the term "licensed under this
17 chapter" and "licensee," and figure out what
18 we think it means. And it might have
19 slightly different meanings, depending upon
20 the context.

21 CHAIRMAN CROSBY: Right.

22 COMMISSIONER CAMERON: Is the word
23 gaming in there or -- I mean, it's not the
24 rug cleaning company, right, that we -- is a

1 vendor?

2 MR. GROSSMAN: Well, the law does
3 use the term "gaming licensee" in a few
4 instances, indicating that the general court
5 was certainly aware of the distinction
6 between a gaming licensee and someone who's
7 licensed under the chapter. So that's
8 something to consider as well.

9 COMMISSIONER MACDONALD: I see here,
10 that you're suggesting that, in order to
11 improve -- just reading your text, in order
12 to improve the application and enforcement of
13 the provision, consider clarifying the term
14 in the immediate family to include only those
15 members who live in the same household as are
16 a minor child of are -- or are someone who
17 has an active relationship with the employee
18 and the NPP. Do we have that authority,
19 to -- you know, to alter the definition of
20 immediate family for these purposes?

21 MR. GROSSMAN: It's a fair question.
22 I would argue that we have -- or the
23 Commission has authority when it comes to the
24 enforcement of the laws under its charge.

1 And we can at least clarify the type of
2 scenario that you would consider to be a
3 violation.

4 So the answer, of course, is we
5 can't modify the definition, per se. But we
6 can provide instruction via the code, as to
7 what type of diligence we expect of someone
8 to be in compliance with the code.

9 COMMISSIONER MACDONALD: I see.

10 MR. GROSSMAN: And it might be a
11 fine line. But I think it's one that it's
12 certainly within your discretion, and one
13 that is certainly worthwhile, and for
14 fundamental fairness purposes here. And you
15 don't have to go too far to see a situation
16 that would be inherently unfair to give a
17 strict reading to what that language says.

18 COMMISSIONER MACDONALD: So this
19 would be directed more to the -- to the
20 obligations that would be incumbent upon us,
21 kind of, in the form of due diligence, to
22 determine whether or not the members that
23 fall within the class of, quote --
24 immediate -- statutory class of, quote,

1 immediate family are, in fact, in compliance?

2 So that, if I'm reading this here,
3 you're saying that for these purposes that we
4 would have that heightened level of due
5 diligence only as to minor child, or as to an
6 active relationship with the employee of the
7 NPP, presuming other, I mean, spouses would
8 be included in that?

9 MR. GROSSMAN: Right. So I mean,
10 this is, obviously, some proposed language to
11 get the conversation started. But,
12 hypothetically, if that was what was adopted
13 and you had an emancipated child or someone,
14 you know, over 21, who lives across the
15 country, who you never see, you haven't
16 spoken to in 10 years, and we later found
17 out, down the road, that that individual
18 somehow holds stock in one of our gaming
19 licensees, that the Commission is saying here
20 in the code that we wouldn't consider that a
21 violation to the point that we're going to
22 enforce that and force you to resign your
23 post here or anything of that nature. That's
24 where we're going with it. And I think it's

1 within your discretion to say that and, you
2 know, period.

3 COMMISSIONER ZUNIGA: I think
4 there's -- there's maybe a quadrant or a --
5 you know, a tiering that we could have,
6 because there's two things that work.
7 There's who's licensed under this chapter and
8 there's an obvious -- you know, the gaming
9 license are the ones that, you know,
10 everybody had in mind relative to the
11 enhanced Code of Ethics, I'm sure. And --
12 you know, and there's tiers after that. You
13 know, gaming companies and secondary vendors.
14 And there's also a close relationship
15 relative to the family members.

16 So, perhaps, there's, again, you
17 know, a quadrant that we can come up with
18 relative to the level of due diligence and
19 monitoring, based on the relevant tiering, if
20 you will.

21 MR. GROSSMAN: I think so. I think
22 it needs some work along those lines,
23 exactly. Important to keep in mind, of
24 course, what the public policy concern here

1 was, and where this came from. And that was
2 that, you know, a Commissioner was going to
3 get their kid some job at the casino, once
4 they award the license to the casino. And,
5 you know, we don't want that. Or you give
6 some information to a family member as to
7 investing in one of these licensees, or take
8 some action because your family member holds
9 a big interest in one of these licensees.

10 So all of that was taken off the
11 table. That was the concern here. And as we
12 kind of move through this discussion, I think
13 that's important to keep in mind. Those are
14 the types of relationships that the
15 legislature and the governor were concerned
16 with, when they included this provision in
17 the law.

18 CHAIRMAN CROSBY: But I think you're
19 right, and as others have said, it's very
20 hard to imagine that they were thinking about
21 vendors. You know, it's got to be meant the
22 gaming licensees.

23 How do we -- like, in Section 8,
24 which is the next one up, how do we interpret

1 licensees now? We're required to give a list
2 to prospective employees before they come to
3 work and have them tell us whether they've
4 worked for that applicant or licensee for the
5 prior three years, how do we interpret that?

6 MR. BEDROSIAN: Yes. And we -- and
7 quite frankly, it's a small universe of
8 folks. And we tend to know. You know, when
9 we're advertising for a particular position,
10 really, the most times it's come up for us
11 has been in technology. So we know who our
12 licensees are. And if someone applies from a
13 company or something like that, we know
14 they're prohibited. But it's been a
15 challenge.

16 I mean, you know, quite frankly, I
17 understand the reason behind it. But in a
18 perfect world, there are probably some people
19 from some of our vendors who would have been
20 great to have because they understood the
21 industry and everything like that, but there
22 is a prohibition.

23 CHAIRMAN CROSBY: But we're -- but
24 in Section 8 right now, we interpret

1 licenses to mean gaming licensees. We've
2 already -- we've made that decision?

3 COMMISSIONER ZUNIGA: No.

4 MR. BEDROSIAN: No.

5 MS. BLUE: No.

6 MR. BEDROSIAN: No.

7 COMMISSIONER ZUNIGA: No, no, no.

8 CHAIRMAN CROSBY: All the licensees,
9 all our vendors?

10 MS. BLUE: We do. We interpret it
11 as all -- as best -- you know, we know we
12 interpret it as our -- anyone who's licensed
13 under the --

14 CHAIRMAN CROSBY: So we give new
15 employee prospects a list of all our
16 licensees?

17 MS. BLUE: We try. The problem is,
18 and I think as Mr. Grossman's pointed out,
19 there's a lot of people who are licensed by
20 us. They're not necessarily our vendors, but
21 vendors that work at the casinos. And the
22 statutory language does seem to encompass all
23 of them. You know, we try to -- I think HR
24 tries to ask questions through the hiring

1 process to determine if anyone comes from
2 those potential groups.

3 COMMISSIONER ZUNIGA: And that list
4 is growing, which is, I think, why this
5 conversation is very relevant. It's becoming
6 less obvious. You know, we're licensing
7 architectural firms, construction
8 subcontractors, you know, by virtue of
9 work -- the amount of work that we do to the
10 casino, which is why it's relevant for us to
11 really think about how -- you know, this
12 tiering that I'm talking about, how it was
13 intended.

14 CHAIRMAN CROSBY: Can you call up
15 23K3N?

16 MR. BEDROSIAN: We -- I think you
17 just had it.

18 MS. BLUE: We have it, yes.

19 CHAIRMAN CROSBY: Okay. And does
20 it -- you said that the statute says all
21 licensees. Read -- read that. How do you
22 read that?

23 MS. BLUE: It says, "any business
24 which holds a license under this chapter."

1 So it's the same broad, kind of, language
2 that we have. And it is -- it is something
3 we should think about, because it's becoming
4 a much longer list and it is not always
5 obvious. That's correct.

6 CHAIRMAN CROSBY: Go ahead.

7 COMMISSIONER ZUNIGA: Well, maybe
8 I'm now adding to the same point. I also get
9 the sense that, you know, maybe -- every
10 industry moves in waves, but there's been
11 quite a bit of consolidation -- there is some
12 consolidation in the gaming industry. And
13 that's something that we need to, sort of,
14 consider as well, when we're talking about
15 all the vendors, gaming primaries and
16 secondaries.

17 CHAIRMAN CROSBY: So I think we're
18 all agreeing that we want to take a look at
19 this. In the next one up, 8A, talks about in
20 addition to the statutory constraint, there's
21 a three-year lookback on whether --

22 MR. BEDROSIAN: That was -- I'm
23 sorry. That's what I was talking about.
24 Right. When I was initially answering your

1 question, the three-year lookback, that
2 prohibition, was initially -- I thought you
3 were asking that was the question I was
4 talking about.

5 And this raises, I think, what the
6 Commission struggle -- we struggle with what
7 I call the big L, little L dynamics. Which
8 is the big L being our gaming licensees and
9 the little Ls being everyone else.

10 CHAIRMAN CROSBY: Right. Well, I
11 think Todd's make it clear that looking into
12 what they and we mean by licensees, whether
13 it's big or little, is central here. It goes
14 to a lot of these questions. I think all of
15 us are getting a sense, or a little
16 uncomfortable with the applying these
17 standards to people who -- you know, to --
18 you know, to construction companies and
19 contractors and towel providers. So let's
20 make a major look at that issue.

21 I also want to raise whatever it
22 is -- however we define the three years --
23 the three year -- sorry. However we define
24 licensees, the three-year lookback seems a

1 little onerous to me, too. Why should
2 somebody -- even if you worked for MGM, I
3 mean, talking about the logistical issues of
4 trying to hire good people, if somebody
5 worked for MGM's IT department and --

6 MR. BEDROSIAN: Well, but I -- I
7 could understand --

8 CHAIRMAN CROSBY: Excuse me.

9 MR. BEDROSIAN: Yeah, I'm sorry.

10 CHAIRMAN CROSBY: Even -- you know,
11 even a month ago, nevermind a year or three
12 years ago, is there a risk to the -- to the
13 integrity of the process, to have one of our
14 IT staff, you know, come work for us. I
15 just -- I think it's worth a look at all
16 that.

17 COMMISSIONER ZUNIGA: You know, I
18 think one thing that may be stating the
19 obvious, is that, you know, there was
20 certainly a risk, a higher risk I would
21 argue, prior to the award of those licenses.

22 CHAIRMAN CROSBY: The big L
23 licenses.

24 COMMISSIONER ZUNIGA: The big L

1 licenses. That, maybe, goes without saying.
2 I think that risk is less. But, you know,
3 there's real language that applies
4 throughout, when it comes to -- to the big L
5 and some of it we have to deal -- just live
6 with and in terms of, you know,
7 applicability.

8 Again, the thin line here is how do
9 we enforce, monitor and expect of people to
10 report that we can tier, you know, across
11 some of these requirements to make, you know,
12 life -- this whole process be able to be
13 workable.

14 MS. BLUE: Some of this is
15 statutory. And that's what we're kind of up
16 against. The three years is statutory. So
17 we --

18 CHAIRMAN CROSBY: Well, this says
19 "In addition to the disclosure required by
20 23K." Section 8A of the enhanced ethics code
21 goes on to say.

22 MS. BLUE: So what Mr. Bedrosian was
23 discussing, about the three-year lookback,
24 that term is in the statute. So some of --

1 CHAIRMAN CROSBY: But not applied --
2 but not applied under 8A. There's another
3 three-year lookback. But I was talking about
4 this three-year lookback.

5 MS. BLUE: Yeah.

6 CHAIRMAN CROSBY: But I get it. We,
7 you know --but I think -- I think a hard look
8 is what we're saying, at all this, makes
9 sense, starting with how do we define
10 licensees; could we figure out what they
11 meant. And then, the underlying issues as
12 well. Okay.

13 MR. GROSSMAN: There's lots of other
14 interesting stuff on here. I don't want to
15 take over the whole meeting here. But -- so
16 I think, at some point, we probably just need
17 to reconvene and take a deeper dive on -- on
18 most of this.

19 CHAIRMAN CROSBY: Yeah. Well, are
20 there others that people want to raise?

21 COMMISSIONER CAMERON: Yeah. I had
22 a question. I'm looking at No. 13. And I
23 think I understand that what we're talking
24 about there is an emergency situation with

1 our gaming agents, our state troopers, where
2 they are required to stay on duty and work,
3 that would be the exception we're talking
4 about there; is that correct?

5 MR. GROSSMAN: Yes. And we
6 already -- we do already have language that
7 allows for people to stay, as long as they
8 pay, with approval. But what this would do
9 would be to just clarify that point.
10 Especially, in the area of the preopening
11 inspections, when we'll have a good amount of
12 staff at these locations. And in the event
13 of inclement weather and things like that,
14 where we certainly don't want people leaving
15 the premises to go stay somewhere else. Just
16 that we explicitly say that in certain
17 circumstances like that, with approval, that
18 it is okay to do. So we're basically
19 clarifying that point.

20 COMMISSIONER CAMERON: So we have a
21 policy, but now we're including it in the
22 enhanced ethics?

23 MR. GROSSMAN: Well, we say,
24 already, that you can stay in the course of

1 your official duties, with the prior approval
2 of the commissioner, the executive director.
3 But here we'd be flushing out what some of
4 those -- the circumstances would be.

5 CHAIRMAN CROSBY: I just want to --
6 back on Section 8, if we -- part of the
7 problem with putting -- coming up with these
8 regs is, if we end up putting them in there,
9 we've got to abide by them. And this does
10 explicitly say we will give each employee a
11 list of all our licensees. And apparently,
12 at the moment, we're talking about all
13 licensees. So we ought to be giving people a
14 list. Either that, or we ought to take this
15 language out, one or the other. But if we're
16 not doing it, we should be.

17 MR. BEDROSIAN: Yeah. And we -- as
18 you said, I think when we revisit this we'll
19 maybe look a little more in depth about the
20 big L little L and show how it plays across
21 the statute and our regs.

22 CHAIRMAN CROSBY: I'm totally with
23 you, at the moment, apparently. Okay.
24 Others that people want to raise?

1 there's a weather emergency. There's a
2 process by which the state declares a weather
3 emergency. But, you know, keeping in mind,
4 now where we know our two facilities are
5 going to be licensed, I don't -- you know,
6 there's certainly an opportunity, Springfield
7 for example, there's a hotel two blocks away.
8 You know, it kind of gets back to optics of
9 it.

10 But, certainly, in a weather
11 emergency I wouldn't want to put any of our
12 staff's life at risk by saying, sorry, you
13 can't stay at the hotel, even though, you
14 know, Hurricane Irma's roaming through so...

15 MR. BEDROSIAN: So I think -- I
16 think part of this, what I've heard from
17 our -- our staff is, you know, the preopening
18 time, obviously is very hectic. We're going
19 to have staff working long hours. And this
20 is, sort of, the same analogy in the weather
21 situation. While the -- the hotel is up and
22 open, we also don't know, believe it or
23 not -- I think you might hear the term
24 there's not a room to be had in Springfield,

1 there's not a room to be had around
2 Springfield.

3 In the meantime, I think, as I
4 understand MGM will be doing, is they'll be
5 housing their folks in their own -- in their
6 own rooms double bunking, stuff like that.
7 If that were an option, it would also cut --
8 potentially cut down on cost for us, versus
9 just billing them back to send folks out,
10 maybe 10, 15-miles, if we can't get a hotel
11 room. But if -- obviously, if the Commission
12 is concerned about those preopening optics,
13 that's not a situation we want to put our
14 employees in.

15 CHAIRMAN CROSBY: I had a couple
16 comments on 15. And we've talked about this
17 before. But this is the one that says we
18 can't -- essentially, we and employees can't
19 go to a casino and go shopping or have
20 dinner. And I would be really interested --
21 I understand. I totally get the optics on
22 this concern. I'm not sure if I agree that
23 it's a good idea. I sort of -- we've talked
24 about this before. But I'd be really

1 interested to know what other people do on
2 this. Is it SOP? Other agencies, that they
3 can't have dinner or go shopping? And if
4 there's any analog, I was trying to think
5 whether -- are there any other analogous
6 regulatory agencies where we can get some
7 sense of best practice.

8 So anyway, as -- as we pursue this,
9 I'd like to have you look up a little bit and
10 see what other folks do, particularly other
11 gaming regulators and their employees. But
12 also, are there other analogous -- you know,
13 ABCC or SEC, or is there anybody else that's
14 analogous to give us some guidance on this.

15 And, also, little five on this, the
16 way this now stands is, I can be exempt if
17 there's, like, a family wedding or something,
18 I have to write an application, I have to get
19 approval from the executive director, and
20 then it says I have to check in with the
21 state police. That seems crazy to me. I
22 mean, there's -- I have to apply, I get a
23 written approval. I don't see why I should
24 have to go check in with the state police

1 when I go to a family wedding. So I'd look
2 at number five on there too.

3 COMMISSIONER CAMERON: I think
4 that's the model I was familiar with. And
5 what it does, there are no questions. You
6 know --

7 COMMISSIONER ZUNIGA: There's a
8 record.

9 COMMISSIONER CAMERON: Again, it's
10 optics. You just -- there's always a trooper
11 on duty, obviously, and it's just, yep, here
12 for the family wedding. So there are no
13 questions about the chairman being at a
14 banquet or whatever. So it just -- it was a
15 very simple process in New Jersey. Many,
16 many retirement dinners were held at the
17 casinos, frankly. I've spoken at many of
18 them. And you just -- it's simple to do. It
19 was not onerous at all to just let them know
20 that you're there to speak at an engagement
21 or whatever it may be.

22 So just knowing how it works
23 somewhere else, it just made it easy for
24 everyone and there were no questions about

1 why you're here, or if you have permission.

2 CHAIRMAN CROSBY: It's not a federal
3 case. This is one of those many things,
4 which is just, sort of, a judgment call in
5 a -- some -- one person's sense of what fits
6 is not the same as another's. But I just
7 raise it as a question.

8 When we get around to deciding
9 whether we stick with these prohibition,
10 which is the larger issue, then how do we
11 implement it, whatever we do stick with. I
12 had one more. Anybody else have ones they
13 wanted to raise?

14 COMMISSIONER ZUNIGA: I have one.
15 And it's the last one. And I think that the
16 consideration here is appropriate. That
17 would be -- I would be inclined to act the
18 way you sort of, you know, consider to try to
19 limit -- to try to draw a clear distinct as
20 to how it applies.

21 Trying to go to sister or, you know,
22 companies or entities that are not
23 affiliated, you know, directly to the people
24 we license, or to the companies we license,

1 would cast a blanket really, really wide,
2 especially when we overlay all these other
3 requirements, in terms of monitoring. So I
4 would stick with the same way that we qualify
5 people.

6 If there's a company that's wholly
7 or mostly owned, or partially owned by a
8 parent company and so on and so forth, all of
9 that applies, still applies because
10 there's -- there's a question of control.
11 But sister or brother companies that have no
12 effective operation or control, I would draw
13 that line out, as it suggests here.

14 MR. BEDROSIAN: You got that?

15 MR. GROSSMAN: Yeah.

16 CHAIRMAN CROSBY: The last one I
17 want to mention is 22, the prohibited
18 communications. Particularly, back in the
19 days of the licensing, you know, the big L
20 licensing, you know, we knew what we were
21 talking about here.

22 But as a practical matter, any issue
23 pending before us, an application or of -- as
24 it turns out now for any license, or any

1 issue pending before us, or an adjudicatory,
2 people constantly come up to us and -- or at
3 a dinner conversation somebody says, you
4 know, what's going to happen to the tribe
5 down in southeastern Mass or whatever. So --
6 and you can't, I don't think, you can't say
7 to everybody who comes up -- you know, you're
8 chatting with or sends you an e-mail or
9 something, you know, I can't talk to you
10 about southeast Mass. So I just thought
11 maybe some kind --

12 I mean, what this says is we may not
13 engage in communications which may have an
14 impact on us. And I thought, maybe some
15 language that softens that to, sort of, at
16 least, you know, outside incidental or -- you
17 know, what it really -- what really would
18 matter is having interested parties come talk
19 to us about stuff. That's what matters.

20 If it's just Mr. Smith down the
21 street, who's a neighbor, who's -- you know,
22 who is interested in and is a public policy
23 question that, geez, it doesn't seem right to
24 me that the tribe doesn't blah, blah, blah, I

1 can't see how that's a threat.

2 So is there a way to clarify, you
3 know, focus on what we really mean, which is
4 substantive ex-party communications from
5 interested parties, that's a problem. But
6 just incidental conversations, you know, in
7 the normal course of life doesn't seem, to
8 me, is a problem.

9 COMMISSIONER ZUNIGA: Well, maybe
10 this is what you mean by incidental, but I
11 think that a conversation about what you
12 intend to do or how you view something of
13 matter that's going to come, perhaps, in the
14 future to the Commission, and how you're
15 leaning or voting, it's inappropriate,
16 regardless.

17 CHAIRMAN CROSBY: It's what?

18 COMMISSIONER ZUNIGA: It's
19 inappropriate. It's meant -- whether that
20 person is interested or not. In other words,
21 even if that person is your neighbor. So I
22 think informational conversations, of course.
23 You know, what happened in last week's
24 meeting, sure, because it's all in the

1 record.

2 But if there's going to be a matter
3 before us, if we know that this issue is
4 eventually going to have to be decided, and
5 expressing an opinion, in my view, even to
6 your neighbor, is not appropriate.

7 CHAIRMAN CROSBY: That's a different
8 issue. You know, I think that makes sense.
9 You know we should not say, well, I intend to
10 vote no or --

11 COMMISSIONER ZUNIGA: Or anything
12 more subtle.

13 CHAIRMAN CROSBY: Or words to that
14 effect. Right. But whether they -- we could
15 hear them give us their incidental comments
16 is what I was talking about. But anyway, I
17 just raised it as one to look at, you know,
18 when we -- when we get around to it. Any
19 other issues on the enhanced ethics code?

20 Elaine and anybody else and our --
21 we have folks from Springfield here. We have
22 folks from Plainville. To the extent we can
23 get other people to comment on some of these
24 things we've been talking about, you know, if

1 any of the licensees have thoughts about what
2 works or doesn't work, what's important or
3 not, you know, let's reach out as best we can
4 in trying to get -- I'm -- these are
5 interesting, you know, not the end of the
6 world, but interesting questions. And I'd be
7 interested in outside observations from
8 anybody that has them. So let's reach out as
9 best we can. Okay. We are on to Item No. 4.
10 Director Griffin.

