



Massachusetts Gaming Commission Meeting Minutes

Date/Time: May 24, 2018 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Present: Chairman Steve Crosby
Commissioner Gayle Cameron
Commissioner Eileen O'Brien
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

**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 243rd Commission meeting.

Approval of Minutes

See transcript page 2

Commissioner Stebbins moved to approve the minutes of the meeting of May 10, 2018, subject to correction for typographical errors and other nonmaterial matters. Commissioner Cameron seconded the motion. The motion was approved 5 – 0.

Administrative Update

See transcript pages 3 - 28

[10:01 a.m.](#) **MGM – Opening Update.**

Executive Director Ed Bedrosian reported that at the last monthly meeting with MGM Springfield, they do not see any major construction impediments for the opening date of August 24th. Gaming equipment is also currently being delivered and positioned on the gaming floor. Once all deliveries are final, gaming agents will verify gaming machine settings and test the electronic

equipment. Executive Director Bedrosian stated that he hopes to begin this process in early June.

MGM Springfield held a recent hiring event. There is another larger mass hiring event taking place in June. MGC Gaming Agent School would officially begin on Tuesday, May 29th, and will be administered by Bruce Band, Assistant Director/Gaming Agents Division Chief.

Gaming Enforcement Unit (GEU) State Troopers as well as Springfield Police Officers are now assigned to the MGM Springfield property, and are now in the training process in Springfield.

The Commission reported that there were concerns expressed from interested parties at a SIEGMA UMass meeting about New Employee Surveys not yielding enough results for analysis. The Commission would like to ensure that the surveys are collected so that survey data can be shared with outside interested stakeholders and the legislature to demonstrate the hiring impact of our licensees. Executive Director Bedrosian responded that he will work with the Workforce Development group to advertise the benefits of completing the survey, to get as much information from participants as possible.

[10:15 a.m.](#)

Steve Wynn Qualifier Status Update.

Executive Director Bedrosian and Attorney Jacquie Krum, Senior Vice President and General Counsel of Wynn Resorts Development reported on Steve Wynn's Qualifier status.

There was discussion regarding a Side Letter that Executive Director Bedrosian was made aware of on May 10, 2018, after the Commission's adjudicatory hearing decision issued on May 7, 2018. Executive Director Bedrosian noted to the Commission that there was an ongoing reporting requirement of communications between Stephen Wynn and Wynn management. He also suggested to the Commission that barring any matters that require the Commission's immediate attention, prior to finalizing the overall Wynn review, he will work with the Legal Division as well as with the Investigations and Enforcement Bureau on these matters.

Attorney Krum addressed the circumstances surrounding the Side Letter and its inadvertent omission from the administrative record for deliberation. She indicated that there were some other additional open items that were under review, and that she would update Executive Director Bedrosian on any new items as they discover them.

The Commission expressed concern over the omission of this side letter, and articulated the importance of immediate and complete disclosure. Attorney Krum stated that the letter was part of their efforts to effectuate the separation. Attorney Krum stated that she will report any new information to the Commission as it is discovered.

Ombudsman

See transcript pages 29 - 74

10:32 a.m. **MGM Springfield Quarterly Report.**

Ombudsman John Ziemba presented the MGM Springfield Quarterly Report with Michael Mathis, President of MGM Springfield; Seth Stratton, Vice President and General Counsel of MGM Springfield; and Brian Packer, Vice President of Construction and Development.

Mr. Mathis reported that there is a task force that will be coming in from Las Vegas to assist in the opening logistics for MGM Springfield, about two weeks before its opening.

He also reported that from the mass hiring event at MassMutual Center on May 8th and 9th, MGM Springfield has extended around 700 employment offers, with a goal of hiring approximately 200 employees. The MGM Springfield staff is currently at approximately 200 employees as well. Mr. Mathis stated that they are still hiring security staff, cage cashiers, and food and beverage staff, to include cooks and stewards. He also noted that they are hiring approximately 400 dealers.

Alex Dixon, General Manager of MGM Resorts reported that MGM Springfield will also be holding a different type of an event on June 17th and 18th for people who have not yet gone through the formal application process. Candidates will be able to sit with staff that will review their resume and encourage them to apply for appropriate positions.

