



Massachusetts Gaming Commission Meeting Minutes

Date/Time: February 7, 2018 – 2:00 p.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA

Present: Chairman Stephen P. Crosby (via telephone)
Commissioner Lloyd Macdonald
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga
Commissioner Gayle Cameron

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

[2:00 p.m.](#) Enrique Zuniga called to order the 235th Commission meeting. He stated that because of Chairman Crosby's remote participation, all votes would be done by roll call.

Approval of Minutes

See transcript pages 2 – 5

[2:04 p.m.](#) *Commissioner Macdonald moved to approve the minutes of the meeting of January 18th as they appeared in the packet, subject to any corrections, typographical errors, or other nonmaterial matters. Commissioner Cameron seconded the motion. Commissioner Zuniga commented that he wanted two statements that he made to be further clarified in the minutes. Commissioner Macdonald amended his motion to incorporate these changes. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed unanimously.*

Quarterly Budget Update

See transcript pages 5 - 11

[2:05 p.m.](#) Chief Financial and Accounting Officer Derek Lennon presented the Second Quarterly Budget Update for the fiscal year of 2018.

As the Commission's Administration and Finance staff was still assessing its operational costs on licensees, CFAO Lennon recommended that the Commission not adjust the assessment on licensees until the close of the third or fourth quarter of FY '18. CFAO Lennon advised that the MGC Office of Administration and Finance had discussed this approach with the three licensees responsible for the assessment and they were in agreement that they were in favor of waiting until the close of the fourth quarter.

Finance and Budget Office Manager Agnes Beaulieu presented the Supplier Diversity Program, its benchmarks, and the Commission's total spending and encumbrances to date through the second quarter. Ms. Beaulieu stated that they were on target to reach their goal in contracting minority and women-owned businesses, and were also working with a disabled veterans-owned business to purchase office supplies when economically prudent to do so.

Administrative Update

See transcript pages 14 - 31

[2:10 p.m.](#) **MGM Opening Update.**

Executive Director Ed Bedrosian gave a synopsis of expectations and a predictive timeline of the progress of MGM construction and staffing. He also described all of the efforts underway, including promulgating new regulations, the formation of the Gaming Enforcement Unit, and implementation of the Responsible Gaming (Game Sense) program.

[2:20 p.m.](#) **Wynn Review Update.**

Executive Director Bedrosian commented on the IEB's investigation of Wynn Resorts LLC, acknowledging that Steve Wynn had resigned. He expressed that Mr. Wynn's resignation raised additional considerations for the Commission which included:

1. Steve Wynn's stock ownership;
2. Management and control influence; and
3. Brand and financial impact.

Executive Director Bedrosian affirmed that despite Mr. Wynn's resignation, the IEB's investigation would continue with the same approach as articulated by Director Karen Wells previously. The following four components of the IEB's review would continue to remain active:

1. Review of the suitability of individual qualifiers, including Steve Wynn and other qualifiers potentially involved with this matter;
2. Review of any corporate action, or lack thereof, contemporaneous with the alleged misconduct;

3. Monitoring and reporting back to the Commission on the corporate response; and
4. Review of how the current situation potentially impacts the financial stability of the company.

Chairman Crosby stated that there would be no conflict with getting MGM opened quickly, expeditiously and with absolute integrity during this investigation.

Mitigation Fund Applications

See transcript pages 31 - 42

[2:35 p.m.](#) Ombudsman John Ziemba presented a brief review of the 2018 Community Mitigation Fund applications that were received by the February 1st deadline. Ombudsman Ziemba gave an overview of the process for reviewing all of the applications. He also stated that the applications would be posted on a specific part of the Commission's website for public review, and the public would be invited to comment on them. Comments would be considered by the review team and forwarded to the Commissioners for review.

Racing Division

See transcript pages 42 - 59

[2:45 p.m.](#) **Payments Of Unclaimed Winnings from Suffolk Downs 2016 Outs to Individuals**

Dr. Alexandra Lightbown recommended that the Commission approve \$407.00 of unclaimed wagers be paid to the individuals listed in the memo in the Commission packet.

[2:46 p.m.](#) *Commissioner Cameron moved to approve the request of Sterling Suffolk Racecourse for tickets, payments from 2016, for a total of \$407.00 Commissioner Macdonald seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.*

Recovery of Unclaimed Winnings – Suffolk Downs 2016

Dr. Lightbown recommended that the Commission approve the recovery of \$217,714.67 in unclaimed tickets for 2016 from Suffolk Downs, per statutory requirement.

