



Massachusetts Gaming Commission Meeting Minutes

Date/Time: April 9, 2020 –10:00 a.m.

Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5293
MEETING ID: 111 512 4467

Present: Chair Cathy Judd-Stein
Commissioner Gayle Cameron
Commissioner Enrique Zuniga
Commissioner Bruce Stebbins
Commissioner Eileen O'Brien

Given the unprecedented circumstances, Governor Charles Baker issued an order to provide limited relief from certain provisions of the Open Meeting Law to protect the health and safety of the public and individuals interested in attending public meetings during the global Coronavirus pandemic. In keeping with the guidance provided, the Commission conducted this public meeting utilizing remote collaboration technology.

Call to Order

10:00 a.m. Chair Cathy Judd-Stein called to order public meeting #297 of the Massachusetts Gaming Commission ("Commission").

The Chair confirmed a quorum for the meeting with a Roll-Call Vote.

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Stebbins: Aye.

Commissioner Zuniga: Aye.

Chair Judd-Stein: Aye.

The Chair noted that the first week of April is National Public Health Week. As the Commission's Research and Responsible Gaming division has worked closely with the Massachusetts Department of Public Health ("DPH") since the Commission's inception, she looks forward to continued work with the DPH again when the casinos re-open.

Approval of Minutes

10:05 a.m. *Commissioner Stebbins moved to approve the minutes from the Commission meeting of March 12, 2020, subject to correction for typographical errors and other nonmaterial matters. Commissioner Cameron seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

Commissioner Stebbins further moved to approve the minutes from the Commission meeting of March 14, 2020, subject to correction for typographical errors and other nonmaterial matters. Commissioner Stebbins suggested an edit to the format of the minutes for the duration of the public restrictions to memorialize the governor's exception to the Open Meeting Law, allowing for remote collaboration technology. Commissioner Zuniga seconded the motion, with the edit.

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

Commissioner Stebbins then moved to approve the minutes from the Commission meeting of March 16, 2020, subject to correction for typographical errors and other nonmaterial matters. He noted the previous request to edit the current format of minutes. Commissioner O'Brien seconded the motion, with the edit.

Roll Call Vote:

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

Administrative Update

10:09 a.m. **Department Reports**

Interim Executive Director Karen Wells provided the Commission with departmental reports. She reported that a significant portion of the Commission's

normal operations is continuing, despite the interruption in casino operations. Other much-needed areas are also being focused on now as well. She stated that the Information Technology (“IT”) Division quickly transitioned the Commission to a remote workforce. She then described all current tasks, procedures, and projects that are ongoing during the casino shutdown, by departments.

Ms. Wells stated that casino operations will resume once the public health and government officials allow. The re-openings will be a considerable task for each casino in a condensed time-frame; however, staff will be prepared as a result of ongoing efforts and steps being taken at this time.

10:30 a.m.

The commissioners each thanked everyone on the Commission’s teams for the continuing work that they are performing. Commissioner Stebbins thanked the Workforce, Supplier, and Diversity Development team for reaching out to small businesses impacted by the shutdowns. He also commented on the area of potential sports betting and the work needed on some critical issues there. The Chair commented that if the legislature does allow sports betting and designate the Commission to regulate it, the Commission will be poised to do so.

10:40 a.m.

Legislative Activities Report

Construction Project Oversight Manager Joe Delaney, Director of Workforce, Supplier, and Diversity Development Jill Griffin, presented the Commission with a legislative update regarding the pandemic.

Mr. Delaney reported that they are closely monitoring the 80 bills filed related to COVID-19. He discussed the portions of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act that are most relative to the Commission, casino, and vendors.

Mr. Delaney stated that the gaming industry is eligible to participate in the Small Businesses Act. He also described potential benefits available to licensees and vendors in terms of financial assistance.

10:47 a.m.

Ms. Griffin described the Paycheck Protection Program (“PPP”) and provided that the Small Business Administration advises small businesses to apply through their bank. She also noted the Economic Injury Loan Advance Program that provides immediate relief and may be of particular interest to horse racing independent contractors, non-profits, small businesses. Information is on the www.sba.gov website. The Commission has been continuing to post helpful info on its website as well.

Accounting and Finance

10:57 a.m. **Budget Updates**

Chief Financial Officer Derek Lennon, Finance and Budget Office Manager Agnes Beaulieu, Revenue Manager Doug O'Donnell presented the second and third quarterly budget updates to the Commission.

The Chair noted that Derek has advised the Commission to proceed as scheduled with a budget review as a prudent step in an appropriate action, particularly in light of emerging fiscal considerations.

