

1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #133
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7 COMMISSIONERS

8 Gayle Cameron

9 James F. McHugh

10 Bruce W. Stebbins

11 Enrique Zuniga
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16 September 4, 2014 10:30 a.m.

17 BOSTON EXHIBITION AND CONVENTION CENTER

18 415 Summer Street, Room 102B

19 Boston, Massachusetts
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1 P R O C E E D I N G S :

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3 COMMISSIONER MCHUGH: We are ready
4 to call to order public meeting number 133 of
5 the Massachusetts Gaming Commission on
6 September 4, 2014 at the Convention Center.

7 Our first order of business today,
8 we're going to start in a way that we don't
9 usually and that is with a public hearing on
10 regulations specifically 205 CMR 134, which are
11 amendments to the process governing licensing
12 of gaming vendors, primarily affecting the
13 information and documents the gaming vendor
14 applicants are required to provide as part of
15 the licensing and qualification process.
16 That's the first set of regulations.

17 The second is 205 CMR 137, new
18 regulations establishing the standards and
19 requirements for certified gaming schools in
20 Massachusetts. Both of these are important
21 components of the Gaming Commission's business.

22 The licensing of gaming vendors is
23 enormously important for the ongoing business
24 relationships between vendors and the gaming

1 establishments and the Commission's oversight
2 of those vendors. That is people who have
3 continuing relationships with the gaming
4 establishments. Not everybody who does
5 anything related to a gaming establishment has
6 to be licensed but people with ongoing business
7 relationships do.

8 Then the standards and requirements
9 for certified gaming schools of course are
10 enormously important as well, because that's
11 the process for training people to take the
12 jobs that these facilities are designed to
13 create and to ensuring that they have the
14 capabilities to act in a professional and a
15 training manner.

16 And also to get people from the
17 ranks of the unemployed, people who may not
18 have jobs now, give them the skills that they
19 need to take advantage of these new jobs. So,
20 this is the final or semifinal part of the
21 process promulgating these regulations.
22 They've been out for public comment for some
23 period of time.

24 We've heard the public comment and

1 we'll take that into account in issuing the
2 final regulations. And under the statute
3 General Laws 30A section 2, we are required to
4 hold a public hearing to take public comment on
5 that topic. So, that's what we're doing here
6 today as our first item of business.

7 We advertised this and we have three
8 individuals who have signed up. Mark Kmetz is
9 the first from the Division of Public
10 Licensure. Mr. Kmetz, are you here? Good
11 morning, Sir. Nice to see you again.

12 MR. KMETZ: Good morning. My name
13 is Mark Kmetz. I'm the Director of the
14 Division of Professional Licensure. I'm here
15 with board counsel Rachel Pavee. We'd like to
16 speak with you just a few short minutes on the
17 proposed regulations of the Gaming Commission
18 establishing standards and requirements for
19 certified gaming schools in the Commonwealth.

20 DPL, my agency, licenses and
21 regulates non-degreed granting private
22 occupational schools and their sales
23 representatives in Massachusetts. Our
24 jurisdiction is not limited by subject matter.

1 So, today we license about 165 different
2 schools within the state in a wide variety of
3 occupational fields.

4 Many occupational schools are
5 subject to oversight both by DPL and by another
6 state agency or professional board that
7 regulates the industry for which the school
8 trains students. For example, nurse aid
9 training schools are subject to oversight by
10 both DPL and the Department of Public Health.
11 And plumbing and electrical schools are subject
12 to oversight by both DPL and the respective
13 professional licensing board.

14 With the promulgation of these
15 regulations, gaming schools likewise would now
16 be subject to dual oversight by DPL and by the
17 Gaming Commission. And I wanted to focus my
18 comments this morning on an issue relating to
19 this dual oversight relationship.

20 Just a couple of other background
21 comments on the DPL licensing process. Under
22 the law in order to be considered for
23 licensure, a school first must satisfy the
24 Office of the State Auditor that the school is

1 financially sound. If it is, the Auditor's
2 office will set the amount of a surety that the
3 school must provide based on the amount of
4 tuition at risk at any given time in order to
5 protect students from financial loss in the
6 event that the school closes precipitously.

7 If the Auditor determines that the
8 school is financially sound and if the school
9 satisfies the surety amount, then DPL reviews
10 the school's application for licensure. This
11 application calls for information and
12 documentation on a wide variety of things
13 including the ownership and management of the
14 school, insurance requirements, compliance with
15 local building and fire codes, tax employment
16 laws and so on. Applicants are also required
17 to submit a closure plan in the event that they
18 close to help ensure that students are not
19 stranded.

20 DPL also will review the enrollment
21 agreement. We are a consumer protection
22 agency, and we want to ensure that students
23 know what they are signing on for and are
24 protected in the event that they don't get what

1 they signed on for.

2 Part of the approval process is the
3 approval of curriculum, instructors and
4 equipment for the program. This takes us
5 beyond the generic business and consumer
6 protection aspects of the school to the
7 underlying substance of the training program
8 directly affecting its quality and whether it
9 will properly prepare students for employment
10 in the trade or profession.

11 In other areas where an occupational
12 training program falls within the jurisdiction
13 and subject matter expertise of another agency,
14 DPL looks to that other agency for program
15 approval. So, I mentioned electricians for
16 instance, where the training programs are first
17 approved by the Board of State Examiners of
18 Electricians, and then DPL will pursue the
19 licensing process.

20 Training programs for students
21 seeking to become nurse aids are first approved
22 by the Department of Public Health, and then
23 DPL relies on that. In short, we believe that
24 the board or the professional or the agency

1 governing the field is best equipped to
2 determine the standards and to determine
3 whether a program meets those standards.

4 The Gaming Commission -- The
5 proposed regulations sets out specific
6 standards and requirements for curriculum,
7 instructors and equipment at gaming schools.
8 As drafted, the regulations appear to
9 contemplate that DPL would determine whether
10 the Commission's standards have been met by a
11 gaming school.

12 We believe, as I mentioned, that
13 approval of the curriculum, instructors and
14 equipment should be performed by the Gaming
15 Commission, which is the state authority with
16 expertise in this area and a direct interest in
17 the success of the gaming training programs.
18 This will ensure that the requisite subject
19 matter expertise is brought to bear and that
20 the determinations are uniform no matter what
21 agency ultimately licenses the school.

22 So, I do want to thank the Gaming
23 Commission and its counsel for working with DPL
24 over the past several weeks in these regards.

1 And we look forward to final regulations
2 reflecting a cooperative and coordinated
3 process whereby program approvals by the Gaming
4 Commission and financial approval by the State
5 Auditor take place before licensure by DPL and
6 final certification by the Gaming Commission.

7 We believe that this best protects
8 the public interest and promote a properly
9 trained workforce for the gaming industry in
10 the Commonwealth. So, I want to thank you
11 again for your time. We are happy to answer
12 any questions. That's our statement this
13 morning.

14 COMMISSIONER MCHUGH: Thank you very
15 much. That's very helpful. Questions or
16 comments by Commissioners?

17 COMMISSIONER ZUNIGA: The comment
18 you made --

19 COMMISSIONER MCHUGH: I don't know
20 if your mic is on.

21 COMMISSIONER ZUNIGA: As you
22 provided the comment today is that incorporated
23 some of the draft that we have here or would
24 that leave us to have our counsel incorporate

1 that?

2 MR. KMETZ: I believe our counsel
3 and your counsel have worked together. And I
4 think the current draft does reflect the
5 approach that we were suggesting. And we're
6 thankful for that.

7 COMMISSIONER MCHUGH: Anything else?

8 COMMISSIONER CAMERON: No, thank
9 you.

10 COMMISSIONER MCHUGH: We started
11 down this path a while ago. We had an earlier
12 meeting with you. And at the time of that
13 meeting, we were in a real quandary as to
14 whether we wanted to get into the gaming school
15 regulation business.

