



Massachusetts Gaming Commission Meeting Minutes

Date/Time: September 24, 2020 – 10:00 a.m.

Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
MEETING ID: 112 822 8354

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 #320 of the Massachusetts Gaming Commission (Commission).

The Chair confirmed a quorum for the meeting with a Roll Call. The following Commissioners were in attendance:

*Commissioner Cameron
Commissioner O'Brien
Commissioner Zuniga
Commissioner Stebbins
Chair Judd-Stein*

Approval of Meeting Minutes

10:04 a.m. *Commissioner Stebbins moved to approve the minutes from the Commission meeting of July 10, 2020, subject to correction for typographical errors and other*

nonmaterial matters. The Chair requested an edit. 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, pending the edit.

Administrative Update

10:00 a.m. Executive Director Karen Wells stated that Plainridge Park Casino (PPC) is planning to return to 24/7 operations starting on October 9, 2020. Gaming agents and Massachusetts State Police will be prepared. She added that Encore Boston Harbor will be reopening their spa and retail locations in accordance with state guidelines. She noted that internally, the Restart Group will analyze the guidelines to determine whether any other action is needed. She also addressed the hours of operation at the facilities.

10:04 a.m. Casino Updates

Investigations and Enforcement Bureau (I.E.B.) Chief Enforcement Counsel/Deputy Director Loretta Lillios stated that licensees are all in compliance with safety and health measures and enforcement of beverage guidelines. Overall acceptance by patrons has been good, with no issues to report. Each licensee continues to fall within the occupancy limits set in September. Ms. Lillios confirmed PPC's upcoming return to 24/7 operations that will go into effect on October 9, and retail changes are in effect at Encore. MGM is opening one floor of the hotel for invited guests.

Encore will have 87 new gaming positions at the end of October, and will still meet occupancy guidelines. She stated the notification requirement when there are known cases, and that the Commission has been notified of a small number of COVID-19 cases in the single digits, which she further discussed. She noted that each licensee is in contact with their local boards of public health.

10:16 a.m. Assistant I.E.B. Director and Gaming Agents Division Chief Bruce Band reported on the status of operations at the casinos. He noted occasional overcrowding in the elevators at Encore when patrons are leaving the casino. Encore is considering allowing patrons to exit using the stairs and are checking the fire code.

10:18 a.m. Revenue Numbers

Ms. Wells reported on the August Gross Gaming Revenue (G.G.R.). She noted how the COVID-19 restrictions have impacted the G.G.R. and offered to track revenues in the future. Commissioner Zuniga is in favor of that continued analysis

and not to draw conclusions based on year over year analysis. The Chair asked CFAO Lennon about the ability to collect the financial results.

10:25 a.m. **License Status for Casino Re-hires**

Ms. Wells noted that an original employee license or registration has a term of five years. If someone is furloughed or laid-off, that license is still valid. Given the initial licensing date, only PPC employees may need to check to see if they are approaching the five-year expiration date. Ms. Wells noted that the Licensing Division will work with the licensee relative to employee licensing issues.

Ombudsman's Office

10:30 a.m. **Licensee First Quarter and Second Quarter Reports**

Construction Project Oversight Manager Joe Delaney reviewed the first and second-quarter reports for Plainridge Park Casino, MGM Springfield, and Encore Boston Harbor. Representatives of the licensees were available for any questions or comments.

Mr. Delaney explained the new format of the quarterly reports. The Chair confirmed that the statutory requirements and reporting obligations have been met through this format with the first two quarters.

10:34 a.m. **License Quarterly Report Template Discussion**

Mr. Delaney presented an update on the proposed updated reporting template and listed concerns raised by licensees. Topics included confidentiality, capital expenditures, diversity requirements, reporting on RFA-2 compliance, and non-gaming revenue and performance. The Commission then reviewed each category in the template in a PowerPoint. There was discussion around reporting non-gaming revenue and that each licensee reports this information differently. He noted the focus on employment reporting and Director Griffin is working on those templates as each licensee has different employment goals.

Mr. Delaney also raised the issue of Capital Expenditure (Cap-Ex) plans and how to report on the diversity in smaller projects. He also noted additional reporting on compliance, lottery sales and some of the events and activities held by the licensees.

10:50 a.m. Mr. Delaney discussed the annual report requirement. The Chair asked if there were questions from the Commissioners about answering some of the policy questions and give Mr. Delaney some assistance with these questions. There was discussion about the non-disclosure agreements (NDA) and whether non-gaming revenue is considered competitively sensitive.

