



Massachusetts Gaming Commission Meeting Minutes

Date/Time: March 15, 2018 – 10:00 a.m.

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

Present: Chairman Stephen P. Crosby
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

[10.00 a.m.](#) Chairman Crosby called to order the 238th Commission meeting.

Approval of Minutes

See transcript pages 2 – 6

[10:00 a.m.](#) *Commissioner Macdonald moved to approve the minutes of the meeting on February 22, 2018 as they appeared in the packet, subject to correction for typographical errors and other nonmaterial matters. Commissioner Cameron seconded the motion. The motion passed unanimously.*

Commissioner Macdonald further moved to approve the minutes of the meeting of March 1, 2018, also subject to correction for typographical errors and other nonmaterial matters. Commissioner Cameron seconded the motion. Commissioner Stebbins noted a correction may be needed on page two of the Plainridge Park Casino Quarterly Report. He also requested a change in the language on page two, in the Two Year Public Safety Report section. Chairman Crosby also requested a clarification be made on page two of the Plainridge Park Casino Quarterly Report. The motion was approved unanimously, as amended.

Administrative Update

See transcript pages 6 – 23

10:04 a.m. **General Update**

Executive Director Ed Bedrosian stated that there would be an updated Employment Update at the March 29th Commission Meeting. Risk assessment in the Information Technology area was also anticipated to be discussed on March 29th, specifically short-term needs.

Director Bedrosian noted that he had been working with MGM on a joint presentation of the MGM Critical Path Timeline that would be delivered during the current meeting. The timeline dealt with logistics of staffing, public safety, and all things that flowed into the path of the timeline. The two main items at this time were:

1. Construction commitments, as well as transportation demand management commitments as reported by Ombudsman John Ziemba and Construction Project Oversight Manager Joe Delaney
2. Updates to reserved sections of 205 CMR 138.00: Accounting Procedures and Internal Controls

10:07 a.m. **MGM – Opening Update**

President and COO of MGM Springfield Mike Mathis, and General Manager of MGM Springfield Alex Dixon presented the MGM Springfield Critical Path Timeline, or “milestones”, and reviewed the status of preparations for the MGM opening.

Mr. Dixon explained that they had now transitioned from the “workforce development” stage to actual recruiting. They were now in the “one-on-one” interview phase with potential employees, using a tool called Hiring View where candidates would interview online.

The next phase of hiring was to be facilitated at the MassMutual Center in large numbers. After that, the employee licensing process would begin. Training would follow once the employees were licensed.

The next critical component would be when all of MGM Springfield’s systems would “go live”, and were communicating with a central system.

Mr. Dixon stated that they would be back before the Commission with greater details after working with staff to outline the process by which hopefully they would receive their Operations Certificate.

Legal Division

See transcript pages 23 - 74

10:24 a.m. **Discussion on 205 CMR 101.00: Adjudicatory Proceedings**

Deputy General Counsel Todd Grossman and Chief Enforcement Counsel of the IEB Loretta Lillios reviewed their collaborative revisions to regulation 205 CMR 101.00: Adjudicatory Proceedings.

The standard of review to make a final agency decision in the hearing appeal process was discussed. The Commissioners were asked to make a determination that would ensure ultimate fairness being afforded to all parties to achieve the best results possible.

[11:18 a.m.](#) The Commission took a 10 minute break and agreed to continue their discussion on Adjudicatory Proceedings after other scheduled items were presented.

Ombudsman

See transcript pages 74 - 249

[11:30 a.m.](#) **MGM Status and Schedule Review**

Ombudsman John Ziembra summarized that they would be presenting a review of MGM Springfield's status and schedule, and the MGM Quarterly Report, and Gaming School Scholarships.

Construction Project Oversight Manager Joe Delaney discussed areas of focus in major stages of construction of the MGM Springfield facility, as well as regulatory steps and approvals that the commission needed to grant before the opening of MGM.

Ombudsman Ziembra stated that the Commission would be asked to approve the detailed schedule for the major components and final schedule of the construction project, per statutory requirement. Ombudsman Ziembra also stated that the Commission would be asked to make a determination regarding MGM's compliance with its host and surrounding community agreements.

He added that the Commission will also check that MGM Springfield has met its license conditions and is in compliance with its RFA-2 commitments, as well as with the Massachusetts Environmental Policy Act (MEPA).