10:50 a.m. Brian Packer, Vice President of Construction and Development for MGM Springfield presented on the status of construction at MGM Springfield with a PowerPoint presentation.

Mr. Packer reported that August 6th is the target date for the temporary certificate of occupancy for the podium and the hotel.

MGM Springfield's Q1 2018 Cost Estimate was reviewed and pre-opening expenditures were discussed.

The Commission inquired about the status of a bond between the Commission and MGM Springfield. Ombudsman Ziemba responded that the bond continues through November 2018, and that they are making sure that the language in the bond will be sufficient to provide the security for the construction of remaining items to take place after the opening.

Mr. Packer reported that they are on target to meet workforce diversity statistic goals by the end of the project.

The issue of completing employee surveys was also raised by Mr. Mathis and he will follow-up with Executive Director Bedrosian.

Licensing Division

See transcript pages 74 - 138

11:22 a.m. **MGM Liquor License Application.**

Paul Connelly, Director of Licensing introduced MGM Springfield to present a draft of the MGM Springfield Liquor License Application, for consideration, discussion, and posting it for public comment.

Seth Stratton, Vice President and General Counsel of MGM Springfield presented the gaming beverage license application and explained its layout to incorporate the 22 areas with different alcohol license classifications. Attorney Stratton reviewed proposed protocols and restrictions for the types of alcohol sales to areas.

Mr. Dixon explained the concept of the 2:00 a.m. – 4:00 a.m. alcohol sales, to reflect that it is not cash-driven. All front-facing bars will close at 2:00 a.m. However, guests who are actively gaming will be offered the amenity of a complementary beverage after 2:00 a.m. on the gaming floor, which could contain alcohol. All drinks on the gaming floor will be comped, except for top-shelf cocktails, which would then require a monetary transaction. There will be bartenders in the high-limit areas to free-pour alcohol, and everywhere else will have a ‘smart bar’ where a cocktail server obtains the drink and serves it to actively gaming guests.

The Commission asked that MGM make it clear to the law enforcement community that this license is for gamers and not for people who want to simply consume alcohol after hours. Attorney Stratton stated that MGM will keep those lines of communications open.

The protocol for communicating and setting expectations for guests between the hours of 2:00 a.m. and 4:00 a.m. were discussed. The protocol for handling scenarios where an individual who is not actively gaming orders an alcoholic beverage was discussed.

Executive Director Bedrosian stated to the Commission that the plan is to post the 2:00 a.m. – 4:00 a.m. license portion for public comment. Commission staff also has meetings the following week with MGM to discuss the outdoor activation (cocktails being served on the outside patio) with the goal of bringing those findings to the June 7th Commission meeting for review, and possibly post for public comment as well. The entire package could then be brought to the Commission with any/all public comments at the June 21st Commission meeting to finalize.

Workforce, Supplier and Diversity Development

See transcript pages 138 - 163

12:32 p.m. **Expanding Economic Access Grants.**

Jill Griffin, Director of Workforce, Supplier and Diversity Development presented plans for the new Expanding Economic Access Grants in the Commonwealth's new casino industry. With her was Joan Abbot, Assistant Director of BEST Hospitality Training, and Edith Quijada, English student at BEST Hospitality Training.

a) BEST Hospitality Training Center.

Ms. Abbot presented the concept of the BEST Hospitality Training Center. She described that the center, in partnership with Unite Here Local 26, combines job-seeker pre-employment training and incumbent worker training to move people into well-paying hospitality jobs with low-cost, comprehensive benefits. The goal of the center is to expand access to Massachusetts residents in the casino industry.

Ms. Quijada spoke to the Commission about her experience with the center, and presented a piece of her oral presentation she gave there on the opening of the Everett casino. Ms. Quijada earned a 'ServSafe' certification, and 'Training for Intervention ProcedureS' (TIPS) certification through the institute's On-Call Banquet Server class.

b) Hispanic-American Institute.

Director Griffin introduced Nader Acevedo, Executive Vice President of the Hispanic American Institute, and Alberto Calvo of Stop and Compare Supermarkets, and Chelsea Chamber, who are partners for the Expanding Economic Access Grants.