16 It's an area that we don't have the
17 expertise. And the thought of creating a staff
18 to do that -- The cooperation we've received
19 from DPL, this integrated approach to
20 competencies and the combination of
21 competencies strikes me as state government at
22 its best. And we are very grateful to you to
23 for the cooperative spirit you've demonstrated.

24 I think this will work beautifully.

1 It's a good system. We take advantage of your
2 undoubted expertise in the things that you do
3 so well and bring subject matter expertise as
4 you've described to the content of the
5 curriculum. And then have your assistance in
6 enforcing it.

7 So, I want to say thank you back to
8 you for the cooperative collaboration you have
9 given us.

10 MR. KMETZ: Appreciate that, thank
11 you.

12 COMMISSIONER CAMERON: I just want
13 to make one last note. This is the second
14 time. When we were transitioning racing, we
15 also had a cooperative relationship. I know
16 that took an awful lot of work on your part to
17 kind of make that work. So, I wanted to thank
18 you for that as well. So, this is another
19 example of working collaboratively.

20 MR. KMETZ: Team effort.

21 COMMISSIONER MCHUGH: Thank you very
22 much.

23 The next person who signed up is
24 Counsel Raymond Buso. Good morning, Mr. Buso.

1 Who are you, Sir?

2 MR. ROTONDO: My name is George
3 Rotondo. He's my attorney. I've been trying
4 to contact the Gaming Commission regarding a
5 particular issue for well over two months and
6 frankly gotten no response.

7 COMMISSIONER MCHUGH: Does this have
8 to do with our regulations, Sir?

9 MR. ROTONDO: No. It has to do with
10 Mayor Rizzo being a convicted criminal and no
11 vetting --

12 COMMISSIONER MCHUGH: Wait a minute,
13 wait a minute, wait a minute. You were asked
14 before you signed up whether you had something
15 to say about the regulations. This is limited
16 to the regulations. That's what we are here to
17 talk about today.

18 This is not an open public hearing
19 at which people are invited to give their views
20 on whatever issue strikes their mind. So, if
21 you have something to say about the
22 regulations, I'd be happy to hear you. If you
23 don't have something to say about the
24 regulations, thank you very much for coming,

1 but I'm not prepared to hear you.

2 MR. ROTONDO: Very well, thank you.

3 COMMISSIONER MCHUGH: Thank you very
4 much. Thank you, Mr. Buso.

5 MR. BUSO: I had something actually
6 to present.

7 COMMISSIONER MCHUGH: About the
8 regulations?

9 MR. BUSO: Yes.

10 COMMISSIONER MCHUGH: All right.
11 I'll hear you about the regulations.

12 MR. BUSO: Not being familiar with
13 the Gaming Commission, it was very helpful to
14 go and read the mission statement that states
15 very clearly that you have an unyielding
16 commitment to participatory, transparent and a
17 fair process. And I assume that this is a part
18 of that process.

19 And that the value of an
20 uncompromising commitment to the integrity of
21 licensing and regulatory process and strict
22 adherence to both the letter and the spirit of
23 that is primary in your mission statement.

24 In fact, you've created an enhanced

1 code of ethics used to vet, in this case, the
2 process of the gaming schools and who can
3 participate and who cannot.

4 My question first of all is is there
5 a process by which if the scheduled meeting is
6 not for a specific topic that it is simply an
7 open forum? Because as you just --

8 COMMISSIONER MCHUGH: There is no
9 such process, Mr. Buso.

10 MR. BUSO: So, anybody who has a
11 problem with --

12 COMMISSIONER MCHUGH: Mr. Buso, we
13 are here to talk about the regulations, Sir.
14 If you have something to say about the
15 regulations, I'd be happy to hear you. If you
16 have something to say about the general way we
17 run our business, MGC Comments is the
18 particular and proper forum for addressing
19 those, Mr. Buso. That is the way to do it.

20 This is not an open forum today. We
21 do run our meetings as open forums for people
22 to come in. We do have occasions when we do
23 that. We've done that on a number of occasions
24 in which we've had open forums in which people

1 could come in and sign up. This is not one of
2 them.

3 So, thank you very much for being
4 here today, Mr. Buso.

5 MR. BUSO: But you haven't answered
6 my question.

7 COMMISSIONER MCHUGH: I'm not going
8 to answer your question, Sir, because it
9 doesn't pertain to the regulations. I've made
10 myself clear. This is to deal with the
11 regulations. It's not to deal with our general
12 business practices.

13 MR. BUSO: I simply didn't get to
14 finish my question to you. If you don't want
15 to answer it that's fine. I have nothing but
16 respect for you personally.

17 But my question is if a process has
18 passed by and people did not come in for a
19 prior meeting either because they weren't aware
20 or they haven't -- are you saying that there
21 really is no process for them to be able to
22 come in and ask the questions? Because you
23 said there is not and then you said we do have
24 open forums.

1 Can you just tell me when the next
2 open forum that would invite issues perhaps
3 like Mr. Papparlado's to be discussed.

4 COMMISSIONER MCHUGH: It was Mr.
5 Rotondo.

6 MR. BUSO: Oh, I'm sorry.

7 COMMISSIONER MCHUGH: Your client.

8 MR. BUSO: Yes.

9 COMMISSIONER MCHUGH: It was not Mr.
10 Papparlado. It was Mr. Rotondo.

11 MR. BUSO: Yes. Is there an
12 upcoming process by which we can say a month
13 from now, three months from now?

14 COMMISSIONER MCHUGH: Yes, Sir. MGC
15 Comments is the proper place to direct those.
16 So, thank you.

17 MR. BUSO: Isn't that a written
18 process?

19 COMMISSIONER ZUNIGA: Yes.

20 COMMISSIONER MCHUGH: Mr. Buso, I
21 have made it very clear that we are today to
22 listen to comments about the regulations. I
23 don't know how much clearer I can make it.

24 If you have something to say about

1 the written regulations, the draft regulations
2 that are in progress, I would be delighted to
3 hear it. Otherwise, thank you very much for
4 coming. I'm not going to say it again.

5 MR. BUSO: You're just sending me,
6 Your Honor --

7 COMMISSIONER MCHUGH: We will be in
8 recess for just a minute.

9

10 (A recess was taken)

11

12 COMMISSIONER MCHUGH: We are
13 prepared to resume now the 133rd meeting of the
14 Massachusetts Gaming Commission. The next item
15 on the agenda is the approval of the minutes.
16 Do we have --

17 MR. BUSO: I take it then Your
18 Honor, you've just stopped me and I'm not going
19 to be able to be even finish the question that
20 I had for you?

21 COMMISSIONER MCHUGH: Mr. Buso --

22 COMMISSIONER ZUNIGA: That is
23 correct, Sir.

24 COMMISSIONER MCHUGH: We are

1 finished. The next item of business is the
2 minutes. Do we have minutes today, General
3 Counsel Blue? Do we have minutes for today's
4 hearing?

5 MS. BLUE: In your packet is the
6 minutes of our last meeting, August 21.

7 COMMISSIONER ZUNIGA: Can I ask a
8 question? Do we want to leave open the public
9 hearing portion and then come close it at the
10 end of our meeting? Is that effectively what
11 we are doing?

12 COMMISSIONER MCHUGH: Yes. I'd
13 thought we'd do that in case any people who
14 show up late to deal with the regulations.

15
16 (Regulations Hearing suspended 10:50 a.m.)

17
18 COMMISSIONER MCHUGH: All right the
19 minutes of the August 21 meeting are in the
20 packet. I would move their adoption in the
21 form that they exist there with the usual
22 reservation of rights for correction of
23 mechanical and typographical errors.