11 MS. GRIFFIN: Good morning.

12 CHAIRMAN CROSBY: Good morning.

13 COMMISSIONER MACDONALD: Good
14 morning.

15 COMMISSIONER CAMERON: Good morning.

16 COMMISSIONER ZUNIGA: Good morning.

17 COMMISSIONER STEBBINS: Good
18 morning.

19 MS. GRIFFIN: I'm joined by my
20 colleague -- I'm joined by my colleague,
21 Joe Delaney, the construction oversight
22 manager for the Gaming Commission. And we're
23 here to present diversity exemption process
24 for equipment purchases and contractors. So

1 let me just talk about this a little bit and
2 explain, maybe for those who might be
3 listening in.

4 Diversity goals are based on the
5 availability of diverse businesses. This
6 policy, which focuses on design and
7 construction period of our licensees, is in
8 general alignment with current practice for
9 the Commonwealth agencies and for public
10 construction projects.

11 There are certain categories that
12 are excluded from the definition of total
13 available spend, due to the limited number of
14 companies in the market, or the availability
15 or lack of availability of diverse firms. So
16 I've included in your packet for your
17 reference, Chapter 23K Section 21A, which
18 references this availability that I'm
19 referring to. It states, "The gaming
20 licensee identifies specific goals for the
21 utilization of minority business enterprises,
22 women business enterprises, and veteran
23 business enterprises to participate as
24 contractors in the construction of the gaming

1 establishment." Yadda, yadda, yadda.

2 "Provided, however, that the specific goals
3 for the utilization of such MBE, WBE and VBEs
4 shall be based on the availability of such
5 MBE, WBE and VBEs engaged in the type of work
6 to be contracted."

7 So additionally, by way of
8 background, the Commission has approved each
9 licensee's diversity plans, which each
10 reference the potential to exempt certain
11 spend categories, which do not contain
12 diverse contractors or companies.

13 Introduction of this policy is in
14 alignment with last year's state audit that
15 generally suggested that the Commission
16 formalize informal procedures to ensure
17 proper oversight. This policy creates a
18 formal process that also aligns the process
19 for all the licensees. It will create
20 transparency and give the Commission the
21 ability to more easily monitor the diversity
22 reports that are submitted monthly by our
23 licensees to the Access and Opportunity
24 Committee.

1 again will -- it'll link consistency for our
2 licensees, but it also ensures that we're
3 doing proper oversight of these, that we're
4 reviewing applications and so on, and making
5 sure that -- that these are all legitimate
6 requests.

7 CHAIRMAN CROSBY: Joe, let me
8 just -- so you're saying that in the
9 diversity plans, which we've already
10 received, and many cases approved, there were
11 exceptions made from the denominator, I
12 guess. You know, from the --

13 MR. DELANEY: Right.

14 CHAIRMAN CROSBY: -- from the
15 available universe, based on their judgments
16 at the time, that a diverse purchase was not
17 possible in that situation.

18 MR. DELANEY: Right.

19 CHAIRMAN CROSBY: And so, all you're
20 now saying is that we take those already
21 tacitly-accepted exemptions and accept them
22 by some policy, A, and B, put in place a
23 review process to make sure they're
24 appropriate, is that -- you think that's

1 right?

2 MR. DELANEY: Yeah, I think that's
3 -- yeah, that's fair.

4 COMMISSIONER ZUNIGA: But they were
5 not specific.

6 MS. GRIFFIN: Right. I --

7 COMMISSIONER ZUNIGA: There was not
8 a specific -- there was not -- nobody
9 identified a contractor or a contract that
10 they were -- at the time, because this was
11 prior to many times even, you know, knowing
12 what they were going to be bidding. They had
13 described a process.

14 Each licensee had a slightly
15 different process. And that's the point
16 about being uniform here, for accounting for
17 and having the -- an exemption process. And
18 I think that's very relevant now, that we
19 formalize it and signal to our licensees what
20 we expect. And, in many ways, mirror what
21 the state actually does, in public contracts.

22 MR. DELANEY: Right. And our
23 licensees are on board with this. We've been
24 talking with them for a few months now and

1 working this up. And, you know, they're
2 fully on board with what -- what it is
3 that -- that we're proposing, and comfortable
4 with that but...

5 So when we started putting together
6 these policies, we reviewed what other state
7 agencies were doing with respect to diversity
8 exemptions. We looked at Massport, we looked
9 at the supplier diversity office, MassDEP,
10 MassDOT, bunch of agencies. And each agency
11 has some mechanism for waiving these
12 requirements. Because I said earlier, every
13 large-scale construction project runs into
14 something that doesn't fully fit in the right
15 box there.

16 And in our memo to you we reference
17 the supplier diversity office and how they --
18 they will do exemptions for cities and towns
19 that are doing public construction.
20 Specifically, for things like the school
21 building authority and things of that nature,
22 where they're using state money to build a
23 local entity. So there's a whole process
24 there. But each of them had a process. And

1 they all use different names. Some of them
2 call them waivers, modifications, exemptions.
3 But in the end, they all accomplish the same
4 thing. And what we put together here is
5 really -- it's completely consistent with
6 what all of those entities are doing.

7 So now, what we've presented to you,
8 we've developed two policies. One is for
9 equipment purchases, and another is for
10 contracting -- for hiring contractors. And
11 they have slightly different submission
12 requirements. You know, for the large
13 equipment purchases, it's pretty
14 straightforward.

15 You know, in fact, a number of these
16 things are really almost self-evident. There
17 are only a few manufacturers of elevators.
18 There are only a few manufacturers of cooling
19 towers and things of that nature. And
20 they're large, multinational corporations.
21 You know, so some of these things, not a
22 whole lot of documentation really needs to be
23 submitted. We need to know who the
24 manufacturers are. We need to be able to

1 verify that there are no -- you know, no
2 manufacturers that are diverse firms. And we
3 need to know what efforts that our licensees
4 wents through to try to secure diverse firms.
5 And, you know, if, in fact, they found a firm
6 that they didn't use, why they didn't use
7 that firm. So I think, on the equipment
8 purchase side it's relatively
9 straightforward.

10 When you get to the exemption policy
11 for contractors, it's not really as cut and
12 dried, because in instances where, if you're
13 hiring let's just say an electrician, and
14 you're saying, well, there were no diverse
15 electricians around here, maybe there's a
16 subcontractor that can give you some supplies
17 or this or that.

18 So there's usually more
19 opportunities to find some diversity, rather
20 than saying, I'm buying this giant piece of
21 equipment and there's no diverse firms.
22 You're saying, I'm hiring a contractor and
23 there's probably some opportunities for
24 subcontracting or other things of that

1 nature.

2 So what this process really is, is
3 we need a very detailed documentation of who
4 did you call? Who did you try to, you know,
5 engage? Did you advertise? Did you -- you
6 know, what are all of the good-faith efforts
7 that you went through -- excuse me, to try to
8 secure a diverse firm. And then and only
9 then will we really consider, you know,
10 waiving that requirement. We haven't gotten
11 a request for a contractor at this point.
12 But we felt it was important to set up a
13 process that was similar because it could
14 happen.

15 And one of the examples that we've
16 thrown around was the moving of the church
17 out in Springfield.

18 COMMISSIONER ZUNIGA: There's very
19 few who can do that.

20 MR. DELANEY: Yeah. There's very
21 few contractors who do that. And that would
22 probably be eligible for a waiver if, you
23 know, they did the necessary research. They
24 haven't asked for one, but, you know, that's

1 just an example where we felt that's probably
2 a case could be made, on something like that.
3 But we're not saying that drywall contractor
4 just because, you know, you couldn't get the
5 right price or whatever that that's, sort of,
6 a legitimate waiver.

7 So anyway, once we get all the
8 information from our licensees, we will
9 review them internally and we will either
10 approve or deny the request, or we may ask
11 for -- you know, if we're not comfortable
12 with the information we may ask for more
13 information, you know, to further justify.

14 We had asked each licensee to send
15 us a couple of samples of the documentation
16 that they have and would send to us. And we
17 included those in your packet. And I
18 apologize, they are more voluminous than I
19 even thought at the time. I don't expect
20 that you need to read those. But you can see
21 that it's really a rigorous process that they
22 go through, and that there's a lot of
23 documentation. It's very detailed.

24 And, you know, we feel that with

1 these policies, that we're comfortable that
2 we'll get the right information and that we
3 can, you know, safely say that, yes, we
4 believe that these things don't -- you know,
5 shouldn't be included in that denominator, in
6 the diversity categories. And with that, I'd
7 be happy to open up for any questions.

8 COMMISSIONER STEBBINS: Joe I -- and
9 Jill, I have a couple of questions. You
10 know, from all appearances it looks like the
11 bar is set higher somewhat, in review of a
12 exemption request for a contractor, as
13 opposed to --

14 MR. DELANEY: Yeah. Absolutely.

15 COMMISSIONER STEBBINS: -- an
16 operator. Do you feel any need to, kind of,
17 incorporate this process into our regs?

18 MR. DELANEY: We were feeling that a
19 policy was probably just -- was satisfactory
20 on that. You know, we've got good -- this is
21 something that's going to, essentially,
22 terminate within a couple of years, you know,
23 once the construction is done. I mean, when
24 they're doing further construction, we may

1 have to, you know, sort of, resurrect it a
2 little bit but...

3 CHAIRMAN CROSBY: Well, it'll come
4 up in the operations phase too.

5 MR. DELANEY: I think that we're
6 going to have to develop some stuff for
7 operations, you know, based on some lessons
8 learned that we have with Plainridge and
9 others. You know, that for exemptions, you
10 know, I think there will probably be certain
11 circumstances that arise. And maybe, at that
12 point, if that's something that we're going
13 to incorporate into the long-term operations,
14 maybe then we might want to do that as part
15 of the regs.

16 COMMISSIONER STEBBINS: Okay. Under
17 contractors for the five, kind of, levels of
18 detail that you're looking for, just to
19 clarify, somebody has to demonstrate and
20 provide all five?

21 MR. DELANEY: Yeah.

22 COMMISSIONER STEBBINS: And is --
23 other agencies have done this, primarily on
24 the contracting side, have they mentioned

1 whether they've had any feedback or comments,
2 or viewpoints from, you know, the building
3 trades on the contractor piece?

4 MR. DELANEY: Well, the exemption
5 policy for contractors largely came from the
6 DEP policy, which I wrote when I was at DEP.
7 Or I shouldn't say -- I shouldn't say I wrote
8 it. I worked on it. So we had pretty good
9 success with that. You know, we had very few
10 actual requests for exemptions because we did
11 have this policy that said, this is what you
12 need to do, and it's a high bar. And most
13 people would try to sharpen their pencil a
14 little bit more and find somebody, you know,
15 so they wouldn't have to go through this.

16 COMMISSIONER STEBBINS: You know,
17 the only other comment I would make, and I
18 guess I did kind of geek out and go through
19 some of the attachment information that came
20 in. But, you know, they -- you know, your
21 and Jill's memo talks about SDO grants
22 waivers for MBEs and WBEs. We've added a new
23 element to that with VBEs. And looking at
24 precast material for garage, you know, lots

1 of different firms came up. Looked like 17,
2 or maybe I'm miscounting.

3 I guess, is the question also being
4 asked, because VBE certification is so new,
5 that one of those firms could have said,
6 yeah, I understand Otis Elevator may not be a
7 VBE firm, but could one -- are we approaching
8 the question of VBE status, or the new
9 opportunity for a company to register as a
10 VBE? Just kind of thinking that through as,
11 you know, a waiver comes in front of you is
12 like, okay, yes, not a MBE, not a WBE. Let's
13 push the question of a VBE more than maybe
14 it's alluded to here.

15 MR. DELANEY: Right. And I believe
16 SDO is now certifying VBE subcontractors. So
17 that issue where we had to do certifications,
18 or there were these, sort of, other
19 certifications, SDO being the -- you know,
20 the primary repository for that, that makes
21 it certainly easier.

22 COMMISSIONER STEBBINS: I guess I'm
23 just, you know, cautioning before we jump too
24 far to the exemption, raise the new question

1 and, you know, we've -- we've seen evidence
2 of oh, yeah, happens that, you know, the
3 president of the company is a veteran. Let's
4 walk you through that piece of the process.

5 MS. GRIFFIN: Good point,
6 Commissioner.

7 COMMISSIONER ZUNIGA: I think
8 there's -- I think it's very straightforward,
9 and I am in agreement with having it, you
10 know, and implementing it the way it's
11 written. I have just one question.

12 I know there's going to have to be
13 some sort of catching up a little bit,
14 because some of these projects are already
15 under construction, of course -- or not some,
16 but they are, should we talk about a time
17 frame, in these policies, in terms of
18 submission and response? I would -- it would
19 be too unfortunate if we end up, you know,
20 having to do a lot of these after the fact,
21 simply because a time frame was not
22 understood.

23 I guess, part of my point is, can
24 we -- can we embed some kind of proactive

1 priority, rather than always looking back?
2 This is who we have already in -- on the job,
3 let's say. I know what you're talking about
4 is whether you're going to allow me to count
5 something for a number or not, rather than
6 making sure that people are trying as much as
7 they can before they actually contract with
8 somebody. And I know a lot of it has been
9 brought out in one case, but is there -- is
10 there anything in terms of time frame that we
11 could embed here?

12 MR. DELANEY: Yeah. I think --
13 well, on both of the projects they're largely
14 bought out at this point, so this is being a
15 little bit reactive to that. And there will
16 be a large slug of information that will be
17 coming in on all of these things to -- that
18 we'll have to sort through.

19 And I think, right now, my thought
20 was that we would meet with our licensees and
21 just establish some time frames with them.
22 Say, all right, get us, you know, 20 -- you
23 know, 25 percent of them on this date and --
24 you know, and just -- just come up with a

1 schedule to get things submitted to us,
2 because they have to pull together the
3 information. I mean, they have most of it,
4 but they have to put it together in a format
5 that's workable. And then, we have to be
6 able to work our way through it and -- so
7 it's going to be kind of a bit of a process
8 right now.

9 COMMISSIONER ZUNIGA: Fair enough.

10 MR. DELANEY: But we could certainly
11 add in time frames for review and approval
12 and -- you know, for 30 days or whatever the
13 number might be. But going forward, if there
14 are other items, we want them to come to us
15 before they, you know, sort of, self-exempt
16 them from the -- from the categories.

17 COMMISSIONER ZUNIGA: Absolutely.
18 Sounds good.

19 CHAIRMAN CROSBY: Others?

20 COMMISSIONER MACDONALD: Well, just
21 to say, I think what you're proposing here is
22 very sensible. And I'm gratified that you're
23 reporting that the experience to date is that
24 the licensees and contractors, in fact, have

1 been -- have been complying satisfactorily
2 with the -- with the effort to explore,
3 diligently, the existing availability of
4 these protected categories.

5 And I do think it makes sense to
6 have drawn on the work that they have done
7 and the documentation that they have done,
8 and to establish a -- you know, a single
9 standard, if you will. I just -- it makes a
10 lot of sense.

11 COMMISSIONER CAMERON: I would
12 agree. Anytime you can clarify the process,
13 it's helpful to everyone.

14 CHAIRMAN CROSBY: I think I know you
15 guys well enough, and now I've heard the way
16 you're going to implement this, I know that
17 you're -- it's not going to become an excuse
18 for getting out of doing the real work. But
19 I want to just make two points anyway.

20 One is, that there is a -- sort of,
21 a slippery slope argument. You know, there
22 was a time where there were hardly any MBEs.
23 And if all you said was, well, if there
24 aren't any you don't have to worry about it,

1 we'd still be back with hardly any. So we
2 got to be real careful, A.

3 B, just because there aren't any
4 MBEs available, or whatever the category is
5 within a certain area, doesn't mean that you
6 shouldn't still have to hit your overall
7 percentage. It just means you've got to work
8 harder where there are available MBEs.

9 So we're taking the pressure off our
10 -- our licensee. Each time we exempt a
11 category, we make it a little easier to make
12 the 10 percent because, all of a sudden, the
13 denominator got smaller. And by not letting
14 them get exemptions, it means I just have to
15 work harder and exceed, by a lot, the 10
16 percent where there are available categories,
17 which is all to the good within reason.

18 So I think you guys get that spirit.
19 And I don't doubt that you do. But I just
20 wanted to make those points anyway.

21 COMMISSIONER STEBBINS: Yeah. I
22 would -- I would echo that. It'd be
23 interesting -- I think I agree that the
24 policy is pretty sound. You know, it

1 certainly read a lot better for me on the
2 equipment purchase side. But I'd be curious,
3 you know, the first time you get an
4 exemption, come back in front of us and kind
5 of tell us how you walked through it and, you
6 know, give us an example of how you, you
7 know, kind of made the decision. We're not
8 just sending you off to enact a policy. It'd
9 be great to get some feedback as to how it
10 worked.

11 CHAIRMAN CROSBY: Yeah, it's a good
12 point. I agree with that. Anybody else? Do
13 we need a action on this? No.

14 MS. GRIFFIN: We've asked for a
15 vote.

16 MR. BEDROSIAN: Well, it's not on
17 for vote. And I think we can decide -- we
18 can come back. We actually need a vote. I
19 think it's within my authority, as executive
20 director, on a policy. Not on a regulation,
21 but on a policy to implement it. And I think
22 I also get a sense of the Commission on this.
23 So we'll formalize. And if we think we need
24 to come back, we'll come back.

1 CHAIRMAN CROSBY: Yeah. We can
2 always do it --

3 MR. BEDROSIAN: Exactly.

4 CHAIRMAN CROSBY: -- you know, do it
5 later. Okay. Great. Thank you.

6 MS. GRIFFIN: Thank you.

7 COMMISSIONER STEBBINS: Thanks.

8 COMMISSIONER CAMERON: Thank you.

9 CHAIRMAN CROSBY: Before we go to
10 4B, let's take a real quick break.

11

12 (A recess was taken)

13

14 CHAIRMAN CROSBY: Okay. We are
15 reconvening public meeting No. 224. And Item
16 4D on the agenda is Commissioner Stebbins.
17 4B on the agenda.

18 COMMISSIONER STEBBINS: You got off
19 the hook. Good morning.

20 CHAIRMAN CROSBY: Was I wrong?

21 MS. GRIFFIN: You were right.

22 COMMISSIONER STEBBINS: I just
23 wanted to update everybody on the process.
24 We are in the middle of to create a white

1 paper with strategies to use monies that will
2 eventually flow into the Gaming Economic
3 Development Fund.

4 I think all of you received a copy
5 of the public invitation letter that went out
6 about a month ago to regional economic
7 development leaders, planning authorities,
8 workforce boards, tourism bureaus, our
9 community colleges. The invite included,
10 copy of the statute language for the Gaming
11 Economic Development Fund, as well as a list
12 of all the stakeholders receiving the invite
13 letter so we could encourage some
14 collaboration.

15 In addition, every state lawmaker
16 representing a host or surrounding community,
17 every mayor or Board of Selectmen, every
18 planning or economic development director, if
19 one was part of that town's government
20 structure, for each host and surrounding
21 community was also copied on that letter.

22 We followed that up with some
23 regional phone calls with the invited
24 stakeholders to field some questions. I was

1 encouraged. I had a great call from the --
2 the planning director from Foxborough, who
3 reached out to me, and was interested in
4 corralling her colleagues to work together.
5 I know she even had a chance to go over and
6 visit with the team at Plainridge to discuss
7 how they might be able to work together.

8 CHAIRMAN CROSBY: Great.

9 COMMISSIONER STEBBINS: These draft
10 strategies are due tomorrow. And I've
11 already spoken with Elaine Driscoll. We will
12 find a way to put those up for public
13 comment. We did receive our first strategy
14 letter yesterday from the team at Bristol
15 Community College.

16 Our plan is to use our upcoming
17 meetings in Springfield in two weeks, and
18 Everett in October, and, hopefully, a meeting
19 in Plainville, to hear more about these
20 strategies from the proponents, and give all
21 of us, as commissioners, a chance to ask
22 questions.

23 So that's really just an update as
24 to where we are in the process. And

1 certainly appreciate everybody's interest and
2 participation.

3 CHAIRMAN CROSBY: This is going
4 great, Commissioner. I give you real credit
5 on this. This was a flier of an idea. And,
6 you know, we said, by all means, try it. But
7 it wasn't at all clear to me that it was
8 going to get any teeth or any traction. And
9 it has. You've really generated a lot of
10 interest, which is great so -- are you
11 routinely in touch with either the committee
12 chairs, Wagner or Lesser, or their staffs on
13 all these -- on what's going on in the
14 meetings and conversations and so forth?

15 COMMISSIONER STEBBINS: You know,
16 there's a great point. I have not caught up
17 with them recently. But I think, tomorrow
18 being a deadline for the -- for the
19 strategies to come in, it'd be a great time
20 to circle back with both of them and just,
21 kind of, give them a heads-up.

22 CHAIRMAN CROSBY: I would think,
23 giving the member a heads-up, and just
24 discussion just talking to the two Chairs,

1 but maybe getting either Rory O'Hanlon, if
2 he's the right guy in Wagner's staff, or --
3 and Samantha in Lesser's staff, if that's the
4 right person, maybe to come to one or more of
5 these meetings.

6 COMMISSIONER STEBBINS: Sure.

7 CHAIRMAN CROSBY: Because if the key
8 staffers are really familiar with it, that
9 will help a lot, the possibility something
10 might come of it, when the legislature
11 actually gets around to the appropriations
12 process. And I'll bet you that people like
13 Sam and Rory, or others, would be -- would be
14 willing to come to the public meetings you
15 just got through talking about.

16 COMMISSIONER STEBBINS: Okay. And,
17 you know, it's -- I think it'd be our goal to
18 also let lawmakers know, anybody else that,
19 you know, say in Springfield, we're going to
20 set aside some time. A lot of it'll depend
21 on the number of strategies we get in. But
22 certainly invite them to come and listen to
23 the presentations and the ideas as well.

