

# **Massachusetts Gaming Commission Meeting Minutes**

**Date/Time:** August 27, 2020 – 10:00 a.m.

**Place:** Massachusetts Gaming Commission

VIA CONFERENCE CALL NUMBER: 1-646-741-5292

MEETING ID: 112 715 4330

**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 #316 of the Massachusetts

Gaming Commission (Commission).

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

Commissioner Cameron: Aye.
Commissioner O'Brien: Aye.
Commissioner Zuniga: Aye.
Commissioner Stebbins: Aye.
Chair Judd-Stein: Aye.

### **Approval of Meeting Minutes**

<u>10:02 a.m.</u> Commissioner Stebbins moved to approve the minutes from the Commission

meeting of June 25, 2020, subject to correction for typographical errors and other nonmaterial matters. Commissioner O'Brien requested an edit. 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, pending the edit.

# Statement of the Chair: M.G.C. Regulatory Oversight and Encore Boston Harbor

10:04 a.m. The Chair noted that it had been six weeks since the casinos have reopened under Phase 3 of the Commonwealth's phased reopening. On behalf of the Commission, she commended the staff for its swift assessment of the situation and action taken to ensure safety and compliance. She added that it is critically important for the Commission to remain vigilant in its efforts to enforce the safety guidelines outlined in the reopening safety guidelines.

### **Administrative Update**

# 10:07 a.m. Hiring Announcement

Interim Executive Director Karen Wells made a formal announcement that the Commission has named Interim General Counsel Todd Grossman as General Counsel to the Commission. She and the commissioners commended Mr. Grossman for his leadership as Interim General Counsel during challenging circumstances imposed by the pandemic. The Chair also noted that Mr. Grossman underwent a thorough, competitive assessment.

### 10:13 a.m. Casino Reopening Update

Ms. Wells updated the Commission on an incident that occurred at Encore Boston Harbor on Sunday, August 13 involving over 110 individuals, mostly without wearing masks, in a hotel suite. Under Encore's rules, suite capacity is limited to 10 people. Ms. Wells summarized the incident and stated that the guest who registered at the suite had been charged with and disorderly conduct for hosting the gathering and fined \$500 for obstructing the governor's order prohibiting gatherings of over 25 people. The Investigations and Enforcement Bureau (I.E.B.) issued a Notice of non-compliance to the casino, to which the casino was assessed a window of time to complete a communications plan. Licensee will conduct enhanced training, assess luggage being brought on property and added security at elevators. Security staff will now monitor the hotel floors for infractions.

I.E.B. Deputy Director and Chief Enforcement Counsel Loretta Lillios described the notice of non-compliance that the I.E.B. issued to the licensee. She noted that Encore reported to the I.E.B. the steps they are taking to comply with the I.E.B.'s requirements, stating that they are employing a number of their additional

measures. Encore has also increased security and surveillance measures on the hotel floors since the incident.

- 10:24 a.m. I.E.B. Assistant Director and Gaming Agents Division Chief Bruce Band stated that the new rules have resulted in fines and evictions for some patrons. He also described the additional security measures in place to monitor hotel guests.
- 10:32 a.m. Ms. Lillios confirmed for Commissioner Zuniga that the \$500 fine that Encore assesses only applies to the person who rented the room.
- 10:35 a.m. The Chair remarked that the notice of non-compliance that the Commission assessed to Encore is a very serious step. She described the circumstances surrounding the incident and why she felt it was particularly egregious. The Chair concluded by stating that it is essential that licensees enforce safety measures and keep communication channels open to ensure their employees' reports are heard.
- 10:39 a.m. Commissioner Zuniga suggested that the licensee obtain names and telephone numbers of everyone involved in these types of violations, which contribute to putting others at risk and not focusing on the individual who rented the room solely.
- M.G.C. Office Reopening Working Group Update

  Ms. Wells stated that she had issued a notice to the Commission staff stating that telework will continue at least through December 31, pursuant to the governor's guidelines and orders. She stated that she has arranged for equipment to be transferred for employees' home use. An ITS Acceptable Use Policy has been distributed to employees.