24 COMMISSIONER CAMERON: Second.

1 COMMISSIONER MCHUGH: Any

2 discussion? All in favor, aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 COMMISSIONER MCHUGH: The minutes
7 are approved. The next item of business is
8 horse racing, Director Durenberger is not here.

9 MS. BLUE: Commissioner McHugh,
10 Commissioner Cameron and I will take that
11 matter up for Director Durenberger.

12 COMMISSIONER MCHUGH: All right, do
13 you want to start Counsel Blue?

14 MS. BLUE: Yes. So, what you have
15 in your packet before you is the final report
16 from the Horse Racing Advisory Committee. And
17 as you may recall, the purpose, one of the
18 purposes of that committee was to determine the
19 split of the use of the funds in the Race Horse
20 Development Fund.

21 And you will see in the report that
22 the Horse Racing Committee went through a long
23 and involved process, through many meetings to
24 come to a determination of the split.

1 This report comes before the
2 Commission. It's not for the Commission to
3 approve the split. But one of the reasons we
4 have it before you today is because you will
5 note a recommendation from the committee
6 regarding proposed regulations in the event
7 that one of the breeds were to no longer race.

8 We do think that there is a need for
9 the Commission to draft regulations that may
10 perhaps hold that money in escrow for a certain
11 amount of time if one of the breeds no longer
12 raced in the Commonwealth.

13 So, what we're asking is for the
14 Commission today to authorize the staff to go
15 back and create draft regulations to that
16 effect that will then come back for the
17 Commission's review at a later date.

18 COMMISSIONER MCHUGH: All right,
19 Commissioner Cameron?

20 COMMISSIONER CAMERON: As a member
21 of the committee, I would just like to
22 reiterate that the five members of the
23 committee worked very hard to listen to
24 everyone, to listen to experts about this

1 matter, to evaluate the five -- the criteria
2 laid out in the legislation.

3 We tried our very best to adhere to
4 that as well as some of the things we looked at
5 what some of the other states were doing as
6 well. And we had a consensus that this was --
7 for the Commonwealth this was the proper split.

8 Secondly, it was important that we
9 thought about the fact that, and this is not
10 part of our responsibilities to talk about an
11 escrow, but we thought it was important. And
12 the reason for that would be if for whatever
13 reason one of the tracks were to go dark, there
14 would be an incentive for someone else to
15 possibly pick up that license and continue that
16 breed of racing in the Commonwealth.

17 So, as you can see, it is paragraph
18 five on the third page, rather numbered five,
19 we're looking for a three-year, the monies to
20 be held in escrow for three years which we look
21 to Michigan who have something similar. Other
22 states actually write it into their legislation
23 what would happen -- both the split number as
24 well as any kind of an escrow.

1 So, that's the piece I think we need
2 a vote on by the members of the Commission.

3 The fact that we're recommending to the
4 Commission that we hold those monies if in fact
5 either one of our two tracks were to go dark.

6 I think report itself is pretty
7 self-explanatory. I'd be happy to answer any
8 questions since I attended every meeting and
9 was part of the group making this
10 recommendation.

11 COMMISSIONER MCHUGH: Questions?

12 COMMISSIONER STEBBINS: I had one
13 question. I know that the group of students
14 you identified were doing the survey of the
15 thoroughbred and the standardbred farms. They
16 had some challenges which only allowed them to
17 maybe conduct half of the surveys?

18 COMMISSIONER CAMERON: Yes. Those
19 challenges revolve around not being able to
20 reach anyone at that particular farm. Now,
21 there is the situation in racing where people
22 travel from one state to another.

23 The list came from the industries
24 themselves on how many farms. So yes, we were

1 a bit disappointed to be honest. And there was
2 a really good-faith effort made by these
3 students, these college students continuous
4 calls to try to set up an appointment to go
5 out. We thought it was important to verify the
6 information just are these farms still in
7 business? Do they have race horses? How many
8 of each breed?

9 So, that was not as helpful to us as
10 we would've liked.

11 COMMISSIONER STEBBINS: Okay.

12 COMMISSIONER ZUNIGA: But maybe just
13 for the record, there were a lot of desk review
14 of other jurisdictions and examples that the
15 committee took to come up with a
16 recommendation.

17 COMMISSIONER CAMERON: Absolutely.
18 There's a lot of work. I know it is limited
19 report, it's just the highlights.

20 COMMISSIONER ZUNIGA: It doesn't do
21 it justice.

22 COMMISSIONER CAMERON: Well, it's
23 just highlight of the work that was done. Dr.
24 Durenberger assisted us with subject matter

1 expertise on some best practices in other
2 jurisdictions. In particular, there's a list
3 of criteria you will see on page three as well
4 that we'd like to look at each year in order to
5 make sure we're capturing every aspect of the
6 industry and deciding whether or not the split
7 we recommend continues to be equitable for both
8 industries in the Commonwealth.

9 So, I think there was a lot of work
10 and a lot of review done on what others do.
11 And this expert Dr. Ray who we called in also
12 to review all of the materials.

13 So, I think the committee feels --
14 Certainly, on the committee there was one
15 member from the standardbred industry and one
16 member from the thoroughbred industry. And
17 frankly of course they would have wanted the
18 split to be more in favor with their
19 constituents.

20 But I think we can say everything
21 was taken into consideration and the committee
22 feels strongly about the recommendations and
23 there's a consensus here.

24 COMMISSIONER ZUNIGA: Just to be

1 clear, we're not approving any of that. That's
2 not under or purview.

3 COMMISSIONER CAMERON: Correct.
4 It's a notification to the Gaming Commission
5 and the Legislature.

6 COMMISSIONER ZUNIGA: For your
7 decision on the split.

8 COMMISSIONER CAMERON: Yes. The
9 piece we would seek approval for is the fact
10 that we believe that there should be monies --
11 those monies put in escrow if in fact one of
12 the two tracks were to go dark. I am speaking
13 Dr. Kochevar, she is the chair of the committee
14 the Dean of Tufts Veterinarian School was not
15 able to be here today.

16 COMMISSIONER MCHUGH: So, what
17 happens to this now on the piece for which we
18 are not responsible? It goes to the
19 Legislature, and the Legislature has the right
20 to say no. And if they don't do anything, it
21 becomes effective or do they have to approve
22 it?

23 COMMISSIONER CAMERON: Please
24 correct me, my understanding of this is if

1 someone either the Gaming Commission or the
2 Legislature could suggest something different,
3 we could go back as a committee and take a
4 look. But actually it would be the committee
5 that has the final say on what that split
6 should be.

7 MS. BLUE: That's correct. It's up
8 to the committee.

9 COMMISSIONER MCHUGH: Both the
10 Legislature and the Gaming Commission are
11 advisors or commentators on what the committee
12 has done.

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

14 COMMISSIONER MCHUGH: Then as to the
15 escrow piece of this recommendation, we do have
16 a role. We have to approve that. And we're
17 approving it in principle now subject to
18 drafting regulations that will implement it.

19 COMMISSIONER CAMERON: Correct.

20 COMMISSIONER MCHUGH: Okay. All
21 right. Any discussion about that piece?

22 COMMISSIONER ZUNIGA: No. I think
23 it's very reasonable. I'm imagining that the
24 regulations would be very straightforward to

1 draft and implement. So, I think it's a great
2 recommendation.

3 COMMISSIONER CAMERON: And there is
4 precedent for this.

5 COMMISSIONER MCHUGH: Doing this
6 kind of thing?

7 COMMISSIONER CAMERON: Yes.

8 MS. BLUE: Yes, in other
9 jurisdictions. We are in the process of
10 reviewing and revising the racing regulations
11 in toto. So, we would put this in as part of
12 it. So, you will get to see it as part of the
13 overall regulatory scheme.