24 CHAIRMAN CROSBY: Absolutely. And

1 maybe a -- maybe Weighs and Means staffs,
2 also. You know, the key people from -- from
3 the two Ways and Means staffs.

4 COMMISSIONER STEBBINS: Absolutely.

5 COMMISSIONER ZUNIGA: Jeff Sanchez.

6 CHAIRMAN CROSBY: Jeff Sanchez is --
7 we've got two or three people from his
8 office. And who's the woman who's Senate
9 Ways and Means?

10 COMMISSIONER STEBBINS: Senator
11 Spilka.

12 CHAIRMAN CROSBY: Spilka. Yeah.
13 We've got some -- you know, so we'll -- if
14 you don't have them, we can get the contacts
15 there too.

16 COMMISSIONER STEBBINS: Sure.

17 CHAIRMAN CROSBY: That's great.

18 COMMISSIONER ZUNIGA: I want to say
19 that too. I think it's picked up quite a bit
20 of interest. It reminds me now on an earlier
21 item of the agenda, our mission, having a
22 participatory process is really important.
23 And in this way, it sounds like very
24 organically, your slow, methodical approach,

1 sending letters and having some of these
2 conversations early on is really -- is really
3 paying off in some way, and being very --
4 very good in many respects. So thank you for
5 all this.

6 CHAIRMAN CROSBY: And we've set
7 out -- were you about to say something?
8 Excuse me.

9 COMMISSIONER MACDONALD: I was
10 waiting in line. But just a very brief
11 comment, but I just want to make a note on
12 the record of prior conversations that I've
13 had with Commissioner Stebbins, in which I
14 have expressed my, you know, admiration for
15 his initiative here, and what's already been
16 accomplished in terms of the constructive
17 response by interested parties and
18 jurisdictions. I think it's great.

19 CHAIRMAN CROSBY: Yeah. As I have
20 thought about it, as we've all written about
21 it, as we've have talked about it, and
22 certainly as I've talked about it publicly,
23 the -- a critical underlying concept in our
24 legislation, and in the way we've tried to

1 want to pass along kudos. I haven't been
2 doing this work in a vacuum. Jill Griffin,
3 and John Ziemba, and Elaine Driscoll and
4 Janice Reilly, I think that's everybody, have
5 been critical to, again, helping pull -- and
6 Derek Lennon, helping to pull the information
7 together to make this a pretty thorough
8 examination. And to professor Paul DeBole
9 out at LaSalle College, who offered his time
10 to, you know, weigh in on the process and --

11 CHAIRMAN CROSBY: Did he follow
12 through and give you some --

13 COMMISSIONER STEBBINS: He has been.
14 He's been -- he's been happy to take on a
15 couple of projects, because I might have
16 helped him avoid painting the garage this
17 summer, so he's been doing some research for
18 us. And our old friend, Lyle Hall, from
19 HL -- well, not from HLT anymore, but also
20 reached up and followed some of the progress
21 we were making so...

22 CHAIRMAN CROSBY: Great. That's
23 really exciting. Thank you. Okay. Next up
24 is Item No. 5. That would be Dr. Lightbown

1 and the racing division.

2 MS. LIGHTBOWN: Good morning,
3 Commissioners.

4 CHAIRMAN CROSBY: Good morning.

5 COMMISSIONER MACDONALD: Good
6 morning.

7 COMMISSIONER CAMERON: Good morning.

8 COMMISSIONER ZUNIGA: Good morning.

9 COMMISSIONER STEBBINS: Good
10 morning, Commissioners. With me today, we've
11 got Bruce Barnett representing Suffolk Downs,
12 and Doug O'Donnell, our senior financial
13 analyst. First item is the request by
14 Suffolk Downs for an additional 288,000 up to
15 that amount, for purses for their last
16 weekend of racing. You all approved the
17 final weekend a couple of meetings ago, along
18 with the purse money for it.

19 And with their second weekend, they
20 ran extra races. They ended up having
21 abundance of horses in the area so they were
22 able to race 15 races each day, so that ate
23 up a lot of their purse money. So in order
24 to maintain the same level of funding for the

1 final weekend, they've asked for the ability
2 to use up to an additional 288,000 from the
3 Racehorse Development Fund.

4 The number of races that a meet runs
5 each day isn't an exact science. The racing
6 secretary has an idea what horses are
7 available, but it can vary. For instance, at
8 Plainridge sometimes during the year there's
9 a lot of racing in other states and they're
10 competing for horses, they may run seven
11 races. Other times, they may have plenty of
12 horses and they'll run 12. So it's not
13 unprecedented that, you know, the amount of
14 races in a certain day vary. Obviously, with
15 Suffolk racing a fewer amount of days
16 overall, they have fewer days to level it all
17 out.

18 In the past years -- the first year
19 they had about 78,000 left over that they did
20 not use. And last year there was, let's see,
21 about 191,000 that was left over. So if we
22 add 'em up, it's just a little bit under what
23 they're asking for anyway, if you wanted to
24 average it out over the three years.

1 And we -- that's all on CTHRU, on
2 the comptroller's website. It shows exactly
3 what payments have been made to Suffolk. And
4 I want to commend our financial team for
5 putting all that information out there. It's
6 very easy to see if anybody has any questions
7 about the money that we've given out. They
8 can go right on that website and it's all
9 there. If you have any questions --

10 CHAIRMAN CROSBY: What is the link;
11 that's our website?

12 MS. LIGHTBOWN: No. It's on the
13 comptroller's website.

14 CHAIRMAN CROSBY: Oh, on the
15 comptroller's website.

16 MS. LIGHTBOWN: Yep. And it's
17 called CTHRU, the letter C-T-H-R-U. And you
18 can click on that, click on MGC, put MGC in
19 there, and then you can put racehorse
20 development in, and then you can put whatever
21 track you want, Suffolk Downs, Plainridge, or
22 any of the other areas that the Racehorse
23 Development Fund goes to.

24 CHAIRMAN CROSBY: That might be a

1 link, Elaine, we could put on our racing site
2 to that, just to make it that much simpler.
3 Great.

4 MS. LIGHTBOWN: And on our website,
5 we do have the amount of money that's in the
6 Racehorse Development Fund. That's right on
7 our website. And there's about 12 million in
8 the fund, so, obviously, there's not a
9 question of the money being available.

10 COMMISSIONER CAMERON: And if I
11 understand it correctly, Dr. Lightbown, the
12 request is made for an amount, and it's
13 really their best estimate as to what they'll
14 need. But that is not given to them and then
15 given back to us. It is a question of once
16 it's over, then the payments are made
17 according to what they spend.

18 MS. LIGHTBOWN: Correct. Before
19 each weekend of racing I talk to Chip Tuttle
20 and we get an estimate about what they will
21 need and we send them that. And then, at the
22 end of the year, we always keep, maybe, one
23 day's worth of the money back. They do their
24 true-up. And once they've give that

1 information to Doug and I and we've gone over
2 it with Suffolk, we'll issue the final
3 payment that'll make 'em whole for the year
4 so...

5 COMMISSIONER CAMERON: You know, I
6 ask questions about this request thinking,
7 you know, this isn't a lot of money not to
8 have been planned for. But it did -- I did
9 learn that, you know, requests go out for
10 horses at various locations, and it just
11 happened that that particular weekend there
12 were a couple of other meets that were not
13 running so they had more horses than they
14 thought.

15 So it was not a question where they
16 didn't plan well. It really was a question
17 of circumstance. And they had more horses.
18 And providing the opportunity for those
19 horses to run. I know that you're in
20 discussion about how to make sure your staff
21 is prepared to deal with that in the future.
22 So I --

23 MS. LIGHTBOWN: Right.

24 COMMISSIONER CAMERON: I'm

1 comfortable that this is not an oversight.
2 This is not any kind of a -- it really is
3 legitimate request, based on the
4 circumstances, which were, as you say, not an
5 exact science.

6 MS. LIGHTBOWN: Correct.

7 COMMISSIONER STEBBINS: I guess I
8 just had a question. I mean, obviously what
9 happened the last weekend there was racing, I
10 think as Commissioner Cameron just pointed
11 out, was somewhat of a surprise. Is there
12 any expectation you'll face that same
13 predicament in the last weekend?

14 MR. BARNETT: Commissioner, I don't
15 know the expectation there. I can tell you
16 this, though, for the third weekend, Labor
17 Day weekend, my understanding is that, once
18 again, there was the interest and the
19 potential to book more races than were run.

20 That weekend, knowing that we were
21 already, sort of, ahead of pace, they did not
22 card, as I say, all of the possible races.
23 And in deciding which races to card and which
24 horses to fill, then with -- they gave a

1 preference to the trainers who had support of
2 the program in 2013, 2014, the last year of
3 full racing.

4 So I think with this -- those
5 decisions can be made. For the overall
6 health of the program, they'd rather not have
7 to be there. But knowing what the full
8 budget is and that we're at the last end of
9 the racing season, I think they will more
10 aggressively manage the numbers.

11 COMMISSIONER STEBBINS: Okay. Thank
12 you.

13 MR. BEDROSIAN: Yeah. Commissioner
14 Stebbins, I had talked to Mr. Tuttle about
15 this issue, also and -- in two regards. One
16 was, gee, you know, should we have known
17 ahead of time? And then, Alex explained to
18 me, sort of, the perfect storm of events.

19 And second is, I think something
20 Commissioner Cameron referred to is
21 additional, you know, eight races a day for
22 Alex's staff, who serve a temporary staff two
23 days in a row, that's a herculean task they
24 just stepped up to.

1 So I've talked to him, that if they
2 submit a racing application for next year, we
3 may want to build in some safeguards, both on
4 purse money and also on, you know, Alex's
5 staff, so that, you know, if there's maybe
6 the Commission would over subscribe purse
7 money with the caveat contingency that 72
8 hours before, or a reasonable time before the
9 actual race, they come back to Alex or I, you
10 know, with what the numbers will be so we
11 could approve both -- she knows what the
12 regulatory side will be, and we'll actually
13 know in front of purse money what it will be.
14 So I think we will have those discussions.

15 COMMISSIONER STEBBINS: I mean, it
16 certainly helps with planning. And
17 obviously, we're only talking about one more
18 weekend left for this year. I'm just
19 interested to see if there was -- could we
20 anticipate or expect another surprise of
21 other races being canceled and more horses --

22 MR. BEDROSIAN: Well, and in those
23 discussions I had with Mr. Tuttle, I think he
24 committed to being -- you know, managing this

1 last weekend in a way that was consistent
2 with what now they will have been given for
3 purse money.

4 COMMISSIONER STEBBINS: Okay.

5 COMMISSIONER ZUNIGA: Yeah. I think
6 that's -- that's important to do. I want to
7 register my discomfort in the principal
8 operating here. Which is -- there's an
9 economics term. There's an adverse selection
10 that Suffolk Downs went through, because they
11 knew that, you know, they could always card
12 more races and then come back and ask for --
13 for money that's been sitting there from the
14 Racehorse Development Fund.

15 I know it's an unusual year, let me
16 start with that. And this has been an usual
17 year in the past. But if we can strengthen
18 our communication, our expectation as to
19 what's -- what's a maximum number of races.
20 I know it's all -- it all -- in the end it's
21 all being funded at the average that we
22 are -- we have funded in the past. But I can
23 only imagine that the decision could have
24 been very different, at the time, in terms of

1 what races by Suffolk Downs - not by you,
2 Dr. Lightbown - if they knew that, you know,
3 the ability of that money -- the availability
4 of that money was not -- was not there.

5 So I am ultimately going to be
6 voting in favor of this, because ultimately
7 it does benefit the horsemen, and it's all in
8 the rubric of, you know, trying to do the
9 best we can with the racing industry. But
10 the principal and operation here of we can
11 always come back and ask for more money to
12 the Commission is just something that doesn't
13 sit very well with me.

14 CHAIRMAN CROSBY: Do you remember,
15 Doug -- you know, there's a 75/25 split in
16 the Racehorse Development Fund now, right?

17 COMMISSIONER ZUNIGA: No.

18 CHAIRMAN CROSBY: How much --

19 COMMISSIONER ZUNIGA: 65/45.

20 CHAIRMAN CROSBY: Oh, 65/45.

21 MS. LIGHTBOWN: 44/55.

22 COMMISSIONER CAMERON: 45/55 after
23 last year. 45/55.

24 CHAIRMAN CROSBY: X and Y. There's

1 a split.

2 COMMISSIONER ZUNIGA: That's what I
3 meant.

4 CHAIRMAN CROSBY: Yeah, right. Do
5 you remember what's left in each bucket. So
6 we're taking -- this is coming out of the
7 thoroughbred share. Right?

8 COMMISSIONER ZUNIGA: Oh, yes. It
9 could only --

10 CHAIRMAN CROSBY: In that
11 12 million, how much is --

12 MS. LIGHTBOWN: So the Plainridge
13 money goes out every week. So -- we don't
14 hold on to that. That goes out, as well as
15 the payments for the breeders of both breeds,
16 and the horsemen's amount. So that goes out
17 every week. The money for Suffolk, where
18 they're running the -- you know, the
19 abbreviated meet, we just send out what's
20 asked for each weekend.

21 CHAIRMAN CROSBY: So the 12 million
22 that you're referring to is, essentially, all
23 thoroughbred money, because the
24 standardbred --

1 MS. LIGHTBOWN: Almost all of it is.

2 CHAIRMAN CROSBY: Is all used on a
3 -- pretty much, a realtime basis; is that
4 right? You're looking --

5 MR. O'DONNELL: Yeah.

6 CHAIRMAN CROSBY: -- puzzled.

7 MR. O'DONNELL: No. That's
8 accurate.

9 CHAIRMAN CROSBY: Okay.

10 MR. O'DONNELL: But then, as Alex
11 said earlier, you know, once the meet is
12 done, we will sit down with Suffolk Downs and
13 make the adjustments as to what their total
14 numbers are at the end of the meet so...

15 CHAIRMAN CROSBY: Right. Okay.
16 Great. Anything else on this topic?

17 COMMISSIONER MACDONALD: Well, just
18 to say that, when Alex described it to me,
19 when we spoke about this yesterday, it was
20 encouraging to be assured that there's no
21 final, you know, approval on this until there
22 is what she described as the true-up process
23 having gone through. So that, it's not as if
24 the funds are just transferred and there's no

1 accounting for it.

2 MS. LIGHTBOWN: Right. We don't
3 give the funds out and then have to ask for
4 some back at the end of the season. After
5 the last day, we get the final amount and
6 send it out so...

7 CHAIRMAN CROSBY: Right.

8 COMMISSIONER STEBBINS: Mr. Chair, I
9 move that the Commission approve the request
10 of Suffolk Downs for an additional
11 \$288,000 from the Racehorse Development Fund
12 for purses.

13 CHAIRMAN CROSBY: Second?

14 COMMISSIONER CAMERON: Second.

15 CHAIRMAN CROSBY: Commissioner
16 Cameron second. Further discussion? All in
17 favor? Aye.

18 MR. MACDONALD: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 CHAIRMAN CROSBY: Opposed? The ayes
23 have it unanimously.

24 MS. LIGHTBOWN: So next up,

1 Doug O'Donnell will go through the Suffolk
2 Downs capital improvement request for payment
3 and request for consideration on different
4 items.

5 MR. BARNETT: Alex, before you do
6 that --

7 MS. LIGHTBOWN: Oh, go ahead.
8 Sorry.

9 MR. BARNETT: First of all, thank
10 you. Second of all, I should have said this
11 earlier, Chip's out of the country today,
12 which is the reason he is not here. His
13 children go to college out of the country,
14 and he's dropping them off this week.

15 CHAIRMAN CROSBY: Thank you.

16 COMMISSIONER CAMERON: Scotland.

17 MR. BARNETT: Correct.

18 CHAIRMAN CROSBY: Okay.

19 MR. O'DONNELL: First up would be
20 the request for consideration for Suffolk
21 Downs Capital Improvement Trust Fund. There
22 are three projects on this particular
23 request. Computer upgrade costs, sprinkler
24 system repair, and an EPA sewer inspection

1 repair. The total amount for this request is
2 \$88,951.28. It has been approved by the
3 architect. And all the necessary paperwork
4 is in order for this. And we do need your
5 approval on it.

6 CHAIRMAN CROSBY: Well, we can do
7 them all at one time. Right?

8 MR. O'DONNELL: Yeah.

9 CHAIRMAN CROSBY: I think that's
10 probably -- that's probably more efficient.

11 MR. O'DONNELL: Okay. And following
12 up with this is the request for reimbursement
13 with the Suffolk Downs Capital Improvement
14 Trust Fund. There are four specific projects
15 on this, which all the work has been done.
16 Again, the paperwork has been submitted,
17 checks have been cashed. And the total
18 amount for this reimbursement is \$116,658.43.

19 Balance in the fund right now is
20 \$824,303.01. And once we reimburse these
21 funds, they will have a total of \$707,644.58.

22 COMMISSIONER STEBBINS: Hey, Doug,
23 quick question.

24 MR. O'DONNELL: Yes.

1 COMMISSIONER STEBBINS: Sorry I
2 didn't catch this. I'm looking at the items
3 under reimbursement. They don't seem to add
4 up to the total request, the four items.

5 MR. O'DONNELL: No. You're
6 absolutely right, they don't.

7 CHAIRMAN CROSBY: Should be a zero.

8 COMMISSIONER CAMERON: Yeah.

9 MR. O'DONNELL: Bear with me for one
10 second.

11 COMMISSIONER STEBBINS: Do some
12 quick math.

13 CHAIRMAN CROSBY: Good get,
14 Commissioner.

15 COMMISSIONER ZUNIGA: And he's
16 right.

17 MR. O'DONNELL: Just think, Bruce,
18 we spoke earlier and you said everything just
19 lined up perfect.

20 COMMISSIONER STEBBINS: Well, you
21 know, you're putting me on the spot, I'll put
22 you back.

23 COMMISSIONER ZUNIGA: We're off
24 about 60,000. You're right.

1 COMMISSIONER CAMERON: Yeah.

2 COMMISSIONER ZUNIGA: Oh. But you
3 know what, this 88 --

4 COMMISSIONER CAMERON: That's the
5 total? Yeah. That's the total, which isn't
6 clear here. That's the next one combined,
7 right?

8 MR. O'DONNELL: Yeah.

9 COMMISSIONER CAMERON: So what's
10 missing here is the individual total, which,
11 when you add it to the 80 -- which you do
12 have on the next memo. And when you add that
13 to the 88, I believe it'll be correct.

14 COMMISSIONER ZUNIGA: Yes. This is
15 a total. 116 is the total for both.

16 MR. O'DONNELL: 116's the total for
17 both.

18 COMMISSIONER STEBBINS: It's for
19 both of them.

20 COMMISSIONER ZUNIGA: For both.

21 COMMISSIONER CAMERON: For both. So
22 it's just missing that --

23 COMMISSIONER ZUNIGA: You're missing
24 the subtotal in the request for

1 reimbursement.

2 COMMISSIONER CAMERON: Mm-hmm.

3 That's --

4 COMMISSIONER ZUNIGA: So the request
5 for reimbursement is 41, give or take, plus
6 the 88.

7 COMMISSIONER CAMERON: Right.

8 MR. O'DONNELL: Still too much.

9 COMMISSIONER ZUNIGA: Still too
10 much. Sorry. Scratch all that.

11 COMMISSIONER CAMERON: I'm sure we
12 could authorize the numbers to be verified,
13 make sure they're correct, before we
14 authorize this payment to go out. So we
15 could approve it with the --

16 CHAIRMAN CROSBY: Subject to the
17 approval of the -- let's say, of the ED?

18 COMMISSIONER CAMERON: Yes.

19 COMMISSIONER STEBBINS: We can
20 approve the four individual projects.

21 COMMISSIONER CAMERON: Yeah. And
22 there's three more. There's three from one,
23 four from another, yes.

24 CHAIRMAN CROSBY: The whole bunch of

1 them here, it looks like. The numbers are --

2 COMMISSIONER ZUNIGA: Well, there's
3 a P for Plainridge so...

4 CHAIRMAN CROSBY: Oh.

5 COMMISSIONER CAMERON: So there's
6 two for Suffolk.

7 CHAIRMAN CROSBY: Well, they got --

8 MR. O'DONNELL: There's two for
9 Suffolk and two for Plainridge.

10 COMMISSIONER CAMERON: Did we start
11 a motion here?

12 MS. LIGHTBOWN: On the first one,
13 it's just for consideration of the project.
14 And then, the second one's for the payment of
15 the money for the project.

16 CHAIRMAN CROSBY: Right.

17 COMMISSIONER STEBBINS: So
18 Mr. Chairman, I move the Commission approve
19 the request for consideration for the
20 Suffolk Downs Capital Improvement Trust Fund
21 for \$88,951.28.

22 COMMISSIONER ZUNIGA: Second.

23 CHAIRMAN CROSBY: And --

24 COMMISSIONER ZUNIGA: Let's do that.

1 COMMISSIONER STEBBINS: Let's just
2 do that one first?

3 COMMISSIONER ZUNIGA: Yeah. Second.

4 CHAIRMAN CROSBY: All right.

5 Further discussion? All in favor? Aye.

6 MR. MACDONALD: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 CHAIRMAN CROSBY: Opposed? The ayes
11 have it unanimously.

12 COMMISSIONER STEBBINS: And then,
13 Mr. Chairman, I'd move the Commission approve
14 the four items for reimbursement for the
15 Suffolk Downs Capital Improvement Trust Fund,
16 as outlined in the memo and included in the
17 packet.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER CAMERON: Second.

20 CHAIRMAN CROSBY: Further

21 discussion? All in favor? Aye.

22 MR. 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. O'DONNELL: And that total
5 amount will be -- of these four items is
6 \$41,858.30.

