

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #135  
4  
5

6 CHAIRMAN

7 Stephen P. Crosby  
8

9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Bruce W. Stebbins

13 Enrique Zuniga  
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17  
18  
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20 September 25, 2014 10:30 a.m. - 3:00 p.m.

21 HYNES CONVENTION CENTER

22 900 Boylston Street, Room 200

23 Boston, Massachusetts  
24

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

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3                   CHAIRMAN CROSBY: I would like to  
4 call to order the 135 meeting of the  
5 Massachusetts Gaming Commission in one of our  
6 regular venues, the Hynes Convention Center in  
7 Boston at about 10:35. Commissioner Cameron  
8 will be here shortly. And we will go ahead and  
9 get started.

10                  I do want to make one personal  
11 comment before we begin the rest of the  
12 meeting. I think I will read it. Before we  
13 begin I want to clarify my renewed status as a  
14 participating member of the Mass. Gaming  
15 Commission. As you know I have for the past  
16 several months recused myself from any and all  
17 deliberations on the license award for Region  
18 A.

19                  That decision is now made. So, my  
20 recusal is completed. I have total confidence  
21 in the work that the four Commissioners did to  
22 arrive at that conclusion. And I look forward  
23 to working with them to implement that decision  
24 effectively.

1 I will remain recused from issues if  
2 any arise pertaining to the land transaction in  
3 Everett. And of course, we will remain alert  
4 to any other residual matters arising from the  
5 Region A decision. If issues do arise, they  
6 will be considered by us on a case-by-case  
7 basis. So, I'm glad to be back.

8 We'll start out with the approval of  
9 the minutes, item two, Commissioner McHugh.

10 COMMISSIONER MCHUGH: The minutes  
11 are in the book, Mr. Chairman. And I would  
12 move their acceptance as they appear there with  
13 the usual reservation of rights to change and  
14 fix typographical and other mechanical errors.

15 CHAIRMAN CROSBY: Do I have a  
16 second?

17 COMMISSIONER STEBBINS: Second.

18 CHAIRMAN CROSBY: Any discussion?  
19 All in favor, aye.

20 COMMISSIONER MCHUGH: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 CHAIRMAN CROSBY: The ayes have it  
24 four to zero. Next up is item three,

1 administration Executive Director Day. If we  
2 come up to anything -- Oh, here's Commissioner  
3 Cameron, so never mind. Executive Director  
4 Day.

5 MR. DAY: Good morning, Chairman  
6 Crosby, Commissioners. As we begin this  
7 morning, I have a couple of informational items  
8 before move into the administrative topics.

9 The Commission's project monitoring  
10 regulation and guidelines are designed to  
11 insure our licensee's commitment like those  
12 particularly in the RFA-2 are tracked and  
13 continue to be part of the project.

14 However, as projects are actually  
15 developed changes are often reasonable. In  
16 order to accommodate these changes, we have a  
17 variance process which allows the licensee,  
18 Penn in this case, to ask for a variance when  
19 circumstances reasonably support a deviation  
20 from the commitment.

21 If the request is a minor change, I  
22 approve and notify the Commission. If the  
23 request is a major change, I would bring it  
24 back before the Commission. So far, I have

1 approved two variances for Penn, one of which  
2 has been discussed by the Commission and allows  
3 Penn to move the sports bar onto the casino  
4 floor.

5           And a second removes a proposed  
6 video feed of the gaming floor to the  
7 Plainville Police Department. Video of a  
8 gaming floor is provided to the gaming agency  
9 by regulation. And in this matter, the  
10 Plainville chief has been contacted and has no  
11 objection to the change.

12           So, my long-winded purpose is to  
13 notify you that I've considered and approved  
14 two variances and to make sure you know what  
15 they are.

16           CHAIRMAN CROSBY: Okay.

17           MR. DAY: I'd also like to note that  
18 our licensing division has received six gaming  
19 vendor primary applications at this point and  
20 51 primary qualifiers that go with those  
21 applications. And there's of course other --  
22 Our licensing division now has six gaming  
23 vendor primary applications and 51 primary  
24 qualifiers along with those the total fees at

1 this point to the Commission for processing is  
2 121,300. Should also note as a way of future  
3 work as things are moving forward the licensing  
4 process is and our licensing team has been in  
5 discussion with 10 other potential primary  
6 applications.

7 COMMISSIONER ZUNIGA: What was that  
8 figure you just mentioned 123,000?

9 MR. DAY: 121,300 give or take.

10 COMMISSIONER ZUNIGA: Pages?

11 MR. DAY: Dollars, licensing fee  
12 dollars. That's two general sections of notes  
13 that I just wanted to make this morning. The  
14 next two items Mr. Chairman and Commissioners  
15 that are on your agenda continues the  
16 Commission's process of developing a new policy  
17 structure and completing an independent review  
18 of our finance and administration's policies  
19 and practices.

20 First topic up will be Ed Burke is  
21 here again to report on our project, our high-  
22 performance project and request approval of 11  
23 new policies.

24 And then secondly, Derek Lennon and

1 his financing division team will come forward  
2 with the independent review that the Commission  
3 requested of our financial policies. So, with  
4 that unless the Commission has questions of me,  
5 I am certainly to defer to Ed.

6 CHAIRMAN CROSBY: Okay, welcome.

7 MR. BURKE: Good morning, Chairman  
8 Crosby, Commissioners. It's a pleasure to be  
9 here again. I'm joined by Joan Kuhn who is our  
10 subject matter expert in matters to do with  
11 human resources.

12 This morning, we have 11 policies  
13 which are the final new policies that are being  
14 developed. If you recall, we had three  
15 categories. There were existing policies that  
16 were in the employee handbook. Those are in  
17 the process of being reformatted and annotated,  
18 updated for the new policy handbook.

19 There are existing state policies  
20 which we include by reference. But there were  
21 30 or so new policies that we needed to develop  
22 from scratch. This is the last batch of those  
23 that we'll bring before you.

24 There is a presentation here which

1 we can go through very quickly. In your  
2 packets you'll see the presentation. There's  
3 also a checklist of all of the policies, kind  
4 of a scorecard, if you will, of where we are.  
5 The detailed policies themselves are both in  
6 the appendix.

7 I won't spend much time on the work  
8 flow as we've already gone through it before.  
9 Suffice it to say that there is a detailed  
10 process that we go through before policies make  
11 it to this level. Joan and I worked very  
12 closely with Human Resources Manager Trupti  
13 Banda who is with us here and her assistant  
14 Dean Ventola and the high-performance team,  
15 which includes Commissioners Cameron and  
16 Zuniga, Executive Director Day, General Counsel  
17 Blue, Chief Finance and Accounting Officer  
18 Lennon and Executive Assistant Dooley have also  
19 been through all of these policies before we  
20 bring them here.

21 So, without further ado, unless  
22 there are questions, I think we can start going  
23 through the policies themselves.

24 This meeting as a change in pace, we



1 actually have the policies that are in the  
2 presentation, which is the executive summary,  
3 in the same order as the policies that are in  
4 the detailed packet.

5 CHAIRMAN CROSBY: Nice, great.

6 MR. BURKE: So, hopefully that will  
7 assist your ability to follow along. The first  
8 one deals with voluntary termination. This  
9 basically codifies the steps to be taken when  
10 an employee in good standing decides to leave  
11 MGC for any reason.

12 It basically lays out their  
13 responsibilities and the steps that the Mass.  
14 Gaming Commission will take to complete the  
15 process.

16 COMMISSIONER STEBBINS: I had a  
17 couple of quick questions on the voluntary  
18 termination policy. First of all -- Actually,  
19 it's only one. I take that back. There's a  
20 bullet in the policy statement page about  
21 notification of less than two or four weeks as  
22 appropriate may result in ineligibility for  
23 rehire. Why couldn't we just kind of narrow  
24 that down to two weeks?

1 MS. KUHN: We have two different  
2 categories. We have managers who we are  
3 requiring to give four weeks' notice. And then  
4 all other rank and file giving two weeks'  
5 notice. So, that's why this is split that way.

6 COMMISSIONER STEBBINS: Okay.

7 CHAIRMAN CROSBY: Others on this  
8 item? I just had a quick one. The bullet  
9 point says pay at termination is at the sole  
10 discretion of the MGC. What does that mean?

11 MS. KUHN: Sometimes when somebody  
12 gives their notice, you'd like them to leave  
13 sooner rather than later. And you might choose  
14 to give them two weeks in lieu -- to just move  
15 along.

16 So, it's leaving it to the MGC to  
17 decide would we like this person to leave and  
18 by leaving now rather than the two weeks'  
19 notice they gave, would we like to give two  
20 weeks' pay. But it's your discretion. You  
21 might say no, we'd like you to leave now.

22 CHAIRMAN CROSBY: Does everybody  
23 else understand that's what that said? You've  
24 talked about it.

1 COMMISSIONER CAMERON: Yes, we had.

2 CHAIRMAN CROSBY: I would just  
3 rewrite it so says that. I didn't know that's  
4 what it meant. Severance as an alternative or  
5 something rather just so that it is clear.

6 MS. KUHN: Okay.

7 CHAIRMAN CROSBY: Go ahead.

8 MR. BURKE: Any other questions on  
9 voluntary termination? Very good. The next  
10 one is for internal transfer. This policy  
11 deals with a variety of circumstances which may  
12 arise in terms of an individual within the  
13 Commission changing positions. One of the key  
14 aspects of this is the intention that internal  
15 promotions will be something that MGC  
16 encourages.

17 In other words, we want to develop a  
18 career path for individuals working here. Very  
19 often the best candidate for a new position is  
20 someone who is already on board with the Mass.  
21 Gaming Commission.

22 It also deals with lateral transfers  
23 and occasionally demotions, which may occur for  
24 a variety of reasons. So, this basically lays

1 out again the policies and procedures to be  
2 followed for those transfers.

3 COMMISSIONER STEBBINS: I had one  
4 question on this policy. The employee needs to  
5 notify their manager within 30-day notice. And  
6 during that 30-day period they can be called  
7 upon to assist with onboarding and training of  
8 whoever their successor is.

9 As we've quickly found out, and  
10 maybe there's flexibility in the policy that  
11 bringing somebody on new and to our Commission  
12 staff never takes 30 days. But just giving our  
13 policies some flexibility for that person to be  
14 able to come back beyond that 30-day and help  
15 out with an employee's recruitment and  
16 onboarding orientation would be helpful.

17 I just don't want to see us limited  
18 to that 30-day window, because when you think  
19 of screening, hiring, recruiting, going through  
20 a background check, it never gets done in 30  
21 days.

22 MR. BURKE: Okay. I think that's a  
23 good observation. The 30 days, there were  
24 multiple reasons for that. One of them was to

1 make sure that the manager of the person in  
2 their existing position was aware that this  
3 discussion was going on and they might be  
4 moving.

5 But you're right, the other aspect  
6 was to be looking at the onboarding process in  
7 terms of filling that recommendation. And I  
8 think that's a good addition.

9 MS. KUHN: I think actually it would  
10 be good in this case if the managers worked  
11 together, because they are new into a new  
12 department as well. So, you don't want them  
13 50-50 of their time as they're kind of learning  
14 their new job.

15 COMMISSIONER STEBBINS: It was more  
16 for flexibility purposes and just realizing  
17 that 30-day window may not work.

18 MR. BURKE: Okay.

19 CHAIRMAN CROSBY: Anything else?

20 COMMISSIONER MCHUGH: This is a  
21 broader comment than just this particular  
22 policy, but it applies to this one. We when we  
23 top out are going to be 150 people. We are all  
24 going to know each other's names, hopefully.

1 We're going to be an integrated. It's probably  
2 too much to hope that we'll know everybody's  
3 names all of the time because there'll be some  
4 turnover.

5           We are going to know the strengths  
6 and capabilities of a lot of the workers.  
7 Things are going to open and they're going to  
8 change. It's conceivable to me that a couple  
9 of managers see in a particular employee a fit  
10 that isn't working particularly well in one  
11 place and a need in another place that given  
12 the skills that that person has would be a  
13 better fit for that person and for the  
14 organization.

15           And cabining things to the degree  
16 they're cabined in this policy and quite  
17 frankly in many others strikes me as probably  
18 necessary if you're five, six, 700 people, big,  
19 big organization. But I wonder if we are not  
20 creating a structure that is more rigid than we  
21 need it to be for the kind of organization that  
22 we are and look to become.

23           So, I just put that out there for a  
24 brief discussion. I know you've all given

1 careful thought to that but it struck me here  
2 that the steps and the procedures and who  
3 initiates what and how long is left and the  
4 like really may not fit the kind of  
5 organization at least I hope we become as we  
6 move down the road.

7 MS. KUHN: I would suggest one  
8 reason to have a policy even if you are a  
9 smaller organization is you always want to have  
10 the perception and the reality to your  
11 employees that you are being fair. And  
12 sometimes -- And I would agree that people see  
13 different things in people and say this might  
14 be a better fit. And I think there's ways  
15 around that.

16 This is looking more at I am looking  
17 at a job posting and I see something that I  
18 like. And I'd like to go forward with it. I  
19 think there's always going to be behind the  
20 scenes discussions between managers about this  
21 person is really smart in this area and not so  
22 good where they sit now. Can we talk about  
23 that.

24 I don't think this precludes that,

1 but I think you do want to even in a small  
2 organization make sure that your processes seem  
3 fair.

4 COMMISSIONER MCHUGH: I don't  
5 disagree with that. I don't disagree with  
6 that. All right.

7 CHAIRMAN CROSBY: Does anybody else  
8 rise to that issue?

9 COMMISSIONER CAMERON: No. I think  
10 structure is a good thing. And I think people  
11 like to know how they go about that next step.  
12 And when the structure isn't there, people are  
13 left to think well I know how the person got  
14 the job.

15 And I know you weren't taking it to  
16 that extreme, Commissioner, but I think even at  
17 our level, a structure like this is helpful.

18 COMMISSIONER ZUNIGA: I do agree  
19 with Commissioner McHugh's point, which applies  
20 to this policy but permeates through others at  
21 a big picture level.

22 I think as we now get into the  
23 additional focus of building the organization  
24 that's something that has been -- building the



1 regulatory framework is something that has been  
2 also in my mind. What is that balance and  
3 level? And what does the organization look  
4 like a year or two or in a steady-state?

5           So, I take your point. I don't know  
6 exactly what that means to this particular  
7 page, this one policy but it's something that's  
8 been on my mind. I still haven't wrapped my  
9 head around the 150 people just to put that  
10 note. By some measures, it seems like a lot  
11 but it may be the right number. I don't know.  
12 We'll figure that out.

13           COMMISSIONER CAMERON: I think when  
14 you're a regional organization as well, which  
15 we will be, we will have offices in different  
16 parts of the state, the structure is important.

17           Because you can end up with a  
18 situation where something is being done in one  
19 part of the state one way and differently in  
20 another due to the individual manager who may  
21 prefer something else. I just have seen  
22 instances where (A) the lack of structure or  
23 those who don't follow it it can create a real  
24 problem in an organization.

1                   COMMISSIONER MCHUGH: No. I hear  
2 that. I understand that. And I appreciate  
3 that. And you've certainly had experience with  
4 a statewide organization that has managerial  
5 levels at different levels. I take your point  
6 and your experience.

7                   And I'm going to bring up a couple  
8 of other instances in a minute as we proceed of  
9 examples of things without having an answer for  
10 the problem, just a hope and a thought.

11                   We want this to be an organization  
12 that is fair. We want it to be an organization  
13 that is high-performing. That's why we are on  
14 this. But we also want it to be an  
15 organization that is really an attractive place  
16 to work. And those things go to make it an  
17 attractive place to work.

18                   But there's sort of a personal  
19 touch, a true team sense that I think we need  
20 to cultivate and keep in mind that we want to  
21 cultivate as well. And it is sometimes the  
22 formality that embedded in process that can be  
23 off putting in that sense. So, as I say, I  
24 don't have any answers I just raise the issue.

1                   CHAIRMAN CROSBY: I am very  
2 sympathetic to that perspective. In addition  
3 to being certainly fair and in addition to  
4 adhering to high-performance, best practice  
5 standards of an organization, we want to be  
6 able to be nimble. We want to be informal. We  
7 want to be flexible. And merging those two can  
8 be difficult.

9                   Furthermore, when you set up a  
10 standard throughout this, not just this page  
11 but the entire set of personnel policies, once  
12 they're on paper you're supposed to adhere to  
13 them. And it's darn hard to adhere to them.

14                  If you look at all of these steps  
15 that are supposed to be taken in writing and  
16 this that and the other thing, it's hard to do,  
17 which sets up its own set of problems, of  
18 issues and challenges.

19                  I sort of felt like that ship has  
20 kind of sailed. We sort of made the commitment  
21 that we are going to adhere to what our  
22 bureaucratically respected best practices for a  
23 high-performance public management  
24 organization. And with that will come a

1 certain degree of formality and rigor and to  
2 certain extent bureaucracy that maybe some of  
3 us are less than perfectly comfortable with,  
4 but we've kind of decided that's the kind of  
5 organization we're going to be, and we're going  
6 to figure out.

7           We are this weird organization. We  
8 don't run this organization. We are the  
9 Commissioners. Rick runs the organization and  
10 his directors run the organization. And it  
11 puts a lot of pressure on our Executive  
12 Director and our directors to adopt management  
13 practices that implement all of this. And  
14 that's a challenge.

15           So, having said all of that, I'm  
16 sympathetic to the sort of visceral feeling  
17 about it, but I also think we've made a  
18 decision. And for the very most part, these  
19 are standard, respectable, important steps for  
20 high-quality organizations to take. So, let's  
21 go with it.

22           COMMISSIONER MCHUGH: I don't think  
23 it's one or the other. I don't think because  
24 you have policies and procedures you can be

1 less than nimble, you can be bureaucratic,  
2 overly. I would like our policies to be  
3 straightforward. That's why I think it's  
4 important if someone doesn't understand it that  
5 we make sure it is clear. That's a really  
6 important piece.

7 They do not have to be overly  
8 complicated. And I know that that is the case  
9 which is we've done a lot of work on less  
10 complicated policies, pretty straightforward.

11 And I think the other piece we get  
12 to here is leadership. We're looking at  
13 directors who we want to be people friendly,  
14 who we really want to implement these policies  
15 in a way that people feel like they understand,  
16 they have a fair opportunity. That there is  
17 dialogue.

18 So, I think one doesn't exclude the  
19 other. The most important piece -- The  
20 structure is fine, but the people are the most  
21 important piece.

22 COMMISSIONER MCHUGH: I think that's  
23 ultimately the only solution. But I do think  
24 we need to keep thinking about the larger

1 atmospheric issue as we go forward and as we  
2 implement these things going down the road,  
3 which I am not saying anything that everybody  
4 doesn't agree with. So, I'll just shut up and  
5 just go off.

6 MR. BURKE: I think it's a fair  
7 point. Echoing what Commissioner Cameron said,  
8 I think that's exactly the balance that we're  
9 trying to achieve. We've had a lot of very  
10 thoughtful discussions at the high-performance  
11 team level. A number of policies we've decided  
12 to defer, not to put in concrete because we  
13 want more flexibility.

14 Whenever you're dealing with a  
15 contract or a criminal law or any number of  
16 things where you're creating a structure, a  
17 legal structure for how you're working, it is  
18 by its nature kind of seems to be relatively  
19 inflexible, relatively cast in concrete. But  
20 in fact, we hope that these provide just a  
21 basis for how people act and that there is much  
22 more that goes on beyond that.

23 In terms of internal transfers, we  
24 would hope that there's regular ongoing

1 discussions among the management team so  
2 they'll know if a person is looking at going to  
3 another job. And they don't have to refer to  
4 the policy to say we need 30 days' notice or  
5 what have you.

6           We're going to be talking about  
7 performance evaluation in just a moment.  
8 That's another one where if you're just as a  
9 manager looking at the letter of the law  
10 saying, okay, we're going to meet twice a year.  
11 And we're going to create these documents and  
12 put them in the file that doesn't make a person  
13 a good and effective leader.

14           There should be significant  
15 interaction beyond that hopefully daily. Two-  
16 way communication, how are things going, what  
17 do we need to work on? How are we connecting  
18 to the objectives of the organization? And  
19 that's a lot of the rest of this project, when  
20 we get into performance management and strategy  
21 development, will deal with, if you will, those  
22 aspects of leadership that help provide that  
23 balance.

24           CHAIRMAN CROSBY: Okay. Great.

1 MR. BURKE: The next one is  
2 workplace privacy. Basically, the purpose of  
3 this, it lays out a number of the key things in  
4 terms of email and equipment and other things  
5 that employees at the MGC will have access to  
6 and be given access to by the Commission. And  
7 it basically establishes that there should not  
8 be an expectation of privacy.

9 That this is a workplace. These are  
10 our tools and office space, and what have you  
11 that are being given to you in order to  
12 accomplish your job, but it is not personal  
13 property. It is not something -- email for  
14 example where you have an expectation that  
15 whatever is in there is private.

16 COMMISSIONER MCHUGH: The first  
17 bullet says employees may only use MGC issued  
18 keys and locks to secure MGC property. I take  
19 it that's an aid of this no privacy concept.

20 MR. BURKE: Yes.

21 COMMISSIONER MCHUGH: But suppose I  
22 just wanted to lock up my lunch, couldn't I do  
23 that? Do we really need that bullet, in other  
24 words?



1 MS. KUHN: I would say that you do.  
2 I would say that if you allow people to say you  
3 wanted to lock up your lunch in the bottom  
4 drawer of your desk and you brought in your own  
5 key, and we were very concerned that there was  
6 something in there beyond your lunch because of  
7 a variety of things that occurred over time  
8 that you've made that yours.

9 COMMISSIONER MCHUGH: I understand  
10 that. But this says may only use MGC issued  
11 keys and locks to secure MGC -- I see. I could  
12 lock up my lunch with an MGC key.

13 MS. KUHN: Absolutely.

14 COMMISSIONER MCHUGH: Okay.

15 MS. KUHN: And lunches have  
16 disappeared. So, it's probably a good idea.

17 MR. BURKE: There's usually a  
18 positive reason for this too.

19 COMMISSIONER MCHUGH: I understand.

20 MR. BURKE: Would a wording change  
21 make it clear?

22 COMMISSIONER MCHUGH: I just suggest  
23 you think about the wording of that. Because  
24 I read it as you could only use MGC locks and

1 keys to secure MGC property. You couldn't  
2 secure your personal property with an MGC key  
3 in an MGC facility. Okay.