14 COMMISSIONER MCHUGH: All right.
15 Any further discussion on that piece of it?

16 COMMISSIONER STEBBINS: Thanks to
17 Commissioner Cameron for all of her time and
18 input. She's been our horse racing expert
19 since we opened the door.

20 COMMISSIONER CAMERON: I wouldn't
21 say expert, Commissioner, but certainly a
22 willing participant.

23 COMMISSIONER MCHUGH: Certainly.
24 This is a good piece of work. And this is a

1 good safety valve to have for whatever happens
2 down the line. So, do I hear a motion to
3 implement it?

4 COMMISSIONER ZUNIGA: Yes. I would
5 move that this Commission take the
6 recommendations as presented and discussed
7 today to establish an escrow for monies coming
8 to the Race Horse Development Fund in case it
9 would be needed.

10 COMMISSIONER MCHUGH: All right. Is
11 there a second?

12 COMMISSIONER STEBBINS: Second.

13 COMMISSIONER MCHUGH: Discussion?
14 All in favor say aye, aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER MCHUGH: The ayes have
19 it unanimously. And the regulation drafting
20 process then can begin when it's appropriate to
21 do so.

22 MS. BLUE: That's correct.

23 COMMISSIONER MCHUGH: Thank you.

24 That finishes item four on the agenda. Item

1 five is Investigations and Enforcement Bureau,
2 Director Wells and Mr. Grossman, good morning.

3 MS. WELLS: Good morning,
4 Commissioners. The first thing I have on the
5 agenda this morning is the first draft of the
6 internal control regulations, which we are
7 putting out for initial public comment.

8 The yeoman's work on this set of
9 regulations was done by Todd Grossman here with
10 me this morning and Bruce Band who
11 unfortunately due to circumstances beyond his
12 control cannot be here this morning.

13 Every effort was made to provide
14 licensees with flexibility regarding their back
15 of the house operations in these regulations
16 while also ensuring the integrity of the
17 operations on the floor by having standardized
18 protocols.

19 We are certainly interested in any
20 comments as we proceed to the next draft of the
21 regulations by any interested party including
22 applicants, licensees, Commissioners and the
23 public. As examples of areas in which we would
24 welcome input, I point the retention schedule

1 for records. Does it make sense; is it
2 reasonable?

3 We also have in the regulations
4 throughout the document regulations involving
5 coin and token use in machines. We expect
6 there to be little if any use of this type of
7 machine. We would like to know if that is
8 correct. And what are the expectations in the
9 industry? There may be circumstances where a
10 casino may want to go a little retro, have some
11 coin slot operations. Is that going to happen?
12 And would that impact the regulations?

13 I'd also point to the credentialing
14 system as a security measure. Will that
15 comport with the operational plans in the
16 casino? So, those are the kinds of things
17 we're looking for comments on.

18 I will note for the Commission that
19 we will need to reconcile any provisions here
20 with our racing regulations and we will be
21 consulting with Director Durenberger on that as
22 we go forward in the process.

23 With me is Attorney Grossman. I'd
24 like to thank him and Bruce Band for all of

1 their work on this draft. It was a somewhat
2 arduous process. If he has any comments, I'd
3 welcome him to comment to the Commission. We
4 are available for questions or comments.

5 On some of the specifics, Bruce Band
6 may be more helpful on the floor regulations
7 and why some of the regulations are written how
8 they are written. He should be back in the
9 early part of next week. So, the Commission --
10 he would be available and we can also discuss
11 that further when this goes out for the next
12 round of public comment.

13 COMMISSIONER MCHUGH: All right.
14 Thank you. Mr. Grossman do you have any
15 comments? This obviously once again represents
16 a great deal of thoughtful work. We've all had
17 a chance to look at drafts as they were
18 progressing. And this draft represents a great
19 deal of conversation and highly detailed work.
20 It's really a fine product.

21 And I'd welcome any comments you
22 have if you have any. The work may speak for
23 itself, but you're welcome to speak for it.

24 MR. GROSSMAN: Thank you. Thank you

1 for the opportunity. It is as Director Wells
2 mentioned just a very rough draft at this
3 point. So, we'd certainly welcome input with
4 the understanding that this is not the final
5 product. This is not what we're recommending
6 being adopted at this point. It's just the
7 beginning of the conversation as to getting a
8 good set of internal controls in place.

9 COMMISSIONER CAMERON: I'd be
10 interested, are there casinos out there now
11 that have gone retro and are using coins?

12 MS. WELLS: I think they may have a
13 section by what Mr. Band tells me. There may
14 be an appeal to that. And we wanted to put it
15 in the regulations in case the licensees wanted
16 to do that. There may be a market for that
17 because it's entertaining and can be fun for
18 the customer. But in most part, I would not
19 expect --

20 COMMISSIONER CAMERON: Likes to hear
21 the coins drop?

22 MS. WELLS: Right. So, we'll see
23 how that goes. That's up for discussion, but
24 we'll see how the plans progress.

1 COMMISSIONER MCHUGH: All right.
2 Anything further on that? So, all we're doing
3 today is putting those regulations out for
4 public comment, which is the first step in the
5 approval process. And we don't need a vote to
6 do that or do we?

7 MS. WELLS: I don't believe so.

8 MR. GROSSMAN: I don't think so.

9 COMMISSIONER MCHUGH: So, they'll go
10 out for public comment. We'll establish a
11 process and a mechanism for the comments. And
12 then set a hearing date like we had this
13 morning. Well, not exactly like we had this
14 morning.

15 MR. GROSSMAN: Probably not like
16 that. So, the Commission is prepared to move
17 these on the path to the public hearing at this
18 point?

19 COMMISSIONER MCHUGH: Right.

20 MR. GROSSMAN: So, we will file the
21 notices and all of the necessary paperwork.

22 COMMISSIONER MCHUGH: Right. Great.
23 Good. It's an important step forward.

24 MS. WELLS: The next thing I have on

1 the agenda this morning are the results of the
2 suitability and investigation for Mary
3 Christine Gay. She was determined to be a
4 qualifier for the Blue Tarp Redevelopment, LLC
5 licensee as she was appointed as a compensated
6 director of MGM Resorts International.

7 Ms. Gay has held that position as a
8 member of the board of directors since February
9 of 2014. She attended Towson University of
10 Maryland and received a Bachelor of Science in
11 finance in 1989. She also attended the
12 University of Maryland abroad in the UK
13 although not obtaining a degree there. But she
14 also attended Loyola University in Maryland,
15 received a MS, a Master's of Science in finance
16 degree in 1997.

17 She holds no active non-gaming or
18 gaming licenses currently. She's presently a
19 trustee of the Severn School in Severna Park,
20 Maryland and a member of the advisory board for
21 Network 2000, Inc. in Baltimore, Maryland.

22 Ms. Gay spent her career at Legg
23 Mason Capital Management from June 1989 to June
24 of 2013 reaching the level of senior vice

1 president and portfolio manager. She submitted
2 all required forms to the IEB.

3 And our investigators conducted our
4 standard rigorous background check for
5 applicant and licensee qualifiers, did her
6 employment history, criminal record, education,
7 directorship and stockholder interests, civil
8 litigation, bankruptcies, property ownership,
9 political contributions, references and media
10 coverage. Investigators also conducted a
11 financial responsibility evaluation.

12 All of the investigative materials
13 came back positive. She demonstrated by clear
14 and convincing evidence that she is suitable
15 for licensure in Massachusetts to
16 investigators. And therefore, the IEB is
17 recommending that this Commission find her
18 suitable. We're not recommending any
19 conditions on that suitability at this time.