7 CHAIRMAN CROSBY: Okay.

8 COMMISSIONER STEBBINS: What was
9 that again, Doug?

10 MR. O'DONNELL: For the Suffolk
11 Downs Capital Improvement request for
12 reimbursement, it's \$41,858.30.

13 CHAIRMAN CROSBY: I know we've sort
14 of talked about this in the past, but why --
15 these are from 2012, five years old. Why
16 does it take five years to --

17 MR. O'DONNELL: They had done the
18 work, but they're just getting caught up now,
19 because they had that EPA project a number of
20 years ago that -- they had paid --

21 COMMISSIONER STEBBINS: It drained
22 everything.

23 MR. O'DONNELL: Yeah, \$3 million
24 plus.

1 CHAIRMAN CROSBY: Right.

2 MR. O'DONNELL: So that had been --
3 they paid that. So over the years, we've
4 been paying that off with the Capital
5 Improvement Trust Fund. So now, they're just
6 getting caught up for all the additional
7 work.

8 CHAIRMAN CROSBY: You mean, there
9 wasn't enough in the Capital Improvement
10 Trust Fund on a realtime basis to get it, so
11 they've had to do it over multiple years?

12 MR. O'DONNELL: Correct, because
13 they pay that in advance. And then, as -- as
14 that built up they were reimbursed for
15 that -- for that project so...

16 CHAIRMAN CROSBY: Okay. Okay.
17 Hopefully, when we get our racing reform
18 legislation we can rethink this whole thing,
19 which is bizarre. Okay. Are we ready to
20 move on to Plainville?

21 MR. O'DONNELL: Yes.

22 CHAIRMAN CROSBY: All right.

23 MR. O'DONNELL: First is the request
24 for consideration, Plainridge Racecourse

1 Capital Improvement Trust Fund. They have
2 three specific projects on this request. A
3 water truck purchase, purchase and
4 installation of new photo-finishing system,
5 and purchase and installation of the infield
6 fencing for a total of \$90,120.59.

7 CHAIRMAN CROSBY: There's two memos
8 here, Doug. One --

9 MR. O'DONNELL: One is for the
10 request for consideration. The other one is
11 the request for reimbursement.

12 COMMISSIONER ZUNIGA: You just flip.

13 CHAIRMAN CROSBY: All right. So the
14 29,000, the water truck purchase appears on
15 both memos.

16 MR. O'DONNELL: That is for --
17 right. That's for Suffolk Downs because the
18 request for --

19 CHAIRMAN CROSBY: No. I'm looking
20 at --

21 COMMISSIONER CAMERON: Plainridge.

22 MR. O'DONNELL: I'm sorry. Yeah,
23 Plainridge. Yeah. They went out there --
24 the architect went out and approved the

1 purchase of the water truck. And coinciding
2 with that, you know, they had purchased it.
3 That was the first time you saw it for the
4 requisition for request for consideration.
5 And then, it was also on the request for
6 reimbursement, because he went out there,
7 they requested that information, the truck
8 was purchased, and that's why they're both on
9 this -- on the agenda today.

10 COMMISSIONER ZUNIGA: Because what
11 happens is, we're approving the project and
12 then we're approving the disbursement.

13 MR. O'DONNELL: Right.

14 COMMISSIONER ZUNIGA: That's the
15 difference between -- we're just doing it at
16 the same time here for the same project.

17 CHAIRMAN CROSBY: Okay. So you're
18 -- all right.

19 COMMISSIONER CAMERON: We need a
20 motion?

21 COMMISSIONER ZUNIGA: Yep. I'd be
22 happy to move that we -- that the Commission
23 approve the request for consideration from
24 Plainridge Racecourse in the amount of

1 \$90,120.59 for the projects outlined here in
2 the packet.

3 COMMISSIONER STEBBINS: Second.

4 CHAIRMAN CROSBY: Second? Further
5 discussion? All in favor? Aye.

6 MR. MACDONALD: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 CHAIRMAN CROSBY: Opposed? The ayes
11 have it unanimously to consider now.

12 COMMISSIONER ZUNIGA: Yes. And now,
13 I would --

14 MR. O'DONNELL: Now, it's request
15 for reimbursement, which is the payments, for
16 the Plainridge Racecourse Capital Improvement
17 Trust Fund. There were two items on this,
18 which is the water truck purchase. And
19 Mr. O'Toole just informed me that that was an
20 auction that they were bidding on, and that's
21 why it -- you know, it happened so quickly,
22 for them to pay it out and to be approved by
23 the architect. So it would be the water
24 truck and the new high-definition video

1 display board for a total of \$243,950.68.

2 CHAIRMAN CROSBY: Okay.

3 COMMISSIONER STEBBINS: Mr. Chair, I
4 move the Commission approve the request for
5 reimbursement for Plainridge Racecourse
6 Capital Improvement Trust, the two projects
7 totaling \$243,950.68.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER MACDONALD: Second.

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

12 MR. MACDONALD: Aye.

13 COMMISSIONER STEBBINS: Aye.

14 COMMISSIONER CAMERON: Aye.

15 COMMISSIONER ZUNIGA: Aye.

16 CHAIRMAN CROSBY: Opposed? The ayes
17 have it unanimously. All right.

18 MS. LIGHTBOWN: Thank you.

19 COMMISSIONER CAMERON: Thank you.

20 COMMISSIONER STEBBINS: Thank you.

21 CHAIRMAN CROSBY: Thank you, folks.

22 We are now to Ombudsman Ziemba. We're about
23 20 minutes behind, but we definitely want to
24 go ahead, I think, with the Plainridge

1 report, and then we'll see where we are after
2 that and have a conversation. So let's do
3 Item 6A.

4 MR. ZIEMBA: Thank you, Mr. Chairman
5 and Commissioners. So today, I have several
6 items up for consideration. Up first, we
7 have the quarterly report for Plainridge Park
8 for the second quarter of this year, ending
9 June 30th. Joining us today as part of the
10 Plainridge team, are Lance George, general
11 manager; Ruben Warren, CFO; Michelle Collins,
12 VP of marketing; Mike Mueller, VP of
13 operations; and Lisa McKenney, compliance
14 manager. And I will turn it over to Ruben.

15 MR. MUELLER: I will take this.
16 Good morning, Chairman Crosby and
17 Commissioners.

18 CHAIRMAN CROSBY: Good morning.

19 COMMISSIONER MACDONALD: Good
20 morning.

21 COMMISSIONER CAMERON: Good morning.

22 COMMISSIONER ZUNIGA: Good morning.

23 COMMISSIONER STEBBINS: Good
24 morning.

1 MR. MUELLER: I'd like to go over
2 some brief information before turning it over
3 to Ruben and Michelle for their updates. In
4 Q1, we saw the impact of New England weather.
5 And it was reflected in our January and our
6 February numbers. However, we did make a
7 very strong comeback in our Q2 numbers.

8 Our net gaming revenue came in at
9 \$46.2 million, which is a growth of
10 3.4 million over Q2 of last year. In
11 addition, we also saw a growth of 4.2 million
12 as compared to the Q1 time period. And Ruben
13 will go into some of these details during his
14 update. This was a very good quarter for our
15 property.

16 When you look at our win-per-unit
17 metric, it still remains very impressive. In
18 Q1 of last year -- or Q2 of last year, we
19 were at 344 win-per-unit. Q2 of this year,
20 we have upped it to 375 win-per-unit. We're
21 off to an encouraging start in Q3, and that
22 causes us continued optimism in the future.

23 Now, I do want to take a moment to
24 speak about our workforce. As you can see,

1 we have 482 employees. That is up eight from
2 the 474 that we reported in Q1. Our
3 full-time staffing remains at, approximately
4 500 employees. Our full-time to part-time
5 ratio is staying flat to the numbers we
6 report in Q1, at roughly 66 percent full-time
7 and 34 percent part-time.

8 Diversity continues to exceed our
9 goals, as we remained flat in Q1 at
10 22 percent and our goal is only 10 percent.
11 When we look at our veterans' employment,
12 still at 3 percent, flat over Q1.

13 CHAIRMAN CROSBY: What was the goal?

14 MR. MUELLER: Three.

15 CHAIRMAN CROSBY: Three?

16 MR. MUELLER: Yes. Our
17 Massachusetts residents have increased
18 slightly to 69 percent of our workforce. And
19 that's up from 68 percent in Q1. Our local
20 community employment, which is defined as
21 Plainville, Wrentham, Foxborough, Mansfield,
22 Attleboro and North Attleboro is at 35
23 percent. And, finally, our male-to-female
24 ratio, currently, at end of Q2, is at 53

1 percent male and 47 percent female, which is
2 a slight change from the 51 percent male and
3 49 percent female that we reported in Q1.

4 COMMISSIONER CAMERON: I had a
5 question about these numbers. First of all,
6 certainly they're -- the numbers are strong
7 and that's nice to see. But I did talk to
8 Director Griffin about possibly breaking down
9 the numbers, seeing at what level your
10 diversity and your women, where they are in
11 the organization, because I really think
12 those are important numbers as well.

13 MR. MUELLER: Yeah, we have that
14 available.

15 COMMISSIONER CAMERON: So that'd be
16 terrific, if we could -- if we could see
17 those numbers as well.

18 MR. WARREN: What Lance is asking
19 for is clarity on what you're looking for.
20 Are you looking for supervisory to --

21 COMMISSIONER CAMERON: The breakdown
22 of your organizational chart and where --
23 yes. Where the diversity, where the women --
24 just where those folks fall within the

1 company hierarchy would be -- would be
2 important to see.

3 MR. WARREN: We can provide that.

4 COMMISSIONER CAMERON: Thank you.

5 COMMISSIONER STEBBINS: Is there
6 also -- are you still experience, or any
7 hiring challenges in certain positions or
8 certain skills, or also seeing turnover in --
9 at a little more rapid rate in, maybe, some
10 of the other jobs?

11 MR. WARREN: So security is an issue
12 for us. The turnover rate has slowed
13 tremendously, so we're figuring out where
14 we're advertised to get those jobs from. And
15 so we -- on the lower end of the spectrum of
16 the jobs, the entry-level jobs, we will
17 continue to see the turnover rate but it's
18 improved.

19 All right. On to the next slide.
20 Our qualified spend per -- total spend for
21 Plainridge for the second quarter came in at
22 just under 1.6 million, 79 percent or 1.2
23 million stayed within the state of
24 Massachusetts. 2017 were averaging right

1 around 77 percent of our spend staying in the
2 state. Last year, in 2016, the percentage
3 was at 72.4 percent, so right under 5 percent
4 higher in 2017.

5 Our local spend, these are our host
6 community, Plainville, and our surrounding
7 communities, we spent right under 90,000 in
8 the second quarter. Plainville continues to
9 be the number one spend at 38 percent, or
10 right at 34,000. Mansfield stays in the
11 number two position, right under \$30,000 for
12 the quarter.

13 CHAIRMAN CROSBY: Is the Mansfield
14 some particular contract, or is it just a
15 bunch of little things?

16 MR. WARREN: A bunch of small items
17 for these areas. Our diversity spend, our
18 overall goal, we are meeting that number.
19 And we have consistently done that. The
20 women-owned business -- business enterprise,
21 we've consistently exceeded that goal. The
22 minority-owned, we are struggling in that
23 category. We're at 3 percent. In our
24 veteran-owned, we lost one vendor in the last

1 quarter but we're still maintaining that
2 3 percent. I'll explain a few things that
3 we're doing on the next slide to try to
4 mitigate some of those losses.

5 So our total overall diverse spend
6 was at 329,000 for the second quarter. We've
7 been averaging about 350,000. We have five
8 expos and conventions that we are attending
9 here in this month and next month, with all
10 three categories are veterans-, are women-
11 and are minority-owned.

12 And the goal, of course, is to allow
13 those guys to understand that we are open for
14 business. We're looking for vendors and
15 partnerships in those three specific areas.
16 So the goal, again, is to get out and to
17 introduce ourselves. We do have it on our
18 website, on the state's website and some
19 other websites, we are part of all chambers.
20 But we believe just getting out in the
21 community, which is the next step, will help
22 us to strengthen those areas that we're
23 falling deficient.

24 Mike alluded to, you know, our

1 business. We're happy to be where we are.
2 Our second quarter was the second strongest,
3 since opening the property. Of course
4 opening that third quarter of 2015 was the
5 strongest. But we brought in \$42.6 million
6 in that slot revenues for that quarter. We
7 also contributed 20.9 million in total taxes,
8 17 million to the state, 3.8 million to the
9 racing fund. And, again, I think we are
10 happy to be in this position. Things are
11 trending well. We still have a little work
12 to do, but we're moving in the right
13 direction.

14 The next slide, the lottery, great
15 partnership with the lottery. Those numbers
16 continue to impress as well. We produced --
17 or the lottery produced \$800,000 for the
18 second quarter. That's 11 percent higher
19 than the prior year and a little over
20 12 percent better than the first quarter of
21 this year.

22 CHAIRMAN CROSBY: Is that because of
23 bulk sales, basically; is it some kind of
24 bulk deals that you do, or is that just

1 individuals buying -- buying tickets?

2 MR. WARREN: Individuals buying
3 lottery tickets.

4 COMMISSIONER CAMERON: So because
5 you had more people at your casino, you think
6 that that -- that helped the lottery as well?

7 MR. WARREN: Yes. As we go, they
8 will go.

9 COMMISSIONER CAMERON: Okay.

10 MR. WARREN: Yes.

11 COMMISSIONER CAMERON: Great. Thank
12 you.

13 MR. WARREN: And, also, working with
14 those guys, I think we have those lottery
15 terminals positioned in the right areas. We
16 are both comfortable with where they are, and
17 we want to continue the great relationship
18 with those guys. So they're happy. We are
19 as well.

20 CHAIRMAN CROSBY: Just one point
21 here. It's a data point that has kind of
22 gotten lost in the shuffle, but it's a really
23 amazing number. Plainridge Park Casino
24 accounts for about 7-1/2 to 8 percent of the

1 total annual state contribution to local aid,
2 to cities and towns. We give about a billion
3 dollars a year to cities and towns and you're
4 doing around seven, eight, 7.5 percent of
5 that, which is an astonishing -- an
6 astonishing number. People were worried that
7 the casinos would detract from local aid
8 because it would take away from the lottery,
9 which is the primary source of local aid.
10 But, in fact, so far, the experience has been
11 an extraordinary add-on.

12 MR. WARREN: It's been a positive
13 relationship. Again, I think the surrounding
14 lottery vendors are seeing the pickup as
15 well. So we feel that it's a great
16 partnership. We're not hurting that
17 industry, or any around the casino, that we
18 feel or have heard, and we are happy with our
19 position.

20 CHAIRMAN CROSBY: Yeah.

21 MR. WARREN: Yeah.

22 COMMISSIONER ZUNIGA: Ruben, can I
23 just go back to the quarter, which, you
24 know -- which results now, retrospectively,

1 are really impressive. Would you say, in
2 terms of operations, you figure the market a
3 little bit better, or would you also say
4 that, clearly, weather as you started played
5 a big role in this quarter over quarter, or
6 year over year, and can you can -- yeah, can
7 you speak to that?

8 MR. WARREN: Yes. I think it's a
9 combination. Again, first quarter weather
10 hindered the operation. But I do believe
11 that both the property we figured out how to
12 work with our surrounding communities. We're
13 still figuring that out, looking for
14 partnerships in the community. And so, I
15 think it's a combination of us figuring it
16 out, weather's been great. And so, we just
17 look forward to continuing our relationships
18 with local vendors, with lottery, with our
19 surrounding communities.

20 COMMISSIONER ZUNIGA: Thank you.

21 MR. WARREN: On to -- where am I at?
22 I apologize. On to compliance and
23 regulations. We have about 220,000 people
24 that come through our properties on a monthly

1 basis. And so, with these numbers we checked
2 right under 25,000 people through our
3 security checkpoints. We prevented 500 of
4 those individuals, which fall into a few
5 categories, from entering the property.

6 Minors which are made up of people
7 18 years and under -- younger. Thirty-three
8 of those individuals under age, which is 18
9 and under 21 years of age. There's a hundred
10 of those individuals. And then, expired, no
11 ID and people that we just can't identify,
12 we've prohibited 368 of those individuals
13 from coming into the property. There were
14 two fake IDs, and we had three incidences
15 where underage individuals were on our gaming
16 floor. Neither of those individuals consumed
17 alcohol or games. We quickly identified who
18 they were and removed them from the gaming
19 area.

20 CHAIRMAN CROSBY: The 25,000 that
21 you -- where you check IDs, that's a visual
22 test, basically, right; your security people
23 just say, if it looks like me I don't get
24 ID'd, but if it looks younger, you get -- you

1 might get ID'd.

2 MR. WARREN: If you're at a certain
3 age, we will identify you and ask for ID, run
4 you through the check to make sure your ID is
5 valid, make sure you're the right age. So
6 those are people that we actually we stop, we
7 look at the identification, and we either let
8 them into the -- onto the floor, we tell them
9 they need to leave.

10 CHAIRMAN CROSBY: There was a huge
11 drop in the number of checks, the April-May
12 was about 8,500, June was only 7,500. Why
13 was that?

14 MR. WARREN: That I wouldn't -- so I
15 did some percentages of -- of the checks, and
16 you're right. We averaged about 275 people a
17 day, skewing higher on the weekends, of
18 course. I would not be able to tell you,
19 right now, why. But I would say this, we
20 didn't allow any under age on the floor. I
21 still think we did a diligent job of making
22 sure --

23 CHAIRMAN CROSBY: Well, in fact, you
24 stopped quite a few more. You -- as a

1 percentage you got 190, as opposed to 150,
2 60.

3 MR. WARREN: Of the checks we
4 identified.

5 CHAIRMAN CROSBY: Of the checks that
6 you did.

7 MR. WARREN: Yes.

8 CHAIRMAN CROSBY: It's just such a
9 big drop. It looks like -- it's a -- it
10 looks like more than just an everyday
11 run-of-the-mill drop. It's kind of an odd --

12 MR. WARREN: I can tell you that the
13 processes don't change for us.

14 CHAIRMAN CROSBY: Yeah.

15 MR. WARREN: We identify who looks
16 under age, any individual that looks under
17 age. We also make sure that the staff inside
18 of the casino, us walking around, also will
19 make sure that if we see someone that should
20 not be there, we're doing our job to alert
21 security to check those individuals.

22 So the processes have not changed.
23 The numbers are a little lower. But we still
24 are comfortable that no one entered the floor

1 that should not have entered.

2 CHAIRMAN CROSBY: Right. Great.

3 COMMISSIONER CAMERON: Those numbers
4 are good. Strong numbers.

5 MR. WARREN: Thank you. I'm going
6 to turn it over to Michelle to talk about
7 community and marketing.

8 MS. COLLINS: We continue to support
9 local communities, with heavy focus on the
10 surrounding communities for charitable
11 contributions. There are 11 different
12 organizations that we contributed to in Q2.
13 It was about \$88,000 in donations. Some of
14 which was cash. And then, also, we utilize
15 our existing relationships with Fenway and
16 the Red Sox so that we can use those items
17 for silent auctions or auction items for some
18 of the smaller charity organizations.

19 A few highlights there is the
20 Friends of Attleboro Animal Shelter. We did
21 a giveaway on National Pet Day, and we have
22 about 400 guests come in with supplies for
23 pets, and they received a \$10 free software
24 bonus. We're doing the same thing this past

1 month for backpacks for back to school. So,
2 again, we see about 400 people that come in
3 and donate. So it's a nice initiative and
4 easy to do for us.

5 We continue to have relationships
6 with the surrounding community, but also at
7 the larger locations. Xfinity Center, as I
8 mentioned earlier, Red Sox, Fenway. We
9 partnered with them again for the Fenway
10 Concert Series. Wrentham Village Premium
11 Outlets, we sponsor a valet program that they
12 have and will continue that through the
13 holiday season this year as well. It allows
14 to us reach people we maybe wouldn't
15 necessarily reach. The shoppers that are
16 coming only an exit away, we can leave a
17 call-to-action in their car. They put a
18 bottle of water that is Plainridge Park, and
19 then it invites them with a coupon to the
20 casino. So, again, it's a way to utilize our
21 resources with the other local vendors and
22 get more business.

23 We had some other initiatives in Q2
24 that we haven't done in the past. One, we

1 had the opening day of racing. And this is
2 the largest -- we had 125 races this year,
3 which is a record for us. It's the highest
4 that we've ever had.

5 CHAIRMAN CROSBY: Racing days.

6 MS. COLLINS: Racing days, yes.
7 Live racing days. We also hosted an event
8 for the Kentucky Derby, Preakness and
9 Belmont. We saw 17-percent increase in
10 handle on Kentucky Derby, 31 percent increase
11 in handle for the Preakness, and 11 percent
12 for the Belmont, so we continue to see growth
13 in our racing.

14 New entertainment. So one of the
15 things we talked about in the last quarter
16 review was doing more in the loft area, the
17 upstairs of the racing area. So it's our
18 banquet space that allows us to seat about
19 350 people. So we've started to do different
20 entertainment offerings, including acoustic
21 shows, comedy shows. So in Q2, we had
22 Lenny Clark, Lauren Rainbow, who is a medium.
23 And then, we partnered with Murphy's Boxing
24 and we held our first ever live boxing event

1 at the first floor of the racing building.
2 So it was quite exciting. We sold out. It
3 was 550 people that came, and a demographic
4 that, typically, we wouldn't necessarily get
5 into the building so --

6 CHAIRMAN CROSBY: Excuse me,
7 Michelle. Have we followed up on the
8 conversations with -- so the conversation.
9 So how the regulation of boxing and MMA
10 interfaces with our regulation is something
11 we had never really anticipated until you
12 guys started having boxing matches. So
13 there's been a follow-up with -- you said
14 yes, there has?

15 MR. BEDROSIAN: Yeah. We've
16 scheduled a talk with commissioners and
17 staff.

18 CHAIRMAN CROSBY: Okay. Great.

19 MS. COLLINS: As we continue to do
20 our larger promotions, such as car giveaways,
21 we also partner with local dealerships. So
22 we did a Corvette giveaway for our
23 anniversary, where we work with Imperial in
24 Mendon. They'll have their car on display at

1 our property so it allows them to do
2 advertising, as well as get excitement on
3 property, when customers see the vehicles in
4 the driveway. Home makeover with the
5 Home Depot in Mansfield. So, again, it just
6 allows us to promote local businesses, but
7 also give us the opportunity to give our
8 guests different items. Not the same thing
9 all the time.