The Commission is working on many items with the City of Springfield in preparation for the opening of MGM, to include anticipated traffic associated with the opening.

The Commission will also address safety risks of MGM's dynamic billboard, facing I-91.

[11:40 a.m.](#) Construction Project Oversight Manager Joe Delaney presented items that would extend beyond the project opening, to include offsite housing, and the Armory building. Staff recommended that MGM provide quarterly updates to the Commission on the proposed programming for the Armory building, as well as the efforts to find a permanent tenant for that space.

Mr. Delaney noted that MGM needed LEED Gold Certification in order to meet environmental commitments. MGM has proposed a schedule for completion of their application to the Green Building Council and final certification.

[11:45 a.m.](#) **MGM Springfield Quarterly Report**

President and COO Mathis presented the MGM Springfield Project Update. He stated that the Dealer School had opened late last month, and classes had commenced. General Manager Alex Dixon stated that there were just over 100 students currently enrolled in the program, with another session starting in May.

Vice President of Marketing, Advertising and Retail, Sarah Moore presented the Restaurant and Entertainment Program. Their culinary portfolio contained several restaurant concepts.

Ms. Moore discussed additions to their entertainment portfolio, to include Top Golf Swing Suites, and the Armory program calendar that had various events and activities that would fit that designated space. MGM was also preparing for construction of the movie theater.

COO Mathis updated the Commission on a project called "Corner Development", which was the corner of Union and Main Streets, where Dave's Furniture Store was previously. MGM felt that it was important to develop this piece of real estate, also to cater to the young professional crowd that was now residing in that area. MGM was working with a Food and Beverage company and finalizing paperwork with them in order to begin construction. COO Mathis stated that this project would build support, infrastructure, and offer amenities. It was projected that the project would be complete before the summer of 2019.

MGM was also partnering with Head Start for the childcare center, which will be available to residents of local communities as well as MGM Springfield employees.

General Manager Alex Dixon presented the Programming Update. There was discussion of a study that was conducted regarding casino optimization for millennials. There would be an increased number of poker tables, table games, and a reduced number of penny slots, as to increase revenue to the casino and to the Commonwealth.

MGM was working on various projects and agreements, to include working with the PVTA to provide a free, zero emission electric shuttle bus in lieu of trolleys. There would also be a lottery agreement. Machines would be on the floor within the coming months. Mr. Dixon reviewed maps indicating where these machines would be located.

[12:30 p.m.](#) General Counsel of MGM Springfield, Seth Stratton presented on new gaming establishment property boundaries. He outlined how these changes would

remove 101 State Street and a small parking lot. Counsel Stratton noted that these changes would affect police jurisdiction as well. Counsel Stratton stated that in anticipation of an upcoming meeting with MGC staff on this, the goal would be to come back and formally propose this amendment to their license in April.

MGM's dynamic billboard was also discussed in terms of permitting and jurisdictional issues. A significant concern regarding driver safety around this billboard was raised by the Commission.

Counsel Stratton then presented an update on the progress MGM is making with the City of Springfield regarding MGM's commitment to maintaining a market-rate residential property. The location for this was 13-31 Elm Street. Some challenges as well as goals for this project were discussed. It was noted that the deadline for completion of the units was March, 2020.

Counsel Stratton then gave an overview of other general commitments that were ongoing and being monitored.

[1:47 p.m.](#)

Vice President of Construction & Development Brian Packer presented updates to MGM's project status since notice of some adjustments in their project plan. Mr. Packer presented their plan for parking during construction and how they had been working with MassDOT and surrounding community groups. He then outlined benchmarks for greenhouse gas emission reduction, and implementing the use of green roofs for storm water management purposes. Mr. Packer then presented the status of construction for each area of the entire property in detail.

[2:14 p.m.](#)

Vice President of Finance/Chief Financial Officer Courtney Wenleder presented the Q4 Project Spend Cost Estimate to date. Ms. Wenleder compared payments out to what was committed, and found that MGM's total project spend increased 20.7% over the quarter. Total capital cost increased 27.4%. Other increases reported included pre-opening cost, payroll, gaming assessment, community payments, marketing, outside services, and professional fees.