### **Racing Division**

### 10:49 a.m. Horse Racing Update

Racing Division Director Dr. Alexandra Lightbown updated the Commission on compliance with masks in the racing division. She indicated explicitly that everyone in the simulcasting facilities is complying with the mask guidelines.

Next, Dr. Lightbown stated that the Kentucky Derby will have no spectators this year due to the pandemic. She added that this will still be a big day for all three facilities, and they are reviewing their COVID-19 plan, adding security, and further safety measures in preparation.

Dr. Lightbown commended her team in the racing division for their cooperative compliance with wearing masks, as it is very difficult to work outside in high temperatures for extended lengths of time in Personal Protective Equipment (P.P.E.). Commissioner Cameron then recognized Dr. Lightbown for her remarkable efforts to ensure a safe reopening of the racing division.

## 10:53 a.m. Horse Racing Committee Split

Next, Dr. Lightbown addressed the Race Horse Committee's recent decisions for the new Race Horse Development Fund distribution percentages (the "split"). She directed the Commission to a letter in the Commissioners' Packet from the Chair of the committee, Brian Fitzgerald, that outlined the committee's recommendations for the purse distributions, breeding program distributions, and health and pension benefits distributions to the Standardbred and Thoroughbred industries.

# 10:54 a.m. 205 CMR 149.04: Race Horse Development Fund: Distributions; Escrow Accounts

Mr. Grossman first addressed agenda item number 6(c); amendments to 205 CMR 149.04: Race Horse Development Fund: Distributions; Escrow Accounts to provide context for the Commission before discussing the "split" percentages.

There was a public hearing held for this amendment to the regulation this morning before the Commission meeting. Commissioner Stebbins stated that there were no comments offered by the public on this regulation. Mr. Grossman then described the three proposed distribution percentages requiring a vote from the Commission.

11:02 a.m. Commissioner Cameron explained the Horse Race Committee's construct for the public, defining each committee member's role.

11:04 a.m. Commissioner Zuniga moved that the Commission approve the Amended Small Business Impact Statement for 205 CMR 149.04: Race Horse Development Fund: Distributions; Escrow Accounts, as included in the Commissioners' Packet.

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 Zuniga further moved that the Commission adopt the version of 205 CMR 149.04: Race Horse Development Fund: Distributions; Escrow Accounts, as included in the Commissioners' Packet and authorize the staff to take all steps necessary to finalize the regulation promulgation process. 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.

11:06 a.m. Next, Mr. Grossman reviewed standards of the "split" with the Commission. He also highlighted <u>G.L. c. 23K</u>, § 60, which governs the Race Horse Development Fund and specified that it is the Commission's authority to approve the proposed percentages.

Commissioner Cameron explained the deliberations at the Horse Race Committee meetings leading up to the present recommendations now before the Commission. She described existing needs on the health and pension benefits side of the Thoroughbred industry. She explained that under the emergency regulation, they were able to ask each breed to appeal to the Horse Race Committee for more funds for purses, breeding, and health & pension benefits. The committee was then able to make recommendations based on each category. The Commissioner described how the committee arrived at the recommendations for each percentage before the Commission today.

11:21 a.m. Commissioner Stebbins moved that the Commission approve the recommendations submitted by the Horse Race Committee in accordance with G.L. c. 23K § 60 as follows:

80% distributions for purses for live races shall be split: 70% to Standardbred, 30% to Thoroughbred;

16% distributions for breeding programs shall be split: 70% to Standardbred, 30% to Thoroughbred; and

4% distributions for health and pension benefits shall be split: 40% to Standardbred, 60% to Thoroughbred.

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.

# 11:22 a.m. Plainridge Park Request for Premium-Free Period

Plainridge Park Casino (PPC) Director of Racing Steve O'Toole has submitted a request for approval of a Premium-Free Period from Sunday, June 14 through and including Saturday, September 5, 2020.