4 MR. BURKE: We can work on that. I  
5 think the best example would be putting a lock  
6 on a file cabinet and somebody else needs to  
7 get into the file cabinet.

8 COMMISSIONER ZUNIGA: Maybe we just  
9 need to delete the second MGC in the sentence.

10 MR. BURKE: Okay.

11 MS. KUHN: That's a good idea.

12 CHAIRMAN CROSBY: Good get.

13 MR. BURKE: That works. Other  
14 questions? Okay. The next one is  
15 compensation. This policy lays out a whole  
16 series of specific codicils based on different  
17 aspects of compensation.

18 It connects to the Equal Pay Act and  
19 other federal and state statutes as it relates  
20 to compensation and essentially just kind of  
21 lays out where to go if there are any issues or  
22 complaints. There are contact points below.  
23 Essentially, just makes it clear to employees  
24 how this will work.

1           CHAIRMAN CROSBY: Okay.

2           MR. BURKE: Similarly, the next one  
3 is on pay practices. This gets into some of  
4 the specifics in terms of exempt and nonexempt  
5 employees. It refers to the Family Medical  
6 Leave Act, the Fair Labor Standards Act and  
7 other state and federal guidelines that must be  
8 adhered to as part of pay practices. And it  
9 deals with vacation, personal days, sick time  
10 and things like that.

11           CHAIRMAN CROSBY: Commissioners?  
12 These are just details, but the nonexempt  
13 employees refers to 40 hours a week. Is that  
14 meant to be 37.5?

15           MS. KUHN: It is 37.5. That is  
16 their work week.

17           CHAIRMAN CROSBY: Under nonexempt in  
18 my version it's 40.

19           MR. BURKE: Is that for calculation  
20 of overtime?

21           MS. KUHN: It is. You don't  
22 actually go into overtime until after your 40.  
23 So, if you stayed through 39 hours, you'd be  
24 still be paid straight time.

1           CHAIRMAN CROSBY: You don't get any  
2 overtime for your first two and a half hours of  
3 overtime?

4           MS. KUHN: No. You can. That would  
5 be a decision you could make. But the law only  
6 says it's at 40 that it kicks in.

7           CHAIRMAN CROSBY: Okay.

8           COMMISSIONER MCHUGH: The FLSA is 40  
9 hours. That's the point of that. So, the  
10 statutory mandate cuts in at 40 hours.

11          CHAIRMAN CROSBY: Okay.

12          COMMISSIONER MCHUGH: We could cut  
13 it in at 37.5 if we wanted.

14          CHAIRMAN CROSBY: The other one is  
15 as long as we're going to do this, we should  
16 just make sure this is right. But I don't  
17 think -- It says normal business hours 8:45 to  
18 5:00. That's nine hours and 15 minutes. Then  
19 it says you have a 45-minute nonpaid lunch  
20 break. That would take you down to 7.5 hours.  
21 Is 7.5 right? Is that the right daily? Okay.  
22 Scratch that. Next.

23          MS. KUHN: We are onto performance  
24 evaluation.

1           MR. BURKE: Performance evaluation,  
2 this policy basically I was using this as an  
3 example a moment ago. This lays out kind of  
4 the minimum expectations required for  
5 performance counseling for managers to their  
6 direct reports. It lays out the timing when  
7 evaluations are due. It includes a self-  
8 evaluation process for all individuals in the  
9 organization.

10           This is one in particular where as  
11 we get into the performance management aspects  
12 of the project, we will be building a structure  
13 on top of this as a way of cascading the  
14 overall goals and metrics of the organization  
15 down to the individual level, which we found to  
16 have very positive benefits from a teambuilding  
17 and a motivation standpoint around the state.

18           People like to know this is the key  
19 thing that they should be accomplished and this  
20 is how we're going to measured it. And this is  
21 how it ties in with the overall goals of the  
22 Commission.

23           But for our purposes, this lays out  
24 the policy in terms of kind of the foundation

1 for what our eventual performance process will  
2 be.

3 Any questions? No. Okay. The next  
4 one is harassment free workplace. This  
5 basically lays out what the policy will be  
6 regarding any type of harassment for any number  
7 of reasons, which are delineated here in terms  
8 of specific protective status.

9 Again, this ties to a number of  
10 federal and state guidelines and puts MGC into  
11 compliance with those.

12 CHAIRMAN CROSBY: Okay.

13 MR. BURKE: Questions? Similarly,  
14 workplace bullying. Basically, just sets out  
15 an expectation that bullying will not be  
16 tolerated within the Mass. Gaming Commission.  
17 It provides definitions in terms of what  
18 constitutes bullying and lays out a procedure  
19 in terms of reporting and dealing with  
20 incidents that should arise -- should they  
21 arise.

22 CHAIRMAN CROSBY: This is one of the  
23 policies that puts an affirmative duty on  
24 people to do things that they may not know

1 they're really supposed to do.

2           Where your first bullet point says  
3 employees are the subject of bullying, that's  
4 one thing. Witness workplace bullying or view  
5 actions that may lead must bring their concerns  
6 to their manager.

7           I assume that's the right word  
8 because you've thought that through but I think  
9 there's a training element here. Again, this a  
10 place where we're setting up a standard that we  
11 are all expected to adhere to and is not  
12 necessarily intuitive or common practice or  
13 experiential that it be done.

14           So, things like this that create  
15 affirmative duties on people need to be in a  
16 training program but quick once these things  
17 are adopted.

18           MR. BURKE: Agreed.

19           CHAIRMAN CROSBY: Okay.

20           MR. BURKE: Other questions? Okay.  
21 The next one is a violence free workplace.  
22 Again, this lays out the policies for MGC with  
23 respect to that. It reflects the Mass.  
24 Executive Order 442, which requires all state

1 agencies to have in place a violence-free  
2 workplace policy.

3 It creates definitions of what is  
4 considered workplace violence and the  
5 procedures for dealing with any cases that  
6 should arise.

7 CHAIRMAN CROSBY: Okay.

8 MR. BURKE: Workplace relationships.  
9 This deals with dating in the workplace, lays  
10 out the policy at the Mass. Gaming Commission  
11 in terms of how this works.

12 In some organizations, dating is  
13 prohibited. That is not the case here. This  
14 basically lays out the expectations for  
15 appropriate conduct, and how to deal with  
16 instances where you have a supervisory  
17 relationship, for example, where there might be  
18 an issue with an ongoing relationship.

19 COMMISSIONER MCHUGH: Why isn't it  
20 prohibited here?

21 MS. KUHN: Excuse me?

22 COMMISSIONER MCHUGH: Why isn't it  
23 prohibited here? There was a policy choice.

24 MS. KUHN: There is a policy choice.



1 The choice was to go in this direction.

2 MR. BURKE: I guess I would leave  
3 that to Executive Director Day maybe or one of  
4 the Commissioners.

5 COMMISSIONER MCHUGH: I think what's  
6 important here -- I think we've all been in the  
7 workplace enough to know that this occurs.

8 What's important here is the  
9 supervisory position in the workplace. For  
10 example, if you had let's say a gaming agent in  
11 one location dating a gaming agent in another  
12 location there's no supervisory issue.  
13 Frankly, there is no issue as far as I'm  
14 concerned.

15 When it becomes an issue is in a  
16 supervisory position. And that's the immediate  
17 report piece here. From my perspective anyway,  
18 it would be a situation where we kind of  
19 quietly just move one of those folks so that  
20 there is not a reporting supervisory piece  
21 there.

22 So, I think that's how most  
23 organizations handle this matter that I'm aware  
24 of.

1 MS. KUHN: I think the other thing  
2 is even if it's coworkers who are dating that's  
3 perfectly fine. And it's a performances issue  
4 if they bring their squabbles into the  
5 workplace. So, it does kind of address that.

6 That's where a lot of people meet  
7 their partners is in the workplace. So, I  
8 think saying prohibited is a little more  
9 draconian than I would suggest. If you're  
10 doing that you're actually going to end up  
11 potentially losing some good employees if it's  
12 uncovered.

13 MR. DAY: I think the idea is kind  
14 of summarized in the first bullet which says  
15 employees are expected to conduct themselves in  
16 an appropriate workplace manner while on MGC  
17 property that does not interfere with their  
18 coworker's ability to perform their duties.

19 I think what we had was a little  
20 discussion about the concept of how far we go  
21 interjecting ourselves into situations with  
22 employees. In this case, if we are talking  
23 about -- I have seen it both ways. There is no  
24 question. I've seen agencies which prohibit

1 it, agencies which have a policy more similar  
2 to this.

3 And from a practical basis, I think  
4 this framework allows us to apply it more  
5 clearly than it does in the other situations.

6 COMMISSIONER MCHUGH: I get that.  
7 What about a flat prohibition on  
8 superior/subordinate dating relationships?

9 CHAIRMAN CROSBY: That's all we're  
10 talking about.

11 COMMISSIONER MCHUGH: No, I was  
12 talking about something broader.

13 CHAIRMAN CROSBY: Oh, you were  
14 talking about something broader. I'm sorry.

15 COMMISSIONER MCHUGH: I get it. But  
16 the fourth bullet says if we have a  
17 superior/subordinate dating relationship, then  
18 we'll try and work it out. Again, there's a  
19 policy choice there.

20 Why not a statement that  
21 superior/subordinate dating relationships are  
22 not permissible. And if they arise, we'll try  
23 and work it out, but at least create the  
24 expectation that they're not permissible.

1 That's where the greatest danger both to the --  
2 I'm not saying anything anybody doesn't know.  
3 That's where the greatest danger lies for a  
4 whole host of standpoints including morale.

5 MR. BURKE: Agreed. I think this  
6 policy basically establishes that where there  
7 is a supervisory relationship, it is not  
8 acceptable. And some adjustments need to be  
9 made in terms of reporting relationships or  
10 where they are in the organization including  
11 perhaps one of them leaving the organization.

12 COMMISSIONER MCHUGH: If that's a  
13 given, then should the fourth bullet say that  
14 in straightforward fashion and then go on to  
15 say the rest of the stuff. So, that there is  
16 not an expectation that there are exceptions to  
17 a no subordinate/superior dating relationship  
18 rule?

19 COMMISSIONER CAMERON: Are you  
20 saying that it's prohibited or if it occurs it  
21 must be reported immediately and then there  
22 will be a change in the situation where one  
23 does not report to the other?

24 COMMISSIONER MCHUGH: Well,

1 certainly the latter, but it seems to me that  
2 needs to be -- It seems to me -- I don't want  
3 to get into the detail. You know this better  
4 than I.

5 But it seems to me that if we're  
6 agreed that that dating relationship in a  
7 hierarchical sense is not going to be permitted  
8 in the organization, we ought to say that in  
9 some way, shape or form in that bullet so that  
10 there is not an expectation that it'll work in  
11 some circumstances. It won't work in other  
12 circumstances. If it happens, we'll get around  
13 and we'll think about it. And we'll figure out  
14 what to do about it. I guess that's my point.

15 MS. KUHN: I can take another stab  
16 at kind of rewriting that to capture your  
17 point.

18 COMMISSIONER MCHUGH: Okay, if my  
19 colleagues agree.

20 CHAIRMAN CROSBY: That's a policy  
21 change, right -- what you're talking about?

22 COMMISSIONER ZUNIGA: No. I think  
23 it's clarifying something that I think was  
24 meant to be addressed here. Perhaps we didn't

1 capture it.

2 CHAIRMAN CROSBY: So, you see it as  
3 the same?

4 MS. KUHN: Yes. I don't see this as  
5 particularly different. I see where you'd like  
6 it a little more concrete.

7 COMMISSIONER MCHUGH: I would just  
8 like it more concrete so we don't set up a  
9 false expectation that this can happen and then  
10 hurt and anger and mistrust when we don't work  
11 out a policy that allows the workplace and  
12 personal relationship to coexist.

13 MR. BURKE: That's fine. I would  
14 make two points here. One, in many of the  
15 policies we are dealing with we are applying  
16 federal and state laws, executive orders and  
17 things like that.

18 This is a case where it's management  
19 prerogative. It is really up to you which way  
20 you want to, you and the management at MGC as a  
21 whole, which way you want to go with this.

22 I guess the second point I would  
23 make, my observation would be in cases where  
24 it's prohibited in organizations where

1 workplace relationships are prohibited they  
2 still happen. And it creates all sorts of  
3 issues.

4 In this case, I think I'd prefer  
5 having kind of a sunshine law saying okay, we  
6 know it's going to happen. If it happens, it's  
7 fine as long as it stays out of the workplace.  
8 It doesn't impact how you're acting here. But  
9 it is inappropriate in a supervisory  
10 relationship.

11 And I think what you're asking for  
12 is to strengthen that wording and I'm sure we  
13 can do that.

14 COMMISSIONER MCHUGH: Just so people  
15 have a clear expectation that that will --  
16 there will be a change in that reporting  
17 structure. There is no we think it's okay  
18 here, we don't think it's okay here.

19 MR. BURKE: We're not going to have  
20 a wait-and-see.

21 COMMISSIONER CAMERON: Correct. It  
22 is there will be a change in the reporting  
23 relationship. It's unacceptable for a  
24 subordinate and a manager to be in a

1 relationship and have that structure continue  
2 as far as that reporting.

3 MR. DAY: I think that's clear. It  
4 starts off with a direction that the  
5 relationship is prohibited and go from there.

6 CHAIRMAN CROSBY: I agree this  
7 clarification is good. It might be better if  
8 you make the language clear but nonpunitive  
9 because as you said it happens. It happens.  
10 And we don't want to scare people into not  
11 going along with the second part, which is all  
12 right, if it happens we'll talk about it and  
13 fix it.

14 COMMISSIONER CAMERON: Rather than  
15 say it's prohibited, if it occurs it has to be  
16 reported immediately. And everyone knows that  
17 there will be a change. It doesn't mean it has  
18 to happen publicly, by the way, but there will  
19 be a change in that reporting relationship if  
20 that can be accommodated, by the way, if it's a  
21 unique situation.

22 CHAIRMAN CROSBY: The change might  
23 be somebody leaves. That's a change.

24 COMMISSIONER CAMERON: Correct,



1 either someone leaves or someone is  
2 transferred. Clearly though everyone will know  
3 that what is unacceptable is to continue on in  
4 that reporting relationship with the  
5 subordinate.

6 MR. DAY: That seems to be the  
7 problem that might be unclear, because the last  
8 sentence does take care of that. If a  
9 reasonable solution cannot be agreed upon by HR  
10 and the manager or the director and so forth,  
11 may elect to transfer or terminate the manager  
12 or employee solely depending on the business  
13 needs of MGC.

14 That basically puts that decision in  
15 the hands of the agency saying it's just not  
16 going to work. You need to make these changes.  
17 I think the problem is it doesn't really firmly  
18 say that the practice itself is not acceptable  
19 or however we want to say it.

20 COMMISSIONER CAMERON: I don't know  
21 that we want to say that because then we're  
22 encouraging people to hide and not report. In  
23 fact, what I would hope to happen is if  
24 something like that starts to happen, okay, we

1 know the rules. We can't be in this. I can't  
2 continue to be your boss kind of a thing. So,  
3 everybody knows that. And right away that  
4 issue gets handled. If you say it's  
5 prohibited, I think you force that underground.

6 COMMISSIONER MCHUGH: I agree. It's  
7 not prohibited. It just is going to result in  
8 a change, and everybody needs to know that a  
9 change is going to occur. And that needs to be  
10 said straightforwardly so that conversation can  
11 occur.

12 COMMISSIONER CAMERON: Yes.

13 MR. BURKE: Okay.

14 COMMISSIONER MCHUGH: Between the  
15 pair.

16 MS. KUHN: I will give it a new  
17 rewrite.

18 MR. BURKE: Good.

19 CHAIRMAN CROSBY: Next.

20 MR. BURKE: The last one is weapons  
21 free workplace. Again, this deals with  
22 bringing weapons into any MGC facility. It  
23 lays out exceptions to that rule, which would  
24 be law enforcement, others who are licensed and

1 approved by MGC to carry firearms.

2 CHAIRMAN CROSBY: Okay. Great. Do  
3 we need to vote?

4 COMMISSIONER CAMERON: I think we  
5 have in the past.

6 MR. DAY: Yes, we have.

7 CHAIRMAN CROSBY: Commissioner  
8 Cameron?

9 COMMISSIONER CAMERON: I move that  
10 we accept all of the 11 workplace policies just  
11 detailed.

12 CHAIRMAN CROSBY: As detailed.

13 COMMISSIONER CAMERON: As detailed,  
14 yes.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER MCHUGH: As amended.

17 COMMISSIONER CAMERON: Correct with  
18 the amendments.

19 CHAIRMAN CROSBY: Second?

20 COMMISSIONER ZUNIGA: Sure, second.

21 And may I say that some of these although we  
22 are adopting them as new policies they were  
23 statements in the prior employee manual. What  
24 we've done in a couple of policies here is

1 really codified and structured them. Some are  
2 entirely new as discussed here. But others  
3 were statements that we already had in place  
4 like the expectation of privacy for example or  
5 the no expectation of privacy.

6 CHAIRMAN CROSBY: Any further  
7 discussion? All in favor, aye.

8 COMMISSIONER MCHUGH: Aye.

9 COMMISSIONER CAMERON: Aye.

10 COMMISSIONER ZUNIGA: Aye.

11 COMMISSIONER STEBBINS: Aye.

12 CHAIRMAN CROSBY: Opposed? The ayes  
13 have it unanimously. Thank you, very much.  
14 Director Day?

15 MR. DAY: Mr. Chairman that gets us  
16 to CFAO Derek Lennon and the financial policy  
17 reports.

18 MR. LENNON: Good morning, Mr.  
19 Chairman and Commissioners.

20 COMMISSIONER MCHUGH: Good morning.

21 COMMISSIONER CAMERON: Good morning.

22 MR. LENNON: Good to see you again.

23 The pleasure today of being joined by members  
24 of the MGC finance and administration office as

1 well as two gentlemen from the Kahn, Litwin and  
2 Renza, KLR, public accounting and auditing  
3 firm. I'd like to do formal introductions.

4 We have the bios of the KLR team up  
5 on the screen. Henry Silva is the director of  
6 KLR's emerging business group who is directly  
7 to my right. And then we have Michael Medeiros  
8 who is an audit supervisor and basically headed  
9 up this engagement. He was in with us quite  
10 frequently on MGC property going through our  
11 records, going through our policies.

12 And then from MGC we have Trupti  
13 Banda, our HR Director, Dean Ventola our HR  
14 Business Manager, Maria Bottari, our Revenue  
15 Manager, Agnes Beaulieu our Budget and accounts  
16 Payable Manager and JoAnn Shea, our Finance  
17 Specialist.

18 The KLR and MGC members here put in  
19 a great deal of time to review our current  
20 processes as well as provide information to the  
21 team to develop this work product.

22 And I also wanted to take this  
23 opportunity to reintroduce you or to recognize  
24 the MGC A and F team. They are the group that

1 keeps our day-to-day operations, our back-  
2 office running. You hardly ever see them  
3 unless there is a problem. I just wanted to  
4 recognize them and let you see the team again.

5 COMMISSIONER MCHUGH: And that's why  
6 we almost never see them.

7 CHAIRMAN CROSBY: Because we never  
8 have problems, right.

9 MR. LENNON: Just quickly, and I'll  
10 turn it over to the KLR team, you asked us to  
11 do an independent review of our finance  
12 processes, see how we're doing, our policies.  
13 We identified early on that while we have years  
14 of finance experience, being thrown into the  
15 mix so quickly, our group a lot of it wasn't  
16 written down and documented.

17 So, what we did was we went out and  
18 solicited quotes from a statewide contract.  
19 The contract number is PRF56. It's a contract  
20 for security compliance and audits as well as  
21 PCIR that's payment card industry standard  
22 auditing.

23 We were looking for a firm to review  
24 the current finance internal systems and

1 operations, policies and processes. And we  
2 were looking for compliance with the state  
3 comptroller's financial and security policies  
4 as well as state finance law. The areas we  
5 asked to be looked at were contracting and  
6 contract processing, revenue receipt and  
7 reconciliations, invoice receipt and payments,  
8 budgetary controls, payroll and personnel  
9 processing, securing personal data and  
10 compliance with PCI standards since we're going  
11 to have a licensing system that will be  
12 accepting credit card payments.

13 We're looking for the successful  
14 bidder to draft our policies and processes  
15 where they weren't written down. And make  
16 recommendations for improvements to our current  
17 processes where they saw risks.

18 Compass ITC was the firm selected.  
19 They're on the statewide contract. And they  
20 brought in KLR, a public accounting firm, as a  
21 subcontractor to look at the five areas that  
22 are going to be in front of you today, the  
23 security standards and securing personal data  
24 will come back with our CIO John Glennon at a

1 later date.

2 Today, they're going to go over our  
3 contracting, our revenue, our invoice, our  
4 budgeting and our payroll processes. So, with  
5 that I'll turn it over to Henry Silva.

6 MR. SILVA: Good morning, Chairman  
7 Crosby and fellow Commissioners. Thank you  
8 very much for the opportunity to present to you  
9 this morning.

10 Just by way of background, I'm a  
11 shareholder at the firm of Kahn, Litwin, Renza.  
12 It's a 200 plus person firm based in  
13 Providence, Rhode Island with offices in  
14 Boston, Waltham, Cambridge and also Newport,  
15 Rhode Island. We have extensive experience  
16 with gaming having done significant work with  
17 establishments in Rhode Island and in  
18 Connecticut.

19 I've been with the firm for a number  
20 of years, and I have 25 plus years of  
21 experience in the area of internal control,  
22 systems development, design and evaluation.

23 Our firm was retained to perform a  
24 review of the current finance, internal systems



1 and operations for compliance with the Office  
2 of the State Comptroller financial and security  
3 policies as well as a review of the MGC's  
4 financial policies and processes for  
5 conformance with the annual internal control  
6 questionnaire issued by the Office of the State  
7 Comptroller.

8 We performed this assessment of the  
9 current policy, systems and processes in use  
10 and then made certain recommendations to the  
11 MGC team for stronger policies and systems  
12 where we felt were warranted.