Ms. Wenleder then covered workforce diversity statistics, specifically the data tracking time spent per hour onsite for women, minorities, veterans. She reported that they had exceeded their target goals for this initiative.

[2:25 p.m.](#)

Community Mitigation Fund – Gaming School Scholarships

On behalf of the Community Mitigation Fund Review Team, Ombudsman Ziembra requested guidance from the Commissioners regarding gaming school tuition scholarships, and whether or not funding them was warranted.

The request came at a time when Region B joint applicants requested a waiver of the Commission's planned timeline in order to begin their readiness and skills training as soon as possible, in order to align with MGM's upcoming hiring events. Under time constraints, the Community Mitigation Fund Review Team

was pressed to make an expeditious decision as to whether or not to fund these scholarships.

The first round of second-level classes was slated to begin on April 9, 2018. Even with an immediate decision by the Commission, it was unclear if a scholarship program could be put in place by April 9, and was more feasible to be ready by May 7.

Ombudsman Ziemba, with Director of Workforce, Supplier and Diversity Development Jill Griffin and General Manager Alex Dixon discussed the issues presented as well as options with the Commissioners.

Chairman Crosby stated that he felt the scholarship fund was high impact, valuable money supporting job creation. He suggested that Ombudsman Ziemba move forward with the scholarship effort and see if his team could work it into the cohort that was slated to begin on April 9.

[2:55 p.m.](#) *Commissioner Stebbins moved that the commission agree that the application meets the conditions for a waiver request. Commissioner Cameron seconded the motion. The motion passed 5 – 0.*

Commissioner Stebbins moved to approve the request from MCCTI for \$60,000 for scholarships to the gaming school as outlined in the packet. Commissioner Macdonald seconded the motion. The motion passed 5 – 0.

Racing Division

See transcript pages 250 - 310

[3:00 p.m.](#) **Harness Horseman's Association of New England Pension Plan**
Director and Chief Veterinarian, Dr. Alexandra Lightbown and Treasurer for the Harness Horseman's Association of New England (HHANE) Alice Szpila presented a pension plan that was being developed by the HHANE, per MGL c. 23K § 60 of the Racehorse Development Fund. With them was Counsel for the HHANE, Jeanne Bakker, and Financial Advisor for Ameriprise Financial, Normand Fluet.

Ms. Szpila summarized how she developed the plan, tailoring it to industry standards as well as specifically to Massachusetts residents. Ms. Szpila explained that there would be incentive to move to Massachusetts in order to receive the enhanced portions of the plan, specific to residents.

Counsel Bakker stated that her role, as counsel to the association, was to advise the committee on their design decisions in terms of participation and benefit accrual requirements. She further described details of the plan, and specified that drivers, trainers, and members of the Board of Trustees of the Association would be allowed to participate. All three groups must remain a

member of the association in good standing, and participate in a five-year vesting plan.

She articulated that drivers and trainers would earn benefits based on the number of qualified starts (races where the designated trainer or driver completes the race) over the course of the racing season. They would complete a minimum number of qualified starts per month, each month of the racing season, earning points. This requirement would keep the drivers and trainers racing, and in turn would benefit the association.

Board members (Trustees of the Harness Horseman's Association) would have their own participation requirements. They must also be an active driver or trainer participating in honest racing at the race track. They would not earn points in the same manner as drivers and trainers, but instead would earn them based on time served on the board.

Mr. Fluet would advise the committee on their investment assets for the plan. Every year, in addition to contributions, Mr. Fluet would provide an investment statement to a third-party administrator and determine what the net, loss or gain is for the year. Each year that amount would be allocated to the participant's account.

Dr. Lightbown added that upon completion, this plan would be available in the Commission packet on the MGC website. Ms. Szpila also planned to post the plan on the HHANE website and/or through an email blast, so all members could see it. She also stated that this item would be brought back to the Commission for a vote, and that people were more than welcome to send in their comments.

Commissioner Zuniga left the meeting.

Workforce, Supplier and Diversity Development

See transcript pages 310 - 317

[4:00 p.m.](#) Director of Workforce, Supplier and Diversity Development, Jill Griffin presented an update on the division's current developments.

Director Griffin described a vendor/purchasing fair for specific areas being held on Thursday, March 22nd at Anthony's of Malden, and was being sponsored by Wynn Boston Harbor. Wynn had advertised this fair to their host and surrounding community vendors, also to minority women and veteran-owned businesses. There had already been a sizeable response and 300 people had already RSVP'd. She added that there would be subsequent fairs as well.