20 COMMISSIONER MCHUGH: All right.
21 Thank you. And thank you for the careful
22 background report as usual. Comments?
23 Questions?

24 COMMISSIONER CAMERON: After reading

1 the report, I see no reason we shouldn't find
2 her suitable.

3 COMMISSIONER MCHUGH: Do we need a
4 vote for that?

5 MS. WELLS: Yes, Sir.

6 COMMISSIONER MCHUGH: We'll hear a
7 motion.

8 COMMISSIONER CAMERON: So, I would
9 move that this Commission find Mary Christine
10 Gay suitable as a qualifier with the MGM
11 Corporation.

12 COMMISSIONER MCHUGH: Is there a
13 second?

14 COMMISSIONER STEBBINS: Second.

15 COMMISSIONER MCHUGH: All in favor,
16 aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER MCHUGH: The ayes have
21 it unanimously. Thank you very much.

22 MS. WELLS: Thank you. That's all I
23 have this morning.

24 COMMISSIONER MCHUGH: Thank you.

1 The next item is workforce, supplier and
2 diversity development, Director Griffin, good
3 morning.

4 MS. GRIFFIN: Good morning. I'm
5 here to give you a general update on my work
6 and also to go over my work plan.

7 So, as you know my work focuses on
8 three main areas: creating systems to ensure
9 diversity, ensuring a ready and trained
10 workforce so that Massachusetts residents are
11 ready to work at the casinos, and maximizing
12 the economic development impact ensuring that
13 small Massachusetts businesses have the
14 opportunities to be suppliers at a casino.

15 Given that I wanted to just talk
16 about some recent work and then go over the
17 work plan. So, I continue to work with Penn
18 National regarding their hiring and contracting
19 with vendors during construction. Penn
20 National Gaming has authorized the contractor,
21 Turner Construction, to award about \$33 million
22 of contracts. And of that, 28 percent has gone
23 to MBE and WBE vendors, which is far higher
24 than the goals that they set initially, four

1 percent MBE and seven percent WBE.

2 So, we have worked closely with
3 them. Our Vendor Task Force has provided
4 connections to suppliers, helped them with
5 their vendor fairs and that sort of thing. One
6 challenge that we're working with Penn National
7 on is their vendor business, I mean their
8 veteran business enterprise, the VBE. That
9 continues to be a challenge.

10 So, I have recently connected Turner
11 Construction and Penn National to members of
12 our Vendor Advisory Task Force who work closely
13 with veterans. But I do want to mention that
14 this is a newer area and many veterans are not
15 yet certified as a VBE.

16 COMMISSIONER MCHUGH: Are those the
17 only "veterans" that qualify under our
18 standards? In other words, suppose somebody is
19 a veteran but has not gone through the
20 qualification process, is he or she somebody
21 who doesn't count in the statistics?

22 MS. GRIFFIN: We have tried to make
23 it as easy as possible. Director Acosta has
24 created a process to easily be recognized as a

1 veteran by the Mass. Gaming Commission. We
2 also recognize VetBiz, which is the government
3 certification for contracts. But, I think it
4 remains an area of some challenge.

5 COMMISSIONER MCHUGH: I guess my
6 question is definitional. If somebody is in
7 fact a veteran and he/she has a small business,
8 say a linen supply business or something and
9 wants to register, but has not gone through the
10 official state or federal veteran registration
11 business qualification process, and he or she
12 come to the Commission directly and say I'm a
13 veteran, here's my discharge papers and proof
14 of service. I want to be wanting to get that
15 preference.

16 MS. GRIFFIN: Absolutely. And we
17 encourage them to do so. They show their DD214
18 and become recognized by the Commission for the
19 purposes of doing business with a casino or
20 being employed.

21 COMMISSIONER MCHUGH: Are we doing
22 our independent outreach or are we relying on
23 our terrific staff of advisors and partners to
24 do that for us?

1 MS. GRIFFIN: Both. We're working
2 with Veteran Affairs and the US Small Business
3 Administration to plan an event in November
4 that is focused on veterans and veteran
5 businesses. So, actually we're tying into some
6 existing events where we will bring information
7 about casino opportunities.

8 COMMISSIONER MCHUGH: I was just
9 thinking, and I'm sure you've already thought
10 of it, but just for example sending notice of
11 that fair to every VFW Hall or Post in the
12 Commonwealth and those kinds of -- getting some
13 kind of an email listing that would broadcast
14 information to -- VFWs aren't the only ones.
15 There's a group of others. And just having
16 them, so that if we had something, we could hit
17 a button and every one of them gets it, those
18 kinds of things. But I'm sure those kinds of
19 things are in the works.

20 MS. GRIFFIN: Right. We've
21 recognized that this is an area that needs more
22 focused attention. And I'll be glad to sit
23 down with you and get your ideas.

24 COMMISSIONER MCHUGH: Right, okay.

1 COMMISSIONER STEBBINS: To follow up
2 on Director Griffin's comments, there's no
3 state certification process. The only federal
4 identification process is one for a veteran to
5 use if they want to do business with the US
6 Department of Veterans Affairs, which again may
7 be a limited population.

8 Director Acosta came up with a
9 simple way for us to count a veteran business.
10 We've had meetings with Secretary Nee. We've
11 encouraged all of our licensees or our licensee
12 designee to reach out. Every community has a
13 veteran's affairs officer. Those are folks who
14 probably know everybody who has returned from
15 conflict or not even the most recent one, but
16 certainly has a business account at.

17 And there's active other sources
18 that I think we're trying to tap in to. But I
19 think we're also working towards an event in
20 the middle of November. And demonstrating the
21 SBA's products, inviting our licensees to talk
22 about the opportunities they're going to have.

23 I think to Jill's credit and David's
24 credit, jumping out ahead and finding a way of

1 us to count those businesses amongst the WBE,
2 MBE and VBE participation that we've asked our
3 licensees hit has been a huge step forward, but
4 there's more to be done. It's a whole new
5 field for everybody out there.

6 COMMISSIONER MCHUGH: Yes. And I
7 recognize and it's terrific that we've taken
8 that leading role. And I've just been
9 struggling as I know we all have at thinking
10 about how to get the word out to groups that
11 are not part of some federally or state
12 recognized body. And that requires some extra
13 work on our part.

14 And it is a pool of typically
15 highly-disciplined people who are highly
16 trained in organizational behavior. They have
17 all kinds of skills. They've gotten great
18 training in the military in various
19 disciplines. And it's a great labor pool. And
20 they often need a hand. So, I'm not saying
21 anything we don't all already recognize, but
22 I'm glad we're making this effort.

23 COMMISSIONER STEBBINS: On your
24 point about the labor pool though, Penn and

1 Turner have seen some relatively positive
2 success in engaging veterans on the
3 construction workforce, not the business side,
4 but participating in the workforce.

5 MS. GRIFFIN: That's right,
6 Commissioner Stebbins. The construction
7 workforce 13 percent minority, four percent
8 female and 10 percent veteran. So, on the
9 workforce side they have seen some strength.

10 COMMISSIONER MCHUGH: Is that
11 through their efforts or is that us or both?

12 MS. GRIFFIN: I have to say they
13 have worked hard both Penn National and Turner
14 Construction and worked closely with the unions
15 as well.

16 COMMISSIONER MCHUGH: Right. Great.
17 Thank you.

18 MS. GRIFFIN: And we continue to
19 work with Penn National in terms of planning
20 for their upcoming opening. In fact, in mid-
21 September, they plan a career center where they
22 will start to provide information about their
23 operations positions for area residents.

24 At the end of the month, we'll work

1 together regarding vendor fair. This time this
2 vendor fair will be focused on operations and
3 some of their needs during operations. They
4 also have asked us to participate in job
5 information sessions and train the trainer
6 sessions with the career centers, which will
7 happen at the beginning of October. So, we've
8 been pretty busy.