13 Following this assessment, we  
14 recommended additional systems and helped them  
15 develop policies and processes working with the  
16 financial staff at MGC to mitigate any  
17 weaknesses or vulnerabilities that we  
18 identified during our assessment.

19 These policies, processes and  
20 systems were developed and recommended were  
21 based on best practices and industry standards.  
22 I believe you all have a copy of our report and  
23 were able to review that in advance of this  
24 meeting.

1           At this point, I'm going to turn it  
2 over to Mike Medeiros who is a supervisor at  
3 the firm who headlined the project under my  
4 direct supervision and direction.

5           MR. MEDEIROS: Good morning,  
6 Commissioners. I guess I'll just give a brief  
7 overview of what we did and the processes and  
8 procedures.

9           As Derek alluded to there were five  
10 main areas we focused on as recommended by MGC.  
11 So, one, area one was contracting and contract  
12 processing. Area number two was revenue  
13 receipt and reconciliations. Area number three  
14 was invoice receipt and payments. Area number  
15 four budgetary controls, and area number five  
16 payroll and personnel.

17           So, with those five areas listed, we  
18 performed basically six procedures on each  
19 area. For each area we first, procedure number  
20 one, discussed the appropriate MGC personnel,  
21 the current process in place as the date of our  
22 work performed. Procedure number two, we  
23 performed a walk-through of the process to gain  
24 a further understanding.

1                   Procedure number three we wrote a  
2 detailed narrative of the current process and  
3 internal controls. Procedure number four, we  
4 provided a draft of the detailed narrative to  
5 MGC for review and comments. Procedure number  
6 five, we compared the current policies with the  
7 requirements of the Comptroller of the  
8 Commonwealth. And procedure number six, we  
9 informed MGC of any items that do not meet the  
10 requirements of the Comptroller of the  
11 Commonwealth and any other internal controls  
12 identified that should be improved.

13                   So, I'm going I guess a little more  
14 in-depth through the six procedures. The first  
15 one we discussed with the appropriate  
16 personnel, the current process in place as the  
17 date of field work. So, how we basically  
18 started is we actually had, I guess, a kickoff  
19 meeting you could say, going over the overall  
20 accounting system and kind of a high-level  
21 approach of the people involved, the processes  
22 in place. And that was performed with the CFAO  
23 himself and the finance managers.

24                   Then once we had that meeting, we

1 came back to our office. We went through,  
2 compiled the policies that we did have from the  
3 state and had a better understanding of where  
4 to attack. Then we came back and we actually  
5 met separately with members of each area to  
6 develop an understanding.

7           So, for each area, the people we  
8 spoke with most, keep in mind that we spoke  
9 with a variety of people, but these were leads  
10 on certain areas. For the first area  
11 contracting and contract processing we met  
12 primarily with Agnes, the financial manager on  
13 the AP side, Derek, the CFAO and Maria, the  
14 finance manager on the receivable side.

15           For the revenue receipt and  
16 reconciliation process, we met primarily with  
17 the finance manager on the receivable side and  
18 members of the licensing department. And that  
19 was the licensing supervisor and the licensing  
20 specialist.

21           As far as invoice receipt and  
22 payments, the two people we spoke with most  
23 there were the finance manager on the AP side  
24 and the CFAO as well. Then as far as budgetary

1 controls, it was primarily the CFAO and the  
2 finance manager on the AP side again. And last  
3 but not least, our fifth area was payroll and  
4 personnel. And that was primarily with the HR  
5 Manager.

6 So, our second step once we actually  
7 understood the document, the controls and  
8 discussed with them, we performed a walk-  
9 through of the process to gain a further  
10 understanding.

11 So, what a walk-through is in non-  
12 accounting terms is it's if someone says doing  
13 good control, we actually go through and follow  
14 the control through their paperwork or their  
15 steps or signatures or whatever is needed to  
16 make sure what is being said is actually being  
17 done. So, we did that for most of the key  
18 controls throughout the process.

19 So, third step, the third procedure  
20 we performed once we discussed with them, went  
21 did our walk-throughs and then had ongoing  
22 conversations with them, we ended putting  
23 together a detailed narrative of the current  
24 process and internal controls.

1           Once we had that compiled, we gave  
2           our first draft to MGC for review and comments.  
3           We met with the staff. We went over it. We  
4           had another meeting of many to go over any  
5           differences we might have had and any  
6           recommendations and from there.

7           After that they gave us back the  
8           draft. We went back and forth a couple of  
9           times. Then we had a final draft to work with.

10           And this brings us to our fifth  
11           procedure, which is compare the current  
12           policies with the requirements of the  
13           Comptroller of the Commonwealth. So, we went  
14           through and found every resource we could  
15           basically find.

16           I'll give you the most ones we used  
17           most frequently. The majority of which are off  
18           mass.gov website or the Mass. Gaming's website.

19           So, some of the policies we looked  
20           at are the Office of the Comptroller Internal  
21           Control Guide, which is available on the  
22           mass.gov website, the annual internal control  
23           questionnaire from the State Comptroller, the  
24           most recent policies issued by the Office of

1 the Comptroller.

2           And those are all online on the  
3 mass.gov website in the guidance section. And  
4 then one of the those policies, some of the  
5 most important ones we looked at were  
6 expenditure classification handbook. There was  
7 as well the state finance law and general  
8 requirements, which is issued by the  
9 Comptroller's Office and the OSD, Operational  
10 Services Division.

11           Then you had a number of policies,  
12 the acquisition policy, (INAUDIBLE) policy,  
13 cash reconciliation policy and so on.  
14 Obviously, we used the Mass. Gaming Commission  
15 website.

16           And then another useful tool we  
17 found was the National Association of State  
18 Comptroller's, NASC, internal control self-  
19 assessment tools. So, this is a number of  
20 checklists which are basically used to assist  
21 in determining whether the proper controls are  
22 in place for various business processes which  
23 should be evaluated for application under  
24 unique circumstances.

1           This was very important because this  
2 kind of had a checklist of what we were looking  
3 for. Keep in mind this was made for  
4 organizations of varying sizes. Obviously, MGC  
5 is a growing organization so we kind of looked  
6 at it at the high-level approach.

7           And also compared with clients that  
8 Henry alluded that we have seen before. Of  
9 course, typical from our experience we used  
10 industry standard and best practices of what  
11 could be implemented or recommended.

12           As far as the five areas, as you can  
13 see on the slide here, we did put together for  
14 each area we had our own little narrative like  
15 this. Overall, throughout the whole process  
16 MGC was well aware, understood the weaknesses  
17 that we discussed.

18           And also they're well aware of the  
19 need to improve. And obviously, it's a growing  
20 organization and there is increased activity  
21 happening over time. Even throughout this  
22 process that we went through, there were moving  
23 pieces. As you can see earlier, the payroll  
24 side everything is a work in process. So, we



1 did keep that in mind.

2 A big thing in accounting were the  
3 segregation of duties. And that can always be  
4 improved. And that basically is having  
5 different people involved in the process to  
6 kind of spread the risk, you could say.  
7 Initially, it wasn't limited but the plan is to  
8 grow into it and improve controls over time and  
9 of course through resources and as activities  
10 and things pile up.

11 As far as each area, I guess, I  
12 could go through it briefly some of the high-  
13 level recommendations we had which are  
14 primarily based off of the NASC internal  
15 control checklist they had.

16 CHAIRMAN CROSBY: Excuse me. We've  
17 all read it. So, the things that any of you  
18 think were really, really significant that need  
19 to be brought out in a public meeting like this  
20 that's what you should focus on just to make  
21 sure we keep moving.

22 MR. MEDEIROS: I'll give an example,  
23 just to keep it moving as a recommendation.  
24 Obviously, feel free to ask questions.

1 Basically, they're all surrounded around  
2 segregation of duties.

3 The first one I can look at right  
4 here was responsibility for services and fees  
5 should be segregated from those from  
6 collections and accounting. Currently, the  
7 receivables manager was overseeing all of this.

8 Of course, we sat down and they had  
9 an appropriate response. So, for each  
10 recommendation we had, we discussed a response  
11 and a way to strengthen it with the team. His  
12 response in this case was the area manager will  
13 generate the invoices and the CFAO will  
14 electronically approve the invoices in MMARS on  
15 a weekly basis.

16 On a monthly basis the receivables  
17 manager will generate an accounts receivable  
18 report for all activity that occurred in the  
19 prior month. That will be signed off by both  
20 the CFO and the Commission Treasurer.

21 So, I guess the point I'm trying to  
22 get at is that we had the recommendations and  
23 there was a process in place and responses to  
24 go through.

1                   CHAIRMAN CROSBY: Excuse me. You  
2 mentioned that most of the issues were in the  
3 area of segregating functions. Where you  
4 identified issues, which I gather you did and  
5 you worked them out, was it typically just  
6 because this is a very small new organization  
7 and you don't have enough people to segregate  
8 or was there anything chronic or systematic in  
9 misthinking it? Or was it merely being a small  
10 new organization?

11                   MR. SILVA: Let me just address  
12 that. Absolutely. Given the fact that the  
13 organization is new with limited number of  
14 resources in terms of personnel, you're going  
15 to typically have situations where there are  
16 appropriate segregation of duties that we would  
17 like in the accounting world. And given that  
18 we worked very closely with the team to develop  
19 procedures that would mitigate that risk given  
20 the size of the organization.

21                   So, we were very, very comfortable  
22 at the meeting with them and the proposed  
23 corrections to those issues, very comfortable  
24 with that.

1 MR. MEDEIROS: Going further with  
2 that, inherent in the state department there  
3 are a lot of checks and balance in place  
4 already with the accounting system and the  
5 contract procurement system. Even though there  
6 were limited staff as we said in the beginning,  
7 it's growing. There were checks and balances  
8 throughout inherent in the system they used.

9 CHAIRMAN CROSBY: Right. Okay,  
10 good. I don't think we need to go through each  
11 one of those. The way you've characterized  
12 that I think it's perfectly understandable and  
13 we're totally comfortable with that. Anything  
14 else that was significant in any way,  
15 recurring?

16 MR. SILVA: I would say nothing  
17 other than the segregation of duties that you  
18 just referred to, Chairman.

19 CHAIRMAN CROSBY: Okay, great.

20 MR. LENNON: And just to expand on  
21 that the main area was in the accounts  
22 receivable. So, on the revenues side we have  
23 Maria and we have Maria.

24 CHAIRMAN CROSBY: Maria and Maria,

1 that's great.

2 MR. LENNON: So, that is one of the  
3 areas. The only hire I think we have scheduled  
4 for this year in the finance unit coming in  
5 January is another revenue accountant in  
6 anticipation of slots revenue coming in --  
7 revenue coming in from the slots parlor.

8 But that still doesn't segregate all  
9 of the issues. In a good practice, but we  
10 should have someone separate taking in the  
11 cash, filling out the deposit slip, actually  
12 making the deposit and then someone reconciling  
13 it. Now you're going to grow my team by four  
14 or five to do that.

15 So, we've had to come up with some  
16 workarounds. We've actually put some  
17 recommendations in there where Enrique would  
18 sign off. We put some recommendations in there  
19 where there would be a separate report that I  
20 could run that would take those so I'm not  
21 relying on the staff's information.

22 So, it was creative. I want to  
23 thank the team. They worked with us rather  
24 just saying no, you have to do it this way.

1 They came up with some creative solutions that  
2 would mitigate these risks.

3 CHAIRMAN CROSBY: Great.

4 COMMISSIONER ZUNIGA: Can I say  
5 something to that effect because this overall  
6 effort actually has been on my mind since I  
7 first had to answer the internal control  
8 questionnaire for the Office of the  
9 Comptroller.

10 CHAIRMAN CROSBY: Because then it  
11 wasn't just Maria and Maria, it was Enrique and  
12 Enrique.

13 COMMISSIONER ZUNIGA: In that  
14 questionnaire, by the way, every time you  
15 answered no, there's about 100 or so questions.  
16 There's a big area of opportunity for the  
17 finance department, I may say.

18 And we had a bunch of no's back  
19 then. We would still have a few of those but  
20 they have been really addressed over the course  
21 of these two year short evolution that we've  
22 had.

23 Also, some of the policies that were  
24 mentioned here or some of the points that were

1 part of the report, which I think is great by  
2 the way and I want to thank you, there also had  
3 to be a critical mass in the operations to  
4 merit some of the dual controls or segregation  
5 of duties for example.

6 We are only beginning to really  
7 collect licensing fees in terms of from  
8 individuals and vendors. And there's a ramp-up  
9 period. We will ramp up significantly where a  
10 lot of these risks and controls are that more  
11 important.

12 So, I think I'm very glad with the  
13 balance we've struck in terms of doing an  
14 effort like this one at this point that not  
15 only checks and looks at what we've done, but  
16 also sets us up in a good framework to move  
17 forward.

18 CHAIRMAN CROSBY: Great. Anybody  
19 else? Thank you very much. It was great.

20 Let me just talk about the schedule  
21 here a little bit. We are as usual are running  
22 a little bit behind. And we have a lot of  
23 stuff to talk about in the Racing Division, and  
24 we have a lot of stuff to talk about in the

1 problem gambling. I don't want to rush either  
2 of those.

3 But we also have some guests who  
4 have an airplane to make. So, can we finish up  
5 your items, you've got two more. Then move the  
6 Ombudsman's report to the next topic so that  
7 we'll do the MGM? And we can do that before  
8 lunch. Does that work?

9 MR. ZIEMBA: Do you want to have the  
10 thoroughbred discussion prior to the MGM  
11 report? I think there might be a little bit of  
12 flexibility.

13 CHAIRMAN CROSBY: It would have to  
14 be after lunch then. We could do race horse  
15 next. That was the idea, doing Racing Division  
16 next but then we would probably take a lunch  
17 break and have MGM after that.

18 MS. REILLY: That's okay. There was  
19 an adjustment in flights.

20 CHAIRMAN CROSBY: Oh, all right.  
21 Fine. I didn't know that.

22 MR. DAY: And Mr. Chairman, the two  
23 items left here should be --

24 CHAIRMAN CROSBY: Yes, I know. So,



1 we'll finish up administration. And then we'll  
2 go to Racing Division and then we'll take a  
3 lunch break. Then we'll do Ombudsman Ziemba.  
4 Great.

5 MR. DAY: I think we're ready. Mike  
6 and Elaine? Our next item is to talk about the  
7 links to the job information on our website.  
8 Here's Elaine and Mike.

9 MS. DRISCOLL: Hello Commissioners.  
10 We'll be very brief. This is quick.  
11 Essentially, we've been asked to make sure that  
12 the Mass. Gaming website is appropriately  
13 evolving with the process itself.

14 So in other words, just making sure  
15 that all of the links and also the homepage is  
16 keeping up with where we are in terms of the  
17 priorities in terms of what the current status  
18 is.

19 So, basically what we're doing right  
20 now is we're in the process of slightly  
21 reorganizing the homepage to include what our  
22 priorities are right now, which would be  
23 highlighting the casino jobs that are already  
24 coming online, which you'll hear about more

1 from Jill in a little bit, but in terms of  
2 what's currently available with Plainridge.

3 And then also highlighting in a very  
4 prominent place where we will have the ability  
5 soon for those that are seeking an employment  
6 license to conveniently apply for that online.  
7 The idea being that when individuals go to the  
8 Mass. Gaming website, they're not going to have  
9 to search for where in fact they can look to do  
10 that.

11 We just want to make sure that those  
12 two issues are getting prominent real estate on  
13 the homepage so that it's really easy for  
14 people that are looking to either (1) find out  
15 what's currently available for casino jobs  
16 and/or (2) be able to soon apply for licenses  
17 online.

18 So, I actually have our web  
19 developer just working on some markup designs  
20 for that which I'll probably have next week.  
21 But that's a really easy fix actually. And in  
22 the meantime, Mike has created a page that will  
23 easily again take individuals to that  
24 information. So, he's just going to show you

1 where those links currently are. Like I said,  
2 we'll just be very brief.

3 MR. SANGALANG: Sure.

4 Commissioners, good morning. You have in your  
5 packet and up on the screen here a draft page  
6 that we hope to launch very soon, which is  
7 intended to be one-stop shopping for anyone  
8 looking for either employment or a vendor  
9 opportunity in the new expanded gaming  
10 industry.

11 We start off with three bullet  
12 points detailing the major bullet points that  
13 you need to know if this pertains to you. One  
14 comes from our mission statement. The  
15 Massachusetts Gaming Commission is committed to  
16 providing the greatest possible economic  
17 development benefits and revenues to the people  
18 of the Commonwealth. To that end, Mass. Gaming  
19 will provide information relative to employment  
20 and vendor opportunities at our licensees.

21 The second bullet point details the  
22 emphasis of the Expanded Gaming Act on economic  
23 development and job creation. And the third  
24 bullet point is a reminder to anyone coming to

1 this page that they need to be either  
2 registered or licensed.

3 And we will have a link to the  
4 licensing management system once that is up and  
5 running through mass.gaming.gov. And what we  
6 can get on the page as soon as it launches are  
7 the new opportunities at Plainridge Park Casino  
8 that have now been posted. Amy, if you could  
9 just scroll down a little bit.

10 They have set up a new careers page  
11 through their career center. That's for people  
12 seeking employment. We are also linking to  
13 their existing vendor opportunities page. And  
14 I believe Jill was going to walk us through the  
15 new Plainridge career center page.

16 MS. GRIFFIN: So, currently we do  
17 have a link to the Plainridge Park Casino  
18 careers page. It exists under the Workforce,  
19 Supplier and Diversity Development page that we  
20 have. But the changes that Elaine and Mike  
21 outlined are great, because it will make it far  
22 easier for folks to access these opportunities.

23 So, it's really exciting I think  
24 because these are the first opportunities for

1 expanded gaming. And Penn National has listed  
2 most of the jobs up there. As you know, there  
3 will be 500 new permanent employees. And if  
4 you click from accounting, finance, IT and then  
5 if you click on another link to food and  
6 beverage that's a really big area, marketing.

7           What's really exciting is that  
8 coinciding, these are the actual job  
9 descriptions, but coinciding with this website  
10 launch they also launched a new career center  
11 in Plainville on Monday. They've had great  
12 outreach to the local community. This morning  
13 I learned from Penn National that they have 755  
14 applications for these jobs submitted already.  
15 So, this is the first week. There is a great  
16 interest in these jobs.

17           CHAIRMAN CROSBY: Where does our  
18 page come from the homepage? That page you  
19 just showed us what is the homepage link?

20           MR. SANGALANG: That is what our  
21 web developer is working on now. It's going to  
22 be I believe a button at the bottom of the  
23 page.

24           MS. DRISCOLL: Not necessarily at

1 the bottom. So, essentially right now you can  
2 get to it through a jobs page and also the Work  
3 Development page, which I think we just tried  
4 to put it anywhere where people's commonsense  
5 would likely take them to look for it.

6 So, those will remain. Then we also  
7 have that I want to button on the homepage.  
8 So, we'll be sure that it's there. We'll be  
9 sure that you can get to it through FAQs. So,  
10 everywhere that people would logically think to  
11 look for it, you'll be able to get to it.

12 However, like I said once the web  
13 designers are in the process of just creating  
14 the graphics and whatnot and just moving some  
15 real estate around on the front page, so that  
16 within the next week and a half or so when you  
17 go to massgaming.com you will very prominently  
18 be able to just click on a button that will  
19 take you right to this page.

20 CHAIRMAN CROSBY: Great. That's  
21 what I was getting at. That's great. This is  
22 wonderful. This is exactly what I think we had  
23 in mind, but getting to it is crucial. So, as  
24 long as it's prominent on the homepage that's

1 great.

2 MS. DRISCOLL: It will be.

3 CHAIRMAN CROSBY: Great, thank you.

4 COMMISSIONER CAMERON: Looks good.

5 Thank you.

6 CHAIRMAN CROSBY: How's the kid?

7 MS. DRISCOLL: Good.

8 MS. GRIFFIN: Commissioners, I am  
9 joined by Lance George, the PE and general  
10 manager of Plainridge Park Casino. John Rauen,  
11 Vice President of Development at Penn National,  
12 and Emil Giordano, project executive from  
13 Turner Construction. Allison Stanton of Turner  
14 Construction is also here. And I'd like to  
15 welcome her back from her maternity leave.

16 MS. RAUEN: So would we, Jill.  
17 Definitely an improvement to Emil.

18 MS. GRIFFIN: As a requirement of  
19 their Category 2 gaming license, Penn National  
20 and their general contractor Turner  
21 Construction worked together to submit  
22 diversity plans for the design and construction  
23 phase of their casino.

24 And as required, they set up some

1 diversity goals for the construction workforce  
2 and for supplier diversity. And you had asked  
3 recently for an update regarding their  
4 progress.

5           So, this slide that's up here now --  
6 Actually, I think there should be one that's  
7 before this. That's right workforce diversity.  
8 If you look at this slide, this references the  
9 construction workforce.

10           And it gives you monthly picture of  
11 the diversity and their goals for minority,  
12 women and veterans. On the right-hand side,  
13 you notice that their minority workforce goal  
14 is 16 percent. Their women's goal is seven  
15 percent and the veteran's goal they did not set  
16 a numeric goal but said that they would work  
17 hard on hiring veterans.

18           So, you'll see that the numbers  
19 month-to-month they make significant progress.  
20 The cumulative numbers on the right-hand side  
21 of the bar on the far right are the most  
22 interesting to look at. 15.81 percent as of  
23 August 31, so they're so close to meeting their  
24 minority workforce goal, 4.16 percent women and



1 5.89 percent veterans even with no goal. So,  
2 that's the workforce.

3 And Penn National actually requested  
4 to come here because they have some good news  
5 even after this slide, but I'll let them share  
6 their good news after we go through some of  
7 these.

8 So, the next slide, please. So,  
9 this slide refers to the supplier diversity  
10 during design and construction. The light blue  
11 refers to their minority business enterprise.  
12 So, 20 percent of the contracts went to MBEs  
13 that's \$7.4 million. And six percent of the  
14 contracts went to women business enterprises  
15 for \$2.1 million.

16 And try as they might, the veterans  
17 business enterprise was the real challenge  
18 here. So, the total construction contracts  
19 equaled \$37.4 million. Next slide.