Mr. Acevedo stated that the Institute is a non-profit organization established in 1997, and their mission is to help connect small businesses with large corporations such as Encore Boston Harbor by providing education and technical assistance.

Mr. Calvo stated that he is the owner of a minority-certified small business. He obtained this certification in order to take advantage of the opportunities that Encore Boston Harbor provides. His business is now providing janitorial supplies to Encore Boston Harbor.

Director Griffin added that Encore Boston Harbor considers this group to be a valuable partner, have worked closely with the construction team, and have afforded several vendors opportunities with construction.

Mr. Calvo reported that he intends to apply for a certification and would provide feedback to the Commission about his experience.

[12:46 p.m.](#) Mr. Calvo reported that he and Mr. Acevedo are organizing a procurement technical assistance one-day workshop to take place in September, with the newly formed Minority Business Alliance.

Director Griffin announced that there is a new gaming training class starting September 7th at Holyoke Community College that focuses on students being trained to become dealers in a casino. This training will be completed in time for the opening of the MGM Springfield casino. Holyoke Community College is also planning to provide line cook training classes in the future.

Commissioner Stebbins and Director Griffin accepted the Rosoff Diversity Award on behalf of the Commission, as the Commission was recognized on behalf of the Build a Life That Works campaign to get more women into the construction trades.

Racing Division

See transcript pages 163 - 197

[1:34 p.m.](#)

Suffolk Downs request for approval of Racing Officials.

Dr. Alexandra Lightbown, Director of Racing requested the approval of licensing the Suffolk Downs key operating personnel and racing officials. The approvals would be pending completion of the licensing process and the approval of the background checks with the Massachusetts State Police and the stewards.

[1:35 p.m.](#)

Commissioner Stebbins moved that the Commission approve the request of Suffolk Downs to approve their May 15, 2018 list of key operation personnel and racing officials, pending approval by the stewards and completion of their background checks by the Massachusetts State Police. Commissioner Cameron seconded.

The Motion passed 5 – 0.

Suffolk Downs request for reduced take out.

Dr. Lightbown requested that the Commission approve to reduce the take out to 16% on win, place, and show, and 19% on exotics. This would be the same as the previously approved request in 2017.

[1:37 p.m.](#)

Commissioner Cameron moved that the Commission approve the request to Suffolk Downs to reduce the takeout to 16% on win, place, and show, and 19% on exotics. Commissioner Stebbins seconded.

The Motion passed 5 – 0.

Suffolk Downs request for Race Horse Development Funds.

Dr. Lightbown presented the Suffolk Downs request for their Racehorse Development Fund purse money.

The New England Horsemen's Benevolent and Protective Association (HBPA) requested that the Commission approve \$225,000 for their administrative expenses. Dr. Lightbown recommended that this be brought back to the Commission at a later date to see if they still request this money after an upcoming audit.

Chip Tuttle, Chief Executive Officer of Suffolk Downs clarified that he was asking for \$3.5 million, plus the \$225 million for the HBPA expenses. This translates to an overall 15% increase to purse levels.

There was discussion around adding racing days and how the HBPA's, Suffolk Downs', and Plainridge staffing levels would be affected.

The Commission addressed with Mr. Tuttle the anticipated 15% increase, stating that the press had been notified about it before it was brought to the Commission for approval. Mr. Tuttle explained that this was an effort to attract horsemen, and to achieve purse levels competitive with some of the other top levels on the east coast. Mr. Tuttle stated that the notice indicated that the increase was 'pending the approval of the Commission'.

Mr. Tuttle also confirmed for Executive Director Bedrosian that their opening day and the first weekends coincide with the Belmont Stakes, so it is anticipated that Saturday, June 9th will be quite busy.

The Commission addressed Suffolk Downs' request for all of the monies to be paid up-front this year, which is a departure from past practice. Mr. Tuttle explained that Suffolk Downs has asked for the money in advance of the first weekend to ensure that it will be there.

Derek Lennon, CFO, explained that if the monies are not distributed up-front, this may hurt the Thoroughbred and Standardbred industries with the way the proposed amendment to the race horse development fund reads in the statute, which states that certain monies will be removed from the fund effective on or before June 30, 2019. There is a chance that the monies would not be there if the Commission does not distribute up-front.