9 Additionally, at the end of August
10 our Vendor Advisory team met with MGM
11 Springfield. This was the first meeting
12 between our Vendor Advisory Team and MGM. MGM
13 highlighted the project itself, their supplier
14 needs, their typical company spend and their
15 historic commitment to diversity as well as
16 their diversity goals for the Springfield
17 project.

18 MGM has held several vendor fairs in
19 Springfield and has worked closely with the
20 Springfield Chamber of Commerce about outreach
21 to their businesses. And they've analyzed
22 their need based on the initial registration of
23 businesses in Springfield and the surrounding
24 communities who have registered on their

1 website.

2 So, this is interesting. They have
3 expressed a concern about the number of
4 minority, women and disadvantaged businesses in
5 the Western Massachusetts area who are actually
6 certified by the state.

7 COMMISSIONER ZUNIGA: I'm sorry.
8 Who expressed that concern, MGM or the Vendor
9 Advisory group.

10 MS. GRIFFIN: MGM has expressed that
11 concern in terms of the number of minority and
12 women businesses who are certified.

13 COMMISSIONER ZUNIGA: Was the
14 advisory group helpful in trying to identify
15 businesses that they know of in that regard
16 from that area?

17 MS. GRIFFIN: On Monday, one of our
18 Vendor Advisory team members is Reggie Nunnally
19 from of supplier diversity office. And there
20 is a certification fair on Monday. And I'll be
21 attending that. That's in Springfield with the
22 Springfield Redevelopment Authority. We will
23 work also with the Springfield Chamber for
24 another event in November perhaps and maybe

1 December as well.

2 So, the issue is not so much
3 identifying businesses which the vendor group
4 will continue to do but ensuring that those
5 businesses are certified and that they have the
6 capacity to actually meet the needs of MGM.

7 COMMISSIONER ZUNIGA: Right.

8 MS. GRIFFIN: Chairman Crosby and I
9 recently met with the policy group on trades
10 women's issues which is a group composed of
11 union officials. And they've been meeting for
12 the last eight or so years regarding increasing
13 diversity, hiring efforts in construction
14 projects, specifically focusing on women.

15 And I plan to come back to you on
16 October 9. And I've invited them to come and
17 present their best practices that they've just
18 released. I think it will be really
19 interesting.

20 COMMISSIONER MCHUGH: We look
21 forward to that.

22 MS. GRIFFIN: I also continue to
23 work with the community colleges, the statewide
24 consortium. And they are very active working

1 on further workforce development plans. The
2 Western Mass. contingent is working with MGM
3 and the regional employment board to make sure
4 that their workforce development plans are up
5 to date and just what MGM needs.

6 They are also planning efforts to
7 support the hospitality industry in Western
8 Mass. and the other regions as well. These
9 efforts are generally to support things like
10 training for restaurants, hotels and
11 entertainment venues.

12 If you don't mind, I would like to
13 go to my work plan and talk a little bit about
14 the work moving forward. The Gant chart before
15 you represents general activities on my work
16 plan from now I think it goes up to 2017. The
17 vertical yellow line represents the present
18 day. And the activities on the left of the
19 yellow line represent activities that have
20 already been completed.

21 For example, the development of the
22 training school licensing regulations that I
23 was involved with, formation of the Vendor
24 Advisory group, and the clean technology fair

1 in December of 2013.

2 And then it is further divided by
3 region. So for example, under the slot parlor
4 in Plainville, you can see that I have been
5 working on diversity plans both for design and
6 construction and for operations.

7 One activity that I would like to
8 highlight is the small business capacity
9 building grant that we issued for small
10 businesses in Plainville. We received a lack
11 of responses for that grant of \$20,000. We'll
12 be making some changes to the grant application
13 moving forward. And I'd like to invite
14 Commissioner Stebbins to join in if he has any
15 comments as well.

16 COMMISSIONER STEBBINS: I have been
17 watching Jill assemble her work plan, just kind
18 of demonstrating all of her activities as she
19 goes through the rest of the year and obviously
20 beyond. It's great when you've got job
21 security out through 2017.

22 To pick up on just a couple of
23 points, the grant program that we had designed
24 to help communities build capacity as small

1 business vendors, I think what we realized is
2 that each region is unique and has different
3 needs.

4 MGM is obviously concerned about the
5 opportunity to contract with local minority and
6 women-owned businesses. We may be able to
7 refine the program to allow the local chamber
8 and the organization in partnership with our
9 licensee to apply to us for that even though
10 it's a modest amount of money, but to hopefully
11 address an issue that's of particular concern
12 to them based on where they're located.

13 We originally had the grant program
14 for assisting them with financing. That may
15 not be the need in where we potentially in the
16 foreseeable future have allocated the money for
17 the slots parlor and Region A and Region B.

18 So, we're going to be reissuing that
19 grant submission RFP and hopefully again give
20 some more flexibility to the local
21 organizations to apply to us for money to help
22 solve their local need.

23 We're also working with Mass.
24 Convention Center Authority and MassPort to

1 address issues and kind of also learn from
2 their best practices when it comes to minority
3 and women-owned business enterprise and VBE
4 participation in a lot of their construction
5 projects.

6 Also talking with them about
7 organizing a discussion and panel around
8 financing for small businesses. Having our
9 licensees come in and talking about what their
10 payment plans are so financing institutions and
11 financing organizations can have some idea of
12 how they can loan to small businesses who might
13 be in line to get a large vending contract.

14 So, I think Jill, Director Griffin,
15 Director Griffin -- Jill continues to do a
16 great job. I'm glad she had a chance to talk
17 about what her activities are as we move ahead
18 with this process.

19 It was interesting, this Vendor
20 Advisory group as talking with each licensee
21 they seem to want to work with different
22 components of the Vendor Advisory Team. I
23 think MGM is going to quickly jump in and start
24 working with the groups that are focused around

1 identifying businesses for them as opposed to
2 maybe the technical assistance side and the
3 financing piece.

4 But again, this extends to Penn and
5 Turner and to MGM that they haven't quite got
6 the reception from business folks in
7 Massachusetts and other jurisdictions. So,
8 they've been pleasantly surprised by our offer
9 to help. And we give them Jill and we
10 certainly connect them with Director Acosta so
11 small businesses understand the licensing
12 requirements as well.

13 MS. GRIFFIN: So, to I guess close
14 out my report, I would say you'll notice that
15 much of my time has been spent on working with
16 licensees on diversity reports, making sure
17 that those are transparent, putting those
18 reports out for public comment. But in the
19 future, I anticipate moving that transparency
20 onto reporting on how the licensees are doing.

21 For example, a diversity report in
22 June talking about how licensees are doing in
23 terms of hiring and putting that up on our
24 website. We have, as Commissioner Stebbins

1 mentioned, we have this emerging effort with
2 the labor unions to work on increasing
3 diversity within the construction period,
4 especially for the upcoming Category 1 casinos.

5 So, those are some of my outward
6 looking future efforts.

7 COMMISSIONER MCHUGH: That's all
8 very impressive. Are there questions,
9 comments? It strikes me that the kind of
10 detailed analysis and outreach and planning and
11 organizing that you're doing is really a key to
12 the promise of this entire legislation. One of
13 its main components obviously a jobs piece of
14 legislation.

15 And we have said from the outset
16 that we're interested in reaching out to the
17 underemployed, the unemployed, to minorities as
18 well as to establish businesses to participate
19 in this job creation process.

20 We often hear that we can't find
21 them. We just have run, we've done a lot of
22 effort to find people and we just don't find
23 any qualified, you fill in the blank. And
24 that's because in the main, the outreach hasn't

1 been precise enough.