20 COMMISSIONER MCHUGH: That's the  
21 total that were awarded through August 31?

22 MS. GRIFFIN: Yes. And we know  
23 there's much more to go. I think they're  
24 halfway through their construction cycle. So,

1 the next slide also looks at their design and  
2 construction supplier diversity but just in a  
3 different way.

4 The goal for each of the targeted  
5 areas is represented by the dark blue. So,  
6 their MBE goal was four percent. And their  
7 actual contracts awarded to MBEs was 20 percent  
8 of the contracts. And the WBE goal was seven  
9 percent. And they actually awarded six percent  
10 of the contracts. So, that lone bar represents  
11 their three percent VBE goal.

12 So, before I invite you to ask  
13 questions, I might ask them to update us on  
14 some their newer figures.

15 MR. GEORGE: Good morning,  
16 Commissioners. I've been working with Jill  
17 over the past few days. And it became fairly  
18 apparent that we had some very good news that  
19 occurred outside of Jill's reporting window,  
20 some good news that occurred in the month of  
21 September.

22 So, with me to discuss what has  
23 happened in the month of September are the  
24 people responsible for this good news, people

1 you guys are familiar with. I've got Jack  
2 Rauen, my coworker as well as Allison Stanton  
3 with Turner. Jack?

4 MS. RAUEN: Thanks Lance. Good  
5 morning. From the Penn side, clearly we are  
6 pleased with our supplier diversity results  
7 through the end of August. As we mentioned in  
8 the past, on the construction side we're doing  
9 well, on the design side not so much. But  
10 that's the factors that we inherited when we  
11 took over the project.

12 But on the construction side very  
13 happy. We thank Turner for their efforts and  
14 their knowledge of the market that have brought  
15 these diverse contractors forward to  
16 participate in our job. So far, we are happy  
17 with them, the quality of the work they are  
18 doing. And all is well.

19 Since the end of August, we've  
20 actually had the occasion to issue three very  
21 large contracts, all three to Massachusetts-  
22 based subcontractors. That's for HVAC,  
23 plumbing and electrical work all within the  
24 casino and the racing buildings. And in our

1 developments, they're typically three of the  
2 largest contracts we issue.

3           In this case, all three went to  
4 Massachusetts contractors. The mechanical  
5 contract actually went to a prime VBE. We  
6 actually found one. So, about an \$8 million  
7 contract was issued to a veterans business  
8 enterprise which now puts us on the board for  
9 VBE and gives us about 14 percent overall of  
10 the contracts issued so far.

11           We issued about an \$8 million  
12 contract to a Massachusetts-based electrical  
13 contractor that is WBE. And we had struggled  
14 with getting WBE where we ideally wanted it.  
15 And this puts a significant improvement on  
16 WBEs. So, we're now up to 17 percent against  
17 the goal of seven.

18           And on the MBE side, we had a little  
19 additional participation from lower-tiered subs  
20 on the plumbing side, which again just  
21 continues to add to our MBE results.

22           But I think most pleasant to us  
23 about this these particular awards is that the  
24 two large ones went to prime contractors, not

1 multiple lower tiers. And these VBEs and WBEs  
2 distinguished themselves and flat out outright  
3 won the bids.

4 CHAIRMAN CROSBY: That's great.

5 COMMISSIONER MCHUGH: That is good.

6 MS. RAUEN: There is a second side  
7 which tells you where we are at this point. On  
8 \$55 million worth of direct construction  
9 subcontracts, we are now at 13 percent MBE  
10 versus a goal of four, 17 percent WBE against a  
11 goal of seven, and 14 percent VBE against a  
12 goal of three.

13 CHAIRMAN CROSBY: And what will the  
14 total direct subcontract be? It's 55 million  
15 now.

16 MS. RAUEN: We're at 55 million now.  
17 We're about two-thirds of the way done now, Mr.  
18 Chairman. I would say our direct subcontracts  
19 will be somewhere between \$80- and \$85 million.

20 CHAIRMAN CROSBY: Great.

21 COMMISSIONER MCHUGH: This is great.

22 MR. RAUEN: We are thrilled with  
23 these results.

24 MS. STANTON: And we're not done.

1 MR. RAUEN: And the quality of the  
2 people we're bringing on board. And you're  
3 right Allison. Thank you for that.

4 CHAIRMAN CROSBY: While you're here,  
5 and I just hadn't thought about this before and  
6 probably you all have Commissioner Stebbins or  
7 Mr. George or Director Griffin, is there any  
8 communication with the Suffolk Downs folks  
9 and/or the thoroughbred horsemen folks, our  
10 related employees about employment  
11 opportunities? Obviously, I'm sure they're  
12 thinking about it obviously.

13 Has there been any link between the  
14 job opportunities at your shop and the people  
15 who are looking for work from the East  
16 Boston/Revere project?

17 MR. GEORGE: Yes, there sure has. I  
18 know that our Corporate Director of Racing  
19 Chris McErlean goes way back with Chip Tuttle.  
20 My apologies if he's here. I don't know Chip.

21 CHAIRMAN CROSBY: He is here, yes.

22 MR. GEORGE: I believe he has  
23 informed him of job opportunities around the  
24 country for Penn National. Anything locally, I

1 think the short story for us is we're open to  
2 any sort of conversation at this point, but I  
3 do know that Chris has reached out directly to  
4 Chip. And I also believe that Steve O'Toole  
5 who is also here and our Racing GM and Chip  
6 have spoken as well. So, there certainly has  
7 been some communication back and forth.

8 CHAIRMAN CROSBY: Great. I know  
9 there's been a lot of other activities that  
10 people have undertaken as well. That's a  
11 natural fit. So, I'm glad that connection is  
12 being made.

13 COMMISSIONER STEBBINS: Just a quick  
14 question. This is great news with respect to  
15 the VBEs and the WBE as well. Do you expect  
16 that will have an impact on your construction  
17 workforce numbers in terms of those categories  
18 as well, women and veterans in the workforce?

19 MS. RAUEN: I think while the  
20 ownership of the entities is veteran and women,  
21 I think the workforce composition will probably  
22 continue in line with what we've experienced so  
23 far.

24 COMMISSIONER MCHUGH: I am sure I

1 speak -- I speak for myself. I think we need  
2 to really celebrate this. We put a lot of  
3 energy into job owning you at the beginning.  
4 And you've really come through here.

5 This is setting the goals and then  
6 exceeding them by this much with these major  
7 contracts really reflects a go-get'em attitude.  
8 And that's exactly what we were hoping for. I  
9 think you are to be congratulated.

10 MS. RAUEN: We took a cautious  
11 approach to some of the bigger contracts and  
12 assumed that we would have a pro rata  
13 participation between M and WBE. We were not  
14 sure that there was a quality player, VBE  
15 player like we had found. But it worked out.  
16 These two organizations came out, learned the  
17 job and just through the bid process  
18 distinguished themselves. And they are great  
19 choices for us.

20 MS. STANTON: And I think one of the  
21 things with VBEs, it's not always something  
22 that a person advertises about their company.  
23 So, that was part of the challenge as well was  
24 to find a company that was in fact saying, oh,



1 yes, I am a veteran business. Because unless  
2 they are really federal contractors, it's  
3 challenging to find that.

4 Overall also within their  
5 percentages we awarded 14 of MBE contracts, 18  
6 WBE contracts and then as Jack said two VBE.  
7 So, it's just good to look at those numbers too  
8 to just see that it is spread out.

9 MR. RAUEN: It's not just dollars,  
10 it's multiple contracts. We're pleased.

11 CHAIRMAN CROSBY: That's great. I  
12 echo Commissioner McHugh's appreciation. Thank  
13 you.

14 COMMISSIONER STEBBINS: And this  
15 goes back to another issue. I know we talked  
16 about it with MGM who at the time we designated  
17 them for a license didn't have I believe a  
18 general contractor. And this demonstrates the  
19 importance of the general contractor also  
20 understanding the obligations and the goals of  
21 the MBE, WBE and VBE participation. So, kudos  
22 to Turner. Welcome back, Allison.

23 MS. STANTON: Thank you.

24 COMMISSIONER ZUNIGA: Let me add to

1 that because the three contracts referenced  
2 here are really mission critical from a  
3 construction standpoint, HVAC, plumbing and  
4 electrical.

5 So, the fact that they went to  
6 minority firms is great. It's really a great  
7 news because had they not that would have made  
8 the task that much more challenging because  
9 these contracts are going to be for the balance  
10 of the work. And they're large contracts. So,  
11 congratulations and thank you.

12 MS. GRIFFIN: Commissioners, if I  
13 could add what a pleasure it has been to work  
14 with both Penn National and Turner  
15 Construction. You can see by the numbers they  
16 took this very seriously. But even behind the  
17 scenes they've been working really hard at  
18 this. So, I would like to commend and  
19 congratulate them as well.

20 COMMISSIONER MCHUGH: That's great.

21 CHAIRMAN CROSBY: Great, keep it up.  
22 Thank you.

23 All right. I think we are to item  
24 four. Do we need a quick break? Yes, why

1 don't we take as quick a break as we can. And  
2 then we'll get on with the Racing Division  
3 matters in about five or six or eight minutes,  
4 maybe 10.

5

6 (A recess was taken)

7

8 CHAIRMAN CROSBY: We are reconvening  
9 meeting 135. And we will go directly to  
10 Director Durenberger of our Racing Division.

11 I had a request from the audience  
12 for the speakers to keep the mics close to  
13 their mouths. We can be heard pretty well.  
14 We're more used to it, but if you all would  
15 make a point. Director Durenberger

16 DR. DURENBERGER: Thank you, Mr.  
17 Chair and Commissioners, good afternoon. Good  
18 to be before you again.

19 The first item is going to be a  
20 voting item. This involves is a schedule  
21 change for both of our operators. We had some  
22 new legislation that took effect on September 9  
23 of this year, an act relative to racing days.  
24 It's Chapter 311 of the Acts of 2014.

1                   What it does is it reduces the  
2 number of racing performances and live races  
3 required to be conducted in order for the  
4 licensee to offer simulcast wagering. That  
5 requirement appears in Chapter 128C.

6                   The requirement for Plainridge  
7 Racecourse has been reduced from 100  
8 performances and 900 races to 80 performances  
9 and 720 races in 2014. The requirement for the  
10 Suffolk Downs operator is reduced from 100  
11 performances and 900 races to 65 performances  
12 and 500 races in 2014 and 2015. There's a memo  
13 in your packet in which we revisit the issue of  
14 that led the stakeholders to pursue this  
15 legislation.

16                   And we've got voting items on page  
17 two there. One would be we recommend that the  
18 Commission approve the request of Plainridge  
19 Racecourse to conclude its 2014 live race meet  
20 on the October 22 card. And Suffolk Downs, we  
21 recommend that the Commission approve the  
22 request to conclude its 2014 live race meet  
23 with the October 4 card.

24                   CHAIRMAN CROSBY: Any discussion?

1           COMMISSIONER MCHUGH: You mentioned  
2 the stakeholders. There are many stakeholders.  
3 Are they all in agreement with this?

4           DR. DURENBERGER: There are many  
5 stakeholders. So, in order to conduct live  
6 racing, there are purse agreements negotiated  
7 between the operator and the representative  
8 horseman's group. So, in your packet you'll  
9 also find not just the request of the racetrack  
10 but letters of support from the respective  
11 horseman's organizations.

12           COMMISSIONER MCHUGH: Oh, yes. I  
13 forgot about that, sorry.

14           DR. DURENBERGER: No problem.  
15 There's only 173 pages in your packet.

16           COMMISSIONER MCHUGH: But I did read  
17 that. Okay, thank you.

18           COMMISSIONER ZUNIGA: Remind us  
19 Director, when did this chapter pass?

20           DR. DURENBERGER: September 9.

21           CHAIRMAN CROSBY: For Suffolk Downs  
22 it would be October 4. What day of the week is  
23 that?

24           DR. DURENBERGER: Saturday, October

1 4.

2 CHAIRMAN CROSBY: Okay. Any other  
3 discussion? We do need a vote, Commissioner  
4 Cameron.

5 COMMISSIONER CAMERON: Yes. So,  
6 this is in keeping with other similar requests  
7 in past years. So, I move that we approve the  
8 Plainridge Racecourse request to conclude their  
9 2014 live race meet on October 22. As well as  
10 we approve Suffolk Downs' request to conclude  
11 their live race meet on October 4.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER STEBBINS: Second.

14 CHAIRMAN CROSBY: Any further  
15 discussion? All in favor, aye.

16 COMMISSIONER MCHUGH: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes  
21 have it unanimously.

22 DR. DURENBERGER: Okay. We're going  
23 to roll agenda items (b) and (c) together.  
24 This is going to be a staff effort. We are

1 going to rely a little bit on General Counsel  
2 Blue and on Director Griffin to help us out  
3 with some of the things we're going to talk  
4 about.

5           The first one is I'd like to update  
6 you on the business outreach efforts to our  
7 stakeholders and to potentially displaced  
8 employees. It's our understanding, and  
9 actually we received a letter this morning that  
10 Labor and Workforce Development's Rapid  
11 Response team is coordinating with Suffolk  
12 operations to provide support and services to  
13 potentially displaced employees.

14           I understand that that there was a  
15 meeting yesterday afternoon. Ken Messina who  
16 is the director of that group is working  
17 closely with the team. I believe they have a  
18 session set up on the 29th where they will meet  
19 with members of the Suffolk Downs workforce.

20           I think Director Griffin maybe is  
21 better able to speak to some of the services  
22 that this group provides. We did have a  
23 meeting last year when we were looking at the  
24 potential of this happening in Plainville as

1 well. So, we've had some face-to-face meetings  
2 in the agency between Director Griffin and  
3 myself as well. So, we'll let her talk a  
4 little bit more about that.

5 MS. GRIFFIN: The Rapid Response  
6 team is the Massachusetts Department of Career  
7 Services statewide early intervention team that  
8 responds to plant closings and makes sure that  
9 the workers know what their resources are and  
10 potential retraining for other opportunities.

11 So, the Rapid Response team gathers  
12 information about the employees' needs,  
13 organizes services to help them get back to  
14 work. They explain the unemployment insurance  
15 benefits. They give information and referrals  
16 to area career centers. They give job-search  
17 assistance, resume preparation assistance,  
18 interview skills workshops and information  
19 about educational and training opportunities.  
20 They also give up-to-date information about the  
21 current labor market.

22 DR. DURENBERGER: In addition, the  
23 Suffolk team is compiling for us a list of  
24 employees so that the Commission can maintain



1 that for employee hiring preferences with the  
2 new Region A gaming licensee. And that's  
3 employees of Suffolk Downs. We've also got, of  
4 course, our occupational licensees that we have  
5 concerns about.

6 CHAIRMAN CROSBY: Excuse me,  
7 Director. I just wanted to point out and I  
8 think I mentioned this yesterday that for the  
9 most part the big jobs at the Wynn Everett are  
10 going to be down the road a piece. But there  
11 are jobs starting now.

12 And they are looking for space.  
13 They will be hiring for their preparatory work.  
14 So, I'm not sure whether they in their minds  
15 have made the link. They're sort of thinking  
16 when we do that those big numbers those 3000,  
17 4000 jobs. But we want to make sure that  
18 they're attentive to even if they've got five  
19 or 10 that's a start. Thanks.

20 DR. DURENBERGER: Thank you for  
21 reminding us of that. We've also got our  
22 occupational licensees. That's the group that  
23 represents owners and trainers primarily as the  
24 Horseman's Benevolent and Protective

1 Association. That's a New England chapter of  
2 a national organization.

3 I do believe the Rapid Response team  
4 has spoken with them, but we've also with  
5 Commissioner Stebbins help had the  
6 Massachusetts Small Business Development Center  
7 get in contact with them. We have about 1100  
8 occupational licensees that could be  
9 immediately affected by the shutdown.

10 So, we've got them in touch with  
11 each other. I know there's a lot of  
12 conversation. We've also been aware of some  
13 conversation with the national chapter as well.  
14 And we've got a number of requests from that  
15 organization to look at what we can do from the  
16 Commission's standpoint. They're standing to  
17 lose quite a bit of their funding mechanisms  
18 for their insurance and other benefits that  
19 they provide to their members.

20 The Massachusetts Thoroughbred  
21 Breeders Association is similarly situated,  
22 although the majority of its statutory funding  
23 is used for purses for state bred race horses.  
24 But they're in a similar situation here losing

1 a source of funding.

2 So, we're going to ask General  
3 Counsel Blue to speak a little bit about the  
4 provisions in the Race Horse Development Fund.  
5 I'm going to remind everybody that this is  
6 established by section 60 of Chapter 23K. And  
7 it is a distribution of monies from the gaming  
8 licensing fund and from gross gaming revenue.

9 That money gets distributed 80  
10 percent to our live racing licensees' purse  
11 accounts, 16 percent to the representative  
12 breeder's organizations and four percent to the  
13 representative horseman's organizations for  
14 benevolency purposes.

15 So, some of those monies we  
16 understand may be available from the licensing  
17 fund in perhaps December. So, we've got a  
18 couple of questions.

19 I know that the Commission on advice  
20 with the Horse Racing Committee has determined  
21 we are going to be writing some regulations  
22 that will enable monies if there is no live  
23 racing licensee to be escrowed. But the  
24 question presented before us is whether that

1 four percent for benevolency funds and possibly  
2 the 16 percent to breeders if those payments  
3 can continue to be made in the absence of a  
4 live racing licensee.

5 MS. BLUE: So, we know that we were  
6 requested by the Racing Advisory Committee to  
7 look at escrowing the funds. And we are in  
8 fact working on regulations as they requested  
9 to escrow the funds for between two and three  
10 years to have them available in the event that  
11 one of the breed's racing facility went dark  
12 for a period of time.

13 We are also looking at the statute  
14 that governs the Race Horse Development Fund.  
15 As we know, that's a new provision with the  
16 Gaming Act. We do not have regulations under  
17 that provision yet. But we are now looking at  
18 regulations that would potentially allow us if  
19 we can by statute to make the four percent  
20 payments while a facility is dark and perhaps  
21 the 16 percent of that's under that statute as  
22 well.

23 CHAIRMAN CROSBY: Explain exactly so  
24 everybody in the room knows. What would that

1 mean exactly? Four and 16 would go to where?

2 MS. BLUE: The Race Horse  
3 Development Fund as the committee required 75  
4 percent went to thoroughbred racing, 25 percent  
5 went to the harness. So, it would be 80  
6 percent of that 75 percent would be to purses  
7 then 16 percent of that 75 percent would be to  
8 breeders, four percent of that --

9 CHAIRMAN CROSBY: Go to breeders  
10 for?

11 MS. BLUE: For their breeding  
12 programs.

13 CHAIRMAN CROSBY: For their  
14 discretionary use as they see fit?

15 DR. DURENBERGER: The majority of it  
16 goes to purses for state bred race horses.  
17 They have some other administrative costs.

18 MS. BLUE: And then the four percent  
19 is their health and welfare funds that they  
20 have. So, what we're looking at is whether we  
21 can craft regulations that will allow some of  
22 those payments to continue even if a facility  
23 is dark.

24 And we're trying to determine under

1 the statue how much of that has to be tied to  
2 the existence of a license facility or can we  
3 do some other things with that.

4 So, it is our expectation that  
5 probably by the next Commission meeting we will  
6 have a first draft of something for the  
7 Commission to look at.

8 COMMISSIONER CAMERON: So, with the  
9 four percent I know that those benefits run out  
10 by the end of the year. Would it be possible  
11 if you deem legally we can do this to use the  
12 emergency regulation mechanism in order to move  
13 that along so that maybe there wouldn't be a  
14 break for those benefits?

15 MS. BLUE: Yes. We could use that  
16 like we do and have done for other regulations  
17 for the Commission. Yes, we could do that if  
18 the Commission would like.

19 COMMISSIONER CAMERON: I think that  
20 would be important to provide those monies as  
21 soon as possible.

22 CHAIRMAN CROSBY: Absolutely. Okay,  
23 great.

24 COMMISSIONER MCHUGH: Have we given

1 any thought to going to the Legislature to make  
2 some short-term adjustment to the 80 percent?  
3 80 percent goes into purse accounts now, but if  
4 there's no thoroughbred racing and our idea is  
5 to try and escrow it for three years, but has  
6 any thought been given to going to the  
7 Legislature and seeing if we couldn't get some  
8 of the 80 percent to add onto the 16 percent to  
9 create a fund that would be available now in  
10 the sort of interregnum period.

11           Come October 1, we're going to have  
12 a better idea of what's available for next  
13 year, right? So, conceivably this would be  
14 moot. That would be the best outcome.

15           DR. DURENBERGER: That would be the  
16 best outcome, yes.

17           COMMISSIONER MCHUGH: But  
18 realistically, or at least contingently  
19 planning, have we given any thought to that?

20           DR. DURENBERGER: Commissioner, we  
21 have. That's a great question. So, there's  
22 lots of thinking going on right now both in-  
23 house with staff and of course with our  
24 stakeholders and with the private parties that

1 are involved.

2 The timeline on this is the New  
3 England HBPA is going through their elections  
4 this week as we speak. I think that they count  
5 ballots Friday, if I'm not mistaken.

6 So, we the staff and the agency have  
7 been trying to give them the space. And then  
8 next week we're going to begin some substantive  
9 conversations. We've received some  
10 communications from their attorney. We have  
11 received some communication from their  
12 executive director about ideas they have,  
13 particularly about capturing some additional  
14 monies as well and where those could be  
15 repurposed.

16 So, those conversations are in the  
17 planning stages. And then I think we're going  
18 to be rolling up our sleeves over the next  
19 couple of weeks and coming back to you to have  
20 a conversation in this forum.

21 COMMISSIONER MCHUGH: Okay. It  
22 seems to me that if that's a viable and not DOA  
23 kind of idea, it seems to me that the sooner we  
24 coalesce around some plan to execute it, the



1 better because these things take a little lead  
2 time up on the hill.

3 But it seems to me that that's a  
4 source of money that otherwise isn't going to  
5 go anyplace for a couple of years perhaps and  
6 could be directed to sustaining the breeders  
7 right away.

8 CHAIRMAN CROSBY: But there are  
9 others that are available. That one will  
10 probably a pretty controversial one, and would  
11 also have to go back to the Race Horse Advisory  
12 Committee or whatever it's called because  
13 they're the ones that figure out the split.