The Commission noted that there was more to consider as well, with the significant milestone coming on July 30th this year as well. The Commission inquired as to what the number would be that Suffolk Downs is requesting if the resolution was simply for the June and July races. Mr. Tuttle stated that the request would then be for 2/3 of \$3.5 million.

Dr. Lightbown recommended that the Commission approve the request for the additional monies, totaling the \$3.5 million. It was agreed that if there are no changes made to the statute in July, Executive Director Bedrosian or Dr. Lightbown will be authorized to disburse the rest of the monies.

[2:09 p.m.](#)

*Commissioner Cameron moved to approve the request for the additional monies for all six days, totaling \$3.5 million, and approving 2/3 of those monies immediately. Commissioner Stebbins seconded.
The Motion passed 5 – 0.*

Finance and Administration

See transcript pages 197 - 209

2:10 p.m. **Massachusetts Gaming Commission FY19 Draft Budget**

CFO Derek Lennon presented the Massachusetts Gaming Commission FY19 draft budget projections with Agnes Beaulieu for discussion and then posting for public comment.

CFO Lennon reported that the FY '19 gaming control appropriation funds both Commission regulatory costs, as well as statutory requirements. He presented a memo as well as a chart that outlined all departmental budgets and projections. He stated that regulatory costs are expected to grow approximately 9.8%, and statutory costs will grow approximately 3%.

CFO Lennon also reported that the Commission is anticipating \$2.5 million for racing regulatory costs, including other components that bring the total racing budget to \$2.7 million. Racing costs are anticipated to increase by 3.7%.

In summary, the Commission's Gaming Control Fund is projected to be \$33.4 million, composed of statutory and regulatory costs. He provided a listing of budgets by object class or spending category, and projected revenue by revenue source.

CFO Lennon requested the Commission's approval to post this information and seek public comment before coming back at the next Commission meeting for a vote, to which the Commission approved.

Legal Division

See transcript pages 210 - 219

2:30 p.m. **Final Draft Version of 205 CMR 134.03: Gaming Service Employees, and Amended Small Business Impact Statement**

Catherine Blue, General Counsel stated that this amendment synchronizes with the change in the law that gave the Commission discretion to exempt certain positions from registration.

2:31 p.m. *Commissioner Stebbins moved that the Commission approve the Amended Small Business Impact Statement for the amendments to 205 CMR 134.03: Gaming Service Employees, as included in the packet. Commissioner Zuniga seconded.*

The Motion passed 5 – 0.

Commissioner Stebbins further moved that the Commission approve the version of the amendments to 205 CMR 134.03: Gaming Service Employees, as included in the packet and authorize the staff to take all steps necessary to finalize the regulatory promulgation process. Commissioner Cameron seconded. The Motion passed 5 – 0.

Final Draft Version of 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls, and Amended Small Business Impact Statement

General Counsel Blue stated that these are amendments to the internal control regulations to account for table games and any cleanup that was needed, based upon opening MGM Springfield.

[2:32 p.m.](#)

*Commissioner Cameron moved that the Commission approve the Amended Small Business Impact Statement for the amendments to 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls, as included in the packet. Commissioner Stebbins seconded.
The Motion passed 5 – 0.*

*Commissioner Cameron further moved that the Commission approve the version of the amendments to 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls, as included in the packet and authorize the staff to take all steps necessary to finalize the regulatory promulgation process. Commissioner Stebbins seconded.
The Motion passed 5 – 0.*

Final Draft Version of 205 CMR 139.04: Reports and Information to be Filed with the Commission; with 205 CMR 140.02: Computation of Gross Gaming Revenue, and Amended Small Business Impact Statement

General Counsel Blue stated that this amendment changes the calculation of the vigorish. It addresses some of the reporting requirements that the Commission wants licensees to provide, in terms of reporting on gross gaming revenues for slot machines.