10 We had our two-year anniversary.
11 And we did a coaster giveaway that all --
12 anyone who came to visit the casino received
13 them, and we did our Massachusetts slot
14 tournament, so this was one winner that
15 received a big Massachusetts slot tournament
16 belt, and Lenny Clark hosted this event.

17 Highlights from this quarter include
18 The Spirit of Massachusetts. This had
19 national coverage. And we saw a three-times
20 increase in our handle on that day. The
21 purse was \$250,000 for that event. We also
22 continued with our initiative for more
23 entertainment offerings in the loft. Those
24 included a pay-per-view viewing event for the

1 Mayweather and McGregor fight, where we sold
2 out and we saw sales of 750 tickets for this
3 event.

4 In addition to that, we had a verve
5 pipe acoustic show. And we have two Boston
6 guys, comedy, that is going to be coming here
7 at the end of September. We did the
8 back-to-school drive that I spoke to earlier.
9 Responsible Gaming Education Week, where we
10 had a theme of empowered play. So we did
11 different initiatives with the GameSense
12 folks. And each day there was an event on
13 property, where we've promoted responsible
14 gambling, educating customers on what to look
15 for and how we can help them, and what
16 resources are available to them.

17 CHAIRMAN CROSBY: And you brought
18 Super Woman in?

19 MS. COLLINS: Yes. That's
20 Lisa McKenney, our compliance officer. And
21 then, again, we have the Audi car giveaway in
22 Choose Your Ride, where we are partnering
23 with Imperial from Mendon.

24 CHAIRMAN CROSBY: Great.

1 MR. WARREN: Can I clarify one
2 point?

3 CHAIRMAN CROSBY: Sure.

4 MR. WARREN: June, the numbers, I'm
5 not sure why I didn't bring this up, but
6 seasonality, people getting out of -- kids
7 getting out of school, families going on
8 vacations, our numbers were a little lower.
9 That's the reason for the drop in the number
10 of checks in the month of June. Just want to
11 clarify it.

12 CHAIRMAN CROSBY: Oh. Interesting.
13 Okay. Thanks.

14 COMMISSIONER STEBBINS: I had a
15 quick visit down to Plainridge on Friday.
16 And as I was leaving, I got in the elevator
17 with this older gentleman, said -- asked him
18 how his day went. He said, eh, not so good.
19 I said, why do you keep coming back to this
20 property? And he goes, I bring my wife. And
21 I said, do you like the property? He goes,
22 yeah. We're from Cumberland, Rhode Island,
23 and we like the nonsmoking at the facility.

24 CHAIRMAN CROSBY: Interesting.

1 MR. WARREN: Very nice.

2 CHAIRMAN CROSBY: Great.

3 COMMISSIONER STEBBINS: Anecdotal.

4 Thought it was a --

5 CHAIRMAN CROSBY: Good.

6 COMMISSIONER STEBBINS: -- good

7 acknowledgment about what we've done.

8 CHAIRMAN CROSBY: Bring those

9 dollars back from Rhode Island. We like

10 that.

11 MR. WARREN: Absolutely. We do too.

12 CHAIRMAN CROSBY: Yeah.

13 COMMISSIONER CAMERON: All of these

14 promotions look terrific. I hear them

15 advertise every single Red Sox game. They

16 advertise for your casinos.

17 CHAIRMAN CROSBY: Anything else from

18 you folks?

19 MR. WARREN: I think we're good.

20 Any questions? Thank you.

21 CHAIRMAN CROSBY: Great.

22 COMMISSIONER ZUNIGA: Thank you very

23 much.

24 COMMISSIONER CAMERON: Thank you.

1 CHAIRMAN CROSBY: Thank you very
2 much.

3 COMMISSIONER STEBBINS: Thank you.

4 COMMISSIONER MACDONALD: I was very
5 impressed. Thank you.

6 CHAIRMAN CROSBY: Okay. It's 12:15.
7 I think there is nothing here that is
8 particularly urgent. We don't have guesses
9 for any of these, right, particularly? We
10 could just stop now and have a lunch break,
11 or we could go through some more. I'm so
12 inclined, we might as well stop now as any
13 other time, as long as it -- yeah. Does that
14 make sense, all right with you, John?

15 MR. ZIEMBA: Sure.

16 CHAIRMAN CROSBY: Okay. So why
17 don't we take a --

18 COMMISSIONER MACDONALD: About 30
19 minutes?

20 CHAIRMAN CROSBY: We'll take a 30,
21 we'll come back at a quarter to one, and
22 reconvene public meeting No. 224.

23

24 (A recess was taken)

1

2

3

4

5

CHAIRMAN CROSBY: Reconvening public meeting No. 224 about a quarter to one on September 24th. And we're back to Ombudsman Ziemba.

6

7

8

9

10

11

MR. ZIEMBA: Thank you, Mr. Chairman. Next up is a request for reappointment of several members of the Local Community Mitigation Advisory Committees and subcommittees under the Gaming Policy Advisory Committee.

12

13

14

15

16

As for the LCMAC reappointments, I have included the biographies of these appointees that were provided to you last year. They haven't been updated since last year, but they remain in your packet.

17

18

19

20

21

22

23

24

We are recommending the following reappointments for the Region B LCMAC, Mr. Rick Sullivan for the Region B, representative of a regional economic development organization, Ellen Petashnick for one of the two human service provider appointees, and Kate Kane for the chamber of commerce representative from Region B.

1 Although Kate has indicated that she will not
2 continue for the whole year, she has agreed
3 to stay on for a meeting or two, while we
4 work on a replacement.

5 For the Region A LCMAC, we are
6 recommending Colin Kelly as the chamber of
7 commerce representative. We're very pleased
8 that these very qualified individuals helped
9 us over the past year and have agreed to
10 continue to help us.

11 As with -- as with last year, we
12 will state that these appointments are at the
13 pleasure of the Commission. In addition at
14 these appointments, last year the Commission
15 chose Commissioner Lloyd Macdonald as the
16 commission representative before the
17 subcommittee at Community Mitigation
18 Commission, Commissioner Cameron as the
19 Commission representative on the subcommittee
20 on public safety. And both of those
21 commissioners were elected as chairs.
22 Congratulations to those commissioners. And
23 Mark Vander Linden as the commission
24 representative before the subcommittee on

1 addiction services. So I request
2 reappointment of those members.

3 CHAIRMAN CROSBY: Okay. Do we
4 need -- is this a vote?

5 MR. ZIEMBA: Yes.

6 CHAIRMAN CROSBY: Yes. Okay. Is
7 there a discussion about any of these folks,
8 or issues? Just out of curiosity, has the
9 addiction services subcommittee started yet?

10 MR. ZIEMBA: No. We have not met
11 yet.

12 CHAIRMAN CROSBY: Because we don't
13 have a quorum still?

14 MR. ZIEMBA: We're almost there.

15 CHAIRMAN CROSBY: Do you know
16 whether there was any follow-up with the
17 woman from Mount Auburn, the governor's
18 office was --

19 MR. ZIEMBA: I'd have to ask Mark
20 about that.

21 CHAIRMAN CROSBY: Okay. All right.
22 Do I have a motion?

23 COMMISSIONER ZUNIGA: Yeah. I'd be
24 happy to move. Do we have to mention them in

1 the motion, each one of them, or are they
2 anywhere here?

3 MR. ZIEMBA: Just as noted in the
4 memo.

5 MS. BLUE: Yeah. Just as noted in
6 memo. We'll be fine.

7 COMMISSIONER ZUNIGA: All right.
8 Well, I'll move that the Commission reappoint
9 to the regional and diverse several
10 subcommittees here of community mitigation,
11 as articulated in the packet, to their
12 current positions.

13 CHAIRMAN CROSBY: Second?

14 COMMISSIONER MACDONALD: Second.

15 CHAIRMAN CROSBY: Further
16 discussion? All in favor? Aye.

17 MR. 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 MR. ZIEMBA: Thank you. Next on the
24 agenda are the 2018 Mitigation Fund

1 application guidelines. Chairman and
2 Commissioners, earlier this year we announced
3 Community Mitigation Fund awards, pursuant to
4 the Commission's 2017 Community Mitigation
5 Fund guidelines. The item before you today
6 is the beginning of the process for approving
7 the guidelines for the 2018 Community
8 Mitigation Fund program.

9 By statute, applications by
10 communities and other governmental entities
11 are due to the Commission no later than
12 February 1st of each year, in order to give
13 communities time to put together their
14 applications. We plan to issue the final
15 guidelines for the 2018 program no later than
16 the beginning of December. That will give
17 applicants, approximately, two months to put
18 together applications after the final
19 guidelines have been issued. Applicants can
20 also use the period between now and the
21 issuance of the guidelines to determine what
22 applications they may file.

23 It's possible that we may not need
24 to make dramatic changes to the guidelines.

1 The largest change to our guidelines may be
2 warranted when our Category 1 facilities are
3 operational, and potentially causing
4 operational impacts. We are a little under
5 one year from the projected opening date for
6 MGM Springfield, and a little over a
7 year-and-a-half from the projected opening
8 date for the Wynn Boston Harbor facility.
9 The schedule for the potential tribal
10 facility remains unclear at this point, as
11 you know.

12 In order to solicit input and advice
13 on these guidelines in advance of the
14 issuance, we're reconvening meetings of the
15 LCMAC committees, and plan to convene
16 meetings of the subcommittee on community
17 mitigation under the Gaming Policy Advisory
18 Committee. These committees include
19 appointees of a host and surrounding
20 communities, regional planning agencies, the
21 Massachusetts Municipal Association, the
22 Department of Revenue, Division of Local
23 Services, and others will be able to provide
24 very valuable advice.

1 We're planning to have three
2 meetings each of the eastern Mass LCMAC, the
3 western Mass LCMAC, and three meetings of the
4 subcommittee prior to the issuance of our
5 guidelines. In order to make these meetings
6 as useful as possible, we recommend that we
7 develop a list of items that these committees
8 could discuss.

9 In your packets, we've included a
10 list of questions from last year and the
11 results. Additionally, there are questions
12 that the Commission and staff have had about
13 the Community Mitigation Fund over the past
14 year. It's very likely the participants at
15 these meetings will have their own items for
16 discussion.

17 My goal for today is to understand
18 if there are additional questions that the
19 Commission would like to explore as we
20 develop the guidelines, or the Commission
21 would like to delete or change any question
22 on the list. We anticipate coming before the
23 Commission at least twice more on the
24 guidelines by the beginning of December.

1 Once to report back on the input we've
2 received, and to get approval of a working
3 draft of the guidelines, and once to finalize
4 such guidelines. We've included a draft
5 schedule for the review of the guidelines for
6 2018.

7 So today, it's designed to just get
8 consensus on a list of questions, which, as
9 noted, will likely grow and change as these
10 local discussions continue. We don't
11 anticipate trying to answer any of these
12 questions today.

13 With that, I welcome any questions
14 you may have about any particular item, or
15 any comment you may have further discussing
16 any of these particular items. And if
17 commissioners come up with questions after
18 today, we can certainly bring those to the
19 attention of the -- all of those committees
20 that I mentioned.

21 CHAIRMAN CROSBY: Discussion?

22 COMMISSIONER ZUNIGA: I was not in
23 all of the prior meetings of those -- of
24 these committees. I was only in a couple.

1 And there was robust discussion and feedback
2 and -- but I'm wondering whether we could
3 incorporate, if we haven't already, some kind
4 of feedback from the evolution of the
5 guidelines.

6 Now we have -- now that we have, you
7 know, a couple of years under our belt, and
8 the grants that have been awarded, what those
9 committees might have to say about, you know,
10 maybe what the intention was and what we saw,
11 and whether we can now need to think about
12 questions that we're not thinking about
13 currently, or -- I mean, maybe as part of
14 that discussion we start to rethink one
15 aspect or several of the guidelines? But I
16 think this, sort of, lookback mechanism may
17 be an important one, from my perspective, to
18 try to coordinate.

19 There's not a specific question that
20 I can think of. It's simply how what -- what
21 we've done, has it come to the expectations
22 of the committee, or did we put together a
23 guideline that -- in the past that was too
24 broad or too narrow and it was not

1 well-received? Do we need to rethink the
2 planning grants, for example? I don't know.

3 MR. ZIEMBA: Right.

4 COMMISSIONER ZUNIGA: We're in a
5 different stage. There's still a lot of
6 planning that needs to be done. But, sort
7 of, major, big picture questions, if you
8 will, would be one thing to consider.

9 MR. ZIEMBA: I think what you say
10 is -- it makes a lot of sense. What we've
11 been doing, after conversations with you in
12 the past, we've been pulling together more
13 enhanced narratives about the status of each
14 one of the grants that we've awarded to date.
15 You know, as you know, with these grants they
16 do take some time to get up and running. But
17 what we've included in our contracts, and
18 recently in anticipation of this fall, we've
19 put together those narratives that we can
20 forward to the Commission about the status of
21 all our existing grants.

22 And what the procedure is, under
23 the -- under the statute, actually, under the
24 subcommittee on community mitigation, they're

1 in charge of doing an annual review of our
2 past grants. And so, we are -- doing, we're
3 assembling putting together reports based on
4 our awards to date, our expected awards to
5 date, and the status of each one of these
6 projects. We'll be forwarding all these to
7 that subcommittee for a review this fall.
8 That's part of their mission.

9 And then, what we're supposed to do
10 by statute is then take back any
11 recommendations that they have to the
12 Commission. So that's baked into the
13 process, and we're in the process of doing
14 that.

15 CHAIRMAN CROSBY: Any other
16 questions?

17 COMMISSIONER CAMERON: Just a
18 comment. As always, thoughtful process. I
19 thought the questions were really on point as
20 to issues that have arisen already.

21 MR. ZIEMBA: Right.

22 COMMISSIONER CAMERON: So now, it's
23 time to, kind of, answer some of those
24 questions that have -- that maybe communities

1 have asked, or we just hadn't anticipated.
2 So again, very thoughtful and comprehensive
3 as always.

4 MR. ZIEMBA: Thank you.

5 CHAIRMAN CROSBY: So I guess you're
6 not really looking for us to discuss these at
7 this point. But just remind me, what was the
8 logic -- what was the thought process between
9 behind having only municipalities apply.

10 MR. ZIEMBA: No. All governmentals
11 can apply for the Mitigation Fund. Either a
12 municipality on behalf of the municipality,
13 or governmental entity on behalf of a
14 regional impact. That's under the statute.

15 CHAIRMAN CROSBY: So if it says, in
16 the last two cycles entities within
17 communities have applied --

18 MR. ZIEMBA: Oh, that section.

19 CHAIRMAN CROSBY: -- rather than the
20 community itself, because the statute says
21 that it has to be a government entity to
22 apply?

23 MR. ZIEMBA: Well, the statute says
24 that, if there's an impact in one community,

1 it should be the community that applies. And
2 that, if there's an impact in more than one
3 community, a governmental entity can apply on
4 behalf of those communities, or those --

5 CHAIRMAN CROSBY: So a private
6 entity, a nonprofit, for example, under the
7 statute can't apply on its own?

8 MR. ZIEMBA: That's correct.

9 CHAIRMAN CROSBY: Oh, okay.

10 MR. ZIEMBA: Only governmental
11 entities can apply. But if there's a
12 regional impact, for example, you know, a
13 sheriff's office, can apply on behalf of a
14 big region. A community can apply on behalf
15 of nonprofits within its borders.

16 CHAIRMAN CROSBY: Which has
17 happened. Right.

18 MR. ZIEMBA: But then, we get into
19 some of the issues of whether or not that is
20 a private benefit under The Constitution.
21 And the -- there's a lot of different things
22 we have to take a look at in that regard.

23 CHAIRMAN CROSBY: Right. Okay.
24 Anybody else want to contribute? All right.

1 I think we're ready to move on.

2 COMMISSIONER CAMERON: Thank you.

3 MR. ZIEMBA: Okay. Commissioners,
4 My final item is a request by the City of
5 Medford to utilize \$5,400 out of its
6 recently-approved \$60,000 Community
7 Mitigation Fund grant to help Medford conduct
8 an engineering study for a new multiuse path
9 known as the South Medford Connector.

10 With the Commission's approval,
11 Medford would utilize the Mystic River
12 Watershed Association to develop the bid
13 specifications for the consultant to provide
14 advice and assistance in the management of
15 the consultant's contract.

16 Medford is not looking for an
17 increase to this grant, and will continue to
18 provide in-kind services relative to the
19 study. We find this request reasonable and
20 ask for the Commission's approval.

21 CHAIRMAN CROSBY: Discussion? Do we
22 have a motion?

23 COMMISSIONER MACDONALD: I'll make a
24 motion. That I move that we approve the

1 request for the City of Medford to utilize
2 \$5,400 of its \$60,000 mitigation award for
3 purposes of continuing the Mystic River
4 Watershed Association to develop bid
5 specifications in connection with that grant.

6 COMMISSIONER CAMERON: Second.

7 CHAIRMAN CROSBY: Further
8 discussion? All in favor? Aye.

9 MR. MACDONALD: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: Opposed? The ayes
14 have it unanimously.

15 MR. ZIEMBA: That concludes my
16 report.

17 CHAIRMAN CROSBY: Okay. Thank you.

18 COMMISSIONER CAMERON: Thank you.

19 CHAIRMAN CROSBY: Next up is Item 7.
20 General Counsel Blue and others.

21 MS. BLUE: So first, under Item 7
22 today, you have the first draft of what we've
23 referred to as the hearing process regs.
24 These are our regulations that govern

1 hearings before both the Commission and the
2 hearing officer. And we've had regs. We've
3 had regs for awhile on that topic.

4 What we've done in this revision is
5 a couple of things. We've created it, made
6 it very clear that what the Commission hears
7 in the first instance as a body, versus what
8 the hearing officer hears in the first
9 instance. These are all adjudicatory-type
10 proceedings so we've gone through the statute
11 and divided those into -- into groups that
12 make it easier for people to read and
13 understand.

14 Some of the other things that we've
15 done, is we've tried to apply some of the
16 things we've learned as we've gone through
17 the hearing process, in terms of what works
18 and what doesn't.

19 So, for example, we've deleted a
20 requirement that people provide briefs to the
21 hearing officer. A lot of our folks are pro
22 se. It doesn't mean they can't, but we
23 didn't make it a mandatory requirement.
24 We've made some changes in how quickly we can

1 schedule hearings, because we're trying to
2 make the process quicker and simpler for
3 those folks. So it really is more of a
4 reorganization and a -- a learnings that
5 we're trying to -- to apply.

6 And so, what we'd like the
7 Commission to do is to take a look at it.
8 We've had a lot of internal discussions with
9 legal and the executive director in the IEB.
10 We will, at this point, send this draft out
11 to our hearing officer to look at, to get
12 input from him, as well as some of our
13 licensees. It's, obviously, on our website
14 so we can take comments. But we'd just like
15 to let you have a first look at it. We know
16 it's a little dense and it's very legal. And
17 then, we would welcome your input on it
18 before we take it through the process.

19 CHAIRMAN CROSBY: Thoughts?
20 Comments?

21 COMMISSIONER ZUNIGA: This is the --
22 start the formal or informal process? Did I
23 miss --

24 COMMISSIONER STEBBINS: Informal.

1 COMMISSIONER ZUNIGA: Just informal.

2 MS. BLUE: It's really informally
3 informal. We're not actually even on the
4 informal part. This is, you know, the first
5 time. We will start to get some informal
6 comments. But we'll also think about who
7 else might want to see it and comment on it
8 too.

9 COMMISSIONER MACDONALD: Well, I
10 think that this is an admirable first step in
11 achieving the objective that General Counsel
12 Blue has just stated, of, in a comprehensive
13 way, basically learning from the past several
14 years, to revise the regulations in a way
15 that are internally consistent, and also
16 provide for a -- for a efficient hearing
17 process and allocation of responsibilities
18 between the Commission and the -- and the
19 other participants.

20 CHAIRMAN CROSBY: Anything else?

21 COMMISSIONER CAMERON: Yeah. I
22 would agree. And, also, just commend the
23 legal and IEB, racing. To know where we
24 started five years ago with our racing

1 hearings, to see where we are now in the
2 hearing process is many, many light years
3 forward, and it really is -- you know, as an
4 agency I think we're -- we are very
5 professional. And particularly on the racing
6 side, we've really come such a long way, and
7 it's really -- it's commendable, the work
8 that's been done by everyone with regard to
9 hearings. So I just want to thank you. And
10 this look like just as you explained it,
11 which is just clarifying some of the issues
12 that may not have been clear before.

13 MS. BLUE: And once we complete this
14 process, we will bring back to you
15 regulations where we have to make technical
16 changes to move language. Currently, there
17 are some regulations where there is hearing
18 language in there. We've moved it out of
19 there and into here. Once we finish this,
20 we'll come back with the technical
21 corrections that we'll need to make. But we
22 wanted to focus on this in the beginning.

23 MR. BEDROSIAN: The other access of,
24 sort of, making hearings fair, that we're

1 obviously thinking about, is when our
2 facilities open up, maybe trying to do the
3 hearings in a locale that is more accessible
4 for people. I think coming in from
5 Springfield, for some people might be a
6 burden. So we'll see about how we schedule
7 and where they are. But access is,
8 obviously, something we want to be fair about
9 also.

10 CHAIRMAN CROSBY: Okay. Next one.

11 MS. BLUE: Okay. Item 7B is a memo
12 in the packet regarding the Commission's
13 authority to assess fines. This is basically
14 a memo. It doesn't require any action on the
15 part of the Commission. It's just a
16 statutory analysis of how the Commission
17 would assess fines for things like breaches
18 of conditions of licensure and other matters,
19 so that we, kind of, have an understanding of
20 the process. And what you'll see is, if you
21 read the statute and go through the sections,
22 the IEB is the -- sort of, the place of first
23 instance, in terms of reviewing whether there
24 is a breach of a license condition, or there

1 is there some kind of breach of a regulation
2 or the statute. They can conduct an
3 investigation. They come with either a fine,
4 recommendation for a fine, or they assess the
5 fine, or a recommendation to the Commission,
6 if it revolves around revoking or terminating
7 a license.