14 COMMISSIONER MCHUGH: No, I'm not  
15 talking about readjusting the split.

16 CHAIRMAN CROSBY: I'm sorry. Got  
17 you. I understand, excuse me. That's a good  
18 idea. That's one of several buckets of money  
19 that we have identified that might be available  
20 for any a number of purposes, whether it's  
21 somehow or other trying to support an operator,  
22 whether it's trying to support the breeders,  
23 whether it's trying to add further to purses,  
24 whatever.

1           There are a number of buckets we've  
2 already identified that would probably take  
3 legislative action probably are not something  
4 that we can change ourselves.

5           The issue here, and I don't know  
6 whether you're getting to this or not, but as  
7 quickly as possible we need to get all of the  
8 stakeholders in the room. And one of the  
9 critical stakeholders is in a gestation process  
10 for its leadership team right this minute. But  
11 as soon as we can get all of the stakeholders  
12 in the room where issues like that and these  
13 other buckets and other ideas can be worked  
14 out, we're anxious to do that.

15           And that's one of our highest  
16 priorities is to try to figure out a medium for  
17 essentially a strategic planning meeting for  
18 the thoroughbred racing industry with all of  
19 the stakeholders at hand and all of these  
20 buckets and ideas that everybody's kicking  
21 around. And this is one of them.

22           COMMISSIONER MCHUGH: Right, right.  
23 I agree. It's really important to get  
24 everybody to agree, get everybody on the same

1 page as quickly as possible, come up with a  
2 plan and execute it, put our shoulder behind  
3 the wheel.

4 CHAIRMAN CROSBY: Right.

5 COMMISSIONER MCHUGH: Okay.

6 COMMISSIONER ZUNIGA: There's  
7 another alternative there, which I don't know,  
8 you might get to this. But we have a statutory  
9 deadline on the racing application coming that  
10 you alluded to Commissioner, October 1. So,  
11 it's really a week from today.

12 CHAIRMAN CROSBY: We talked about  
13 that one also. You planning on discussing  
14 that?

15 DR. DURENBERGER: I am.

16 CHAIRMAN CROSBY: Go ahead.

17 DR. DURENBERGER: We'll segue into  
18 that. Actually, before I get into this we are  
19 going to remind everybody of what that process  
20 is, how you become a live racing licensee. And  
21 then we're going to talk about exactly what  
22 Commissioner Zuniga was getting at. And we'll  
23 have some more conversations about  
24 possibilities there.

1 I just want to remind everybody as  
2 you've come to realize that racing is a nimble,  
3 flexible and adaptive industry. And the other  
4 thing you're coming to learn about race  
5 trackers, if you haven't learned it already, is  
6 we don't have a lot of quit in us. We keep  
7 going.

8 So, from day one I think our message  
9 to you and your message to the Legislature has  
10 been consistently that the existing pari-mutuel  
11 and simulcasting statutes could benefit from  
12 some revision or updating to align the  
13 governing law and realities of the current  
14 leasing business model.

15 So, we anticipated being able to  
16 participate in a near-term dialogue about how  
17 to improve that model. But instead we find  
18 ourselves today asking the question what are  
19 the immediate barriers to entry that would  
20 discourage someone from filing a live racing  
21 application for racing dates in 2015.

22 The process itself, as Commissioner  
23 Zuniga was starting to point out, could be a  
24 real obstacle this year. So, the statutory

1 requirements is that there is a timeline for  
2 filing that application. MGL Chapter 128A  
3 section 2 imposes a statutory deadline of  
4 October 1 on all applications to hold or  
5 conduct live racing meetings in the  
6 Commonwealth. That's next Wednesday.

7           Following receipt of applications,  
8 we schedule public hearings -- Those would be  
9 in late October. - in the proposed host  
10 communities. And we solicit public comments.

11           The Racing Division then reports the  
12 summary of the hearings and the public comments  
13 to the Commission. This year that is  
14 anticipated to be on November 6. Then the  
15 Commission as required by statute grant or  
16 dismiss such applications not later than  
17 November 15.

18           So, the first barrier that we note  
19 is the almost immediate application deadline.  
20 Under the circumstances, interested and  
21 affected parties in the thoroughbred industry,  
22 which our statute refers to as the running  
23 horse industry have not yet had the opportunity  
24 to crystallize a business plan of the

1 complexity required to operate live racing, at  
2 least not to the degree required to file an  
3 application.

4 Our live racing application is  
5 pretty lengthy and involved. And I will tell  
6 you that the two messages we've been hearing  
7 from our stakeholders consistently and  
8 unanimously throughout the last seven days is  
9 that we need more time.

10 The other is that for a number of  
11 reasons the interests of the thoroughbred  
12 racing and particularly the breeding industry  
13 and all of its attendant agri-business  
14 extensions would be best served by conducting  
15 that live race meet at the Suffolk Downs  
16 facility, if at all possible. There are a  
17 number of productive discussions occurring and  
18 the parties whose livelihoods are at risk are  
19 looking to you for guidance.

20 So, section 2 of Chapter 128A does  
21 provide a mechanism whereby an applicant who  
22 has timely filed an application could then file  
23 a later supplemental application regarding the  
24 same premises for your consideration.

1           The Commission would then have 30  
2 days to grant or dismiss that supplemental  
3 application. And in this situation, I guess, I  
4 respectfully suggest that neither the public  
5 interest nor the stakeholder interest are  
6 necessarily best served by this mechanism under  
7 the circumstances. We can talk about that a  
8 little bit, but maybe easier thing to do is to  
9 just point out that this is a statutory  
10 deadline that we've got in front of us.

11           So, the agency may have significant  
12 administrative flexibility and we've certainly  
13 noticed that you've demonstrated that  
14 throughout the gaming licensing application  
15 process. The clearest route to an extension of  
16 this date and the receipt of meaningful  
17 applications seems to me to be emergency  
18 legislation amending that statutory deadline.

19           But absent that possibility, I've  
20 requested Counsel to assist our stakeholders by  
21 providing clear guidance as to what form these  
22 placeholder applications should take in order  
23 to be able to preserve that we can consider  
24 them.

1                   COMMISSIONER MCHUGH: We had  
2 placeholder applications last year for two  
3 applicants. Did those applications comply in  
4 all respects but for the one day only racing  
5 date, comply in all respects with the other  
6 requirements of the statute?

7                   DR. DURENBERGER: They did not. One  
8 of the applications was missing a significant  
9 amount of information that we would have needed  
10 to make a determination. So, we welcomed that  
11 if and when they submitted a supplemental  
12 application.

13                   COMMISSIONER MCHUGH: So, how did we  
14 handle that last year? We granted at least one  
15 one-day license.

16                   MS. BLUE: We did. And there were  
17 contingencies in the license. I believe we  
18 granted it with the proviso that they would  
19 come back with the additional information  
20 should those contingencies become effective and  
21 the license therefore become effective.

22                   COMMISSIONER MCHUGH: Would that  
23 solve the problem now, a similar kind of thing?  
24 Give us an application, give us your general



1 plan, give us a plan that looks realistic and  
2 we'll work on that subject to a concrete plan  
3 ASAP.

4 CHAIRMAN CROSBY: I think even more  
5 than that I'm going to use colloquial language  
6 because I don't know the formal language here,  
7 what some of us have considered in discussion  
8 with the staff, on the emergency legislation  
9 there were two problems. One is trying to get  
10 emergency legislation in five days was a  
11 longshot at best, number one. And number two,  
12 we did not have an argument for extending the  
13 deadline to what. We didn't know what we would  
14 extend it to. So, I think that route is not a  
15 very viable route.

16 But what we have talked about is we  
17 do have a fair amount of flexibility in our  
18 administration of this October 1 deadline. And  
19 what we would like to have the Commission  
20 consider is being as flexible as we can  
21 possibly be in saying to the industry and  
22 saying to the folks who are trying to get their  
23 act together but can't possibly do it in the  
24 next five days, but get something in there.

1 Get a placeholder in there.

2 We will be as flexible as we can be  
3 within appropriate standards on not asking you  
4 to give us more than you can possibly give us.  
5 We will be flexible when you can come back at a  
6 later date and amend that placeholder.

7 And we're again keeping an eye out  
8 on what's fair and appropriate. If new things  
9 materialize two or three months down the road,  
10 we will be as flexible as we can in permitting  
11 new ideas that might contribute to the  
12 discussion about salvaging thoroughbred horse  
13 racing. We will be as flexible on those we can  
14 as well. So, it's sort of taking your point to  
15 its ultimate extension.

16 COMMISSIONER MCHUGH: I think that  
17 would be a terrific idea. Give us a concept  
18 plan and get it in by the first and then we'll  
19 figure out what to do with it. And that ties  
20 in, if we take that approach that ties in with  
21 the stakeholders, the Association getting its  
22 elections finished, the possibility of getting  
23 everybody in the room knowing who the leaders  
24 are. I think we ought to do it.

1                   COMMISSIONER ZUNIGA: You mentioned  
2 in your remarks that the feedback was  
3 essentially we need more time. Is that for  
4 even the concept plan?

5                   DR. DURENBERGER: It really is. It  
6 really is. We've heard that unanimously, and  
7 reiterated again this morning with some level  
8 of desperation.

9                   COMMISSIONER MCHUGH: But a concept  
10 plan can be we would like to have -- I'm not  
11 trying to draft the plan now. But we are very  
12 interested under the right conditions in  
13 running a racing meet. We would like to do it  
14 in such and such a place, but if we can't do it  
15 in such a place, we would like to explore the  
16 possibility of doing it elsewhere.

17                  CHAIRMAN CROSBY: For some number of  
18 days.

19                  COMMISSIONER MCHUGH: For some  
20 number of days. And we would very much like  
21 you to take this as an application and we'll  
22 get back to later as details materialize.

23                  CHAIRMAN CROSBY: I think what  
24 Commissioner McHugh is suggesting is concept is

1 not a limiter. A concept is an opener. So,  
2 don't let the word concept in this construct be  
3 considered a constraint.

4 We're trying to create a situation  
5 that will be as flexible as reasonably possible  
6 to accommodate this peculiar situation we're  
7 in. So, give us something, give us a  
8 placeholder and we will work with you to try to  
9 let legitimate opportunities flower as it  
10 becomes plausible.

11 DR. DURENBERGER: I think that the  
12 clearest guidance that we can provide as to  
13 what the sufficiency of that placeholder is is  
14 important. I certainly think I'm going to get  
15 that question this afternoon.

16 So, to the extent that we can have  
17 that conversation, and maybe it's something  
18 that Counsel and I talk about later. But I  
19 think what will satisfy the requirements and  
20 the needs to reserve that place?

21 COMMISSIONER MCHUGH: Suppose we  
22 said the presumption is that a sincere  
23 description of interest will be the default for  
24 a sufficient placeholder?

1 MS. BLUE: I think the key is that  
2 we have an application. It is somewhat  
3 detailed. I think to the extent that someone  
4 fills that out to the best of their ability and  
5 explains to us where the gaps are and why, then  
6 that should be reasonably sufficient for the  
7 Commission to start looking at it.

8 I personally have thought about the  
9 situation where someone may want to apply but  
10 they don't know where their facility is, for  
11 example. I think if they explain to us what  
12 that might be or potentially where they might  
13 partner for a facility that is something the  
14 Commission can start to look at.

15 And I do believe the Commission  
16 could issue a license with conditions as they  
17 do on the gaming side or they could ask for a  
18 supplemental filing.

19 So, my sense would be that you take  
20 the current application and fill it as much as  
21 you can, explain where the gaps are. And the  
22 Commission can start reviewing it to see what's  
23 there and what might be needed.

24 COMMISSIONER MCHUGH: I guess I'm

1 trying to envision a situation where there's  
2 somebody out there, and I may be just dreaming,  
3 who's got a real interest who's got some money,  
4 so, this is not a pie-in-the-sky, but doesn't  
5 know anything about a place. And really wants  
6 to jump in and look around and find a place or  
7 do a deal with an existing place as quickly as  
8 possible.

9 But at this moment doesn't have a  
10 clue as to where that place or who that might  
11 be or who that person might be.

12 And I would like to construct a  
13 situation where under these circumstances he,  
14 she or it could file a document that we would  
15 treat as a sufficient placeholder. I don't  
16 know if we're saying different things.

17 MS. BLUE: I think we're saying the  
18 same thing. That's a situation I was thinking  
19 of. I would suggest that they use the  
20 application form but they explain precisely  
21 that.

22 And the Commission could look at it  
23 and say within so many days of some date there  
24 needs to be a supplemental filing that they can

1 explain. Because I think that is the  
2 situation. There's also potential situations  
3 where people may decide they want to partner.  
4 And it may be a partner who can understand the  
5 racing side, but it's someone else who has a  
6 potential space for a facility.

7           There may be a license that could be  
8 granted conditionally with some transfer in the  
9 future. Those are some of the things that we  
10 are looking at, my group is looking at for  
11 regulations as well. Also, looking at  
12 potential regulations for accepting  
13 applications outside of that period if it's a  
14 totally new person in the Commonwealth that  
15 wanted to come forward that had never been part  
16 of the racing industry before.

17           But I do think the Commission has  
18 the flexibility to take an application like the  
19 one we've been describing, look at it, review  
20 it, hold the necessary public hearings and then  
21 perhaps condition it.

22           COMMISSIONER ZUNIGA: This is after  
23 all a public solicitation. And the statute  
24 contemplated a steady-state. And this is

1 unusual. This is certainly an unusual  
2 situation from a statutory perspective.

3 What, if anything, under the statute  
4 could be contemplated relative to getting no  
5 applications for racing? Getting a rebid, if  
6 you will, scenario?

7 MS. BLUE: That's what we're looking  
8 at for regulations. Because the statute is  
9 very much set up as though there is a steady-  
10 state and has been one for a long time. And I  
11 think it's in the best interest of the  
12 Commonwealth if somebody comes forward outside  
13 of the application period for the Commonwealth  
14 to be able to consider another application,  
15 because that obviously brings jobs and revenue  
16 to the Commonwealth.

17 So, we were looking at drafting  
18 regulations that would allow under certain  
19 circumstances the Commission to accept an  
20 application outside of the period. The  
21 question is how you would define that so you're  
22 not in violation of the statute.

23 But maybe in a situation where there  
24 is either a new entity or there is a new



1 facility or someone who arrives on the scene  
2 after the fact would like to submit an  
3 application, if we can create a way by  
4 regulation for the Commission to take that  
5 through the normal process, I think that would  
6 be beneficial. So, that's something we're  
7 looking at in terms of regulations if we can do  
8 that.

9 COMMISSIONER ZUNIGA: Well, I was  
10 also thinking of the notion, documents aside, I  
11 was thinking if we were to get a statement of  
12 interest or something to that effect, a  
13 statement of intention in whatever format that  
14 may come prior to October 1, it is conceivable  
15 that that could be viewed later on via  
16 regulation or otherwise or by this body as  
17 complying with the statutory deadline, details  
18 to follow, whether that's a new entity or an  
19 existing group or what have you.

20 MS. BLUE: I think as long as  
21 something gets on file by October 1, I think  
22 the Commission has flexibility to address it.  
23 I think the cleanest route is to try use the  
24 application we have because it at least lets

1 you know what the Commission is going to be  
2 looking at in the long run on how we evaluate  
3 it. But I think the best you can do is good to  
4 get the process started.

5 COMMISSIONER MCHUGH: Getting back  
6 to Director Durenberger's concern about people  
7 being deterred by the formality of the  
8 application, it gets down to a clear message  
9 that if you take the application, put down on  
10 the application as much as you can, and leave  
11 out what you don't know and get it in by  
12 October 1, the Commission will consider it.

13 CHAIRMAN CROSBY: When Commissioner  
14 Cameron and I talked with staff about this, we  
15 raised the issue what are the impediments to  
16 letting people get in, get something in, get a  
17 placeholder in, and we talked about the  
18 bonding. There is a bond issue.

19 And we suggested the idea of even  
20 having Catherine look at a workaround like  
21 we've done on the 85 million.

22 If the bond is material money, and I  
23 don't really know what the actual money turns  
24 into, but if the bond is an impediment then

1 maybe it could be constructed the bond isn't  
2 called upon until some other date.

3 So, we're trying to -- You have the  
4 spirit exactly right. We're trying to work our  
5 way around every impediment that might get in  
6 the way of a reasonable good-faith effort to  
7 keep the door open to a possibility.

8 COMMISSIONER MCHUGH: Yes. And I  
9 guess the only gloss I'm trying to put on it,  
10 and maybe I don't need to is that the ultimate  
11 result needs to be in a clear set of  
12 declarative sentences put out to everybody so  
13 that we don't have anybody thinking I can't get  
14 in because I don't have X, Y or Z. And do that  
15 quickly so that they can make October 1  
16 deadline.

17 CHAIRMAN CROSBY: Right. Do you  
18 feel like you have the tools you need to  
19 convey, you Jennifer, to the people you say  
20 you're going to get questions this afternoon?

21 DR. DURENBERGER: I will. I'll  
22 probably get with Counsel Blue and put some  
23 language together and we'll maybe put something  
24 on the web.

1           CHAIRMAN CROSBY: Is there clarity  
2 on the spirit of what we're trying to do here?

3           DR. DURENBERGER: Absolutely. Yes,  
4 I don't think there's been any question about  
5 that throughout the process, yes.

6           CHAIRMAN CROSBY: So, it's  
7 implementing the spirit in whatever the  
8 appropriate language is. But I think  
9 Commissioner McHugh immediately picked up on  
10 exactly the thrust, the direction we were  
11 trying to go.

12           COMMISSIONER STEBBINS: Being as  
13 flexible as we can with whatever comes through  
14 the door on October 1, are these kind of  
15 follow-up benchmarks hold us, the Commission,  
16 to its level of participation until the end of  
17 November or the middle November by which we  
18 have to act?

19           Can we structure the post-October 1  
20 deadline to a process that speeds along  
21 discussion with applicants? Maybe puts  
22 potential applicants in a room to, I think the  
23 point or the scenario you raised was maybe two  
24 entities out there that didn't know the other

1 one was applying decide they can sit in a room  
2 and maybe figure something out?

3 Is there a way for us post-October 1  
4 to finesse a process with the Commission  
5 involved so that we're not waiting around until  
6 the November deadline to be helpful or  
7 encourage participation?

8 I hate to say you have a meet and  
9 greet among the applicants and we hope with our  
10 declaration right now that we're encouraging  
11 people to put in something that we can kind of  
12 finesse around our regular process, if that  
13 makes sense.

14 MS. BLUE: Well, one of the things  
15 that we did last year, which may be more  
16 helpful this year is once we reviewed the  
17 applications we put them on our web so that  
18 people could see them and look at them.

19 So, if we do that promptly then  
20 people will see who applied. If there's  
21 partnership opportunities there, they'll see  
22 through the applicants. But they may also  
23 other people who didn't apply may see people  
24 who are looking for partners or what they have

1 planned.

2           So, we could work to get those  
3 posted more quickly then perhaps we did last  
4 season. We can time -- The only end time is  
5 that the Commission has to make a decision by  
6 November 15. So, within that October 1 to  
7 November 15 timeframe, we can time our public  
8 hearings. Or if we should do them sooner  
9 perhaps rather than later we can do that if  
10 that helps create discussion. We have some  
11 flexibility in the process during that period.

12           DR. DURENBERGER: The grant or  
13 dismiss is on that original application. The  
14 Commission can consider the supplemental  
15 application at any time up until December 31 of  
16 next year. It doesn't give you a lot of time  
17 to run a race meet next year, but at any time.  
18 And then you have another 30 days to consider  
19 the supplemental application and take action on  
20 it.

21           COMMISSIONER STEBBINS: I'm just  
22 looking for any opportunities for us. This is  
23 a different year, obviously. And trying to  
24 find a way to finesse a solution after we hit

1 some level of interest by October 1 I think is  
2 in our best interest.

3 COMMISSIONER MCHUGH: We certainly  
4 have broad discretion in interpreting statutes  
5 within our domain.

6 MS. BLUE: We do.

7 COMMISSIONER MCHUGH: And we've got  
8 great interpreters.

9 CHAIRMAN CROSBY: Anything else?

10 DR. DURENBERGER: So, impediment  
11 number two actually you brought up which is the  
12 bond issue. So, we are looking at that. The  
13 chapter requires a bond in the amount of  
14 \$125,000 in the case of a regular live racing  
15 applicant and a \$25,000 bond in the case of a  
16 fair racing applicant. So, we touched on that  
17 briefly. And we're looking at what  
18 administrative flexibility we have there.

19 The third obstacle --

20 COMMISSIONER MCHUGH: Just a moment.  
21 Does that have to accompany the application?

22 DR. DURENBERGER: That's the  
23 question.

24 MS. BLUE: It doesn't appear to by

1 statute. It says upon the award. So, another  
2 regulation that we are looking as it defining  
3 what that means. So perhaps we can stretch it  
4 out so that it's maybe some time before the  
5 meet starts as opposed to -- That's what we're  
6 looking at to see how we can address that.

7 COMMISSIONER MCHUGH: Okay. But  
8 they don't have to put that down until next  
9 Wednesday.

10 CHAIRMAN CROSBY: Routinely they  
11 have. That's been the custom. But the  
12 language permits us it looks like to do a  
13 workaround.

14 COMMISSIONER ZUNIGA: From my  
15 perspective, I think this is something that we  
16 really have a lot of flexibility as far as I'm  
17 concerned from a risk perspective, the  
18 situation that the bond is trying to prevent is  
19 one that would put some of the stakeholders in  
20 jeopardy.

21 And this situation being as unusual  
22 as it is is something that I think does not  
23 need to be addressed with the bond up front.

24 CHAIRMAN CROSBY: Okay.



1 DR. DURENBERGER: And then the third  
2 impediment and it's significant of course is  
3 just the cost of operating live racing. A lot  
4 of those costs can be contracted around between  
5 the parties in terms of their various profit-  
6 sharing agreements, especially if you have a  
7 situation where you're simulcasting for 365  
8 days.