[2:28 p.m.](#) *Commissioner Cameron moved to approve the payment of \$217,714.67 from Sterling Suffolk Racecourse to the Commonwealth of Massachusetts for the 2016 unclaimed winnings. Commissioner Macdonald seconded the Motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. Motion passed 5 – 0.*

Recovery of Unclaimed Winnings – Wonderland 2016

Dr. Lightbown recommended that the Commission approve the recovery of \$20,514.54 in unclaimed tickets for 2016 from Wonderland, per statutory requirement.

[2:50 p.m.](#) *Commissioner Stebbins moved to approve the payment of \$20,514.54 from Wonderland Greyhound Park to the Commonwealth of Massachusetts for the 2016 unclaimed winnings. Commissioner Cameron seconded the Motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. Motion passed 5 – 0.*

Recovery of Unclaimed Winnings – Plainridge 2016

Dr. Lightbown recommended that the Commission approve the recovery of \$174,558.68 in unclaimed tickets for 2016 from Plainridge Racecourse, per statutory requirement.

[2:51 p.m.](#) *Commissioner Macdonald moved to approve the payment of \$174,558.68 from the Plainridge Racecourse to the Commonwealth of Massachusetts for the 2016 unclaimed winnings. Commissioner Cameron seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. Motion passed 5 – 0.*

Recovery of Unclaimed Winnings – Raynham 2016

Dr. Lightbown recommended that the Commission approve the recovery of \$168,414.50 in unclaimed tickets for 2016 from Raynham-Taunton Racecourse, per statutory requirement.

[2:52 p.m.](#) *Commissioner Cameron moved to approve the payment of \$168,414.50 from Raynham-Taunton Massasoit Greyhound Associations to the Commonwealth of Massachusetts for the 2016 unclaimed winnings. Commissioner Macdonald seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. Motion passed 5 – 0.*

Suffolk Downs Promotional Fund Payment Request

Senior Financial Analyst Doug O'Donnell presented a request for reimbursement from the Suffolk Downs Promotional Trust Fund. The request was for the balance due on the project of \$185,219.60.

The statutory basis and purpose of this fund were discussed.

[2:57 p.m.](#) *Commissioner Cameron moved to approve the request for reimbursement by Suffolk Downs Promotional Trust Fund in the amount of \$185,219.60, as outlined in the memo dated February 7th, 2018. Commissioner Macdonald seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. Motion passed 5 – 0.*

Local Aid Payments

Mr. O'Donnell presented a request for disbursement of \$245,768.79 for the quarterly local aid distribution. These are the monies that are submitted to the local towns where racing is taking place and simulcasting. Mr. O'Donnell reviewed a computation sheet with the Commissioners.

[3:00 p.m.](#) *Commissioner Stebbins moved that the Commission approve the local aid quarterly payment dated December 31, 2017 for \$245,768.79 with the distribution as outlined in the packet. Commissioner Cameron seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.*

Legal Division

See transcript pages 59 -

[3:00 p.m.](#) **Amendments to 205 CMR 136, 138.2 and Small Business Impact Statement – Alcohol Beverage License**

General Counsel Catherine Blue requested that the Commission approve the Small Business Impact Statement and amendments to the Alcohol Beverage License regulation and begin the promulgation process. The amendments implemented the statutory requirement that licensees may request the ability to serve alcohol on the gaming floor between the hours of 2 and 4 a.m.

There was discussion around the purpose of the proposed regulation being to conform to the law, and that a substantive review process would be implemented once an application is received.

[3:05 p.m.](#) *Commissioner Macdonald moved to approve the amendments to 205 CMR 136 and 138.12, as included in the packet and authorized the staff to take the steps necessary to file the regulation with the secretary of the Commonwealth, and to proceed with the regulation promulgation process. Further, he moved that the Commission approve, for filing, the associated Small Business Impact Statement as included in the packet. Commissioner Cameron seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.*

Amendments to 205 CMR 140 and Small Business Impact Statement – Use of the Vigorish

Action was deferred on this item. The Legal Division stated that it would bring this back to the Commission when ready for review.

Small Business Impact Statement for 205 CMR 152 – Excluded Persons

General Counsel Blue requested that the Commission approve the Small Business Impact Statement for the amendments to the Excluded Persons List regulation. The amendments addressed the process by which an individual would be

placed on the Excluded Persons List, and clarified protocol for enforcement. The Commission's previously requested changes to the regulation were made. This request was for approval of the accompanying Small Business Impact Statement only, enabling Legal Division to begin promulgation process.