Dr. Lightbown recommended that the Commission approve PPC's request for a premium-free period of June 14 through and including September 5, 2020.

11:23 a.m. Commissioner Cameron moved that the Commission approve Plainridge Park Casino's request for a premium-free period of Sunday, June 14 through September 5, 2020, in accordance with G.L 128C § 2(4). 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.

# 11:23 a.m. Plainridge Park Request to Utilize Handheld Wagering Devices ("Walk Abouts") on Kentucky Derby Day

PPC is seeking the Commission's approval to utilize handheld wagering devices, or "Walk Abouts," for patrons to place wagers outside the racing area on Kentucky Derby Day, by designated drive-through and walk-up areas on the casino property.

Dr. Lightbown described walkabouts to handle the increased demand for wagering opportunities due to imposed restrictions from the pandemic.

- 11:26 a.m. PPC's Director of Racing Steve O'Toole described a typical crowded Kentucky Derby day before the pandemic. He explained the measures needed and steps taken to now restrict access to the racing building. Mr. O'Toole noted that occupancy was limited to under 300 for this event through ticket sales. He proposes implementing two drive-throughs called "Walk Abouts" and described the teller's remote system to take wagers from patrons.
- 11:35 a.m. The Chair noted that mobile betting is also allowed through establishing an account for horse racing.
- 11:36 a.m. Mr. Grossman highlighted some legal issues relevant to the discussion. He noted the law that governs where wagering machines can be placed and the type of devices themselves, being automatic betting machines. He referenced G.L. c. 128A § 5(a) and stated that the wagering machines do appear to comply with the statute's requirements.
- 11:43 a.m. The Chair asked Mr. O'Toole to address COVID-19 compliance and describe what measures are being taken at the racetrack concerning communicating expectations of patrons. Mr. O'Toole stated that signage and a Plainville police officer would be stationed at the entrance to explain. There was discussion

around requiring masks in cars and in line, as a teller may approach a vehicle to take wagers.

- 11:50 a.m. Ms. Lillios described pandemic safety requirements for Encore's indoor and outdoor areas. A total of 300 patrons will be allowed in both areas combined.
- Mr. O'Toole confirmed for Commissioner O'Brien that there will be an officer at every building entrance for every live racing day, and there will be an additional officer to assist with the drive-through.
- 11:54 a.m. PPC Security Director Greg Demarco described the property's security plan and stated that they are working with the marketing department to promote it.
- Mr. O'Toole confirmed for Commissioner Stebbins that tellers will be vigilant on Kentucky Derby Day to avoid mistakes inadvertently made by casual betters. The Chair asked Mr. O'Toole to work closely with Ms. Lillios and her team to ensure that the intent of the racing standards is also applied to simulcasting.
- 12:01 p.m. Commissioner O'Brien stated that she has questions regarding security issues that would be appropriately addressed at an executive session, to which the Commission agreed. Proper notice will be provided for an emergency executive session.
- 12:07 p.m. Commissioner O'Brien moved that the Commission approve the use of handheld wagering devices, or "Walk Abouts," during the 2020 Kentucky Derby, pursuant to compliance with the existing racing and gaming COVID-19 restrictions, and any additional COVID-19 restrictions discussed today, and further subject to I.E.B. confirming the statutory compliance of the device, and subject to the approval of any security issues to be addressed in an executive session. 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**

### 12:09 a.m. 205 CMR 134.03: Gaming Service Employees

The Commission reviewed the proposed amendment, previously enacted by emergency, to this regulation that allows a gaming licensee to temporarily allow an individual(s) to assist with gaming establishment employee training and related purposes without having to become licensed or registered, from the date operations are recommenced after any period of suspension.