9 I think those conversations are  
10 happening as we speak. So, that's out there.  
11 And then beyond that again the legislative  
12 changes. It's a challenging environment here  
13 for our operators. We've got the current  
14 takeout structure, the inability to offer  
15 rebates to customers, restriction on the number  
16 of simulcast signals offered and of course the  
17 state withholding tax issue that we've all  
18 talked so much about.

19 These are serious issues that we've  
20 recommended and you've all agreed need to be  
21 addressed going forward. And you've signaled  
22 that to the Legislature. And we continue to  
23 stand ready to help advocate for those.

24 CHAIRMAN CROSBY: Anybody?

1                   COMMISSIONER MCHUGH: Yes. Those  
2 we're in active pursuit of corrections for.  
3 So, the other ones, it seems to me, are within  
4 our control. We don't have any control over  
5 them. So, we've got to try to get people in  
6 with the understanding that we are actively  
7 working on them and will continue to do so.  
8 That's about the best we can do on those,  
9 right?

10                   CHAIRMAN CROSBY: Yes.

11                   DR. DURENBERGER: I just wanted to  
12 remind in case there were any operators who  
13 hadn't been following the story thus far that  
14 those are things that the Commission has been  
15 looking at the recommendations about.

16                   COMMISSIONER ZUNIGA: But they're a  
17 good reminder if there is, I don't know what  
18 the likelihood or appetite over in the  
19 Legislature to address some of these will be in  
20 terms of timing as well. That's their  
21 prerogative.

22                   But the context in which all of this  
23 operates I think is important. And we've said  
24 it before and now becomes even more critical to

1 remind those who would listen.

2 COMMISSIONER STEBBINS: It's a fight  
3 to take up next year.

4 CHAIRMAN CROSBY: Does the idea of  
5 maybe as soon after the elections are completed  
6 as possible, of trying to figure out a process  
7 by which everybody can get in the room? Does  
8 that make sense?

9 DR. DURENBERGER: Absolutely. We're  
10 talking with stakeholders daily.

11 CHAIRMAN CROSBY: Well, I know you  
12 are. But getting all of this together in some  
13 kind of an organized -- because the kinds of  
14 things that Commissioner McHugh talked about  
15 which there are near-term legislative  
16 intervention that could be helpful above and  
17 beyond the big reform stuff we've been talking  
18 about.

19 So, if you think that's a good idea  
20 then I think you remain our point to try to  
21 pull that together with everybody. To try to  
22 figure out a format, a structure, what's a  
23 productive way of get the appropriate people in  
24 the room to figure out a strategy here? And I

1 leave it to you to try to help us figure out  
2 how to do that.

3 DR. DURENBERGER: And we're  
4 penciling in the week of October 6. So, we're  
5 looking at two weeks.

6 COMMISSIONER MCHUGH: So, the  
7 elections you were talking about are the  
8 horsemen's elections?

9 CHAIRMAN CROSBY: Yes, thank you,  
10 the horsemen's elections, right. Okay,  
11 anything else folks?

12 DR. DURENBERGER: That's the update  
13 that I have for you unless Counsel has  
14 anything else.

15 MS. BLUE: I thought we wanted  
16 discuss today some of the requests we've had  
17 from our employees to attend, to go to the  
18 track. We have received a number of requests  
19 from our employees to go to the track. And  
20 pursuant to our enhanced ethics code, the track  
21 is treated the same as a casino.

22 They're not allowed to go unless  
23 they are there on business or they can go as  
24 part of a social family event if they check in

1 with the State Police, they advised the  
2 Executive Director, and that they understand  
3 they cannot wager.

4 So, we're going to ask the  
5 Commission to consider whether they be  
6 comfortable with treating this situation as per  
7 that section of the enhanced ethics code in  
8 that if an employee did want to go on their own  
9 time, they could go but they would have to  
10 follow those rules where they didn't wager,  
11 they notified Executive Director Day and they  
12 checked in with the State Police when they were  
13 at the track. This is limited to Suffolk  
14 because we know this is an unusual situation.

15 COMMISSIONER MCHUGH: To Suffolk for  
16 the remainder of this meet?

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

18 COMMISSIONER CAMERON: I think the  
19 requests are along the lines from other  
20 employees who have never seen Suffolk and would  
21 like to take the opportunity to be able to see  
22 it. I have no problem with handling it in that  
23 manner.

24 COMMISSIONER STEBBINS: I think

1 that's fine.

2 CHAIRMAN CROSBY: I totally agree.

3 Do we need any more formal action on that?

4 MS. BLUE: No, I don't think so. We  
5 will work with Executive Director Day. And we  
6 will let the employees that have inquired know  
7 and set up the process for doing that.

8 CHAIRMAN CROSBY: Okay.

9 COMMISSIONER MCHUGH: It's a good  
10 idea.

11 CHAIRMAN CROSBY: Anything else on  
12 this item?

13 DR. DURENBERGER: Thank you, Mr.  
14 Chair.

15 CHAIRMAN CROSBY: Thank you very  
16 much.

17 COMMISSIONER MCHUGH: Thank you.

18 COMMISSIONER CAMERON: Thank you.

19 CHAIRMAN CROSBY: Now, if I  
20 understood you correct, we're okay to take a  
21 lunch break. And then we'll come back with you  
22 and with MGM; is that correct, Ombudsman  
23 Ziemba?

24 MR. ZIEMBA: Yes.

1 CHAIRMAN CROSBY: Is everybody ready  
2 for a break? Do you think we can do it for an  
3 half-hour?

4 COMMISSIONER CAMERON: Too close, I  
5 think we need 45 minutes.

6 CHAIRMAN CROSBY: All right, 45  
7 minutes we will reconvene at 1:45.

8

9 (A recess was taken)

10

11 CHAIRMAN CROSBY: We are ready to  
12 reconvene at about 1:45 the 135th meeting,  
13 Ombudsman Ziemba is next on the agenda.

14 MR. ZIEMBA: Good afternoon,  
15 Chairman, Commissioners. We are joined by MGM  
16 Springfield to give us their monthly report. I  
17 will ask Mike Mathis, President MGM Springfield  
18 to introduces his team and to give us his  
19 monthly report. Thank you.

20 MR. MATHIS: Thank you, John. Good  
21 afternoon, Commissioners. It's nice to be back  
22 in front of you.

23 Very pleased to provide our monthly  
24 update for some of our project development

1 activities. In putting it together realized  
2 how busy the last 30 days have been. But very  
3 happy about all of the outreach and the  
4 progress on various entitlements and really in  
5 our view, the real work that needs to take  
6 place so that we're ready to go come November  
7 4, which I know was an important message that  
8 you gave us when you provided us your  
9 provisional licensing. And we took it to  
10 heart. And we very much want to be ready to  
11 go.

12 So with that, I'll let my colleagues  
13 introduce themselves. And then we'll kick off  
14 with the initial presentation.

15 MR. IRVING: I'm Chuck Irving. I'm  
16 with Davenport Properties in Boston.

17 MR. CIGNOLI: Chris Cignoli, DPW  
18 Director for the city of Springfield.

19 MR. MATHIS: So, what you have up on  
20 that screen is our, we view it as our four-  
21 month look ahead. We wanted to show you the  
22 type of activities that we were going to be  
23 engaged in over the four months between the  
24 initial provisional licensing and the November



1 vote.

2 Happy to report that there continues  
3 to be much progress among many of these line  
4 items. Chuck and Chris can help tag team some  
5 of our descriptions. And I won't walk through.  
6 I think as has been the case in our prior  
7 presentations, we won't walk through each of  
8 the line items in detail. If you see anything  
9 of interest that we can update you on, we're  
10 happy to that.

11 But there's a couple of items that  
12 are certainly we believe critical path and are  
13 things that we have been more proactive about.  
14 One of those for example is coordination with  
15 the viaduct project.

16 That is an important regional  
17 project in terms repairing the infrastructure  
18 to that span of the 91 which largely fronts our  
19 project. And we think there is an opportunity,  
20 because both projects have a very similar  
21 construction timeline.

22 So, to the extent that there is  
23 going to be disruption in the area, and there  
24 certainly will be, I think we can take

1 advantage of overlapping activities to make  
2 sure that we don't for example close an exit  
3 ramp unnecessarily long while we're doing off-  
4 site improvements. We're going to coordinate  
5 and make sure that those activities happen at  
6 the same time. Chuck is that something you  
7 want to talk to a little bit about?

8 MR. IRVING: Yes. First of all, the  
9 team that the state has put on the viaduct  
10 project is fantastic. And we have full  
11 confidence that they're going to be on  
12 schedule.

13 The bid package went out this past  
14 week. I think Michael Audette is going to  
15 deliver this on time. One of the big factors  
16 that concerns the state on this is the impact  
17 on parking in the nearby area, especially  
18 relative to the courthouse. So, Chris Cignoli  
19 and I met with state, courthouse officials last  
20 month. And maybe you can describe where we  
21 ended up with that.

22 MR. CIGNOLI: Sure. A couple of  
23 things. Number one, with regard to the  
24 viaduct, as Chuck was mentioning, the project

1 is out to bid. It was out to bid September 20.  
2 The city of Springfield has received a copy of  
3 the PS&E, the final plans that the contractors  
4 are looking at.

5 We've had final coordination  
6 meetings within the last month with MassDOT and  
7 all of the utility companies out there. So,  
8 everybody is on board with the processes the  
9 way that it's moving forward here. Everybody  
10 who has a voice at the table or should have a  
11 voice at the table has had one throughout this  
12 entire process.

13 On the 15th of this month, a week  
14 and a half ago, we met with the court people  
15 and discussed the issues related to parking and  
16 access to their facility, both for the viaduct  
17 project and with regard to the casino project  
18 as well. I'll talk about the meeting in a  
19 second.

20 But following the meeting, one of  
21 the things that we did is we met with the  
22 Springfield parking authority. And the  
23 Springfield parking authority has extremely  
24 good records as to the monthly parkers that

1 park in their facilities, how many of them work  
2 for the court systems.

3 So, what we're going to be able to  
4 do is basically identify the exact volume of  
5 people that are going to be displaced by the  
6 casino project.

7 One of the other things that they  
8 were voicing their concerns about was if there  
9 were trolley systems example that were going to  
10 be ferrying people throughout the city of  
11 Springfield, concerns about defendants and  
12 complainants being on the same bus and issues  
13 like that.

14 Basically, right now people find a  
15 parking space whether on one side of a case or  
16 the other. They go to the facility. And we  
17 think with the identification of the parking in  
18 the city, both public and private, we're going  
19 to be able to continue the process. We're  
20 going to be reporting back to them probably  
21 within the next month once we get all of the  
22 information from the parking authority on  
23 there.

24 So, as I mentioned at the last

1 meeting, we've identified over 1000 parking  
2 spaces within a quarter mile of the project  
3 that we'll be able to service both the  
4 displaced parkers overall at the casino site  
5 but as well as the displaced people from the  
6 courthouse themselves.

7           One other thing that I just wanted  
8 to mention as a monthly side from the city  
9 standpoint is that we are holding monthly  
10 meetings with utility companies to discuss  
11 other projects in the city, but primarily the  
12 viaduct project and the casino project so that  
13 we are all on the same page with regard to  
14 schedule, how we're going to be handling  
15 reviews, etc., so that it's not all of a sudden  
16 surprises that are coming in on any side of the  
17 table, either from the design team or from the  
18 city.

19           We are all basically getting into  
20 the same boat, identifying what our concerns  
21 will be. We always try to avoid telling  
22 somebody to move the building three feet to the  
23 right and the other one is telling it to move  
24 it three feet to left. So that we all know

1 exactly what we are dealing with.

2           So, from the city standpoint within  
3 the past month and a half, two months, we've  
4 seen some very big steps. The viaduct getting  
5 out to bid, extremely important to us as the  
6 city and to this project as well.

7           MR. IRVING: Let me just add one  
8 thing there. So, MGM came into the courthouse  
9 discussion, as you know, offering to pay for  
10 shuttle service as well as parking off-site.

11           As Chris indicated, courthouse  
12 officials feel that would be a very dangerous  
13 idea putting litigants in a small van after a  
14 decision has been rendered. So, what they've  
15 asked us to do is find a surface lot, which is  
16 open and visible from everywhere that would be  
17 designated to the courthouse during this period  
18 where we absorb all of the parking.

19           We can do that. And I think at our  
20 next meeting we're going to come back to you  
21 and say here's where the lot is. And we can  
22 guarantee that the economics are not going to  
23 be different than what current courthouse  
24 constituents and officials are paying right

1 now.

2 MR. MATHIS: And I'll just add onto  
3 that. To the extent there is a delta there, we  
4 will subsidize that parking so that there is no  
5 impact to the individuals that otherwise were  
6 taking advantage of the surface spaces.

7 CHAIRMAN CROSBY: Great.

8 MR. MATHIS: So, unless you have any  
9 questions because the viaduct has been such an  
10 important issue. Just wanted you to know that  
11 we've been proactive about it. And I know you  
12 in particular, Commissioner McHugh, were  
13 concerned about the parties.

14 COMMISSIONER MCHUGH: That sounds  
15 like a good plan.

16 MR. MATHIS: In terms of what you're  
17 going to see for the remainder of our  
18 presentation, and I know this is far too much  
19 detail to really pick out, so we're going to  
20 roll from this to an update about some of our  
21 community outreach, vendor activities,  
22 workforce development activities.

23 And then we're going to bring it  
24 back to a full development timeline, which I

1 think was one of the asks from the last  
2 presentation, which was to make sure you got  
3 some comfort that we were tracking multiple  
4 activities towards a finish line.

5           So, with that Amy can you bring up  
6 the presentation. Vendor outreach, workforce  
7 development and community engagement. We  
8 continue to be engaged with the community. I  
9 think it's very important given the pending  
10 vote and our commitment under the host  
11 community agreement to make sure that they  
12 understand that we are as committed today as we  
13 were back in July '13 when we received their  
14 approval.

15           So, here's a demonstration of a lot  
16 of activities along those three categories. A  
17 lot of them were planned before the SJC  
18 decision. And we believe that they are part of  
19 predevelopment activities in order to make sure  
20 that we've got the infrastructure to execute  
21 come November 4.

22           This is just an example of what  
23 we've done in the last 30 days. Stone Soul  
24 Music Festival, this is a civic organization



1 that we continue to support. The picture to  
2 the right are African American gentlemen,  
3 residents who do a reenactment of the African-  
4 American soldiers from the Civil War. It's a  
5 group that we've been supporting from the very  
6 beginning and that we will continue to support  
7 and celebrates music as well.

8 Central Mass. Business Expo, we've  
9 been very attentive to the Worcester area,  
10 because as you know being in Central  
11 Massachusetts they are on the periphery, I  
12 think, in a good way of two very large  
13 developments between ours and now the Wynn  
14 Resorts. So, we want to make sure that they  
15 understand that we want to tap into their  
16 businesses.

17 We're working with the local  
18 chamber, Tim Murray, former Lt. Governor we've  
19 got a great relationship with. And we send our  
20 groups out to make sure that we can fill our  
21 database with suppliers and vendors in the  
22 Worcester area.

23 East of the River, this is their  
24 chamber event. You'll recognize Kelly Tuckey

1 as well. We're reaching out to the chambers.  
2 We've got a quarterly commitment to move around  
3 the region. But we're really exceeding that.  
4 If there's a request or there's an opportunity  
5 for us to tap into a local chamber event, we do  
6 so all of the time. Again, we're building our  
7 database so when we go to let out our goods and  
8 services.

9           United Way breakfast, they were kind  
10 enough to invite me to present at the United  
11 Way. United Way does great work in  
12 Springfield. You can see that it was a packed  
13 room. I think what we wanted to reinforce is  
14 our commitment in all of our properties whether  
15 it's Las Vegas or a regional property on giving  
16 back to the community.

17           Over half of our employees across  
18 the company contribute to our voluntary  
19 employee charitable foundation. And we would  
20 expect that be the case in Springfield if not  
21 exceed those levels. So, it was a great  
22 opportunity for us to start to talk about our  
23 philanthropy.

24           This is a Women Business Leader

1 event. The woman to the left in the yellow  
2 jacket is Kenya Lewis. She is based in Las  
3 Vegas, but she's been out here quite a bit.  
4 She runs our national diversity supplier  
5 program.

6 So, dedicated position to make sure  
7 not only that we procure locally but that we  
8 procure through diverse organizations, women,  
9 women-owned, minority-owned.

10 I was here earlier when the Penn  
11 National folks presented their statistics.  
12 They certainly set a very high bar. And we  
13 need women like Kenya, Gerry Harris to the  
14 right, an African-American woman who is in  
15 charge of the construction specific pieces of  
16 this. But applaud the Penn National folks for  
17 what they're able to do. And we want to meet  
18 that bar.

19 This is a civic association  
20 Commissioner Stebbins will recognize. That  
21 association, again just continuing our support,  
22 our local support. These are annual events  
23 that we've supported from the very beginning  
24 and will continue to.

1           The Puerto Rican parade, you can see  
2 we've got activated residents who are focused  
3 on the vote. I know that's not your bailiwick,  
4 but certainly we are focused on having our  
5 supporters understand the question and what's  
6 at stake. We're happy to see a continuing  
7 great support there in Springfield.

8           This one I'm really excited about  
9 and I'm going to play a video in a short  
10 moment. But I want to spend a few moments  
11 about this event. The gentleman to the left in  
12 the chef's jacket is Anthony Amoroso. We call  
13 him Chef Anthony. He is the Executive Chef for  
14 Aria.

15           We brought him out last week along  
16 with his colleague Chef Edmund from the  
17 Bellagio to host a really wonderful event in  
18 Court Square. You all know Court Square from  
19 our tour. You're going to see it highlighted  
20 in just a few moments.

21           What we did is we had our chefs stop  
22 by the Putnam Vocational Academy in Springfield  
23 to teach juniors, I think they are juniors in  
24 that program, about culinary skills. Our chefs

1 are rock stars in the industry, and were able  
2 to sit down and tell them the practical day-to-  
3 day work that goes around being an executive  
4 chef. Really fantastic.

5 They were so happy with event that  
6 the instructor asked us if they could partake  
7 and help staff the event that the chefs came  
8 out for the following day. So, we had 12 of  
9 the kids at Court Square. Our chefs signed the  
10 jackets. They're going to put them up in the  
11 vocational school.

12 And one of the great things about  
13 Chef Anthony's story is he started in a  
14 vocational academy. So, we gave them some real  
15 context that they can achieve their dreams from  
16 relatively humble beginnings.

17 You'll recognize this scene. Since  
18 we came to Springfield, and it starts with Jim  
19 Murren, we've fallen in love with Court Square.  
20 Court Square I think topographically is the  
21 oldest existing site in Springfield since its  
22 founding in 1636.

23 You'll recognize those buildings  
24 from our tour. You've got the old First

1 Church, which is the white church in the  
2 background. The yellow beige building straight  
3 ahead is old Court Square Hotel, which is one  
4 of the leading hotels at the turn-of-the-  
5 century.

6 We are potentially going to invest  
7 with Peter Picknelly, one of the Picknellys on  
8 getting that hotel back open as a boutique  
9 hotel and as part of our program. We are not  
10 there yet, but we're trying to figure out how  
11 to preserve that building.

12 Across the street, the perspective  
13 where the phot was taken from is State Street  
14 which is where the courthouse is. This is the  
15 perspective from City Hall. Beautiful  
16 buildings in the area. And we wanted to  
17 highlight Court square.

18 So, I'm going to play for you in a  
19 moment a video from last Friday where we held  
20 an event. What you see are a bank of banquet  
21 tables that are right in front of old First  
22 Church. A little bit difficult to see.

23 The event what we put on was to  
24 bring 200 people down to Court Square, have

1     them fed by our executive chefs with the  
2     assistance of the Putnam high school kids.  And  
3     we funded two charitable programs.

4             One is our MGM Springfield public  
5     art program.  You might recall that was an  
6     aspect of our application where we were going  
7     to work with Professor Simpson, which is a  
8     UMass professor and some local kids to do  
9     murals, to do public art to bring art to public  
10    schools.

11            So, proceeds from this event kicked  
12    off that program.  We also worked with the  
13    Community School of Music.  You'll see in a  
14    moment, we had kids that were part of that  
15    music school playing in the background of our  
16    event.  It was really fantastic.

17  
18            (Video played)

19  
20            CHAIRMAN CROSBY:  Great.

21            COMMISSIONER MCHUGH:  Looks like  
22    fun.

23            MR. MATHIS:  Tremendously proud of  
24    that event.  And I think the star of that night

1 was Court Square and downtown Springfield.

2 We brought a couple of chefs. We  
3 brought some banquet tables, but very  
4 gratified. We heard some feedback from  
5 longtime residents who said I've been here 40,  
6 50 years. I walk through Court Square to get  
7 to jury duty. I walk past Court Square to get  
8 to the MassMutual from time to time, but I  
9 never stopped and enjoyed Court Square.

10 CHAIRMAN CROSBY: Who were the  
11 invitees?

12 MR. MATHIS: We did a combination of  
13 personal invitations to our supporters. And we  
14 also did a public sale of tickets. So, \$125  
15 per ticket and we sold half of the 200 seats to  
16 the public at \$125, which was a great show of  
17 support. And it benefited a good cause.

18 And that's what we're really good  
19 at, frankly, is doing creative things with food  
20 and entertainment. That's just an example.

21 CHAIRMAN CROSBY: Great, terrific.

22 MR. MATHIS: And that'll be the  
23 first of many annual such downtown dinner  
24 projects.



1           MR. IRVING: We've been doing this  
2 for a couple of years. And I told Mike that  
3 was the very best night we've ever had in  
4 Springfield. It really showcased what the city  
5 can look like some day. It was fantastic.

6           MR. MATHIS: With that I think we'll  
7 turn back to the monotony of permits. So, we  
8 just want to highlight a couple of things.  
9 This is an \$800 million project, the largest  
10 project in Western Massachusetts.

11           And as a result I think there's a  
12 great amount of collaboration that needs to  
13 take place between the developer and between  
14 different agencies. We're aware of that. And  
15 I think Chuck has done a really good job with  
16 our development team breaking this up into  
17 different packages.

18           One of the things that we did  
19 yesterday is we met with Secretary Bialecki's  
20 office of housing and economic development and  
21 met with their permitting ombudsman to make  
22 sure that we're able to identify issues early.  
23 And he can help us work across different  
24 agencies.