8 The Commission is the review body
9 for this. So, ultimately, you would decide
10 whether the revocation is correct, or you
11 would be the appeal body, if it was a fine.

12 There are other regulations already
13 in place. They give the IEB the right to
14 enter into settlement agreements before --
15 you know, if they issue a fine and they want
16 to settle with the particular entity
17 involved. They already have that authority
18 and they do exercise that. But this really
19 just puts it in perspective for us and for
20 the people who come before us what the
21 process could look like. And it's just a way
22 to describe it so that we have something in
23 case we need it to -- to use.

24 COMMISSIONER ZUNIGA: And any kind

1 of action can be initiated, of course, by the
2 Commission. But can it also be initiated by
3 the IEB? Is this --

4 MS. BLUE: Yes. The IEB, a staff
5 person who sees a problem and wants to have
6 it looked at, the executive director. You
7 know, obviously, if it was a staff person
8 we'd go through the executive director and
9 have that conversation. But yes, the idea is
10 if there is an investigation initiated, it is
11 done in a thoughtful, in-depth kind of way,
12 and that there is a fair and consistent
13 recommendation comes out of it, or an action
14 that comes out of it.

15 COMMISSIONER ZUNIGA: Right. Sounds
16 good.

17 CHAIRMAN CROSBY: We've talked about
18 this, I think, in the past. Director Wells
19 might want to be a part of this. But it
20 seems that the statute's pretty clear that
21 there is the authority in the IEB, on its
22 own, to be the determinant about -- initially
23 about fines, at least under some
24 circumstances. So that seems pretty clear.

1 piecemeal. Some new things happens, IEB has
2 to figure out, with no context at all, well,
3 should we give them a pass this first time,
4 or do we fine them X or Y or whatever? So
5 what are you all thinking and doing with
6 respect to setting that? And please feel
7 free to come up, you guys, if you want.

8 MS. BLUE: I know, at some point in
9 the past, we started this conversation in
10 front of the Commission. You know, I would
11 defer to the IEB on -- on what they think
12 about this. I think that, probably, you
13 don't want to have anything -- you don't want
14 to have a philosophy, maybe, that's very set
15 in stone. And if some of what you're
16 describing would also happen organically as
17 things came to you, if it was an appeal to
18 you about something, some of that would
19 happen organically but --

20 CHAIRMAN CROSBY: Well, which has
21 happened like in the racing side. When we've
22 done precisely what I'm talking about. We
23 had no context, zero. You know, issues came
24 before us and we just dealt them on a one-off

1 basis, you know, and that has begun to set
2 standards for us. Now, we're learning from
3 our own experience, which is fine. That's
4 part of the process. That makes perfectly
5 good sense.

6 But something as big and as
7 comprehensive of this, particularly where we
8 haven't really gotten into the serious
9 operations and the table games, where the
10 violations are more -- are more likely, seems
11 to me there ought to be some other context as
12 well.

13 MS. WELLS: Well, one thing the
14 Commission should --

15 CHAIRMAN CROSBY: Is your mic on?

16 MS. WELLS: It's on.

17 MR. BEDROSIAN: It's on.

18 MS. WELLS: Yeah. Should recall, is
19 that by statute, the Commission generally
20 required to give a notice of some kind of
21 violation before they are -- even have the
22 ability to fine. So that, that discussion
23 of, oh, do we give them a chance first; do we
24 go ahead and fine them? By statute, the

1 presumption is you give 'em a chance first,
2 there's some kind of a notice of an issue
3 before you fine. So we following follow that
4 protocol.

5 The other thing, which
6 Attorney Lillios could comment a little bit
7 more on, is we do also have a settlement
8 process. So there's an engagement with the
9 licensee, if there is a fine, to get some
10 kind of feedback and some kind of negotiation
11 there on what's reasonable. So that process
12 is in place. And so far, that's been working
13 very well. I don't know if you have any
14 further comments on that.

15 MS. LILLIOS: Essentially, the --
16 what Karen referred to as the settlement
17 process is the ability to reach an
18 agreed-upon amount in a fine. So the
19 licensee would essentially agree that a fine
20 is warranted, would have an opportunity to
21 present any mitigating information, or
22 information that our investigation might not
23 have fully uncovered or understood, so that
24 we can get a full view of the facts and then

1 come to, you know, an amount. So already
2 there's an agreement that a fine is
3 appropriate, and then come to an agreement
4 about the amount of the fine. And certainly,
5 we hear from the licensee about that, as well
6 as, you know, we're keeping documents about
7 fines in other jurisdictions as well.

8 COMMISSIONER ZUNIGA: And, of
9 course, if there's no agreement, then they
10 would come to the Commission and present
11 that -- all those facts and circumstances.

12 MS. LILLIOS: Exactly.

13 COMMISSIONER ZUNIGA: Your
14 recommendation, your discussions or whatever.

15 MS. LILLIOS: Exactly.

16 COMMISSIONER ZUNIGA: I would rather
17 leave the process, sort of, open -- rather,
18 sort of, in place, the way it is, without
19 necessarily trying to discuss specific
20 thresholds, for example. I know it's a --
21 you know, at the beginning, just like it was
22 in racing, it's a little disorienting as to
23 what -- what is going to be the framework or,
24 you know, a fair approach.

1 But because some of these things are
2 hugely fact-specific, it occurs to me that,
3 you know, we need to let a general process
4 like this, which, I think is very fair and
5 much of it embedded in the statute, work
6 itself through and we'll just -- we'll just
7 have to see how it goes. And, of course, by
8 virtue of doing this, you know, repeatedly,
9 or a number of times, we begin to establish
10 precedent and guidelines, rather than trying
11 to do it a priority.

12 COMMISSIONER CAMERON: I would agree
13 with that. And, also, you know, we all have
14 the ability to ask questions. I think I've
15 been involved in racing and IEB, when I learn
16 about an issue, okay, what's your process?
17 Lots of time and effort, and understanding
18 and warnings have gone out first.

19 We just had a significant suspension
20 the last racing day out at Suffolk. And that
21 was one of the first things I wanted to learn
22 about, was how did the judges come to
23 their -- that significant penalty for this
24 person? And it was very thoughtful process

1 jurisdictions. Other jurisdictions, multiple
2 penalties in the past for similar issues.

3 And, you know, I just came away
4 impressed with the process that they went
5 through with our accredited judges. And, of
6 course, there's an appeal process there as
7 well. But I -- you know, we've had the one
8 issue with the IEB, and I know how thoughtful
9 that process was. How much time and
10 effort --

11 CHAIRMAN CROSBY: The one fine --
12 the fine that we proposed?

13 COMMISSIONER CAMERON: Yeah. So
14 I -- again, I know I have a -- to me it's
15 not, oh, we'll just see how it goes, because
16 I feel like I'm -- I understand what they're
17 doing and have a real comfort level with --
18 with the process in which they then come to a
19 decision. So that's helpful to me,
20 personally.

21 COMMISSIONER ZUNIGA: Let me also
22 say something. I've mentioned to you in the
23 past, and I think it's important -- it's
24 worthy of note. When we started with our

1 first appeals in racing, I remember that by
2 the time we were getting them the issue
3 was -- had taken place so long ago that it
4 was, in some cases, moot because the racing
5 season had ended, and it was a little bit
6 perfunctory in some ways at some points. Not
7 entirely but...

8 We've worked very hard, the staff
9 has, to really try to shorten that process.
10 It's not very easy because people have to be
11 duly notified and they're given the ability
12 to respond, and sometimes consult with
13 others, or -- et cetera, or write a brief and
14 things like that.

15 But as we have incorporated all
16 those lessons, I think to the extent that we
17 can continue to work on understanding and
18 making this process not a barrier but an
19 enabler of -- of a fair outcome, I think
20 that's -- that's important.

21 COMMISSIONER CAMERON: There's
22 mention of that in this -- in this document
23 about we just shortened -- General Counsel
24 Blue, you mentioned it when we talked. You

1 just shortened the amount of time, correct?

2 MS. BLUE: Yeah, we did. We had a
3 prior regulation that said we couldn't
4 schedule a hearing any earlier than 30 days.
5 We've removed that. There's a lot of things
6 we can do outside of regs too.

7 You know, some of what we've learned
8 is that many times the reason the process
9 takes so long is because some people prefer
10 it takes a long time. They find it to be an
11 advantage. We also find that, you know, the
12 continuances that are being asked for are not
13 continuances on our side. And that's part of
14 dealing with a lot of people who come
15 unrepresented by counsel. Most of what we
16 see on the individual side, they're not
17 represented by counsel.

18 So we're looking at ways, outside of
19 the regulations, to do that. Maybe,
20 scheduling a one day each month, and this is
21 when the hearings are held. And, you know,
22 you're scheduled on a day. If you don't
23 come, you know when you're going to come the
24 next month and, you know, maybe at some point

1 saying, hey, it's now or never. Right.

2 So -- so some of those things we're
3 going to work on. And they don't all have to
4 be in regs. But we feel like we understand,
5 much better, now, what causes the delays, and
6 we can address them.

7 COMMISSIONER STEBBINS: I had a
8 question, Karen. I think it's picking up on
9 something I thought I heard you say, in terms
10 of negotiating with respect to a violation
11 and trying to come to some agreement on what
12 the cost of that penalty might be; did I hear
13 you correctly?

14 MS. WELLS: On the fine.

15 COMMISSIONER STEBBINS: On the fine?

16 MS. WELLS: Yes.

17 COMMISSIONER STEBBINS: Okay. And
18 just for me, for context, is it -- what do
19 you -- to the track record that we have, and
20 it's still probably pretty limited --

21 MS. WELLS: Yep.

22 COMMISSIONER STEBBINS: Kind of,
23 what's your philosophy of, you know, the cost
24 of that fine; how are you approaching it?

1 MS. WELLS: Well, I think -- you
2 know, one thing I learned from Assistant
3 Director Band, is that you have to look at
4 this as a business model as well.

5 So you got -- say you have an entity
6 in, I'll put Casino X, if they have some kind
7 of violation and they're doing something that
8 they shouldn't be doing but it makes them
9 money, if you fine them a fraction of the
10 amount of money that they're going to get
11 because they're committing the violation,
12 well, why would they stop committing the
13 violation? If you fine them a thousand
14 dollars but they make \$500,000 every time
15 they do it, they're never going to do it.

16 So there's, sort of, an analysis --
17 like a business analysis, too, about how much
18 does this matter, and what's going to be
19 enough of incentive to deter the behavior or
20 the decision -- that kind of decision-making
21 going forward.

22 So so much of this is contextual.
23 Some of these things may not be necessarily
24 intentional. There might be a lack of

1 training or some kind of bad judgment on
2 someone's part in -- at the casino, that's a
3 little different than a business decision
4 we're going to go ahead and do this.

5 So there's so many factors that play
6 into this. And I think it's that gathering
7 of information. What is it? What drove
8 this -- you know, what's the history behind
9 this -- this infraction? You know, has it
10 been done before? How many times have we
11 warned them not to do it? You know, what are
12 the other notices? What were the context
13 when the infraction occurred? And then --
14 and look at that in context.

15 But then, the fine amount, we not
16 only look at, sort of, that business model
17 and how is this going to have a deterrent
18 impact? But, also, what do other
19 jurisdictions do and, sort of, what makes
20 sense in the context of how serious the
21 violation is, compared to other things?

22 COMMISSIONER STEBBINS: Okay. Thank
23 you.

24 COMMISSIONER ZUNIGA: I remember --

1 and that -- to those -- to all of that I
2 would only -- I would only add that, you
3 know, there's repercussions beyond our own
4 operations here. I remember around
5 suitability hearings where -- you know, where
6 we were reviewing the history of our -- the
7 Penn applicants. You know, the big numbers
8 found out and, you know, and people go and
9 what were the facts and circumstances around
10 it.

11 MS. WELLS: Right.

12 COMMISSIONER ZUNIGA: My
13 recollection is that, when there was a
14 systemic problem, rather than a one-off, even
15 after the warning, those elicit, you know, a
16 higher amount because there's a implicit,
17 larger problem with the organization. And
18 that's, again, something that we'll continue
19 to look at, and our process, you know, embeds
20 for -- for all of that.

21 MS. WELLS: Right. And I try to
22 listen in the Commission meetings, as well as
23 is to what the Commission seems to care
24 about.

1 So, for example, when we were doing
2 the suitability hearings, I remember the
3 original ones for the slot parlor. There was
4 a great deal of interest and a lot of
5 questions the Commission asked about minors
6 on the floor. And I gleaned from that, that
7 this Commission was concerned about that. So
8 that, sort of, sticks in my mind.

9 So I try to, sort of, get a sense,
10 from the conversation the Commission's
11 having, what are the bigger ticket items that
12 this particular Commission is concerned
13 about?

14 CHAIRMAN CROSBY: Anything else?

15 COMMISSIONER STEBBINS: That's a
16 good approach.

17 COMMISSIONER MACDONALD: Yeah. I'd
18 make an observation. To -- to the Chair's,
19 you know, question as to whether it would be,
20 you know, in our interest to kind of
21 articulate some specifics with regard to the
22 enforcement power, I would be cautious at
23 this stage, about being overly particular in
24 that way because, at least as it relates to

1 the casino operations, is that we'd be --
2 we'd be -- we'd be operating on a blank -- a
3 blank state at least, from our personal
4 experience.

5 And we might have ourselves, kind
6 of, painted into a corner and be hamstrung,
7 in fact, when the real world environment of
8 the operations of the casinos are different
9 from what we were thinking from this point in
10 time that they -- that they might be.

11 That said, I do think that -- that
12 there could be something to be gained by
13 articulating at this juncture, an enforcement
14 policy or statement of objectives,
15 something -- something that would be an
16 analogous exercise of a policy statement
17 to -- to our core values statement and our
18 mission statement.

19 And I seem to recall, earlier today
20 we were having, you know, a discussion on a
21 policy. And I'm embarrassed to say I can't
22 remember what the policy was. But that, I do
23 think that the general public, not to mention
24 the licensees, would be interested in and

1 assured by some concrete statement of
2 principles, to establish a framework, a
3 policy framework for the exercise of the
4 enforcement panel.

5 COMMISSIONER STEBBINS: I like that.

6 CHAIRMAN CROSBY: Pardon?

7 COMMISSIONER STEBBINS: I like that
8 idea.

9 CHAIRMAN CROSBY: Is it -- I can see
10 something like, you know, we will have prompt
11 and efficient and fair res -- you know. But
12 I'd be interested to see --

13 COMMISSIONER MACDONALD: I think, a
14 lot more than that.

15 CHAIRMAN CROSBY: Yeah. But exactly
16 what? I like the idea. I'm not quite sure
17 how to make it operational. Is it -- it'd be
18 interested to see if there are such things.
19 Are there, sort of, statements of principles
20 for enforcement agencies, other than the
21 broadest, you know, fairness in equity type
22 things.

23 MS. WELLS: And there's the -- you
24 know, in the statute it talks about, you

1 know, requiring a rigorous regulator scheme.

2 CHAIRMAN CROSBY: Right.

3 MS. WELLS: You know, so it's not an
4 unreasonable regulatory scheme but it's not,
5 no we don't want middle of the road, we don't
6 want the bear minimum. They want -- you
7 know, the legislature says, we want a
8 rigorous regulatory scheme. So, you know,
9 I'm mindful of that. But it's somewhat
10 general, as you point out.

11 CHAIRMAN CROSBY: Right. And in
12 our -- in our mission statement we make
13 the -- we point out the juxta position
14 between the need for appropriate regulation
15 on the one hand, and the burden of regulation
16 on the other, and set that out as a standard
17 to be attended to.

18 Do you know of anything,
19 Commissioner; can you think of any agency
20 that would have some such similar kinds of
21 statement of principles.

22 COMMISSIONER MACDONALD: I can't
23 cite one, but I'm sure it's there.

24 CHAIRMAN CROSBY: Yeah. Well let --

1 COMMISSIONER MACDONALD: I can --

2 MR. BEDROSIAN: Let us take a shot
3 at looking at regulatory agencies. I think,
4 like the commissioner, I'm aware of some law
5 enforcement prosecutorial agencies that might
6 set out broad guidelines. But let us look at
7 some regulatory agencies, with such
8 philosophies as deterrents, punishment and
9 those such. And just see if there are, you
10 know, statements of broad theory that, you
11 know, we --

12 COMMISSIONER CAMERON: Progressive
13 discipline.

14 MR. BEDROSIAN: -- we value, you
15 know, whatever the philosophies are for
16 regulatory agencies and if we can't come back
17 and give you some -- some models on those.

18 COMMISSIONER MACDONALD: I think the
19 -- I think the point is you want to get the
20 message out to the -- to the general public,
21 that we fully intend to -- to enforce,
22 strictly, our regulatory agenda. And even if
23 it's generally stated, I think that helps,
24 rather than just to refer people to, you

1 know, the details -- detailed regulations
2 that -- that are difficult to distill larger
3 policy objectives from.

4 CHAIRMAN CROSBY: Yeah. Well, I
5 think that's a worthwhile effort. Whether we
6 could come up with something or not, I don't
7 know. But let's take a look and see if we
8 can come up with something. Anything else on
9 this one?

10 COMMISSIONER MACDONALD: And I
11 volunteer to work with the executive director
12 and whomever, and the IEB on that.

13 MR. BEDROSIAN: That's even better.
14 I didn't even have to ask for volunteers.
15 Thank you very much.

16 COMMISSIONER ZUNIGA: Well, I like
17 strict but I also like fair. And I know --
18 we talked a lot about that progressive -- a
19 lot of those principles that we abide by
20 already, but it's good to outline them.

21 CHAIRMAN CROSBY: All right. We are
22 in Item C.

23 MS. BLUE: So under Item 7C, we have
24 all of the interested staff folks here that

1 can answer any questions you have about these
2 regulations. Just to, sort of, set the table
3 on these four regulations, this is the final
4 draft in the amended Small Business Impact
5 Statement.

6 Every one of these regulations has
7 been through the hearing process. We have
8 received comments. We've incorporated those
9 comments where appropriate. And with your
10 vote today, we would move them through to the
11 final promulgation.

12 So I have prepared for each of you,
13 a draft resolution for each set of
14 regulations, if you choose to move them
15 forward. But we have everyone here available
16 to answer any questions on any one of the
17 four regulations in this section.

18 COMMISSIONER ZUNIGA: Well, the
19 Chair just whispered in my ear that I could
20 take it, just as he had to take a small
21 break. Is there any -- any discussion on the
22 first item; do we want to hear from our staff
23 on any one of these one at a time?

24 COMMISSIONER MACDONALD: Are we on

1 the surveillance regulation; is that the
2 first one?

3 COMMISSIONER CAMERON: Yeah, it's
4 not clear. Is that what we're doing? Is
5 that -- it wasn't clear which is which here.

6 MS. BLUE: Well, so this is 7C1,
7 two, three and four. We have amendments to
8 205 CMR 141, which -- which you have had in
9 front of you before, when we've had hearings.
10 And it is updates to our surveillance
11 regulations.

12 And then, we have updates to the
13 wide area progressive regulations, 205 CMR
14 143,02. A lot of those, I believe Mr. Band
15 and Mr. Stempeck would tell you are based on
16 changes to the GLI standards. And so, we
17 wanted to incorporated them.

18 COMMISSIONER CAMERON: I think a
19 very quick synopsis of each one would be
20 helpful, before we vote.

21 MS. BLUE: Okay.

22 MR. STEMPECK: So I'm just starting
23 with 141, Commissioners. This was before you
24 before. Most of these changes were suggested

1 by Mr. Band to my right, to put us into --

2 MS. BLUE: Justin, put on your
3 microphone.

4 MR. STEMPECK: Most -- most of the
5 changes to 141 were suggested by Mr. Band to
6 put us in line with best casino practices in
7 the casino industry. This was out for public
8 comment. There was public hearing. We
9 received comment -- comments from our
10 licensees, some questions, some comments.
11 Mr. Band and I reviewed those. We felt
12 comfortable leaving the text as is.

13 We think that any of the issues
14 raised by licensees can be worked out through
15 conversations with the licensees, while
16 maintaining the original language of the
17 proposed changes for 141.

18 COMMISSIONER ZUNIGA: So for 141, we
19 only received one comment from MGM. And you
20 feel, as you said, that the way it's written
21 leave it as is?

22 MR. STEMPECK: There were also
23 comments from PPC, Commissioner.

24 COMMISSIONER ZUNIGA: Oh, from PPC.

1 I'm sorry.

2 MR. STEMPECK: There were a number
3 of comments from PPC. MGM had only the one
4 comment.

5 COMMISSIONER ZUNIGA: Okay. So in
6 the case of both MGM and PPC, the edits that
7 they offer, or the comments that they've
8 offered, it's only comments, we feel that
9 they're already addressed the way the
10 regulation --

11 MR. BAND: I think so, or just a
12 conversation would clarify any questions that
13 they would have.

14 COMMISSIONER ZUNIGA: Okay.

15 COMMISSIONER MACDONALD: So have
16 there been revisions, after having received
17 the comments?

18 MR. STEMPECK: No. Mr. Band and I
19 discussed the comments in detail. And we
20 didn't -- we felt that our language is
21 commensurate with the best practices. We
22 didn't feel a need to change the changes we
23 had already made.

24 We think that the comments that were

1 raised by the licensees, as far as if there
2 had to be a clarification. or they had some
3 other small question, we could address that
4 best via direct conversation and -- while
5 maintaining our language. We think our
6 language was clear, and our language is in
7 line with what is appropriate at this time.

8 COMMISSIONER CAMERON: Okay.

9 COMMISSIONER ZUNIGA: So these --
10 were -- have already been through the hearing
11 and are before us for final promulgation?

12 MS. BLUE: That's correct.

13 CHAIRMAN CROSBY: All four of these?

14 COMMISSIONER ZUNIGA: Yes. I think
15 we should take them one at a time.

16 COMMISSIONER CAMERON: I agree.

17 COMMISSIONER ZUNIGA: I did want to
18 visit one of the comments.

19 COMMISSIONER CAMERON: This was
20 helpful.

21 CHAIRMAN CROSBY: All right. Do you
22 want to start with --

23 COMMISSIONER CAMERON: Yep. So
24 Mr. Chair, I move that the Commission approve

1 the amended Small Business Impact Statement
2 and the final verse of 205 CMR 141, as
3 included in the packet, and authorize the
4 staff to take all steps necessary to file the
5 regulation with the secretary of the
6 Commonwealth and complete the regulatory
7 promulgation process.