Mr. Lennon noted an error on his memorandum, as the figures should indicate that the total number of gaming positions for each casino should be slightly lower, which changes the distribution of the assessment, but will not change the actual assessment amount. He will re-calculate the distribution and provide the revised numbers to the Commission.

In response to the changing environment, MGC staff has prepared a series of recommendations for spending reductions. The recommendations are based on sound fiscal policy and focus on stopping projects that have a natural stop point, not beginning projects that do not have the necessary resources available to start, and reducing budgets where spending most likely cannot happen. The majority of these initiatives represent reduced spending levels for April, May, and June. Therefore, if facilities open and business is resumed, the full savings may not be realized. In addition to the spending reductions, revenues have exceeded expectations. The combined impact of spending reductions and additional revenue result in a projected surplus of \$2.15M in the Gaming Control Fund.

There was a discussion around options for accepting the spending reductions in part, whole or looking for additional spending reductions and how to assess the remainder of the fiscal year as presented in the memorandum. Mr. Lennon recommended that the Commission adopt the spending recommendations in the memorandum, bill the licensees on a monthly basis and distribute the \$2.1M in projected surplus to the licensees over the course of the remaining billings. Mr. Lennon stated that the team will meet monthly to discuss these and other related issues.

11:29 a.m. Commissioner Zuniga discussed the potential modification of existing contracts, as revenues will not match what the current conditions are. He suggests that the team continue exploring what can be accomplished with the changing circumstances. He recommends billing monthly instead of quarterly.

11:35 a.m. *Commissioner Zuniga moved that the Commission adopt the recommendations outlined in the memorandum from CFAO Lennon as included in the packet and take steps necessary to effectuate those recommendations. Commissioner Stebbins seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Stebbins: Aye.

Commissioner Zuniga: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

Research and Responsible Gaming

11:37 a.m. **Springfield Lottery Impact Study**

Director of Research and Responsible Gaming Mark Vander Linden, and Dr. Mark Nichols of the Social and Economic Impacts of Gambling in Massachusetts (“SEIGMA”) Research Team presented the impacts of MGM Springfield on the Massachusetts State Lottery revenue.

Dr. Nichols reviewed a slide presentation with the Commission that described the statewide and local analysis, statewide lottery sales trends, annual growth rates in Springfield and Surrounding Communities, and lottery sales over the first year of operation, with how they may be related to the casino. He then stated that lottery sales in Springfield and surrounding communities have seemed to be flattening out over time. There does not appear to be a change from the opening of MGM Springfield. Dr. Nichols then concluded that there appears to be no damage statewide.

11:58 a.m.

Commissioner Zuniga asked to what degree lottery agents (businesses that sell lottery tickets) numbers may have changed. Dr. Nichols replied that there was a turnover in the number of agents, as there always is. Many agents saw increases in their revenues, and a small number of agents experienced a decrease in revenue.

12:02 p.m.

Stebbins noted that lottery sales are broken down by zip code in Springfield and that some of the neighborhoods surrounding the casino might have seen the decrease in lottery sales. He then asked what percentage of the communities experienced increases or decreases in lottery sales. Dr. Nichols will consider this for future data gathering and analysis.

Mr. Vander Linden stated this pandemic will reflect on their research as if the study is establishing a new baseline since the onset of COVID-19.

Investigations and Enforcement Bureau (IEB)

12:10 a.m. **MGM and Encore Boston Harbor Qualifiers**

Chief Enforcement Counsel Loretta Lillios recommended that the Commission find the MGM Qualifier Atif Rafiq and Wynn Qualifier Rajeev Rai suitable. She stated the IEB’s investigatory steps taken that ultimately resulted in the IEB’s

approval. She described both of the qualifiers' positions and credentials to the Commission.

12:15 p.m. *Commissioner Cameron moved that the Commission find Mr. Atif Rafiq, President of Commercial and Growth for MGM Resorts International, suitable as a Qualifier for Blue Tarp reDevelopment, LLC. Commissioner Stebbins seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

12:18 p.m. *Commissioner O'Brien moved that the Commission find Rajeev Rai, Chief Information Officer, North America suitable as a Qualifier for Wynn MA, LLC. Commissioner Cameron seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

Workforce, Supplier, and Diversity Development

12:19 p.m. **Hampden Prep Amendment Request (Community Mitigation Fund – Workforce Development Grant 2019)**

Ms. Griffin and Program Manager Crystal Howard presented a request for an amendment to the Community Mitigation Fund grant that for Springfield Technical Community College and Holyoke Community College that was approved by the Commission last year.

Ms. Howard described the request that would allow their Hamden Prep program to switch from in-person courses to a digital model. She described items being requested for the implantation of the new model.