1           It was one of those meetings where  
2 everybody was looking for a problem that didn't  
3 exist yet. And we said that's the way want to  
4 kick off the relationship is not in crisis  
5 mode, but to be proactive and make sure you  
6 understand what our work plan is.

7           That goes to the viaduct project for  
8 example. I think the biggest opportunity for  
9 us is on building infrastructure in terms of  
10 vendors and suppliers. And I think this  
11 touches a little bit on the work that  
12 Commissioner Stebbins is doing with his Vendor  
13 Advisory group.

14           They know what their database is out  
15 there. And what we've committed to do is to  
16 give them a gap analysis. Here are the types  
17 of goods and services we need. Here are the  
18 vendors that we've identified in the area.

19           It won't surprise you, we've plenty  
20 good on alcohol and spirits in Western Mass.  
21 That we've got covered. Not so good on  
22 different professional services, for example,  
23 or some of the FF&E. So, we'll identify those  
24 early and start working with Commissioner

1 Stebbins or with Secretary Bialecki's office to  
2 try to bridge that gap. And a lot of that  
3 takes some lead time.

4 Chuck, maybe we can talk about where  
5 we are with MEPA, just again calling out a  
6 couple of the big items.

7 MR. IRVING: Last month, I think, we  
8 gave you a four-month schedule with 60 line  
9 items. This one has 92. So, we're going to  
10 just try to go through the treetops on these as  
11 quickly as possible.

12 In the MEPA process, we are working  
13 toward this with the intent that we're going to  
14 be successful in November. And we are planning  
15 to or hoping to submit our FEIR prior to the  
16 vote and just get that going.

17 We had a full team session last  
18 week. Things are moving along very quickly.  
19 MGM is funding things as forcefully as they  
20 can. And we feel comfortable that we can  
21 probably get that submission done, which we are  
22 excited about to have completed.

23 MR. MATHIS: Just to put a finer  
24 point on it, we are spending hundreds of

1 thousands of dollars at risk to get the FEIR  
2 materials in a position that they can be  
3 submitted.

4 I think this schedule shows them  
5 going in a week or two before the vote. We are  
6 confident about the vote. And we want to be  
7 ready to execute on our plan and get open as  
8 quickly as we can ahead of Wynn Resorts. So,  
9 we are very focused on that. And I think the  
10 work plan demonstrates that and all of the  
11 activities we've been doing.

12 MR. IRVING: This chart is  
13 intensive, but Massachusetts is intensive. And  
14 what you're seeing here is the same chart that  
15 I would show you for development of any  
16 shopping center in Massachusetts but for the  
17 vendor licensing and things like that.

18 This chart is overwhelming, because  
19 it probably is the largest development project  
20 in the history of Western Massachusetts. So,  
21 with Chris's help and the city's help, as Mike  
22 said we are looking at trying to package this  
23 in bite-size pieces so we can go to agencies  
24 and say let's engage now.

1           Let's really work on a parking  
2 garage, work on this utility and process this  
3 as efficiently and gently as we can. Because  
4 candidly a lot of the resources are fairly  
5 strapped. And we can't just lay 1000 pages on  
6 somebody's desk and expect approval the next  
7 day.

8           MR. MATHIS: I was remiss about --  
9 I'm going to ask Amy to bring one slide up  
10 because an event going on today that's really  
11 important. An you'll be pleased as a  
12 collaboration between two of your licensees,  
13 ourselves and Penn National. We put this  
14 together before the Boston selection. This has  
15 been in the works for quite some time.

16           At this very moment, we've got a  
17 joint vendor information showcase going on at  
18 the DCU Center in Worcester. Again, very  
19 focused on Worcester because we think we're  
20 doing a good job in Western Mass. with our  
21 vendors. I know Penn National feels like  
22 they're doing a good job in their area.

23           And we really think that Worcester  
24 is such an important market that we're going to

1 force ourselves to host events in that area.  
2 So, I think as of -- I checked in at lunch. We  
3 had 115 registrants come through as a snapshot.  
4 And they've been circulating throughout the  
5 day. So, you've got our booths. You've got  
6 the Penn National booths. And then you also  
7 have different workforce development partners,  
8 vendor groups that also have booths there as  
9 well, different chambers for example.

10 So, when we kicked this all off,  
11 meaning start to develop the project, we don't  
12 believe we're just building infrastructure for  
13 our project, we believe we're building  
14 infrastructure for Western Mass. And as a  
15 result, it will attract new businesses because  
16 of the investment that we'll all be making.

17 We'll continue to do events like  
18 this but this is part of again building that  
19 database and that awareness to make sure that  
20 we've got good vendors in our system when we go  
21 to let all of these goods and services out.

22 MR. IRVING: So, let me just walk  
23 through the treetops here quickly. This chart  
24 can be a tool as a baseline for you to ask us

1 questions literally for the next year going  
2 forward. I promise you all of these this line  
3 items will change and move and it will be very  
4 organic but that's natural in any project.

5           Starting at the federal level, we  
6 are blessed by having very little federal  
7 approval process in this project. We are going  
8 to drain water, runoff water into the river.  
9 So, that's an approval that we have to get but  
10 we're not concerned about that.

11           At the state level, we have to get  
12 our MEPA permit. We have to get through the  
13 Historic Commission process, the Department of  
14 Housing and obviously we need the Gaming  
15 Commission's input on the plan and our design  
16 as we work through that process.

17           At the city level, we have an  
18 overlay district, which is still in the  
19 approval process. But we're comfortable that  
20 that's going to be finished up. Within that  
21 process, there is a site plan review, which is  
22 a normal process. But we're not worried about  
23 that because obviously our plan was an  
24 attachment to the agreement with the city. So,

1 everybody knows what's coming forward from  
2 here.

3 We have to get demolition permits  
4 for all of the buildings. We have to do  
5 hazardous waste study on every single building  
6 before we can get those demo permits. Those  
7 permits come in one at a time. So, those will  
8 be the first lead item. If I say hey, I think  
9 they're going to something in December that  
10 means we think we're probably going to have  
11 those buildings coming down in that time.

12 We have to go into the streets and  
13 redesign the utility systems. Some we have to  
14 cap. Some we're going to have to redirect in  
15 other places. So, we're going to have to get  
16 approval from the city to go in and do that.  
17 And then once we figure it all out, we have to  
18 get approval from the city to have connection  
19 into those facilities.

20 And I'm just starting with the  
21 preconstruction approvals here. We have to get  
22 sewer and water permits. We need to get a  
23 highway access permit. We need a sewer  
24 connection permit. We have to work through



1 Chris and the DPW to redesign the streets.  
2 Some streets we're abandoning. Some streets  
3 we're reconfiguring. And he's going to be  
4 really our guide as to how we do that most  
5 efficiently.

6 We have to get curb cut permits,  
7 off-site roadwork permits. Within the building  
8 department, typical construction permits. As  
9 we've indicated, we hope to do that in a phased  
10 process coming out of the ground first with the  
11 parking garage so we can get the courthouse  
12 employees as well as our construction workers  
13 inside our garage as quickly as possible.

14 LEED certification is something that  
15 we've committed to on that project. So, that's  
16 a box we're going to check as well. We're  
17 still looking at all of the options as to how  
18 we're going to achieve that goal but we're  
19 comfortable that we're going to achieve  
20 everything we committed to.

21 Use and operation permits, vendor  
22 licensing, the daycare center that has state  
23 requirements that we have to live up to. The  
24 elevator permits, fuel storage, alcohol,

1 building department, we need to get  
2 certificates of occupancy. Hunter sent us a  
3 note saying don't commit to this thing on the  
4 schedule. We just want you to know this is a  
5 date that we think we're going to pull our  
6 certificates of occupancy.

7           It could be pushed out a little bit.  
8 For example, if the viaduct is 30 days late we  
9 may stutter step and be 30 days late with them  
10 because we need to have those two projects  
11 lined up perfectly.

12           Fire department, health department,  
13 all of this is very standard. And what's great  
14 about Springfield is there really have been no  
15 surprises. We're not worried about this  
16 permitting process in any way at all in terms  
17 of achieving it and getting through it.

18           Do I have concerns about how quickly  
19 some departments can take this giant process  
20 and put it through their system and say go  
21 forward, yes, I do. So, that's something I  
22 would recommend as you look at this that would  
23 be a question I would ask. How long do you  
24 expect that sewer and water permit? Where are

1 you getting that highway access permit? What  
2 is the timing?

3           Every department in the state works  
4 differently. And I would expect different  
5 timelines on all of them. At the city level, I  
6 think Chris can speak to this better than I  
7 can, but I think the city is going to be our  
8 partner on this. And in any way your team is  
9 going to try to expedite this with thorough  
10 diligence. You're not going to give us a free  
11 pass.

12           MR. CIGNOLI: Not a free pass, but  
13 one of the things that we've really been happy  
14 about is that as Chuck has said there's been no  
15 surprises, from his side thinking about the  
16 city and from our side thinking about MGM.

17           We deal with developers all the time  
18 that we talk about preliminary plans and  
19 preliminary layouts. And kind of give them an  
20 idea that yes, this is the direction we want to  
21 go in. And then all of a sudden they show up  
22 with a plan and says we decided to move the  
23 building here and the entrance is going to be  
24 over here.

1                   Their plan has stayed basically the  
2 way that it has been proposed from day one.  
3 So, our review, nothing has changed. All we  
4 ever do really from a standpoint of working  
5 with MGM and with Chuck is confirming that it's  
6 still the way that it is and nothing has  
7 changed.

8                   So, our approach to what we need to  
9 do and what we're expecting to see on plans  
10 really just gets into a little bit more detail  
11 every time. And we haven't had to go back and  
12 rethink anything about roads, about  
13 intersections, about access things like that.

14                   So, as a city we're extremely  
15 comfortable with where it is right now. And as  
16 long as it keeps going on that path, I think  
17 the process is going to work very, very well in  
18 the city.

19                   COMMISSIONER MCHUGH: Great.

20                   MR. MATHIS: I think just in  
21 closing, again, any questions you have. One of  
22 the commitments we made in the host community  
23 agreement with Mayor Sarno was to fund a  
24 dedicated position, essentially a city version

1 of an ombudsman to help shepherd some of these  
2 permits, because we recognize that staffing up  
3 for the type of permitting review that it will  
4 take to review our project isn't something that  
5 necessarily makes sense on a long-term bases.

6           You don't want to hire all of those  
7 positions because there's not another \$800  
8 million project coming down the road. So,  
9 we've prepared for that, and we'll work with  
10 them to create some dedicated positions sort of  
11 as a one-off to help shepherd this process.

12           So, can't thank Chris enough for all  
13 of his support for schlepping out from Western  
14 Mass. to be here with us this morning. But it  
15 really speaks to the kind of collaboration we  
16 have with the city. They're our partners as is  
17 the Commonwealth once we get this open.

18           MR. IRVING: And one thing I'd like  
19 to really emphasize, and this is coming from a  
20 local developer perspective, the money MGM  
21 invested into the entitlement process starting  
22 two years ago is why we are in such a comfort  
23 zone right now.

24           They have allowed us to put together

1 a Massachusetts-based development team like  
2 Genslar and Tech and Brown Rudnick that are  
3 here today. And I think it's the best team  
4 I've ever seen working together in  
5 Massachusetts. And through that process  
6 there's not an agency in the state that we have  
7 to work with that isn't now familiar with this  
8 team and is ready to engage right after  
9 November.

10 COMMISSIONER MCHUGH: That's great,  
11 sounds terrific.

12 CHAIRMAN CROSBY: It's all wonderful  
13 to hear. Any other comments, questions?

14 COMMISSIONER STEBBINS: Just a quick  
15 question, and Chris we need to better  
16 coordinate our travel schedules. I noticed  
17 you're going back into some meetings with the  
18 Springfield Historical Commission. Obviously,  
19 the fate of several of the historical  
20 properties are key.

21 And on your schedule, you had a  
22 meeting last week. Just quickly how did that  
23 go? And obviously, it's an ongoing thing. Any  
24 thoughts or comments from the meeting last

1 week?

2 MR. IRVING: What we're doing in the  
3 historic meetings are taking one building at a  
4 time right now because we think they all  
5 deserve that level of attention.

6 So, last week's meeting was  
7 regarding how we move the church down the  
8 street and keep it in the condition that we  
9 want it to be in. So, there was really no new  
10 information. It was a collaborative process  
11 talking about the church, relocating down  
12 toward Union Street, and the timing and the  
13 execution, which in our past, our meeting with  
14 you last month we talked about and said, hey,  
15 this is going to be an interesting project to  
16 move this church.

17 MR. CIGNOLI: And just one thing I  
18 wanted to add on that, Bruce, our interaction  
19 with somebody like Bob McCarroll, etc. is has  
20 the plan changed any from the city's  
21 perspective, and as I just mentioned before,  
22 the answer is no. So, that on their side there  
23 continues to be no surprises.

24 They're obviously talking about the

1 historical standpoint. Is there anything else  
2 in the plan that is changing that they need to  
3 kind of be aware of as we're moving through,  
4 the process. At this point nothing new needs  
5 to come to their attention from our side. And  
6 I'm assuming it's going to continue that way.

7 COMMISSIONER STEBBINS: That's  
8 great.

9 MR. IRVING: So, every month I  
10 expect that before we meet with you we're going  
11 to have had another meeting with the Historic  
12 Commission. And right now we're working on  
13 which building we're going to discuss next  
14 month. And we'll come in with a report on that  
15 as well.

16 COMMISSIONER STEBBINS: That's good.

17 MR. MATHIS: I think that's it for  
18 our update. I think the importance of the work  
19 we're doing, and I'll maybe close with this  
20 interesting tidbit about the church. The  
21 dynamic with the First Spiritual Church is that  
22 it's in the center of our site. So, it needs  
23 to be relocated.

24 We've talked to you about plans to



1 incorporate that into our childcare center.  
2 But the interesting sequence issue is that in  
3 order to create the foundation for its final  
4 home, which is a farther out need and a farther  
5 out timeline, what we're going to do is lift  
6 the church, park it somewhere, which will be  
7 incredible I think. I'm going to ask our guys  
8 to make that a Discovery Channel special.

9 Park it somewhere temporally to get  
10 it off the site and then prep the pad for where  
11 it will land. And that's the level of detail  
12 that we're getting into now. You wouldn't want  
13 to discover that the day you start breaking  
14 ground that you have nowhere to park the  
15 church.

16 So, those are the kinds of things  
17 we're starting to work on. And it's the  
18 exciting part of development that we're happy  
19 to challenge with a really talented team. So,  
20 we'll continue to give you those types of  
21 updates.

22 But feel confident that we're on top  
23 of it and we're excited to get this project  
24 open.

1                   COMMISSIONER MCHUGH: I want to see  
2 the Discovery Channel film.

3                   CHAIRMAN CROSBY: I want to go to  
4 the next dinner.

5                   COMMISSIONER MCHUGH: That too.

6                   MR. MATHIS: That's why you were  
7 asking about the invite. I'm sorry. I think I  
8 snubbed the Commission on the invite. That  
9 probably wasn't too smart.

10                  COMMISSIONER MCHUGH: I don't want  
11 to get into that. I am fascinated by this  
12 church thing, by lots of pieces of this but  
13 that's one of them.

14                  CHAIRMAN CROSBY: Let us know when  
15 it's moving.

16                  COMMISSIONER STEBBINS: We'll bring  
17 our lawn chairs and sit and watch this.

18                  CHAIRMAN CROSBY: Anything we can do  
19 on your behalf?

20                  MR. MATHIS: As far as we're  
21 concerned, John Ziemba and your staff have been  
22 fantastic. In fact, we gave them a couple  
23 issues to help us with just in terms of  
24 communications. And we're working really well

1 together. So, we'll let you know certainly,  
2 but thank you for your support.

3 MR. IRVING: We're meeting with Rick  
4 and John very regularly and as Mike said,  
5 they've been incredibly proactive. So, we're  
6 very grateful for that.

7 CHAIRMAN CROSBY: Terrific. Thank  
8 you very much.

9 COMMISSIONER MCHUGH: Thank you.

10 COMMISSIONER ZUNIGA: It's always a  
11 parking issue, huh, even for the church.

12 CHAIRMAN CROSBY: Do you have other  
13 things, Ombudsman?

14 MR. ZIEMBA: That's the report  
15 unless you have any questions.

16 CHAIRMAN CROSBY: No, that's great.  
17 Thank you. Let's quickly move to legal. Item  
18 number seven, General Counsel Blue.

19 MS. BLUE: You have in your packet  
20 today two amended small business impact  
21 statements and the final versions of the vendor  
22 secondary licensing and the gaming school  
23 regulations.

24 We had our public hearing on the

1 regulations on September 4. And with your  
2 approval of both the amended small business  
3 impact statements and the final versions, we  
4 will submit these for filing and they should be  
5 through the process.

6 CHAIRMAN CROSBY: Are there any  
7 questions about those?

8 COMMISSIONER CAMERON: No questions.

9 CHAIRMAN CROSBY: Do we want to go  
10 straight to a motion? Who would that be,  
11 Commissioner Stebbins.

12 COMMISSIONER STEBBINS: Okay. Mr.  
13 Chairman, I move that the Commission approve  
14 the small business impact statements, as soon  
15 as I can find them, -- I'm not as good as the  
16 Judge is on this. --

17 CHAIRMAN CROSBY: Maybe Catherine  
18 can just list the names.

19 MS. BLUE: It is the

20 COMMISSIONER MCHUGH: Page 102,  
21 Bruce.

22 COMMISSIONER STEBBINS: -- approve  
23 the small impact business statement for  
24 proposed amendments in 205 CMR 134 licensing,

1 and the small business impact statement for new  
2 regulations in 205 CMR 137 gaming schools and  
3 the associated regulations.

4 COMMISSIONER CAMERON: Second.

5 CHAIRMAN CROSBY: Any discussion?

6 All in favor, aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

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

13 MS. BLUE: Thank you.

14 CHAIRMAN CROSBY: Next? I thought  
15 you had --

16 COMMISSIONER ZUNIGA: We covered the  
17 regulations in the same motion.

18 CHAIRMAN CROSBY: Oh, we did them  
19 all. Okay. I'm glad I voted for it.

20 COMMISSIONER STEBBINS: Catherine  
21 didn't tell me I couldn't.

22 CHAIRMAN CROSBY: So, are we onto  
23 research and problem gambling? Okay, good.  
24 This is the last item on our agenda, I believe,

1 today.

2 MR. VANDER LINDEN: I didn't expect  
3 to go so soon.

4 CHAIRMAN CROSBY: Neither did I.

5 MR. VANDER LINDEN: Good afternoon.  
6 I am bringing back before you the responsible  
7 gaming framework for your consideration.

8 Before I begin, just real quickly  
9 the purpose of the framework, the responsible  
10 gaming framework is intended to provide  
11 guidance for the Gaming Commission in terms of  
12 responsible gaming regulations that we will  
13 ultimately end up adopting. It's also intended  
14 to provide just a general orientation for the  
15 Commission as well as our licensees on  
16 responsible gaming practices.

17 The framework has been before you  
18 many times before and has gone through many  
19 different versions. I think I started -- It  
20 really began back in October of last year when  
21 we kicked it off with a forum on responsible  
22 gaming. From there, I worked closely with the  
23 Massachusetts Council on Compulsive Gaming --  
24 I'm sorry Massachusetts Council on Compulsive

1 Gambling as well as Problem Gambling Solutions  
2 and the Massachusetts Department of Public  
3 Health.

4 That version, the first version came  
5 to you in March followed by a second version in  
6 May then July, and here we are today.

7 There's been many changes in this  
8 version in large part based on the feedback  
9 that you had provided in July. But it also  
10 took into consideration further support and  
11 information provided by the Department of  
12 Public Health, also the Massachusetts Public  
13 Health Association.

14 And I think that what you have  
15 before you is a much stronger document as a  
16 result. So, with that I don't know how you  
17 want to kick off this conversation. I'm open  
18 to any additional feedback you may have and any  
19 discussion you may have as well.

20 CHAIRMAN CROSBY: My suggestion  
21 would be that you just walk through the major  
22 issues. As you say, we've all been through it  
23 several times. So, we're pretty familiar with  
24 the evolving document. But where there are

1 major issues that you think ought to be  
2 highlighted both for us and for the public  
3 record, let's do that

4 MR. VANDER LINDEN: Okay. I would  
5 start off with the introduction on page three.  
6 Within the introduction, there was some  
7 question the last time that I presented it to  
8 you. What is the true intention? What is the  
9 purpose of the framework?

10 I felt like we addressed it, but it  
11 was further down in the document. So, I put it  
12 front and center. And you see the first two  
13 sentences under the introduction. It, I think,  
14 clearly describes what the purpose of the  
15 framework is.

16 I would also like to point out the  
17 definition of problem gambling. I put a  
18 slightly more general definition of problem  
19 gambling, whereas before we indicated or  
20 brought up time and money spent. Really, I  
21 think a broader definition is better where we  
22 state that problem gambling is characterized by  
23 gambling behavior which leads to a continuum of  
24 adverse consequences for the gambler, others



1 and the community.

2 CHAIRMAN CROSBY: Great.

3 COMMISSIONER MCHUGH: It's also  
4 important in that introduction, the second  
5 paragraph is also important.

6 We're going to have regulations that  
7 will contain a list of do's and don'ts and  
8 must's and mustn'ts. But it's also important  
9 to understand overall that this is a policy  
10 that the Commission puts its full, a policy  
11 that the Commission puts its full weight  
12 behind. So, that there's ambiguities or  
13 intersections in the regulations that this kind  
14 of thing supplies the philosophy that the  
15 Commission has got its back behind.

16 And I think the second paragraph is  
17 a very useful one as well as the first. It's  
18 all useful, but I just wanted to give a shout  
19 out for the second paragraph.

20 MR. VANDER LINDEN: Thank you. I  
21 think the intent of a framework to me is this  
22 is a really complex issue. And thoughtfully  
23 addressing this is what's going to make a true  
24 impact. And it doesn't come with just one

1 strategy. It doesn't come with just one  
2 measure. It comes with a framework.