8 COMMISSIONER STEBBINS: Second.

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

11 MR. 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 COMMISSIONER CAMERON: Great.

18 MR. STEMPECK: Just moving on to
19 one -- Section 143, Commissioners, this was
20 with respect to wide area progressive slots.
21 This was also previously before you. It has
22 been out for a public hearing, and it
23 received some comments, some questions.

24 After those comments, we did

1 incorporate a few changes, which are in the
2 packet version in the green text. One, the
3 -- they're fairly self-explanatory. The one
4 I would draw your attention to, which,
5 without a copy of the GLI standards, may not
6 be self-evident, is the very last change in
7 Subsection J, on the last page of 143.

8 This was an -- due to a typo with
9 respect to the original version, it didn't
10 include the full phrase of what we were
11 seeking to strike and replace in the GLI
12 version, which we're adopting. The full
13 intent of which speaks to the extremely
14 unlikely situation, when there would a
15 simultaneous jackpot in two separate -- in
16 two separate areas on a progressive slot
17 machine -- a wide area progressive slot
18 machine.

19 And by this change to the GLI text,
20 what we would have become this new standard,
21 would be that, if there were simultaneous
22 jackpots that could not be determined in any
23 other way, as far as if one occurred faster
24 or slower, if you went out to the umpteenth

1 decimal point and there was no way to
2 determine who won the jackpot first, in that
3 situation, this change regulation would make
4 it so that the jackpot was paid out to both
5 players in a full -- the full amount, if
6 there was no other way to determine who won
7 first. Which, through my conversations with
8 Mr. Barroga, seems like a extremely unlikely
9 event. However, it is a practice adopted in
10 at least one other jurisdiction.

11 So that -- I wanted to just
12 highlight that because that wasn't clear. I
13 also wanted to make that clear to the
14 licensees and allow additional time, if they
15 wanted to comment on that, because I don't
16 think that was clear from the original
17 package that went out. So I would propose
18 holding out 143 for an additional amount of
19 time to elicit additional comments, because I
20 want to make sure that point is clear.

21 COMMISSIONER ZUNIGA: Let me
22 understand. So it is possible to determine
23 by the amount of -- by the time, who might
24 have come in first. Right?

1 MR. STEMPECK: Right.

2 COMMISSIONER ZUNIGA: In that
3 instance, you know, a second before the first
4 one gets the jackpot, the second one gets
5 nothing.

6 MR. BARROGA: The second one would
7 get the advertised value of the reset so...

8 COMMISSIONER ZUNIGA: Okay. Yes.
9 Whatever transpired. Yes. Thank you for
10 that. But in the unlikely scenario that
11 there's no way to determine because the time
12 was so close, they would both get the full
13 value of the jackpot?

14 MR. STEMPECK: Right. That's what
15 we're suggesting the regulation would be
16 changed to be. The GLI standard, just so you
17 understand what -- what we're basing off of,
18 they don't -- the GLI doesn't specify.
19 They -- it leaves it to the individual
20 jurisdiction.

21 So what Subsection J of our proposed
22 regulation would do would be to change that
23 language to make it clear that, in that the
24 event that there was no other way to

1 determine who won the jackpot first, both
2 players would be entitled to the full
3 jackpot.

4 COMMISSIONER ZUNIGA: But if I won
5 it at the same time as someone else, doesn't
6 that mean that we both won and should split
7 it?

8 MR. BARROGA: So within the display
9 of the game, if it was determined that both
10 players won simultaneously, the display or
11 the advertisement of the progressive would
12 display the total amount. So as -- as the
13 value is displayed to the player and that
14 combination is won, they're rightfully --
15 they're the rightful owner of that total
16 award.

17 COMMISSIONER MACDONALD: But what's
18 the logic of not just declaring a tie and
19 splitting -- splitting the amount equally
20 between the two players who tied?

21 MR. STEMPECK: Well, I think if you
22 think of it like a contract between the
23 slot-machine player and the slot-machine
24 operator, they're entering the contract by

1 paying for a chance to spin -- spin the reels
2 with a chance to win the advertised jackpot.
3 Not half the advertised jackpot, the
4 advertised jackpot.

5 And so, in the extremely unlikely
6 event, I just want to underline this, because
7 I talked to Mr. Barroga about this. He's
8 never heard of this ever happening. And
9 given the technology involved, it's even more
10 highly unlikely, because you can go out
11 fractions of a second, essentially, to figure
12 out who won first.

13 But in the extremely unlikely event
14 that this were to take place, both players,
15 since they had entered into in the same
16 contract with the assumption that they were
17 paying for an opportunity to win that
18 jackpot, if it happened at the exact same
19 time, they could be entitled to the full
20 value of the jackpot, not half the jackpot.

21 COMMISSIONER MACDONALD: I got you.

22 COMMISSIONER ZUNIGA: But when I
23 purchase the lottery ticket, and I understand
24 it's a different kind of game, and someone

1 else has the same numbers --

2 MR. BEDROSIAN: But I think in that
3 situation, consumer protection, you know that
4 up front. That's clearly demonstrated.
5 Whether on the back of a ticket or in the
6 lottery rules, that, you know, there is a
7 drawing. And if there are a number of
8 winners, they'll be split.

9 COMMISSIONER ZUNIGA: Don't you know
10 up front, as well, in the jackpot -- in the
11 progressive --

12 MR. BEDROSIAN: If they advertise it
13 that way, I assume you could do a consumer
14 protection like that. I also assume, you
15 know, they don't go down to nuances because
16 this is such a potential, a rare occurrence.
17 They think, okay, the disclaimer we'd have to
18 put on is a -- is, you know, you're -- we're
19 at the risk assessment. What's a risk
20 assessment; you're going to have two ties,
21 when you can go to machines and say, okay,
22 you won a hundredth of a second before the
23 next person?

24 MR. STEMPECK: Right. And we've

1 looked. We haven't been able to find
2 evidence this has never occurred. This is
3 just -- we want to -- we'd rather have a rule
4 in place than not have a rule in place.

5 COMMISSIONER ZUNIGA: Fair enough.
6 So you mentioned there's one other
7 jurisdiction that does this. Does that mean
8 that everyone else is either silent, or do it
9 split it -- split it?

10 MR. BAND: I think, most
11 jurisdictions are silent on that.

12 MR. BARROGA: Yeah. It was a --
13 New Mexico actually has a similar
14 requirement, where simultaneous jackpots are
15 paid in full. And I'd have to research the
16 other few. But it's -- this isn't -- this
17 isn't outside of the norm. This is what is
18 practiced in other jurisdictions today.

19 CHAIRMAN CROSBY: To have -- to have
20 both winners -- theoretically, to have both
21 winners get the full amount?

22 MR. BARROGA: Correct. And within
23 the help pages of every game that is
24 certified by GLI or BMM, it is clearly

1 displayed. Your symbol -- symbol amount
2 equates to that total progressive. So if it
3 was to display, or if the manufacturer were
4 to split up that jackpot, it would inherently
5 state it within the game report, which is
6 important.

7 COMMISSIONER ZUNIGA: So just so
8 I -- just because I'd like to understand
9 this -- all these things, what happens in the
10 display, when somebody wins it a second or a
11 few seconds before I win it; do I get the
12 display reset in enough time, that reset that
13 you were talking about?

14 MR. BARROGA: So there's some
15 latency, within a few seconds of a jackpot
16 winning and all the other associated machines
17 being updated.

18 MR. BAND: It would show up in the
19 system, though. Maybe not in the reels
20 itself. But in the system it would say this
21 hit and this reset. It may not happen
22 visually automatically but...

23 COMMISSIONER ZUNIGA: In that
24 scenario, then, the principal of you have to

1 pay what you display, is not going to
2 operate. Right? You have to go back to the
3 system to say, okay, even though it actually
4 looked like you had won it, it turns out that
5 somebody won it a few seconds before you did,
6 it just hadn't, you know, gone back to
7 display, correct?

8 MR. BAND: Correct.

9 COMMISSIONER ZUNIGA: So we're
10 willing to -- for technical purposes, to live
11 with the notion that, in some instances, the
12 display's not going to be exactly what --

13 MR. BAND: But you do have a method
14 to see who won it first with that. Just
15 mechanically, that just can't happen that
16 fast.

17 COMMISSIONER ZUNIGA: It's only that
18 you don't that you have to --

19 MR. BAND: Yes.

20 COMMISSIONER CAMERON: Isn't that
21 very unlikely, as well?

22 MR. BAND: Extremely.

23 COMMISSIONER ZUNIGA: Yes.

24 MR. BAND: Never say never, though.

1 COMMISSIONER CAMERON: I understand.

2 But we have a way of determining the photo
3 finish. Right?

4 MR. BAND: Yes.

5 MR. STEMPECK: And because of the
6 fact that this -- this language wasn't
7 entirely clear in the first go-around, we
8 wanted to put this out again and let our
9 licensees offer their comment, because,
10 obviously, it's a -- it's a point of
11 discussion amongst the five of you, as well
12 we'll expect a different type of comments,
13 likely, from the other licensees, and then we
14 can resolve it at that time. So we hold out
15 this piece and not vote on this piece at this
16 point.

17 CHAIRMAN CROSBY: Okay. So we're
18 going to postpone this -- this for further --

19 MS. BLUE: So, yeah. I would
20 suggest that we not vote on this at this
21 point. We can bring it back at the next
22 meeting and see if we have some comments and
23 go from there.

24 COMMISSIONER ZUNIGA: Okay.

1 CHAIRMAN CROSBY: Okay. Next up.

2 COMMISSIONER ZUNIGA: No. There's
3 two more. Right?

4 COMMISSIONER CAMERON: Yeah.

5 MS. BLUE: Yes.

6 COMMISSIONER CAMERON: But
7 different --

8 COMMISSIONER MACDONALD: This is the
9 continuing duty?

10 MS. BLUE: Yeah. We're changing
11 team.

12 COMMISSIONER CAMERON: We're going
13 to 205,115, I believe. Yeah.

14 COMMISSIONER MACDONALD: So this is
15 the continuing duty?

16 MS. BLUE: Yes. That's correct.
17 The continuing duty.

18 MS. WELLS: So, Commissioners, on
19 this continuing duty reg, MGM had submitted
20 some comments the other day, and then we met
21 with some MGM representatives from MGM
22 yesterday. The comments they submitted in
23 written regarding the SEC filings, I think
24 that issue is kind a moot point at this

1 point, because, you know, we indicated
2 there's nothing in the reg to say what
3 writings would or would not suffice for
4 submission. So I'm comfortable with any kind
5 of writing that would identify the
6 infraction, or any other issue to me.

7 So I had indicated the only issue
8 there was, you can't bury the lead. You
9 can't give me a 500-page document and not
10 tell me that the little piece of information
11 is buried somewhere in there. A phone call
12 saying look at page 17 and there's the
13 information, that's fine. So I think that
14 issue is resolved.

15 The one request they did have, was
16 that there be some kind of, sort of, I don't
17 know outlet or escape clause in the timing.
18 The 10 days, I think, would be the
19 expectation. But their -- their ask was
20 that, in some circumstances, if they got
21 approval from the executive director, could
22 they adjust that 10-day period.

23 I think that would be on a
24 case-by-case basis and somewhat limited. But

1 I did not have an objection to some kind of
2 option down the road, if they had some other
3 kind of system for notifying us and that
4 satisfied the requirements. If there's a
5 request for more than 10 days in certain
6 circumstances and they can make that case,
7 that shouldn't be a problem.

8 COMMISSIONER ZUNIGA: Where is that
9 10-day requirement?

10 MS. WELLS: That's right in the
11 continuing duty. So it says, "The gaming
12 licensee in each qualifier shall have a
13 continuing duty to notify the IEB in writing
14 within 10 days of the occurrence, or where
15 applicable, gaming knowledge of the
16 following." So that's right under four in
17 the red, on the first page of 115.

18 So this is -- I mean, I would
19 describe this as, sort of, these are the --
20 you know, the big ticket items, the kinds of
21 things the Commission really wants -- you
22 know, and the IEB want to know right away.
23 We don't want to find out three months later
24 about some big infraction or investigation,

1 or something like that. That's something we
2 should know right away. The detail in the
3 reg is, sort of, giving them some notice of
4 the kinds of things we need to know right
5 away.

6 COMMISSIONER ZUNIGA: But the
7 feedback is that, in order to put it
8 together, it could take longer than 10 days;
9 as long as they alert you that they're
10 working on it within the 10 days, it would be
11 sufficient? Is that --

12 MS. WELLS: Well, I mean, Seth
13 Stratton is here. Oh, he's right behind me.
14 Seth, you want to come up and mention that?

15 MR. STRATTON: Sure.

16 MR. BEDROSIAN: I mean, I think,
17 Commissioner, we start with the fundamental
18 premise, no surprise.

19 COMMISSIONER ZUNIGA: Yeah, yeah. I
20 know. Right.

21 MR. BEDROSIAN: So if you need time,
22 that's okay. But there's also a way to
23 inform us so that we're not surprised.

24 COMMISSIONER ZUNIGA: Absolutely.

1 MR. STRATTON: Yeah. I think from
2 MGM's perspective, the conversation -- very
3 productive conversation we've had with staff,
4 is that we're a large company with a lot of
5 properties. And some of the broader
6 categories, in particular, like, we were
7 really focused on category -- Subcategory E,
8 we collect all this information. But with
9 multiple properties at -- throughout the
10 company, a 10-day notice period may be -- we
11 certainly -- the big ticket items we, of
12 course, raise, but we could -- we have some
13 standard reporting that we could share, if we
14 had more flexibility around timing, and if
15 staff thought that that was sufficient, at
16 least flexibility and the right to be able to
17 accepted our regular reports that have all
18 this information could be beneficial.

19 And if staff felt that it's not
20 timely enough or wasn't comprehensive enough,
21 then they could, you know, change the
22 requirement. But we thought that flexibility
23 within the regulation to allow for that
24 would -- would make sense and allow us to

1 collaborate on what's important.

2 COMMISSIONER ZUNIGA: But, Karen,
3 you feel that the way it's written there's
4 enough flexibility afforded?

5 MS. WELLS: I think Mr. Grossman has
6 some suggested language. Pardon me. I think
7 Mr. Grossman has some suggested language,
8 which gives just that hint of flexibility in
9 the -- in the one-off circumstance.

10 COMMISSIONER CAMERON: Can I just --
11 before you --

12 COMMISSIONER MACDONALD: Does that
13 mean repromulgate it?

14 MR. GROSSMAN: No. This is
15 certainly in line with the proposal. It just
16 adds a little more clarification, so I don't
17 think it requires further hearing, or
18 anything of that nature.

19 COMMISSIONER CAMERON: But when I
20 read E, wouldn't it -- wouldn't it be the
21 case that you'd know about some complaint but
22 it just might take you a little longer, and
23 you could notify IEB, look, there's something
24 happened at this property; it may take it a

1 little longer to get the paperwork; is that
2 what we're talking about here?

3 MR. STRATTON: I think it's -- it's
4 a combination of both, Commissioner. It's --
5 we will -- some of the what I'd call smaller
6 items that we want to report and are required
7 by this, and that we've become aware of
8 anyway, are reported through a compliance
9 process on a -- on, potentially, a less
10 frequent basis internally. And then we would
11 report -- we would like to report on the same
12 frequency. Of course, if anything that
13 was -- kind of a no-surprises rule. If
14 anything that was significant would be
15 reported more frequently internally, we would
16 certainly share that. But arguably, some of
17 these categories could cover permitting
18 issues in another property.

19 So the Springfield property, for
20 instance, wouldn't right away become aware of
21 a -- a permitting issue in Detroit or
22 Mississippi. Those issues all bubble up
23 through the internal compliance reporting
24 process. And we have comprehensive reports

1 that have every issue, and we've previewed
2 that with staff. But that's not -- that's
3 not a rolling 10-day. It would be
4 administratively pretty burdensome to report
5 each one of those within the 10-day period is
6 the thought.

7 COMMISSIONER ZUNIGA: But doesn't --
8 I get the notion of the 10 -- of the burden.
9 But isn't that mitigated with the \$50,000 or
10 greater? Because we're talking about --
11 we're talking about, you know, the suspension
12 or the revocation of a license, that's really
13 big, and/or so on and so forth, the
14 imposition of a fine of \$50,000 or greater.
15 So anything below that you could report in
16 your regular, you know, compliance calendar.

17 MR. STRATTON: I think -- and this
18 is a conversation that we've had, the --
19 there are potentially items that could, in
20 theory, if imposed lead to a fine of
21 \$50,000 or greater, or could lead to a
22 potential revocation or suspension, if
23 eventually substantiated, that would be
24 subject to our normal compliance process in

1 the normal reporting. Again, all of which
2 we'd share.

3 But I think it's a -- what we're
4 struggling with is the -- the 10-day -- we
5 certainly agree to the no-surprise rule. And
6 we think that there is an interpretation of
7 the regulation that would be -- that would be
8 pretty broad, the categories of information
9 that we'd have to report, all of which we
10 have.

11 But on some of the less serious
12 items, with the 10-day reporting period,
13 becomes burdensome. And all we're looking
14 for is flexibility within the regulation to
15 say -- to give you some examples of that, and
16 to show you our compliance reporting process
17 as we open up. And if you think, you know,
18 what you're -- what you're reporting to us
19 regularly already gives exactly what we want.
20 We don't want to have the handcuffs of the
21 regulation to preclude staff from agreeing to
22 that because, for instance, it's on a 30-day
23 basis that it had. So --

24 And it very -- it very well may be

1 that we end up -- you know, staff says that
2 and the executive director doesn't approve
3 anything less than 10 days. But we --
4 without going through the promulgation
5 process again, if we can give staff comfort
6 that the reporting process we have in place
7 is sufficient, we'd just like that
8 flexibility.

9 COMMISSIONER MACDONALD: Mr.
10 Grossman, what is the tweak that you're
11 thinking about?

12 MR. GROSSMAN: We discussed adding
13 language after the word "occurrence" here on
14 the -- in paragraph four. It's the second
15 sentence, to say, "unless and alternative
16 filing time is authorized by the executive
17 director." So it adds just some discretion
18 into the process which is all.

19 CHAIRMAN CROSBY: Seems totally fine
20 to me.

21 COMMISSIONER ZUNIGA: Totally fine
22 to me. I don't want to discuss too much
23 longer. But I think, Seth, for whatever it's
24 worth, what I hear you saying, is that there

1 may be circumstances in which you don't know
2 if you're going to turn out to have a fine of
3 \$50,000 or greater, and that in -- you know,
4 until then we cannot, you know force you to
5 report something in such tight time frame, if
6 you reasonably didn't anticipate that to be
7 the case. When it does, then you really have
8 to report it.

9 MR. STRATTON: I think that's right.
10 And it's all also that we have a really
11 comprehensive process with some significant
12 reporting that includes, literally,
13 everything that could possibly satisfy this.
14 And it's on a regular reporting basis and a
15 really well-organized report and we can
16 provide to staff. And we've previewed that.
17 It's thick. And we just don't want, kind of,
18 an artificial time frame to preclude us and
19 staff from saying, you know what, this gives
20 exactly what we want. And so I -- it's both
21 those issues.

22 COMMISSIONER ZUNIGA: Sounds to me
23 that, you know, the addition would accomplish
24 that concern.

1 CHAIRMAN CROSBY: Sounds fine to me.
2 Anybody have a problem with it?

3 COMMISSIONER CAMERON: The entire
4 staff is comfortable with it.

5 MS. WELLS: Yeah. I just -- to put
6 the licensees on notice. The expectation
7 is -- it's 10 days. If there's a big ticket
8 item, we're going to need to know. If they
9 want to make a case for something else, of
10 course, we'll hear you out. And we'll see if
11 we can be reasonable, if that makes sense.
12 That's all we're saying.

13 COMMISSIONER STEBBINS: Quick
14 clarification. And it's notification,
15 regardless of whether the individual plans on
16 appealing any ruling? I mean, it's --

17 MS. WELLS: Right. If Elaine gets a
18 call, we need to know ahead of time. That
19 kind of thing.

20 COMMISSIONER STEBBINS: It's not
21 like baseball. You're suspended but keep
22 playing til your appeals are --

23 COMMISSIONER CAMERON: That's racing
24 we have that issue.

1 COMMISSIONER MACDONALD: I'm
2 curious. How can we do this without
3 reopening the promulgation process? That's a
4 real question. I'm not -- I'm unfamiliar
5 with it.

6 MR. GROSSMAN: It's a fair question.
7 I think this is -- there's no real great
8 jurisprudence, by the way, on the hearing
9 process or whatever. These are things we
10 have pieced together over time, in our
11 experience. Because, as you can imagine,
12 there have not been a lot of appeals up in --
13 to the higher levels of the court system on
14 these issues.

15 But my take on the law, and my
16 experience, is that the whole system is
17 premised on notice and the opportunity to
18 comment, and providing the public with fair
19 notice as to what a Board or -- like this is
20 intending to do. And there's no description
21 anywhere in the law as to what that means or
22 anything like that.

23 So the understanding is that, if
24 someone comments on something as part of that

1 process, that the Board or Commission may
2 say, oh, you know, that makes sense. Let's
3 make that change. And there's no requirement
4 that they -- before you make any change you
5 have to go back through the whole process.
6 It's understood, as part of the whole comment
7 period, that there may be some changes in the
8 initial --

9 CHAIRMAN CROSBY: That's the whole
10 point. Right?

11 MR. GROSSMAN: That's the whole
12 point. That said, if you're trying to make
13 any huge change, or to a different section of
14 the regulations that were put out for public
15 comment, then I've always said you need to go
16 back through the process. But if you're in
17 the same ballpark of what you -- the proposal
18 suggested, then you can make the change.
19 That's the whole point. And I would say this
20 is squarely within the -- the area that we
21 were talking about.