## 12:12 a.m.

Commissioner Stebbins moved that the Commission approve the Amended Small Business Impact Statement for 205 CMR 134.03: Gaming Service Employees, as included in the Commissioners' Packet. 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 that the Commission adopt the version of 205 CMR 134.03: Gaming Service Employees, as included in the Commissioners' Packet, and authorize the staff to take all necessary steps to finalize the regulation promulgation process. 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.

#### 12:13 p.m.

# 205 CMR 138.72: Policies and Procedures for Ensuring a Workplace Free from Unlawful Discrimination, Harassment, and Retaliation

The Commission reviewed this proposed new regulation that would require a system of internal controls for a licensee that includes policies and procedures to ensure a workplace free from unlawful discrimination, harassment, and retaliation.

Associate General Counsel Carrie Torrisi described the regulation for the Commission. She noted that M.G.M. Springfield submitted comments to her and that she had amended the regulation. She identified two substantive changes of concern and asked Commissioner O'Brien to address it with the Commission.

### 12:17 p.m.

Commissioner O'Brien stated her specific concern is around stricken language in section D of the regulation that required a licensee to explain why any allegations or claims had not been investigated or resolved, should they be found to remain unresolved. She also noted how the request for the trainers' job title on unlawful discrimination, harassment, and retaliation in section G is not appropriate. Commissioner Cameron added that all items were originally discussed with the licensees and that the licensees generally agreed. She agrees that the regulation should stay the same.

12:19 p.m. Commissioner O'Brien recommended adopting the initially approved version by the Commission and not to incorporate M.G.M. Springfield's proposed changes.

12:23 p.m. Commissioner O'Brien moved that the Commission approve the Amended Small Business Impact Statement for 205 CMR 138.72: Policies and Procedures for Ensuring a Workplace Free from Unlawful Discrimination, Harassment, and Retaliation, as included in the Commissioners' Packet, only including the redline represented in paragraph 4(f). 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 O'Brien further moved that the Commission adopt the version of 205 CMR 138.72: Policies and Procedures for Ensuring a Workplace Free from Unlawful Discrimination, Harassment, and Retaliation, as included in the Commissioners' Packet, only including the redline represented in paragraph 4(f) and authorize the staff to take all steps necessary to finalize the regulation promulgation process. 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.

### **Compliance Items Update**

Ms. Wells provided the Commission with an overview of areas of compliance and discussed best practices. She discussed external and internal compliance functions. Ms. Wells asked the Commissioners for any suggestions, direction, or further related items for discussion.

The Chair highlighted the Working Group that Commissioner Zuniga and Commissioner O'Brien have been participating in. Commissioner Zuniga stated that this group meets monthly, devoted to areas that need to be assessed, such as internal compliance and annual risk assessment. This Working Group is in the process of establishing its charter. The group will report back to the Commission with status updates periodically.

Next, Commissioner Zuniga suggested the designation of an internal controls officer for a future Commission meeting. He added that the finance department

typically falls into that role across jurisdictions and feels that technically, this may not be appropriate in this scenario, and suggested a discussion for the position. The Commission also needs to consider when and how that designation will occur.

# **Executive Director Search Update**

- Commissioner Zuniga reported that the Working Group conducted two surveys of staff and directors relative to attributes, qualities, priorities for the agency regarding the executive director search. The survey did yield positive feedback for Ms. Wells' performance. He stated that the Commission will determine the next steps at this meeting today. Commissioner Zuniga then described options for the Commission to consider and conduct an interview with the leading candidate.
- 12:48 p.m. The Chair stated that she anticipates the Commission moving forward with this as quickly as possible. She hopes that the Commission can make this an interview of the leading candidate through the survey results. She suggested an evaluation of the executive director on an annual basis in a public meeting. There was a subsequent discussion around the format of the process.
- 12:51 p.m. Commissioner Stebbins stated that he would like to have a public hearing regarding Ms. Wells and her role. The Commissioners concurred.
- 1:07 p.m. Next, the Chair stated that the Commission meeting scheduled for September 10 would be appropriate for the aforementioned hearing. She then noted that this meeting is running about 30 minutes past the anticipated end-time and that the executive session scheduled to follow will be rescheduled for 2:00 p.m. today.