3           And there are probably 50 plus  
4 different measures that we identify in here.  
5 And I think it's with that thoughtfulness that  
6 spans all of the way from primary prevention  
7 and basic education, all of the way through  
8 much more intensive types of intervention  
9 recommendations that provide that type of more  
10 of a public health safety net that we're  
11 looking for that I think fits within the  
12 mission of what the Commission is trying to do.  
13 And ultimately ends up meeting what the  
14 original intent of the authorizing legislation  
15 was. So, I agree, Commissioner.

16           I would like to move all of the way  
17 to strategy two. There are a couple of  
18 different things that I would like to point out  
19 in strategy two. First, under 2.1 informed  
20 decision-making.

21           During the last meeting there was  
22 question and concern expressed around looking  
23 at the different types of gamblers, the casual  
24 gambler, the frequent gambler and the intensive

1 gambler. And specifically assigning frequency  
2 or how often somebody would be gambling within  
3 this, when much like the definition of problem  
4 gambling, you can't necessarily tie it to a  
5 specific frequency or tie it to a specific  
6 amount spent.

7           So, to I think recognize that we  
8 just simply took out the frequency in there.  
9 But I think the rest of the definition fit it  
10 quite well.

11           COMMISSIONER CAMERON: Yes. There's  
12 not a negative connotation here. It's all  
13 positive and constructive and tools. So, I  
14 think this reads really well and it's not  
15 assigning blame. It's really giving you tools  
16 to understand the issues and to address them as  
17 need be. So, I think this reads really well.

18           MR. VANDER LINDEN: Thank you.

19           COMMISSIONER ZUNIGA: It's not a  
20 one-size-fits-all, which is part of -- or three  
21 size fits all, which is part of the point  
22 you're making, Mark, relative to how difficult  
23 it is to deal with a variety of individuals  
24 with many different circumstances and

1 backgrounds.

2 MR. VANDER LINDEN: Yes. The 2.2  
3 play information and management systems. This  
4 is the one piece that in my mind remains a  
5 controversial issue that many of our licensees  
6 have a problem with. And they have expressed  
7 some concern about.

8 Informed decision-making and  
9 management systems basically look at what types  
10 of tools can we give players to help them make  
11 more informed decisions about their play  
12 behavior. And it moves it from just simply  
13 providing some information about responsible  
14 gaming, for example, saying set a budget and  
15 stick with it to providing real-time tools for  
16 people who want to use those.

17 If you want to say I want to spend  
18 \$50, when you go into the casino, you've have  
19 the ability to set that to your player card.  
20 When \$50 is spent at a slot machine, then it  
21 provides notifications and reminders that  
22 you've spent \$50.

23 The concern I think from our  
24 licensees has been (1) how effective is this?

1 What does the evidence show that says that this  
2 is effective? (2) How much does it cost to  
3 implement such features at the casino? Third  
4 is what are the considerations in terms of  
5 implementing this of rolling this into their  
6 existing systems?

7 With that I want to take all of  
8 their questions, all of their concerns  
9 seriously. We decided to enlist the help of a  
10 consultant or consultant group take a look at  
11 all these concerns. Their process was to do a  
12 thorough literature review on what do we know  
13 about play management features or more  
14 specifically pre-commitment features that would  
15 be connected to player cards.

16 They also -- We took it a step  
17 further and have been in the process of  
18 interviewing in other jurisdictions, in fact  
19 nine other jurisdictions gaming regulators,  
20 gaming operators, machine manufacturers and  
21 other government officials about what their  
22 experience has been with these types of  
23 features. I think to provide me, to provide  
24 you all with a very solid understanding of what

1 are the advantages of this, but also and more  
2 importantly I think to answer some of the  
3 concerns about what are the problems with it.

4 I am sorry to say I don't have a  
5 final report for that to you right now. I can  
6 report that they are in the process of wrapping  
7 up their data collection. And their  
8 preliminary recommendation is for the  
9 Commission, for the Commissioners, for you all  
10 to adopt such features.

11 I think that how we implement that  
12 is probably as important as if we implement it.  
13 Because in their experience in talking with  
14 these individuals from nine other jurisdictions  
15 that have used these, how you do it is  
16 incredibly important.

17 I think that a lot of the concerns  
18 that have come up in other jurisdictions is  
19 what is the rate of uptake? How many people  
20 actually use this in order for it to be worth  
21 the cost of it? What is the cost-benefit ratio  
22 here?

23 So, I think that what we'll see in  
24 the final report is a number of recommendations

1 regarding how to encourage uptake of these  
2 tools.

3 COMMISSIONER MCHUGH: The final  
4 report from the consultants?

5 MR. VANDER LINDEN: Correct.  
6 Another important key feature or factor that I  
7 think we'll end up seeing here and that they've  
8 let me know just in their preliminary findings  
9 is how do you implement it in a way to maximize  
10 the effectiveness of these tools. So, that it  
11 really is something if you have a lot of people  
12 using it, how do you make sure that it's being  
13 used appropriately and for the right reasons to  
14 help people set a budget of time and/or money  
15 and stick with that.

16 So, at this point, what I have in  
17 the framework is a statement that the MGC will  
18 investigate the feasibility including costs,  
19 available technology and the effectiveness of  
20 incorporating play information and management  
21 systems into the development of regulations. I  
22 state what those features are, but I would say  
23 that at this point I would recommend that we  
24 keep that language in there. We are certainly

1 on track to gather that information. And I  
2 should be able to provide that to you soon.

3 CHAIRMAN CROSBY: What is your  
4 schedule for that? When do you expect to get  
5 the report at a point where you will want to  
6 distribute it?

7 MR. VANDER LINDEN: I would give it  
8 probably another 30 days before I would have  
9 that final report.

10 CHAIRMAN CROSBY: Thirty days, okay.

11 COMMISSIONER MCHUGH: A key  
12 provision of this is in the first sentence of  
13 2.2. It seems to me this is voluntary. People  
14 can be encouraged to do it but this is not  
15 going to be something that's mandatory or  
16 required. The approach is a voluntary --  
17 giving people the tools they want to use  
18 voluntarily.

19 MR. VANDER LINDEN: Correct.

20 CHAIRMAN CROSBY: There has been a  
21 lot of misunderstanding about the word  
22 voluntary. And yes, you're absolutely right.  
23 And that's one of the places where there's been  
24 a misunderstanding. But it would not be



1 voluntary for the licensees to offer it.

2 COMMISSIONER MCHUGH: I understand  
3 that. What other misunderstanding about  
4 voluntary has there been?

5 CHAIRMAN CROSBY: Well, originally  
6 there was a misunderstanding about whether  
7 people would be required to participate,  
8 people, individuals would be required to  
9 participate in the program.

10 COMMISSIONER MCHUGH: That doesn't  
11 sound like voluntary to me.

12 CHAIRMAN CROSBY: I'm sorry,  
13 misunderstanding of voluntary. No, there was a  
14 misunderstanding that it was not voluntary.  
15 Sorry.

16 But there's two levels of voluntary.  
17 One is the individual participating and the  
18 other is the industry participating. If we  
19 were to do this, we would mandate that the  
20 industry offers it as a voluntary option.

21 COMMISSIONER MCHUGH: As a voluntary  
22 option, right. So, then the cost piece has a  
23 -- I can understand the cost piece. I'd have  
24 to be persuaded of what the other problems are.

1                   COMMISSIONER ZUNIGA: I think  
2 there's something we need to explore is the  
3 role of the Commission offering certain of  
4 these tools without necessarily the full  
5 participation of the licensees. I have some  
6 ideas but this goes back to the feasibility.

7                   COMMISSIONER CAMERON: I think  
8 what's important is this language does not lock  
9 us into anything. It's an exploration,  
10 continue to evaluate and gather information.

11                  CHAIRMAN CROSBY: I think we call it  
12 a placeholder.

13                  COMMISSIONER CAMERON: We can call  
14 it a placeholder. I think that language makes  
15 it clear that there is no final decision here.

16                  COMMISSIONER MCHUGH: We have to and  
17 are going to I know continue to work with the  
18 licensees and get their thoughts about  
19 feasibility, implementation, all of this other  
20 stuff to make this work and to test it.

21                  MR. VANDER LINDEN: Yes. Actually  
22 that last point is very important. That we are  
23 looking at pre-commitment tools on gaming  
24 machines is not something that's been done in

1 the US before.

2           It's been done in a number of other  
3 jurisdictions. We're certainly gathering all  
4 of the information about what worked and what  
5 didn't work and what the recommendations are,  
6 if we should adopt this of how we should  
7 proceed.

8           With that said, I think it's  
9 ultimately important that we have a rigorous  
10 evaluation process in place here. It fits with  
11 our overall orientation.

12           We want to adopt practices that are  
13 tested that are identified best practices in  
14 responsible gaming. The downfall of that is  
15 that there really aren't that many out there.  
16 So, with that in the absence of that sort of  
17 best practice approach, we're taking a  
18 precautionary approach.

19           And this would be an example of a  
20 precautionary approach where we say you know  
21 what, there is great potential in offering  
22 tools like this to help individuals gamble  
23 responsibly. But because it isn't some type of  
24 tried and true practice, we may choose to move

1 forward with this, but we're going to  
2 rigorously evaluate the effectiveness and  
3 decide whether we continue as is, whether we  
4 change that and offer it in a slightly  
5 different way or whether we abandon ship.

6 CHAIRMAN CROSBY: Great.

7 MR. VANDER LINDEN: Another key  
8 feature within the framework, and this is  
9 actually was envisioned within the authorizing  
10 legislation, is under 2.3, the responsible  
11 gaming information centers.

12 This is an area that I have to say  
13 I'm incredibly excited about what the potential  
14 of these on-site spaces are. I am incredibly  
15 encouraged also in talking more specifically  
16 and recently with Penn about what their vision  
17 is and where they had proposed that this space  
18 is placed within their facility, in an area  
19 where there is a high amount of traffic coming  
20 by to gain a lot of visibility. But at the  
21 same time that it's large enough that there  
22 would be private space that if there is a  
23 sensitive situation that needs to be dealt  
24 with that we can do that within that space.

1                   So, I look forward to working with  
2 our licensees to further kind of iron out what  
3 this looks like and how it's used.

4                   CHAIRMAN CROSBY: Yesterday we  
5 actually toured the Penn site and saw right  
6 where the responsible gaming space will be  
7 right at the front door. It's great.

8                   MR. VANDER LINDEN: It's in a space  
9 actually where they've said about two-thirds of  
10 the patrons coming through will walk by that  
11 space.

12                  COMMISSIONER MCHUGH: Great.

13                  MR. VANDER LINDEN: Moving to 3.6  
14 under the strategy of providing protections  
15 within the physical environment, a number of  
16 recommendations come from Massachusetts Public  
17 Health Association.

18                  One that that fit I felt like under  
19 the encouraging breaks in play which was to  
20 display clocks in prominent locations in the  
21 gaming area to help patrons track the passage  
22 of time.

23                  This is something that has been  
24 tried in other jurisdictions. It's something

1 that hasn't gotten a lot of attention in terms  
2 of how well it's been evaluated. I felt like  
3 that it was a recommendation coming from the  
4 Public Health Association. I think that it  
5 fits well within a broader strategy of helping  
6 encouraging breaks in play. So, I put that in  
7 there.

8 Under strategy four there were four  
9 additional recommendations that I have for  
10 practices in casino gambling and advertising.  
11 Under 4.2 generally the advertising does not  
12 encourage people to play beyond their means;  
13 imply the certainty of reward; exaggerate the  
14 chances of winning or encouraging excessive or  
15 irresponsible play.

16 COMMISSIONER CAMERON: Some of these  
17 may be hard to evaluate; is that right?

18 MR. VANDER LINDEN: That's correct.  
19 Evaluation is going to be key in many different  
20 measures. Some of them we will spend a lot  
21 more time and energy setting up a rigorous  
22 evaluation protocol than for others.

23 Some of them for example the four  
24 additional ones that I placed in there were

1 adopted from a jurisdiction in Australia that  
2 had those as advertising guidelines there.

3 Moving to strategy five, managing  
4 high-risk financial transactions, this while it  
5 hasn't changed since the last iteration, I  
6 would like to just highlight the fact that  
7 there was a lot of input from the licensees  
8 specifically through the Mass. Partnership for  
9 Responsible Gaming to come up with I think  
10 recommendations for house credit that have a  
11 lot of potential.

12 COMMISSIONER MCHUGH: And I think  
13 those -- This didn't change from the last  
14 iteration?

15 MR. VANDER LINDEN: No, it did not.

16 COMMISSIONER MCHUGH: Well, it did  
17 change substantially from the first one. This  
18 is a much more functional, sensible and I think  
19 effective way of dealing with this. I think  
20 this is really good the way it is now.

21 It permits the extension of credit  
22 to people who really want a lot of credit,  
23 someplace to move money from one place to  
24 another and at the same time has safeguards

1 built in so that people aren't going beyond  
2 their means. I think it's very well thought  
3 out.

4 MR. VANDER LINDEN: Thank you.  
5 Moving to strategy six, there were a number of  
6 small changes to strategy six that came from  
7 recommendations from the Mass. Council on  
8 Compulsive Gambling as well as the Department  
9 of Public Health.

10 I think that they're all very good.  
11 Specifically Steve Keel and Marlene Warner from  
12 those two organizations are here to offer their  
13 support.

14 What I like about it is it remains  
15 relatively general but it also sets it up that  
16 it allows us to expand this over time. As we  
17 get more information about what are effective  
18 ways that we can encourage our operators to  
19 work within the community and engage within the  
20 community.

21 In general, what I would love to see  
22 is that they are members of their community.  
23 And I've seen nothing to that contrary. MGM  
24 was a perfect example of how they are from the



1 onset engaging with the community. Their  
2 presentation was fantastic. And I look to  
3 continue that. And I think that strategy six  
4 kind of sets that up.

5 That actually kind of covers the  
6 main substantial changes from the last version  
7 of this document.

8 CHAIRMAN CROSBY: Any thoughts,  
9 others, questions?

10 COMMISSIONER MCHUGH: No. I think  
11 this is really good. It sets out a set of  
12 principles. It sets out a set of principles at  
13 a level of specificity that carries some focus  
14 forward, but at a level of generality that  
15 leaves us leeway to issue regulations without  
16 having to change this.

17 And also provides a framework for  
18 flexibility as we move downstream and begin to  
19 actually get data and see what's going on, and  
20 enlist the support of our licensees knowing  
21 what our target is and helping us achieve it,  
22 if whatever specific regulatory strategy we are  
23 using doesn't seem to be working quite the way  
24 we'd like.

1           So, I think it's really a good thing  
2 to have. And the way that it's been put  
3 together with engaging the license community,  
4 the public health community, the compulsive  
5 gambling community, I think this is really a  
6 great step forward and a really important one  
7 for us and for this new thing in Massachusetts.  
8 So, it's great.

9           COMMISSIONER STEBBINS: I agree. I  
10 had a chance to visit with Mark earlier in the  
11 week and talk through this. And my biggest  
12 concern was that this is a living document that  
13 we can kind of keep coming back to as  
14 strategies change or strategies are proven not  
15 to be as successful as we had hoped that it can  
16 be reflected ultimately here in and then  
17 ultimately in regulations. I think it's well  
18 done.

19           MR. VANDER LINDEN: Thank you.

20           COMMISSIONER CAMERON: I echo that.  
21 The adjustments, changes are right on and  
22 really make it a workable, practical document.  
23 Well done.

24           MR. VANDER LINDEN: Thank you. I

1 just wanted to highlight one thing that I don't  
2 think I ever really stated but that I felt like  
3 was important in considering any of the  
4 strategies or measures in here is that we have  
5 this great potential to put and promote  
6 responsible gaming here.

7 That before somebody would cross  
8 that line to problem gambling, we can provide  
9 tools, information to encourage people to  
10 gamble responsibly that they wouldn't cross  
11 that line and experience the negative  
12 consequences, at times devastating consequences  
13 of what problem gambling does.

14 It doesn't say that we don't  
15 prioritize that. And it doesn't need to be  
16 specific and intentional strategies for that.  
17 But I think that what I really want in this  
18 document is that we can promote gambling or  
19 gaming in a way in which people can do it as  
20 it's intended, as a form of recreation, as  
21 entertainment and something that they can  
22 afford. It's really important.

23 CHAIRMAN CROSBY: I agree.

24 COMMISSIONER ZUNIGA: Just to say a

1 similar thing for the record that I think this  
2 effort has been really great.

3           Perhaps quite a few months in the  
4 making, but I think a great testament to what's  
5 really in our mission which is to be  
6 participatory, engage the licensees, other  
7 stakeholders like DPH and the Council. So, I  
8 think your approach -- You've led this approach  
9 of a lot of thoughtful research really  
10 understanding what's out there, available and  
11 what's not.

12           And a testament to that is also as  
13 Commissioner Stebbins is saying this will  
14 continue to be a living document, would evolve  
15 into regulation in some fashion, strategies  
16 will remain the same, some might evolve. But I  
17 just think overall it's a great product.

18           CHAIRMAN CROSBY: You mentioned 30  
19 days before the report is ready. I know you're  
20 tracking this, but just to reiterate. If we  
21 did end up requiring that our first licensee,  
22 Penn National, did have to install some kind of  
23 a personal management module on their slot  
24 machines, they would need to know that when?

1 And are we on the track to hit that deadline?

2 MR. VANDER LINDEN: I will follow up  
3 with Penn, obviously, since they're well in  
4 advance of the other licensees. I will  
5 communicate directly with Penn and make sure  
6 that we are meeting their earmarks as well.

7 CHAIRMAN CROSBY: Okay. If we are  
8 going to do this, and we don't know yet whether  
9 we are or not, but we want to do it in as  
10 timely a fashion as possible to get it into  
11 their pipeline at the least expensive  
12 inconvenience as possible.

13 MR. VANDER LINDEN: Correct.

14 CHAIRMAN CROSBY: Do we have  
15 anything else?

16 COMMISSIONER MCHUGH: Are we going  
17 to approve this? Is this on for a vote?

18 MR. VANDER LINDEN: Yes, it is.

19 CHAIRMAN CROSBY: I'm sorry.  
20 Commissioner Zuniga, you've been pretty heavily  
21 involved in this.

22 COMMISSIONER ZUNIGA: Sure. I would  
23 move that this Commission approve the  
24 responsible gaming framework as presented and

1 discussed here in its last iteration as labeled  
2 here version one presented on September 23.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER MCHUGH: Second.

5 CHAIRMAN CROSBY: Any further  
6 discussion? I would certainly add my  
7 appreciation to this. I know how hard you've  
8 worked on this. And I know your style with  
9 which -- you've gone out of your way to have  
10 this be a process in which you really listen to  
11 people. You think hard about your own  
12 assumptions and their assumptions. So, I would  
13 just echo what everybody else has said. This  
14 is a good document. And I'm proud to have it  
15 be a part of our operation.

16 MR. VANDER LINDEN: Thank you.

17 CHAIRMAN CROSBY: All in favor, aye.

18 COMMISSIONER MCHUGH: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: Opposed? The ayes  
23 have the responsible gaming frameworks  
24 recommendations adopted in a unanimous vote.

1 I have one other thing before we  
2 adjourn. I am alerted to the fact that we're  
3 about to lose one of our team members, Tom from  
4 Pyxis, who has been with us. Stand up, take a  
5 wave.

6 COMMISSIONER MCHUGH: Tom, are you  
7 going to take all of your machines with you  
8 too?

9 CHAIRMAN CROSBY: Tom I'm told has  
10 been hired to go to work at Liberty Mutual from  
11 Pyxis. So, we hope you'll leave good folks  
12 behind but it's been a great operation. It's  
13 almost worked flawlessly. I know we've asked a  
14 lot of you folks and you've always really  
15 responded quick, quick, quick. So, it's been  
16 great.

17 COMMISSIONER MCHUGH: Really great,  
18 really great.

19 CHAIRMAN CROSBY: Good luck in your  
20 next phase. Do I have a motion to adjourn?

21 COMMISSIONER MCHUGH: So moved.

22 CHAIRMAN CROSBY: All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

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COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Thank you.

(Meeting adjourned at 3:00 p.m.)



1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission September
- 3 25, 2014 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission September
- 5 4, 2014 Meeting Minutes
- 6 3. Massachusetts Gaming Commission Employee
- 7 Handbook Master List with Attachments
- 8 4. Biographies of KLR Consultants Henry Silva
- 9 and Michael Medeiros
- 10 5. Massachusetts Gaming Commission Control
- 11 Narratives for Budgetary Controls
- 12 6. Massachusetts Gaming Commission Control
- 13 Narratives for Payroll and Personnel
- 14 7. Massachusetts Gaming Commission Control
- 15 Narratives for Revenue Receipts and
- 16 Reconciliation
- 17 8. Massachusetts Gaming Commission Control
- 18 Narratives for Contracting and Contract
- 19 Processing
- 20 9. Massachusetts Gaming Commission Control
- 21 Narratives for Invoice Receipt and
- 22 Payments
- 23 10. Massachusetts Gaming Commission screenshot
- 24 of webpage

- 1 ATTACHMENTS (continued):
- 2 11. Penn National Gaming Diversity Graphs
- 3 (Workforce, Design and Construction
- 4 Supplier Diversity)
- 5 12. Massachusetts Gaming Commission September
- 6 25, 2014 Memorandum Regarding Chapter 311
- 7 of the Acts of 2014 with attachments
- 8 13. Amended Small Business Impact Statements
- 9 14. 205 CMR 134
- 10 15. 205 CMR 137
- 11 16. Responsible Gaming Framework
- 12 17. MGM Project Overview spreadsheets

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1 GUEST SPEAKERS:

2 Ed Burke, North Passage Associates

3 Joan Kuhn, North Passage Associates

4 Henry Silva, KLR

5 Michael Medeiros, KLR

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7 Lance George, Penn National

8 Jack Rauen, Turner Construction

9 Alison Stanton, Turner Construction

10

11 Michael Mathis, MGM

12 Chris Cignoli, DPW Springfield

13 Chuck Irving, Davenport Properties

14

15 MASSACHUSETTS GAMING COMMISSION STAFF:

16 Catherine Blue, General Counsel

17 Richard Day, Executive Director

18 Jennifer Durenberger, Director of Racing

19 Derek Lennon, CFAO

20 Jill Griffin, Director Workforce, Supplier and

21 Diversity Development

22 Mark Vander Linden, Dir. Research and Problem

23 Gambling

24 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 27th day of September, 2014.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018