[3:08 p.m.](#)

Commissioner Cameron moved that the Commission approve for filing, the Small Business Impact Statement as included in the packet, relative to the amendments to 205 CMR 152 involving individuals excluded from the gaming establishment that were previously approved for filing. Commissioner Macdonald seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.

Small Business Impact Statement for 205 CMR 134.03 – Service Employee Registration Exempt Positions

General Counsel Blue requested that the Commission approve the Small Business Impact Statement for the amendments to the Service Employee Registration Exempt Positions regulation. The amendment gave the Commission discretion to exempt certain gaming service employees from the registration requirement, as determined by its classification of job positions. The Commission's previously requested changes to the regulation were made. This request was for approval of the accompanying Small Business Impact Statement only, enabling Legal Division to begin an emergency promulgation process.

[3:10 p.m.](#)

Commissioner Macdonald moved to approve for filing the Small Business Impact Statement, as included in the packet, relative to the amendments to 205 CMR 134.03 involving the exemption of certain gaming service employees from the registration requirement that was previously approved for filing. Commissioner Cameron seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.

Final Version of Amendments and Amended Small Business Impact Statements for 205 CMR 138.28, 138.33, 138.68, and 140.02

Action was deferred on this item.

Deputy General Counsel Todd Grossman presented a comment received by MGM regarding an issue with setting a uniform time frame for a Gaming Day for all licensees, as MGM already had a system with a different time frame than the one proposed in the regulation. Based on this comment and after some discussion, the Commission deferred action on this item until further analysis after feedback was received from other licensees and a cost assessment for MGM's compliance was conducted.

Final Version of the Amendments to 205 CMR 137.02 and Amended Small Business Impact Statement – Gaming Schools

General Counsel Blue requested that the Commission approve the Amended Small Business Impact Statement and final version of the amendments to the Gaming Schools regulation in order to move it through the final promulgation process. The amendment clarified that a student need only complete the mandated Responsible Gaming training class once, even if the student receives training on more than one game.

3:27 p.m. *Commissioner Macdonald moved to approve the Amended Small Business Impact Statement and final version of 205 CMR 137.02, as included in the packet, and authorize the staff to take all steps necessary and file the regulation with the secretary of the Commonwealth and complete the regulation promulgation process. Commissioner Stebbins seconded the motion. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed 5 – 0.*

3:28 p.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. The motion was seconded by Commissioner Stebbins. Roll call vote – Commissioner Stebbins: Aye. Commissioner Cameron: Aye. Commissioner Macdonald: Aye. Chairman Crosby: Aye. Commissioner Zuniga: Aye. The motion passed unanimously.*

List of Documents and Other Items Used

1. Notice of Meeting and Agenda, dated February 7, 2018
2. Massachusetts Gaming Commission Meeting Minutes draft, dated January 18, 2018
3. FY18 Second Budget Update Report
4. Appendix A of FY18 Actuals Spending and Revenue as of 1/1/2018
5. Appendix B – Budget Amendment Requests by Quarter
6. Appendix C – Expense Budget Form
7. FY18 Projections – 2nd Quarter Presentation
8. Memo on Applications Received
9. Suffolk Payments from Outs Book 2018 for 2016
10. Suffolk Unclaimed Tickets Recovery 2018 from 2016
11. Wonderland Park Unclaimed Tickets Recovery 2018 from 2016
12. Plainridge Unclaimed Tickets Recovery 2018 from 2016
13. Raynham Unclaimed Tickets Recovery 2018 from 2016
14. Racing Suffolk Downs Promotional Fund Payment request
15. Racing Local Aid Payments
16. Amended Small Business Impact Statement 137.02 draft
17. Extended Alcohol Hours regulation draft
18. Amended Small Business Impact Statement 138-140 draft
19. Use of Vigorish 140.02 regulation draft
20. Small Business Impact Statement 134.03 draft
21. Excluded Persons List 152.00 regulation draft
22. Small Business Impact Statement 136.00, 138.00 draft

23. Service Employee Registration Exemptions 134.03 regulation draft
24. Small Business Impact Statement 140.02 draft
25. Gaming Day 138.00 regulation draft
26. Blue Tarp redevelopment Comments on Proposed Amendments to 138.28
27. Plainridge Park Casino Comments on Proposed Amendments to 138.28
28. Small Business Impact Statement 152.00 draft
29. Gaming School Curriculum 137.02 regulation draft

/s/ Catherine Blue
Assistant Secretary