## **Commissioner Updates**

- 1:10 p.m. Commissioner Stebbins stated that there has just been a formal announcement that the start of construction of the 31 Elm Street project is ready to commence as the property is being transferred to developers. In attendance for the status announcement were Gov. Charlie Baker, Lt. Gov. Karyn Polito, U.S. Rep. Richard E. Neal, Mayor Domenic J. Sarno, M.G.M. Springfield President Chris Kelley, Picknelly and Gilbert J. Winn, C.E.O. of WinnCompanies and MassMutual chairman, president, and C.E.O. Roger Crandall.
- 1:11 p.m. Executive Session pursuant to M.G.L. Chapter 30A Section 21(a)(3) for the purpose of the following discussions to convene at 2:00 p.m.:

  The Commission will now meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to collective bargaining as discussion at an open meeting may have a detrimental effect on the bargaining position of the Commission. The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

So moved by Commissioner Stebbins. Commissioner O'Brien seconded the motion.

Roll Call Vote:

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

The Commission is anticipated to meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to a matter related to Wynn v. Wells, M.G.C., Wynn Resorts, et al., as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission. The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

So moved by Commissioner Stebbins. Commissioner O'Brien seconded the motion.

Roll Call Vote:

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

The Commission is anticipated to meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to FBT Everett Realty, L.L.C. v. M.G.C. v. Wynn MA, L.L.C. as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission. The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

So moved by Commissioner Cameron. Commissioner Zuniga seconded the motion.

Roll Call Vote:

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

The Commission is anticipated to meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to a matter related to FBT

Everett Realty, L.L.C. v. M.G.C. v. Wynn MA, L.L.C. as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission. The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

So moved by Commissioner Stebbins. Commissioner Cameron seconded the motion.

Roll Call Vote:

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

The Commission is anticipated to meet in executive session in accordance with G.L. c.30A, §21(a)(3) to discuss strategy with respect to City of Revere, and Mohegan Sun Massachusetts, L.L.C. v. Massachusetts Gaming Commission as discussion at an open meeting may have a detrimental effect on the litigating position of the Commission. The public session of the Commission meeting will not reconvene at the conclusion of the executive session.

So moved by Commissioner Zuniga. Commissioner Cameron seconded the motion.

Roll Call Vote:

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

1:16 p.m.

With no further business, Commissioner Stebbins moved to adjourn the public portion of the meeting, and conduct the executive session at 2:00 p.m. Commissioner Cameron seconded the motion.

Roll Call Vote:

Commissioner Stebbins: 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 August 13, 2020
- 2. Draft Commission Meeting Minutes dated June 25, 2020
- 3. Letter to Senate and House of Representatives re: Race Horse Development Fund Distribution Percentages dated July 20, 2020
- 4. Memorandum re: Plainridge Request for Premium-Free Period dated August 24, 2020
- 5. Letter to Dr. Alexandra Lightbown from Steve O'Toole dated August 24, 2020
- 6. Letter to Dr. Alexandra Lightbown from PPC re: Kentucky Derby Race Day Drive-Through and Walk About Request dated August 14, 2020
- 7. Draft Amended Small Business Impact Statement for 205 CMR 134.03
- 8. Regulation Cover Sheet for 205 CMR 134.03
- 9. Draft Regulation 205 CMR 134.03
- 10. Draft Amended Small Business Impact Statement for 205 CMR 138.72
- 11. Regulation Cover Sheet for 205 CMR 138.72
- 12. Draft Regulation 205 CMR 138.72
- 13. Draft Amended Small Business Impact Statement for 205 CMR 149.04
- 14. Regulation Cover Sheet for 205 CMR 149.04
- 15. Draft Regulation 205 CMR 149.04

/s/ Bruce Stebbins
Secretary