22 COMMISSIONER MACDONALD: So it's
23 kind of a materiality analysis?

24 COMMISSIONER ZUNIGA: Yes.

1 MR. GROSSMAN: More or less.

2 COMMISSIONER ZUNIGA: Let me offer
3 some historical context, or, you know, track
4 record. In the past, we've made changes like
5 this all the time to our regulations. There
6 was one instance I remember well, in which
7 your predecessor, Judge McHugh, said, we
8 really need to redo this.

9 Those were after a number of
10 iterations to the internal controls
11 regulations, because the way we started --
12 and they were very substantive, and there
13 were a number of revisions that -- you know,
14 upon the -- whatever iteration we said, you
15 know, they really need to be on --

16 COMMISSIONER MACDONALD: Go back at
17 it.

18 COMMISSIONER ZUNIGA: Because they
19 were so lengthy and they were so revised.
20 Necessarily, I should add but so...

21 COMMISSIONER MACDONALD: Okay.

22 CHAIRMAN CROSBY: All right. So
23 you're suggesting that we go ahead and move
24 on this. Sounds like all parties are

1 satisfied with this proposed tweak. Do I
2 have a motion?

3 MR. STRATTON: Chairman, if I
4 could, I just wanted to thank staff for --
5 this is a perfect example of working
6 collaboratively, where we raise some
7 concerns. You know, Todd and Loretta, and
8 Karen pushed back and said -- you know,
9 convinced us that some of our concerns were
10 not justified but worked collaboratively to
11 have the flexibility and -- so we very much
12 appreciate the dialogue, and think this is a
13 great example of how licensees and staff are
14 working together to improve regulations to
15 make them follow the intent but, you know,
16 make them effective and responsive to our
17 business as well, so thank you.

18 CHAIRMAN CROSBY: Great.

19 COMMISSIONER ZUNIGA: Thank you.

20 MS. BLUE: So I would ask, when you
21 make the motion, that you add that we make --
22 we're authorized to make the change, as
23 discussed by Mr. Grossman.

24 COMMISSIONER MACDONALD: Okay.

1 Then, I move that the Commission approve the
2 amended Small Business Impact Statement and
3 final version of 205 CMR 115.01, as included
4 in the packet, and as amended by
5 Mr. Grossman, and authorize the staff to take
6 all steps necessary to file a regulation with
7 the Secretary of the Commonwealth and
8 complete the promulgation process.

9 COMMISSIONER CAMERON: Thank you.

10 CHAIRMAN CROSBY: Did I hear a
11 second?

12 COMMISSIONER CAMERON: Oh, second.

13 CHAIRMAN CROSBY: Further
14 discussion? All in favor? Aye.

15 MR. MACDONALD: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes
20 have it unanimously. Thank you.

21 COMMISSIONER CAMERON: I missed that
22 part.

23 MS. LILLIOS: So the next
24 category -- the next regulation deals with

1 the categories of people who are required to
2 submit to the qualification process in
3 conjunction with gaming vendor applications.

4 And the changes that we made here
5 are to reduce the number of categories of
6 people who are -- automatically have to
7 participate in the process, while at the same
8 time giving us more discretion with the idea
9 that we could be more thoughtful on a
10 case-by-case basis, depending on how a
11 particular company works.

12 In particular, we were eager to
13 change the outside director positions, who,
14 for the primary vendors all outside directors
15 on audit or compliance were automatically
16 required to qualify. We were finding that
17 those positions rotated fairly often. The
18 new process allows us to dig deeper into how
19 that compliance function actually works, and
20 capture the people who we expect to be there
21 over the long haul.

22 And similarly, for both the primary
23 and secondary vendors, the previous reg
24 required us to qualify all the sales

1 representatives or individuals who regularly
2 engage in the solicitation of business. That
3 list was growing for each vendor to a very
4 long list. We ended up feeling that we
5 really were not getting anything too
6 substantive out of that. But, again, at the
7 same time this -- the suggested changes allow
8 us to do the case-by-case analysis and still
9 designate, as a qualifier, anybody that we've
10 determined has a substantial or significant
11 role in the applicant's business.

12 COMMISSIONER MACDONALD: Did we
13 receive, Loretta, any comments on this from
14 the licensees or others?

15 MS. LILLIOS: We didn't receive any
16 formal comments. But as you might suspect, I
17 had some conversations with vendor
18 representatives and they were very
19 supportive, supportive of the changes.

20 CHAIRMAN CROSBY: Discussion? I
21 appreciate the steps in what I think is a
22 constructive direction. That's great.

23 COMMISSIONER ZUNIGA: I agree.

24 COMMISSIONER CAMERON: I do as well.

1 CHAIRMAN CROSBY: Do I have a
2 motion?

3 COMMISSIONER MACDONALD: I move that
4 the Commission approve the amended Small
5 Business Impact Statement and final version
6 of 205 CMR 134.04, as included in the packet,
7 and authorize the staff to take all steps
8 necessary to file the regulation with the
9 Secretary of the Commonwealth and complete
10 the regulation promulgation process.

11 COMMISSIONER STEBBINS: Second.

12 CHAIRMAN CROSBY: Further
13 discussion? All in favor? Aye.

14 MR. MACDONALD: Aye.

15 COMMISSIONER STEBBINS: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 CHAIRMAN CROSBY: Opposed? The ayes
19 have it unanimously.

20 MS. LILLIOS: Thank you.

21 CHAIRMAN CROSBY: Thank you, folks.
22 Are we waiting for Alex?

23 MS. BLUE: No. We don't need Alex.

24 CHAIRMAN CROSBY: Oh, okay.

1 MS. BLUE: Item No. D is just
2 requesting the Commission's approval to send
3 the racing mitigation regulations to the
4 legislature. As you may remember, once we
5 get through the promulgation process here,
6 and this has gone through hearings, we need
7 to send them to the legislature, and the
8 legislature have 60 days to comment on them.

9 These regulations have had their
10 hearing. We did not receive any formal
11 comments. That's largely to the very good
12 work of Dr. Lightbown, who's socialized all
13 of these with her racing stakeholders. And
14 so, she's had many and broad, and deep
15 discussions at the track level about how this
16 will work and what the thinking is behind it.

17 So today, we're just looking for
18 your approval to send it to the legislature.
19 Once we find out if they've any questions or
20 any concerns, we will bring them back to you
21 for a final promulgation.

22 COMMISSIONER STEBBINS: Mr. Chair, I
23 move the Commission authorize staff to send
24 205 CMR 3 and 205 CMR 4, as included in the

1 packet, to the legislature, as required by
2 Mass. General Law Chapter 128A.

3 COMMISSIONER CAMERON: Second.

4 CHAIRMAN CROSBY: Further
5 discussion? All in favor? Aye.

6 MR. MACDONALD: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 CHAIRMAN CROSBY: Opposed? The ayes
11 have it unanimously.

12 MS. BLUE: The next item is a
13 regulation that is before you for the first
14 time. This deals with an amendment to
15 138.13. And this has to do with monthly
16 reward card statements. This is the first
17 time you've seen it. I have it scheduled for
18 a vote today, if you want us to take it
19 through the process. If you don't feel
20 comfortable already to do that, we can
21 certainly hold off.

22 COMMISSIONER ZUNIGA: I seem to
23 remember that we saw a version of this for a
24 informal process.

1 MS. BLUE: Probably, for the
2 informal process. That may be -- yeah. That
3 may be true.

4 COMMISSIONER ZUNIGA: Because I
5 remember reading this.

6 CHAIRMAN CROSBY: The question --
7 we've talked about this. The question in my
8 mind is how do you -- what is the rule of
9 construction that gets you from mail to the
10 physical address, to being able to substitute
11 e-mail? I understand how everybody thinks
12 e-mail is logical and makes sense. But I
13 don't understand exactly how you get to that
14 out of the language in the statute.

15 MS. BLUE: The way we get to that
16 is, it's an additional way to do it. So what
17 we're asking is for the individual to opt --
18 they'll still mail it to their physical
19 address, if that's what they want. But if
20 they prefer to have it e-mailed, they have an
21 option to have it e-mailed.

22 I look at it as we were giving the
23 player an additional option on how to receive
24 their statement. Just like, if they could go

1 to a website and look at it and they wanted
2 to do it that way, if that was their
3 preference. I think we're -- we're giving
4 the player the preference. I don't know that
5 the legislature really thought about what
6 players might prefer. But by regulation,
7 we're giving them the preference. If they
8 did want it mailed physically, you know, I
9 would ask our licensees to do that. I
10 suspect, now, more people would prefer to
11 have it quicker in an easier format.

12 COMMISSIONER ZUNIGA: I agree.

13 CHAIRMAN CROSBY: Well, I agree, in
14 terms of what makes sense. But I just -- not
15 sure. Are our strict constructionist peer, I
16 mean, okay with this too? I mean, is Loretta
17 for example, okay with this interpretation?

18 MR. BEDROSIAN: Yeah. I'm not so
19 sure we ran this one by Loretta. But I would
20 -- in my strict instructions interpretation,
21 I would go back to the purpose of the
22 regulation, and I would look at the purpose
23 of the regulation.

24 CHAIRMAN CROSBY: Of the regulation

1 or the statute?

2 MR. BEDROSIAN: I'm sorry, of the
3 statute -- of the statutory requirement in
4 which we're -- we're using regulations to
5 fulfill. It strikes me that the purpose of
6 the statute, hence regulation, is notice.

7 And I would -- and I think this goes
8 back to your, sort of, thought process and
9 rationale. I would think, in 2010 and '11,
10 and I forget whether this was a carryover
11 from the 2010 version into The Expanded
12 Gaming Act, while certainly e-mail was
13 prevalent, you know, I think people were
14 still getting a lot of stuff by mail. And I
15 think now, six, seven years later, and maybe
16 only anecdotal about, you know, my experience
17 how much junk mail I just throw out. If I'm
18 thinking about actually giving someone
19 notice, if I -- I tend to pay more
20 attention -- again, this is anecdotal, to
21 stuff that comes into my personal e-mail
22 address than often I do to things I consider
23 junk mail.

24 So I'm trying to figure out today,

1 in modern digital technology, how to give
2 people notice. I tend -- and, again, this is
3 me. I tend to fall on the side of digital
4 notice versus traditional mail notice. So
5 I -- so in the strict instructions I got back
6 to how do we fulfill the notice requirement?
7 So I think that's my analysis.

8 CHAIRMAN CROSBY: Yeah.

9 COMMISSIONER MACDONALD: Mr.
10 Bedrosian, do you think that there's a
11 problem gaming aspect to this where --

12 MR. BEDROSIAN: I'm not -- this
13 would be the rule against hearsay. But I
14 have heard that, in fact, the mail component
15 of it might -- and I'm not going to say this
16 right. Maybe we want to talk to
17 Director Vander Linden. But there -- there's
18 actually a discouragement in sending these
19 types of things through the mail,
20 potentially, because it's slightly less
21 secure than an e-mail, personal notification.
22 You check your own e-mail versus, you know,
23 your mail is somewhat open to the public,
24 even members of your own family and stuff

1 like that.

2 So I've heard, and I would not want
3 to -- I'd want to talk to with
4 Director Vander Linden on this, that actually
5 mail there may be a -- not the deterrence
6 factor that people would think for problem
7 gaming, as much as --

8 COMMISSIONER MACDONALD: I was
9 thinking of it just the other way.

10 MR. BEDROSIAN: I know. And that's
11 why I was actually --

12 COMMISSIONER MACDONALD: You've got
13 a problem gamer and the spouse sees an
14 envelope from -- from MGM Resorts.

15 MR. BEDROSIAN: Right. And I
16 thought the same thing too. And I -- and
17 again, we should use the rule against
18 hearsay. But I had a conversation with
19 Director Vander Linden in which it seemed it
20 was, sort of, the opposite analysis.

21 COMMISSIONER ZUNIGA: I'm
22 comfortable with the discussion about
23 purpose. The purpose is to provide
24 notification to the individual. And it's

1 that person who decides to look at it or not.

2 MR. BEDROSIAN: One of the
3 components behind this, too, is the patron
4 will have the ability to opt in or out of
5 this practice initially. And I assume that,
6 you know, they may -- the new Category 1
7 facilities may, you know, go over this with
8 the local patrons when they sign up for the
9 rewards cards, whether they want this or not.

10 COMMISSIONER ZUNIGA: Yeah. If you
11 knew that you only could get this by mail,
12 you might be more likely to check -- sign me
13 up.

14 CHAIRMAN CROSBY: Opt out.

15 COMMISSIONER ZUNIGA: Opt out.

16 CHAIRMAN CROSBY: I just raise it
17 because, you know, I agree, basically with
18 the thrust of your bottom line analysis. But
19 I'm mindful that in other contexts we've had
20 conversations where powerful statements have
21 been made.

22 When the plain language of the
23 statute says one thing, even though it
24 doesn't really make sense, or it's

1 inconsistent with other public policy, or
2 there's confusion elsewhere in the statute,
3 you're bound by that plain language. And
4 where it here says "mail to the physical
5 address," you know, I'm -- I think we got to
6 remember to be consistent here. You know,
7 however we're going to interpret one section
8 we've got to be able to interpret other
9 sections. But I'm okay with --

10 MR. BEDROSIAN: Fair point.

11 CHAIRMAN CROSBY: -- where you're
12 going.

13 MR. BEDROSIAN: Yeah. Fair point.

14 COMMISSIONER MACDONALD: So this is
15 not up for a vote today?

16 MR. BEDROSIAN: It could be.

17 MS. BLUE: It could be, if you were
18 ready to have us start the promulgation
19 process.

20 COMMISSIONER MACDONALD: Oh, to
21 start the process?

22 MR. BEDROSIAN: Yes.

23 MS. BLUE: Yes. Just start it.

24 MR. BEDROSIAN: Yes. So this

1 now will go out for --

2 COMMISSIONER ZUNIGA: Having a
3 hearing and all that.

4 MS. BLUE: Yeah. Goes out for
5 formal comments, it'll have a hearing.

6 COMMISSIONER CAMERON: So there's
7 opportunity for people to comment on all of
8 this.

9 MS. BLUE: Yep.

10 CHAIRMAN CROSBY: Yeah.

11 COMMISSIONER CAMERON: I'm
12 comfortable starting the process.

13 COMMISSIONER MACDONALD: Me too.

14 CHAIRMAN CROSBY: All right. Do I
15 have a motion?

16 COMMISSIONER CAMERON: So I move
17 that we start the process, the promulgation
18 processes for 138.13 complimentary services
19 of items and promotional game credits.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER MACDONALD: Second.

22 COMMISSIONER STEBBINS: Second.

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

1 MR. MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

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

7 All right. We're getting close.
8 We're down to Item 8, I think. There are a
9 couple of items, just quick updates. I
10 think, pretty much, everybody knows on this.

11 Subsequent to the Commission's vote
12 some number of months ago, to see whether we
13 could get the legislature to clarify the
14 issue about gaming service employees, we have
15 gone hell bent for leather on that point.
16 We've written the legislature two or three
17 different times with the Commission's
18 recommendation.

19 It turns out that a lot of the local
20 community groups, whose constituents would be
21 negatively affected if this can't be amended,
22 that is the automatic disqualification of
23 applicants for gaming service employee jobs,
24 who have a vast range of CORI issues, they

1 scheduled a meeting on Tuesday morning, just
2 to have that final review. So we'll make
3 sure --

4 CHAIRMAN CROSBY: You have scheduled
5 it?

6 COMMISSIONER CAMERON: Yes.

7 CHAIRMAN CROSBY: It's already
8 scheduled?

9 COMMISSIONER CAMERON: A review
10 meeting, yes.

11 CHAIRMAN CROSBY: Okay.

12 COMMISSIONER CAMERON: So we'll make
13 sure that you're free to attend that meeting.

14 CHAIRMAN CROSBY: Yeah. Okay.
15 That's what I was checking right now.

16 COMMISSIONER CAMERON: Just put that
17 together with Dr. Lightbown, knowing you'd
18 want more information.

19 CHAIRMAN CROSBY: Okay. Good. Let
20 me just make sure that that's -- so this is
21 Tuesday the 26th?

22 MS. BLUE: The 19th.

23 MR. BEDROSIAN: Tuesday the 19th.

24 COMMISSIONER CAMERON: The 19th.

1 CHAIRMAN CROSBY: The 19th. Okay.

2 Is that the follow-up meeting? It says

3 "Follow-up meeting, Ed's office"?

4 MS. BLUE: No. That's the actual --

5 MR. BEDROSIAN: That's something

6 else.

7 MS. BLUE: -- that's the actual

8 testimony, is Tuesday the 19th at one.

9 CHAIRMAN CROSBY: Okay. I'll
10 doublecheck, make sure we get something.

11 Okay. Good. Anything else?

12 Oh, I did -- I was told by the
13 senate president, apropos of the racing
14 legislation, that from his perspective there
15 will be no more kicking the can down the
16 road. That if we can't get something, there
17 will be flatlined legislation. Now, whether
18 or not that materializes or not, I don't
19 know. But that's what he said.

20 MR. BEDROSIAN: I'll note, the only
21 other thing, Mr. Chairman, is just to give
22 the public notice, I think we are
23 anticipating our next meeting may be in
24 Springfield.

1 CHAIRMAN CROSBY: In two weeks

2 hence?

3 MR. BEDROSIAN: Correct.

4 CHAIRMAN CROSBY: Yeah. Great.

5 With a lot of associated presentations --

6 COMMISSIONER CAMERON: It's not a
7 definite yet?

8 MR. BEDROSIAN: I think it's a
9 definite. I mean, so -- just to give people
10 a notice. I always say anticipate.

11 COMMISSIONER CAMERON: Okay.

12 CHAIRMAN CROSBY: Do I have a motion
13 to adjourn?

14 COMMISSIONER STEBBINS: I just got a
15 couple of quick updates.

16 CHAIRMAN CROSBY: Oh, sorry.

17 COMMISSIONER STEBBINS: No. Friday
18 I had the opportunity, as I mentioned before,
19 I visited Plainridge with the director of our
20 state office of travel and tourism. Came
21 down on a race day to see the operations of
22 the only operating casino in Massachusetts.
23 Had some good discussion. Heard about a lot
24 of the marketing opportunities going on that

1 Plainridge is doing to promote the region.

2 Had a very good AOC meeting on
3 Tuesday out in Springfield. Some early signs
4 of a good economy is, you know, some tension
5 over being able to find the diversity on the
6 construction workforce as more projects are
7 going on. Certainly, more projects are
8 taking place in eastern Mass as well and
9 is -- that's driving everybody in the AOC
10 between our licensees and the building
11 trades, to work a little bit more closely on
12 some collaborative efforts.

13 The other thing I just want to
14 mention, you know, since we began our work we
15 have all traveled across the Commonwealth and
16 heard from a wide variety of residents on a
17 number of topics. And a lot of these
18 speakers very -- speak very passionately
19 about their thoughts and our ideas on gaming
20 and a whole number of topics.

21 In May, during our trip to
22 Springfield, we had an opportunity to hear
23 from a thoughtful young man, who was -- who
24 talked passionately about his own struggles

1 and his hope for opportunity for citizens
2 around western Mass, Mr. Jafet Robles, single
3 dad, very committed to his community, I think
4 you remember.

5 Sadly, Mr. Robles was the victim of
6 a homicide earlier this week. And Jill and
7 I, as I said, we were out for the AOC
8 meeting, and some of the people we came
9 across were just -- between stakeholders and
10 elected officials, were just overwhelmed and
11 devastated by his loss. You know, it's
12 terrible incident, but, obviously, we know he
13 leaves a family and some children behind.
14 So, hopefully, we can keep his family and
15 friends in our prayers.

16 CHAIRMAN CROSBY: Thank you,
17 Commissioner Stebbins. That's -- it reminds
18 you of what's important in the world.

19 COMMISSIONER ZUNIGA: Can I mention
20 just one thing on the racing? You've made
21 this point even publicly before. But to the
22 extent that we can impress upon the
23 legislature that when they passed The Gaming
24 Act, there was a big policy statement

1 relative to helping racing in the Racehorse
2 Development Fund. But there was a lot of --
3 a lot that wasn't done that was left to what
4 we now have before them in 128D. And
5 that's -- that's really, I think, how we
6 should lead with. Impress upon that this has
7 been only on an interim basis. Some of the
8 tools that we have have been hamstrung by the
9 kicking the can down the road that they've
10 had. And at least senate president is not
11 interested in doing, which is good news,
12 would be my -- my big point to them.

13 CHAIRMAN CROSBY: You're singing our
14 song, for sure. Motion to adjourn.

15 COMMISSIONER ZUNIGA: So moved.

16 CHAIRMAN CROSBY: All in favor?

17 COMMISSIONER MACDONALD: Second.

18 CHAIRMAN CROSBY: Aye.

19 MR. MACDONALD: Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

23

24 (Proceeding concluded at 2:16 p.m.)

1 GUEST SPEAKERS:

2 Mike Mueller, V.P. of Operations, Plainridge Park

3 Michelle Collins, V.P. of Marketing,

4 Plainridge Park

5 Ruben Warren, CFO, Plainridge Park

6 Bruce Barnett, General Counsel, Suffolk Downs

7 Seth Stratton, Vice President, General Counsel,

8 MGM Springfield

9 MASSACHUSETTS GAMING COMMISSION:

10 Catherine Blue, General Counsel

11 Edward Bedrosian, Executive Director

12 Todd Grossman, Deputy General Counsel

13 Bruce Band, Deputy Director, IEB

14 Floyd Barroga, Gaming Technology Manager

15 Karen Wells, Director, IEB

16 Alex Lightbown, Director an Chief Veterinarian,

17 Racing Division

18 Doug O'Donnell, Sr. Financial Analyst

19 Loretta Lillios, Deputy Director, IEB

20 Jill Griffin, Director of Workforce, Diversity

21 Supplier Development

22 John Ziemba, Ombudsman

23 Joe Delaney, Construction Project Oversight

24 Manager

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

C E R T I F I C A T E

I, 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 18th of September 2017.

Brenda M. Ginisi
BRENDA M. GINISI

Notary Public

My Commission expires:
June 18, 2021