2 So, this kind of effort that you're
3 undertaking is really important to make this
4 thing work. The career training institute, the
5 union participation, the devising our own
6 system for finding veterans is what we need to
7 do. And the plans you are bringing to us and
8 the examples of success you are bringing to us
9 are really a key ingredient of the success of
10 the overall thing.

11 So, this is a great report and I
12 thank you for the energy you're putting into
13 this. It was exactly what, I as one
14 Commissioner, I think I share -- everybody
15 shares the views of what we hoped would come
16 out of this. So, thank you.

17 MS. GRIFFIN: Great, thank you.

18 COMMISSIONER CAMERON: Thank you.
19 Very informative.

20 COMMISSIONER MCHUGH: All right.
21 The next item of business is the legal
22 division, General Counsel Blue.

23 COMMISSIONER ZUNIGA: Can we take a
24 brief break.

1 COMMISSIONER MCHUGH: Surely. you
2 want to take a five, 10-minute recess?

3 COMMISSIONER ZUNIGA: Yes, 10 minute
4 recess.

5 COMMISSIONER MCHUGH: Surely.
6 General Counsel Blue, you'll standby for 10
7 minutes.

8

9 (A recess was taken)

10

11 COMMISSIONER MCHUGH: We are ready
12 to resume with public meeting 133. And we will
13 pick up right where we left off with General
14 Counsel Blue.

15 MS. BLUE: Commissioners, in your
16 packet today you have three small business
17 impact statements, one for the capital
18 investment regulations, which we filed by
19 emergency some time ago, the surveillance
20 regulations and the search and seizure
21 regulations.

22 The purpose of the small business
23 impact statements is to allow us to proceed
24 through the formal process for each of these

1 regulations. We have a hearing on the regs.
2 tentatively scheduled for October 7. So, we
3 will be trying to file these small business
4 impact statements along with the first draft of
5 the regs. with the Secretary of the
6 Commonwealth tomorrow.

7 So, we're just asking your approval
8 on these statements and the approval to go
9 ahead and file.

10 COMMISSIONER MCHUGH: All right.
11 Any questions? Counsel Holmes has been working
12 on these as well as usual. They seem to me to
13 be in order. Any questions that anybody has?

14 These are really, as you said, the
15 formality that helps small businesses
16 understand whether and to what extent these
17 kinds of regulations or any regulations will
18 have an impact on them and give small
19 businesses a chance through this group to
20 comment on things that could be streamlined for
21 small business purposes. So, it's an important
22 step in the process.

23 All right, do I hear a motion?

24 COMMISSIONER STEBBINS: I move that

1 the Commission approve -- Do you want to take
2 these all as a group?

3 MS. BLUE: Yes, that would be fine.

4 COMMISSIONER STEBBINS: I move that
5 the Commission approve the drafted small
6 business impact statements relative to
7 regulations around capital investment,
8 surveillance in gaming establishment and
9 regulatory monitoring and inspections.

10 COMMISSIONER MCHUGH: Is there a
11 second?

12 COMMISSIONER ZUNIGA: Second.

13 COMMISSIONER MCHUGH: Is there any
14 discussion? All in favor then say aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER MCHUGH: Aye. The ayes
19 have it unanimously. And we thank you and
20 those are now on their way to the public
21 hearing.

22 MS. BLUE: Yes.

23 COMMISSIONER MCHUGH: Thank you very
24 much. All right, the last item on our agenda

1 is a Region A update. Do you want to say
2 anything Mr. Ziemba? You're not listed as a
3 speaker but -- Yes, Sir, something useful to
4 say.

5 MR. ZIEMBA: So, at our recent
6 Commission meeting, we discussed the steps that
7 we'll be taking during evaluation week or week
8 plus.

9 Obviously, there are a lot of
10 questions about what we might be doing on a
11 particular day. And I think we talked about at
12 our last meeting is that it's almost impossible
13 for us to predict with certainty what will
14 happen on a particular day based on the length
15 of the presentations, the complexity of any
16 material error and the ability of the
17 applicants to respond to any conditions that
18 are put forward.

19 But over the next day or so, we will
20 have conversations with the applicants to try
21 to further hone the plan in the best of
22 circumstances. And then deal with any issues
23 that come up that would cause any further
24 delays.

1 Obviously, we're all trying to
2 achieve a decision as soon as we possibly can,
3 but not at the expense of making sure that our
4 decisions are the best ones possible. So,
5 we're going to proceed in that regard.

6 COMMISSIONER MCHUGH: That's really
7 helpful. And you've done a great deal of work
8 with the applicants and with this process as
9 have you, General Counsel Blue. So, I know
10 we're all looking forward to beginning next
11 week.

12 I just thought I'd spend a minute
13 just at a high level running through a couple
14 of thoughts that I had that I think people
15 ought to be aware of. And then I welcome any
16 thoughts that my colleagues have here as well.

17 The steps we've outlined in some
18 detail, we had those steps outlined at a
19 meeting, but at a very high level they involve
20 the presentations, one by each of the
21 Commissioners. We have five areas. Each one
22 of us will do one and then together we will do
23 another.

24 We will respond to claims of factual

1 error that we may make during the presentation.
2 And there is a process for getting those claims
3 to us. We'll ultimately talk about and then as
4 a group recommend and put out for consideration
5 by the applicants conditions that we would want
6 satisfied if we granted them the license. And
7 get responses to those conditions.

8 Now that's an important part of the
9 process because -- and one that will involve
10 some real discussion, as all of this will,
11 because the applicants in many cases won't know
12 what the conditions are until they hear them
13 during the course of that process.

14 And they may need, depending on
15 their complexity, a little time to consult with
16 each other and with others as to how to respond
17 to the conditions we're recommending.

18 The entire Commission has to approve
19 those recommended conditions. So, that as we
20 proceed with our individual reports, we may
21 make recommendations but it's not until all of
22 us have had the chance to chew them over that
23 they go to the applicants.

24 Then come to the deliberations when

1 we finish that process. And the deliberations
2 will begin with a discussion of the weight to
3 be given different factors in the evaluation
4 process. There is a tendency sometimes I think
5 to take a look at the ratings that are given in
6 the course of our presentations and start a
7 counting process. That's not what this is
8 about.

9 We need to focus and agree on, and I
10 think we'll agree on fairly quickly what the
11 weight to be given the various factors is. But
12 it is important for people to understand that
13 it is not a mechanical process. It's a
14 judgment and a qualitative process. And the
15 discussion about that qualitative process will
16 take place right here in the process, and then
17 ultimately a decision.

18 This is going to be a real public
19 discussion. I'm not sure what my colleagues
20 are going to say. And I'm sure they're not
21 sure what I'm going to say because we haven't
22 discussed it at all. This takes place in a
23 public setting.

24 The purpose of the discussion is to

1 understand the way and to evaluate the
2 judgments, the opinions, the thoughts, the
3 analysis put in to the various parts of these
4 very complex applications by each of the
5 Commissioners and the consultants on whom the
6 Commissioners are relying.

7 So, it's a process of bringing what
8 we've been doing individually together in a
9 forum in which some real discussions are going
10 to occur.

11 The discussions we had in the slots
12 parlor applications are a model for this. This
13 is the same kind of discussions that we had
14 there. These applications and the issues here
15 are more complex. They're bigger. They have
16 bigger numbers attached to them. They've got
17 bigger numbers of jobs but the model is the
18 same.

19 And it's important to understand
20 that this means that before the week ends,
21 Commissioners who start out with one opinion on
22 some subject may very well wind up with a
23 different opinion after listening to their
24 colleagues and putting things in context, and

1 taking out of their own isolated, and I use
2 that in a non-pejorative sense, isolated
3 analysis of the particular part of the
4 application assigned to them. Putting that in
5 a larger context may change an opinion and may
6 therefore start out in a position that they
7 don't wind up in. So it's important to let
8 this and understand that this debate is going
9 to play out. And it is organic in its outcome.