12:24 p.m. *Commissioner Stebbins moved that the Commission approve Springfield Community College's request to move to a new digital learning model, and to allow for the purchase of necessary technology, including Chromebooks and Hotspots, to support it. Commissioner Cameron seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O'Brien: Aye.

Commissioner Zuniga: Aye.
Commissioner Stebbins: Aye.
Chair Judd-Stein: Aye.
The motion passed unanimously.

Legal Division

12:25 a.m. **Initial Review for Emergency Adoption and Commencement of Promulgation Process for 205 CMR 138.68: Expiration of Gaming-related Obligations to Patrons; Payment to the Gaming Revenue Fund** – addressing the one-year period.

Interim General Counsel Todd Grossman described the proposed amendment to the allowance of one year to collect winnings. This remedies the issue of not being able to cash winning tickets during the temporary closure of the casinos due to COVID-19. The amendment states that any period of time in which the operation is closed is excluded from the calculation. This applies to gaming winnings only, and not racing winnings. Racing winning calculations are not impacted by the temporary closures and are handled separately.

12:31 p.m. *Commissioner Stebbins moved that the Commission approve the Small Business Impact Statement for the amendments to 205 CMR 138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund as included in the packet. Commissioner O'Brien seconded the motion.*

Roll Call Vote:

Commissioner Cameron: Aye.
Commissioner O'Brien: Aye.
Commissioner Zuniga: Aye.
Commissioner Stebbins: Aye.
Chair Judd-Stein: Aye.
The motion passed unanimously.

Commissioner Stebbins further moved that the Commission approve the version of the amendments to 205 CMR 138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund as included in the packet and authorize the staff to take all steps necessary to begin the regulation promulgation process by emergency. Commissioner O'Brien seconded the motion.

Roll Call Vote:

Commissioner Cameron: Aye.
Commissioner O'Brien: Aye.
Commissioner Zuniga: Aye.
Commissioner Stebbins: Aye.
Chair Judd-Stein: Aye.
The motion passed unanimously.

Commissioner Updates

[12:33 p.m.](#) Commissioner Stebbins stated that he would like to reflect on the retirement or “stepping down” of Jill McCarthy Payne from the Region B Local Community Mitigation Advisory Committee (“LCMAC”). The Commission thanks her for her service, and will award her a Certificate of Appreciation. He also acknowledged Tim Brennan, who was the Executive Director of the Pioneer Valley Planning Commission and held that position for 38 years before retiring in 2019. Commissioner Stebbins acknowledged his passing on March 13, 2020, and extended prayers and condolences to Tim’s family. He thanked Mr. Brennan for his service.

[12:36 p.m.](#) Commissioner Zuniga stated that as the point person for the procurement of the executive director, he has received responses. Still, he recommends that the Commission refrain from evaluating those responses temporarily and suspend the procurement until further notice.

[12:38 p.m.](#) Commissioner Cameron continues to work with regulators and advisors from around the world on the International Joint Conference with International Masters of Gaming Law (“IMGL”) and the International Association of Gaming Regulators (“IAGR”) conference the third week in September 2020. The group is monitoring the global pandemic, and there may be some changes as a result. She stated that they are asking for input from the Commission. The groups are continuing to meet and monitor at the same time.

[12:39 p.m.](#) *With no further business, Commissioner Cameron moved to adjourn.*

Commissioner Zuniga seconded the motion.

Roll Call Vote:

Commissioner Cameron: Aye.

Commissioner O’Brien: Aye.

Commissioner Zuniga: Aye.

Commissioner Stebbins: Aye.

Chair Judd-Stein: Aye.

The motion passed unanimously.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated April 9, 2020
2. Draft Commission Meeting Minutes dated March 12, 2020
3. Draft Commission Meeting Minutes dated March 14, 2020
4. Draft Commission Meeting Minutes dated March 16, 2020
5. Memorandum re: Fiscal Year (FY20) Second and Third Budget Update dated April 9, 2020
6. Attachment A FY20 Actuals Spending and Revenue dated April 3, 2020

7. Attachment B QRY – Step 16A Budget Amendment Requests 2nd Quarter by Object Class
8. Attachment C QRY – Step 16A Budget Amendment Requests 3rd Quarter by Object Class
9. Lottery and MGM Springfield Presentation dated February 20, 2020
10. Massachusetts Lottery Sales and MGM Springfield First-Year Analysis
11. SEIGMA Fact Sheet 2020
12. Small Business Impact Statement for Amendments to 205 CMR 138.68
13. Cover Sheet for Draft Regulation Amendment to 205 CMR 138.68
14. Draft Regulation Amendment to 205 CMR 138.68
15. Memorandum: 2019 Workforce Development Community Mitigation Fund Grant: Amendment Request for Hampden Prep dated April 8, 2020

/s/ Bruce Stebbins
Secretary