[2:33 p.m.](#)

*Commissioner O'Brien moved that the Commission approve the Amended Small Business Impact Statement for 205 CMR 139.04, Reports and Information to be Filed with the Commission, and 205 CMR 140.02, Computation of Gross Gaming Revenue. Commissioner Cameron seconded.
The Motion passed 5 – 0.*

*Commissioner O'Brien further moved that the Commission approve the version of the amendments to 205 CMR 139.04, Reports and Information to be Filed with the Commission, and 205 CMR 140.02, Computation of Gross Gaming Revenue, as included in the packet and authorize the staff to take all steps necessary to finalize the regulatory promulgation process. Commissioner Cameron seconded.
The Motion passed 5 – 0.*

Final Draft Version of 205 CMR 147.05 and Amended Small Business Impact Statement – Gaming Tournaments

General Counsel Blue stated that this regulation was regarding gaming tournaments. It had been taken out of one section and moved to another, as it was determined that this was better as an internal control.

[2:33 p.m.](#) *Commissioner Stebbins moved that the Commission approve the Amended Small Business Impact Statement for the amendments to 205 CMR 147.05, Gaming Tournaments, as included in the packet. Commissioner Zuniga seconded. The Motion passed 5 – 0.*

Commissioner Stebbins further moved that the Commission approve the version of the amendments to 205 CMR 147.05: Gaming Tournaments, as included in the packet and authorize the staff to take all steps necessary to finalize the regulatory promulgation process. Commissioner Zuniga seconded. The Motion passed 5 – 0.

Final Draft Version of 205 CMR 152.00 and Amended Small Business Impact Statement – Individuals Excluded from a Gaming Establishment

General Counsel Blue stated that this is the portion of the regulation that pertains to the Excluded Persons List. The process has been changed to conform to the way the Commission wanted the list to be used.

[2:34 p.m.](#) *Commissioner Cameron moved that the Commission approve the Amended Small Business Impact Statement for the amendments to 205 CMR 152.00 Individuals Excluded from a Gaming Establishment, as included in the packet. Commissioner Zuniga seconded. The Motion passed 5 – 0.*

Commissioner Cameron further moved that the Commission approve the version of the amendments to 205 CMR 152.00 Individuals Excluded from a Gaming Establishment, as included in the packet and authorize the staff to take all steps necessary to finalize the regulatory promulgation process. Commissioner Zuniga seconded. The Motion passed 5 – 0.

Commissioners' Updates

See transcript pages 219 - 229

[2:34 p.m.](#) Commissioner Stebbins was honored to represent the Commission and accept the Rosoff award.

Commissioner Cameron and Commissioner O'Brien attended a day of racing at Plainridge Park and met all of the racing staff. A potential new racing opportunity in the Berkshires was also noted.

Commissioner Zuniga and Chairman Crosby attended the start of a strategy session for the research agenda. This marks the beginning of a process of thinking about all things Research and Responsible Gaming for the future.

[2:42 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 May 24, 2018
2. Commission Meeting Minutes Draft dated May 10, 2018
3. Wynn Letter dated May 9, 2018 and Wynn Response dated May 21, 2018
4. MGM Springfield Quarterly Status Report Q1 2018
5. MGM Gaming Beverage License Memo
6. Gaming Beverage Application Form
7. Expanding Access Grant MGC Memo dated May 10, 2018
8. Fiscal Year 2019 (FY19) Initial Budget Recommendations
9. Amended Small Business Impact Statement for 205 CMR 134.03
10. Final Draft of 205 CMR 134.03 Regulation
11. Amended Small Business Impact Statement for 205 CMR 138.00
12. Final Draft of 205 CMR 138.00 Regulation
13. Amended Small Business Impact Statement for 205 CMR 139.04, and 140.02
14. Final Draft of 205 CMR 139.04, and 140.02
15. Amended Small Business Impact Statement for 205 CMR 147.05
16. Final Draft of 205 CMR 147.05 Regulation
17. Amended Small Business Impact Statement for 205 CMR 152.00
18. Final Draft of 205 CMR 152.00 Regulation
19. Suffolk Downs Racing Officials 2018
20. Suffolk Letter Requesting Reduced Takeout
21. Massachusetts Thoroughbred Horsemen
22. Suffolk Purse Request

/s/ Catherine Blue
Assistant Secretary