10 At the end of all that there will be
11 decision. We will meet next week beginning on
12 Monday. We might take a break, probably will
13 take a break at some point during the week to
14 give the applicants time to consider the
15 conditions that the Commission approves and get
16 back to us with written responses.

17 Written responses will be required.
18 And those responses will be posted on our
19 website. So, we will take a break at some
20 point. And then we will resume.

21 We've posted meetings into the
22 following week if it's necessary. We'll make
23 announcements here as to when we're next going
24 to get together so that nobody misses a beat.

1 And there will be information on the website as
2 to how we're going to proceed.

3 But at the end of that there will be
4 a decision. It could be a decision and we're
5 looking forward to a decision on a license
6 award. It is conceivable that we'll make a
7 decision to one or the other. It's
8 conceivable, we have the power to make a
9 decision to neither.

10 It's conceivable that we make a
11 decision that we need to get even further
12 information although we define the parameters
13 of what that information is. So, a number of
14 outcomes are conceivable and possible, but a
15 decision that narrows exactly what we are
16 looking at will come at the end of the process
17 that we're beginning next week. And it will
18 come before midweek of the following week. And
19 we're going to work very hard to make that
20 happen.

21 So, that's how I see it. I'm
22 looking forward to it beginning. I know that
23 the staff is looking forward to it beginning.
24 And a great deal of energy has gone into this.

1 And we have two very competitive applicants and
2 applications.

3 And the process of working our way
4 through that to ultimately realize for the
5 people of Massachusetts the goals that this
6 legislation was designed to reach is going to
7 be both fascinating, energizing and I hope to
8 the public a useful exercise.

9 So, that's how I see it at a very
10 high level for next week. I welcome comments
11 from others if there are any.

12 COMMISSIONER CAMERON: To speak for
13 myself, I look forward to the process. I know
14 how much work we've each put into this as well
15 as our staff and consultants. And I know we
16 are ready to have our presentations and start
17 the deliberations.

18 I think you accurately, as much as
19 we can, predict how the process will go. I
20 just look forward to starting next week.

21 COMMISSIONER MCHUGH: All right.

22 COMMISSIONER STEBBINS: I would echo
23 those comments and just say I am pleased by the
24 fact that we had competition, we have good

1 competition in this region. And I'm looking
2 forward to the process next week.

3 This is not how every other
4 jurisdiction carries it out. Oftentimes, it's
5 behind closed doors. So, the fact that this is
6 a public process with public discussion for
7 everybody to weigh in and watch us conduct our
8 business is exciting for me.

9 COMMISSIONER MCHUGH: For all of us
10 I think. I don't think anybody does it quite
11 this way but it is a good way. I felt very
12 good about the process after we came out of the
13 slots parlor discussions. And I'm anticipating
14 a really good discussion and process here as
15 well.

16 COMMISSIONER ZUNIGA: Same here. I
17 look forward to that too. I think I am really
18 looking forward and have been struggling a
19 little bit in my own section to try to
20 summarize as best as possible what is a very
21 lengthy application.

22 That is true on every section, I am
23 sure, but this has certainly been the case.
24 The numbers are bigger, and that means a lot of

1 additional things to consider, which is why
2 having the flexibility in conditions and the
3 time allotment is going to be, in my opinion
4 very important and thus hard to predict the
5 exact timing.

6 But the flexibility is embedded
7 here. I think it's been well put forward by
8 the staff and analyzed a number of ways which
9 is where we arrived. And I'm really looking
10 forward to how that comes to fruition.

11 COMMISSIONER STEBBINS: I just want
12 to add, as I was listening to my colleagues, I
13 think what people are going to be, I hope will
14 be impressed or encouraged to hear is comments
15 and discussion around issues that were raised
16 to us by residents both through the surrounding
17 community hearing process and the host
18 community hearing process, as well as the
19 hundreds if not thousands of comments we get
20 over our comments line. I think there will be
21 a good deal of that as well.

22 COMMISSIONER MCHUGH: Yes. Those
23 were important and remain an important source
24 of topics to think about as we all have been

1 proceeding. I join you in thinking that those
2 will be reflected in our discussions as we
3 proceed. All right. Any further thoughts?

4 Well, we'll be here nine o'clock
5 next Monday and ready to go and we look forward
6 to seeing all of you here. You may be joined
7 by a few others, maybe not. But in any event,
8 we'll be here at 9:00 next Monday and look
9 forward to seeing you.

10 I think that is all of the business
11 that we have. Director Day, is there anything
12 else?

13 MR. DAY: No, that's it.

14 COMMISSIONER MCHUGH: Then I'd hear
15 and entertain a motion to adjourn.

16 COMMISSIONER CAMERON: So moved.

17 COMMISSIONER MCHUGH: Second?

18 COMMISSIONER STEBBINS: Second.

19 COMMISSIONER MCHUGH: All in favor,
20 aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER MCHUGH: The ayes have

1 it unanimously. I'm sorry?

2

3 (Meeting adjourned at 11:57 a.m.)

4

5 COMMISSIONER STEBBINS: We've got to
6 close the hearing.

7 COMMISSIONER MCHUGH: Yes, thank
8 you. I'd entertain now a motion to close the
9 regulations with which we began.

10 COMMISSIONER ZUNIGA: Do you want to
11 ask if there's any further comments from the
12 public present?

13 COMMISSIONER MCHUGH: Not really.
14 Are there any further comments on the
15 regulations? No. Thank you.

16 COMMISSIONER CAMERON: Move to close
17 the hearing.

18 COMMISSIONER MCHUGH: Second?

19 COMMISSIONER STEBBINS: Second.

20 COMMISSIONER MCHUGH: All favor,
21 aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

1 COMMISSIONER MCHUGH: The hearing on
2 the regulations is closed. Thank you.

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4 (Regulations Hearing closed at 11:58 a.m.)
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1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission September
 - 4 4, 2014 Notice of Meeting and Agenda
 - 5 2. Massachusetts Gaming Commission Notice of
 - 6 Public Hearing
 - 7 3. 205 CMR 137 Gaming Schools DRAFT
 - 8 4. 205 CMR 134 Licensing and Registration of
 - 9 Employees, Vendors, Junket Enterprises and
 - 10 Representatives, and Labor Organizations DRAFT
 - 11 5. Massachusetts Gaming Commission August 21,
 - 12 2014 Meeting Minutes
 - 13 6. Horse Racing Committee Decision and Report
 - 14 7. 205 CMR 138 Uniform Standards of
 - 15 Accounting Procedures and Internal
 - 16 Controls DRAFT
 - 17 8. Massachusetts Gaming Commission August 28,
 - 18 2014 Memorandum Regarding Qualifier Mary
 - 19 Christine Gay of Applicant Blue Tarp/MGM
 - 20 9. Massachusetts Gaming Commission August 29,
 - 21 2014 Master Schedule Update
 - 22 10. Massachusetts Gaming Commission Small
 - 23 Business Impact Statements RE: 205 CMR
 - 24 122; 205 CMR 141; 205 CMR 142

1 GUEST SPEAKERS:

2 Mark Kmetz, Division of Public Licensure

3 Raymond Buso, Esq.

4 George Rotondo

5

6 MASSACHUSETTS GAMING COMMISSION STAFF:

7 Catherine Blue, General Counsel

8 Jill Griffin, Director of Workforce, Supplier

9 and Diversity Development

10 Todd Grossman, Deputy General Counsel

11 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 5th day of September, 2014.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018