10:53 a.m. Seth Stratton from MGM addressed the NDA question and competitive advantage issue. Lance George stated that PPC will need to consult the terms of their agreement. Commissioner Stebbins suggested that looking at the revenue on an

annual basis could be beneficial; local taxes, hotel tax, meal tax, could be a good indicator and get a sense of the non-gaming revenue's success. He would like this release of information on an annual basis.

- 11:01 a.m. As for capital expenditure multi-year plans, the Chair noted that PPC has had a plan in place; however, the others have not. There was discussion and Mr. Delaney suggested that there will need to be a report on capital expenditures. There was further discussion related to the reporting of diverse spending and employment.
- 11:05 a.m. There was a discussion about statutory provisions or requirements that diversity numbers being reported.
- 11:08 a.m. Commissioner Cameron noted the importance of tracking diversity numbers. She stated that continuous monitoring is required to keep the numbers strong. Commissioner Zuniga and Commissioner Stebbins agreed that it is as vital now as in previous years, even if the construction phase is over.
- 11:15 a.m. Commissioner O'Brien expressed her concern with bid-splitting and defining the calculation of the project's value if the Commission is going to allow such an exemption. The Chair noted that these diversity goals need to be met, and the Commission cannot waver on the commitment to meet diversity number requirements.
- 11:22 a.m. Mr. Delaney stated that Cap-Ex workforce diversity for subcontractors has not been recorded to date and that the Commission will need to create a new system to do so.
- 11:25 a.m. Commissioner Zuniga stated that the smaller the project is, the more difficult it is to meet the diversity goals. Mr. Stratton confirmed that this is a challenge. Commissioner Zuniga suggested a five-year plan. Commissioner Stebbins added that all licensees have different spending goals and other priorities regarding Cap-Ex.
- 11:29 a.m. Workforce, Supplier, and Diversity Director Jill Griffin clarified the construction workforce goals and further discussion was had.
- 11:32 a.m. The Chair stated that she would like to see diversity commitments extend from construction projects into Cap-Ex. Mr. Delaney suggested that he and Ms. Griffin work with the licensees to discuss this in the next few weeks.
- 11:35 a.m. Encore Vice President and General Counsel Jacqui Krum noted some concerns and referenced commitments already found in their gaming license requirements.

11:44 a.m. **Re-affirm LCMAC Members**

Mr. Delaney explained the positions that need reappointment to the LCMACs. He noted the five people up for reappointment and summarized the circumstance for one of the appointments.

11:51 a.m. *Commissioner Stebbins moved that the Commission approve the reappointments for the following Subcommittee members under the Gaming Policy Advisory Committee (GPAC), as referenced in the memorandum included in the Commissioners' Packet and as discussed:*

- *Vincent Panzini, as Chamber of Commerce Representative for the Region A Local Community Mitigation Advisory Committee (LCMAC);*
- *David Bancroft, as Regional Economic Development Organization Representative for the Region A LCMAC;*
- *Mayra Negron-Rivera, as Human Service Provider Representative for the Region A LCMAC; and*
- *Allison Ebner, as Chamber of Commerce Representative for the Region B LCMAC*

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.

Commissioner Stebbins further moved that the Commission approve the appointment of Richard Sullivan to serve as Regional Economic Development Representative for the Region B LCMAC. 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.

11:50 a.m. The Commission took a temporary adjournment.

Finance Division

12:15 p.m. **End of Fiscal Year Budget Update**

Chief Financial and Accounting Officer Derek Lennon and Revenue Manager Doug O'Donnell reviewed the Fiscal Year 2020 Budget Closeout with the Commission.

The Commission approved an FY20 budget for the Gaming Control Fund of \$34.2M, requiring an initial assessment of \$29.78M on licensees. After three-quarters of adjustments, including the reductions implemented due to closures from COVID-19, the revised MGC budget was \$33.77M, which required a \$26.19M assessment on licensees. The spending estimates and revenue estimates included the costs for the independent monitor at Encore Boston Harbor. Mr. Lennon then reported the actual spending for FY20 in the different categories with the Commission.

12:30 p.m. There was a discussion around the Commission's payment timeline and cashflow management now that the Commission has shifted to a monthly assessment.