Director Griffin announced a funding opportunity that that focused on promoting awareness of job opportunities and assisting job candidates to connect with casinos during operations. It would also maximize contracting opportunities for vendors with licensees. This fund was directed toward

nonprofit, grassroots organizations and coalitions that could impact the licensee's diversity goals. The grant funds were built into the Workforce, Supplier and Diversity budget. Applicants were to submit their proposals by March 26th.

Legal Division

See transcript pages 317 – 347

4:15 p.m. **Amendments and Small Business Impact Statements – Begin Promulgation Process – VOTES**

General Counsel Catherine Blue asked for approval of the Small Business Impact Statement and amendment to 205 CMR 146.00 to add 146.23 – Chase the Flush Table; Physical Characteristics. This amendment was an addition of a description of a particular type of table in the table games equipment regulation.

4:16 p.m. *Commissioner Macdonald moved to approve the Small Business Impact Statement of 205 CMR 146.23 as included in the packet. Commissioner Stebbins seconded the motion. The motion passed 4 – 0.*

Commissioner Macdonald further moved that the Commission approve the amendments to 205 CMR 146.23 as included in the packet and authorize the staff to take the next steps necessary to file the regulation with the Secretary of the Commonwealth to proceed with the regulation promulgation process. The motion passed 4 – 0.

4:17 p.m. **Discussion on 205 CMR 101.00: Adjudicatory Proceedings, Cont.**

General Counsel Catherine Blue continued the earlier discussion regarding the standard of review for the Commission when the Commission was hearing a matter that had been appealed from a decision of the hearing officer. She advised the Commission that they have used the de novo review standard, with their decision being supported by substantial evidence in the written record before them. The idea was that the Commission would take a fresh look at what came before the hearing officer.

Commissioner Macdonald suggested that the Commission's scope of review on the written record be a substantial evidence review. If the Commission determined that the hearing officer did have substantial evidence to support his decision, the Commission would affirm.

There was discussion around the nuances of applying the de novo standard. The Commission could review the written record that the hearing officer based his decision on, and determine whether or not he had sufficient substantial evidence to make his decision, or they could further analyze and consider evidence that the hearing officer may not have considered, and choose whether or not to affirm based on their analysis.

General Counsel Blue stated that staff will redraft the hearing officer's standard for the Commission's review so that they could have further discussion on the amended sections when Commissioner Zuniga was in attendance. The discussion was deferred to a subsequent meeting for a decision to be made on the whole package then.

Commissioners' Updates

See transcript pages 347 – 352

Commissioner Zuniga returned to the meeting.

[4:40 p.m.](#) The Commissioners expressed their gratitude and thanked Commissioner Macdonald for his contributions and exceptional service to the Commission. Commissioner Macdonald expressed his deep gratitude to the Commissioners and staff for welcoming him and making allowances for him, as he was called upon to fill the shoes of Judge Jim McHugh.

[4:48 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Cameron. Commissioner Zuniga seconded the motion. The motion passed unanimously.*

List of Documents and Other Items Used

1. Notice of Meeting and Agenda, dated March 15, 2018
2. Commission Meeting Minutes Draft dated February 22, 2018
3. Commission Meeting Minutes Draft dated March 1, 2018
4. High Level Project Milestones PowerPoint Presentation – MGM
5. MGM Commitment Response Letter
6. MGM Project Overview
7. Letter to Seth Stratton from Ombudsman Ziemba and Construction Project Oversight Manager Joe Delaney
8. MGM Springfield Presentation
9. MGM Springfield 2017 Q4
10. 2018 Community Mitigation Fund Gaming School Scholarships Applications dated March 13, 2018
11. Harness Horsemen's Association Pension Plan
12. Wynn Boston Harbor Vendor Supplier Fair
13. Expanding Economic Access in the Commonwealth's New Casino Industry
14. Small Business Impact Statement for 205 CMR 101.00 – Adjudicatory Proceedings
15. Draft 205 CMR 101.00 Adjudicatory Proceedings
16. Draft 205 CMR 146.23 Chase the Flush Table; Physical Characteristics

/s/ Catherine Blue
Assistant Secretary