Research and Responsible Gaming

12:40 a.m. Section 97 Data Report Update

Research and Responsible Gaming Director Mark Vander Linden reported on the status of the implementation of Section 97 of the gaming act which requires each gaming licensee to provide the MGC with customer tracking data collected through their loyalty programs. The intent is that the data be used by qualified researchers to develop a better understanding of gambling disorders and measures to mitigate harm. The exact language is provided on the second page of this memo.

To avoid the risk placing the licensees at a competitive disadvantage, the MGC agreed to delay the implementation of Section 97 until all three gaming licensees were operational.

Over the spring and summer, several activities have been underway that support the implementation of Section 97 including the MODE data resource. Mr. Vander Linden reviewed these with the Commission along with Dr. Tom Land.

12:49 p.m. Commissioner Zuniga noted the importance of protecting the anonymity of the players.

12:52 p.m. Tom Land made comments on the study and insights gained by individuals.

Equity and Inclusion Working Group

12:54 p.m. Presentation and Review of Statement of Purpose

The Chair reviewed the purpose and intention of the Equity and Inclusion Group for the Commission. The Chair noted the timeliness of this effort given the recent

passing of Massachusetts Chief Justice Gants and U.S. Supreme Court Justice Ruth Bader Ginsberg. There will be the introduction of an action plan for consideration for formal ratification.

12:58 p.m. Commissioner Zuniga provided an overview of the group process and reviewed the purpose and action plan's statement in the Commissioners' Packet. He then outlined a five-point action plan for this group.

1:02 p.m. Ms. Griffin, Senior Financial Investigator Paul Eldredge, and Administrative/Project Assistant Tania Perez reviewed the statement of purpose with the Commission.

1:13 p.m. Human Resource Manager Trupti Banda commented about the need to focus to enhance the MGC's hiring and retention policies with respect to diversity. Ms. Wells discussed the role of the Commission and the review of procurement policies. Commissioners all made positive remarks in support of the group and their work.

1:18 p.m. *Commissioner Cameron moved that the Commission endorse and ratify the Statement of Purpose developed by the Equity and Inclusion Working Group included in the Commissioner's Packet and direct the Executive Director to implement its five-point action plan. 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.

Interim Director of Investigation and Enforcement Bureau

1:20 p.m. Each of the Commissioners made remarks and endorsed the recommendation of Ms. Lillios as the Interim Director for the I.E.B.

1:25 p.m. *Commissioner O'Brien moved that the Commission designate Attorney Loretta Lillios as Interim Director of the Investigations and Enforcement Bureau. 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.

Ms. Wells talked about the salary consideration and the numerous requirements of the position in addition to her current responsibilities.

Commissioner O'Brien moved that the Commission authorize an interim salary increase of 15 percent for the duration of Attorney Lillios' appointment as Interim Director of the Investigations and Enforcement Bureau. 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.

Ms. Wells commented that there will be development of a job posting and a competitive hiring process for the Director of the I.E.B. position.

Commissioner Updates

1:35 p.m. Commissioner Stebbins noted a recent call with Gaming Agents Chief Band and Deputy Cain with respect to cases of "switching" and how important it is for the Commission to work with licensees to prevent the practice.

Commissioner Zuniga proposed that he write a piece about efforts to gain employment with the gaming licensees, and wrestling with racism. The Commissioners encouraged him to do so. Commissioner O'Brien was interested in reviewing the final content of the written piece.

1:43 p.m. The Chair stated that Commissioner Cameron will be representing the Commission at an upcoming American Gaming Association presentation.

1:45 p.m. *Commissioner Zuniga moved to adjourn. 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.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated September 10, 2020
2. Draft Commission Meeting Minutes of July 10, 2020
3. Memorandum Re: Reappointment Recommendations for Subcommittee Members under the Gaming Policy Advisory Committee dated September 21, 2020
4. Memorandum: Reappointment of Richard Sullivan as Region B Regional Economic Development Representative dated September 21, 2020
5. P.P.C. Q1 2020 Quarterly Report Certification
6. P.P.C. Q1 2020 Quarterly Report
7. P.P.C. Q2 2020 Quarterly Report
8. M.G.M. Q1 2020 Quarterly Report
9. M.G.M. Q2 2020 Quarterly Report
10. Encore Q1 2020 Quarterly Report
11. Encore Q2 2020 Quarterly Report
12. Draft Quarterly Report Template
13. Memorandum Re: Fiscal Year 2020 Budget Closeout dated September 24, 2020
14. Section 97 Memo dated September 24, 2020
15. Equity and Inclusion Statement of Purpose