

MASSACHUSETTS GAMING COMMISSION  
MEETING  
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P R O C E E D I N G S

>> CHAIR JUDD-STEIN: Good morning, Austin. All set? Good morning. We are calling to order meeting number 279 of the Massachusetts Gaming Commission on Thursday, September 20 -- no, it's not September.

>> COMMISSIONER ZUNIGA: October.

>> COMMISSIONER STEBBINS: October.

>> CHAIR JUDD-STEIN: Today is October 10th, 2019, at 10:00 a.m. at our offices here in Boston at 101 Federal Street. We'll begin with item number 2. Commissioner Stebbins, please.

>> COMMISSIONER STEBBINS: Sure. Good morning, Madam Chair. In your packet you have the minutes from the September 26th, 2019, meeting. I would move their approval, again, subject to correction or for any typographical errors or any other nonmaterial matters.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any discussion or recommended edits at this time? No further discussion, thank you, Shara. Excellent. All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you. The next item is the administrative update. I do not see our Executive Director this morning. Catherine?

>> MS. BLUE: Good morning, Commissioners, Executive Director Bedrosian is out sick today. He's asked me to give you an update on the 2020 racing applications. We received by the appropriate deadline one application. It is from Plainville Gaming and Redevelopment also known as Plainridge Park. They have filed a timely racing for 110 racing days, harness racing at the PPC racecourse. We have scheduled the hearing in the community which is a hearing in Plainville at the Plainville Town Hall for October 31st at 10:00 a.m. Between now and then, we will go through the application, redact it where appropriate, and put it on our website. So if anyone has comments, they can submit them in to us before the hearing. And then all of the Commissioners have received a copy of the application so that you can take a look at it. And if you have any questions, please let us know. Once we have the hearing in the community, we will be

back before the Commission on November 7th for you to ask any questions of the applicant and then to make your decision on that application.

>> CHAIR JUDD-STEIN: Any questions for Catherine?

>> COMMISSIONER ZUNIGA: So you said the hearing date was scheduled for October 31st?

>> MS. BLUE: That's correct. And any Commissioner can come. It's a public meeting. Commissioner Cameron will preside, but anyone's welcome to come.

>> COMMISSIONER ZUNIGA: And we were going to be in Plainridge for a different date for a different meeting, right?

>> CHAIR JUDD-STEIN: November 7th, but the hearing needs to proceed, so we'll be voting on the application on November 7th?

>> MS. BLUE: On November 7th, yes.

>> COMMISSIONER ZUNIGA: Got it.

>> CHAIR JUDD-STEIN: So 10:00 a.m. and the hearing is where?

>> COMMISSIONER CAMERON: At the new -- at the new Town Hall as opposed to usually we've had it at the Senior Center so it's nice with that new facility to have it there.

>> COMMISSIONER ZUNIGA: Great.

>> CHAIR JUDD-STEIN: Any further updates?

>> MS. BLUE: That's all I have.

>> CHAIR JUDD-STEIN: Okay. Thank you. Item number 4. This is a Commissioners' report or updates. We've decided to bring this to the beginning of the meeting because it warrants considerable attention, and we've had it at the end of the agenda the last meeting. This is concerning the relicensing for Plainridge. Commissioners O'Brien and Zuniga.

>> COMMISSIONER O'BRIEN: I think we had a general conversation about what we should consider in terms of renewal, but I think the most pressing issue today had some conversations with IEB about timing and what they need direction from from us and in particular the depth of review on the licensee and the qualifiers. And based on my conversations -- and I'm sure Ms. Wells can elaborate -- they do ongoing reviews, obviously, of everyone. And then they have a process when people are changing in and out. They have different forms that they have used for the vendors and the licensees, et cetera, and how they refresh, if there's any change in circumstance. I think based on my conversations, my recommendation would be that be the process that we direct IEB to conduct in connection with the renewal of the license. Maybe Ms. Wells can give the rest of you more detail on what that means. But my conversations with IEB, I felt very confident that in addition to the ongoing review that they do all the time, making sure that they follow that in connection with this process would satisfy due diligence in terms of the licensee.

>> COMMISSIONER CAMERON: That makes sense.

>> CHAIR JUDD-STEIN: Commissioner, do you wish to add before we hear from Director Wells?

>> COMMISSIONER ZUNIGA: Yeah. The bottom line is pretty much what Commissioner O'Brien says and there as well, Karen will explain the process for renewal for vendors of which we intend to recommend. We recommend that that be followed in this case for investigations and updates of Penn. But just to expand a little

bit on the prior remarks, it's really -- context here matters quite a bit. There is specifically has been a couple of really noteworthy and important procedures that we've done recently, notably with the investigation into the merger and the transaction into the REIT for Penn, which was done in two phases, a temporary approval and a final approval. If anybody's interested, we could go through that. But it's important that -- to note that that's an important context into what has happened recently for the review of Penn.

Other things that you alluded to, Commissioner, Director Wells can also expound upon, but every new qualifier follows the same procedure in an investigation. It's multijurisdictional, BET form with a supplemental Massachusetts form. So the initial investigation that we had, because everybody was a new qualifier at that time with all the historical, really has a natural refresh into the years as we move along. And last but not least, two more things. All of the qualifiers, the licensees, the executives, the key gaming executives, they're all under the affirmative continuing obligation to report any issues to the IEB and they, in fact, do. They collect them. They read them. They analyze them. And so the very nature of licensing them and knowing them really on a day to day really would not warrant, in our opinion, the initial deep dive as it's been referred to that we did back then.

So do you want to respond a little bit on what we do for vendors, which is what we're trying to emulate?

>> MS. WELLS: Yeah. Again, the IEB is just looking for a general policy directive from the Commission so we know what we're expected to do for this renewal. And the range could be from the deep dive to do nothing and, you know, because there's ongoing suitability. So based on internal conversations, the IEB's recommendation is that we do a review which is generally similar to the renewal protocol that we have established for gaming vendors primary. So those are the slot machine manufacturers, the table game manufacturers. These are companies we take a very hard look at because it goes directly to the integrity of the games and we want to know about those companies in depth.

So the renewal protocol for those companies, they get licensed for three years. So it makes sense that you'd have a streamlined process if you're only renewing -- if you're only licensed for three years and you're renewing. You can't do a deep dive every three years because it takes years sometimes to do those investigations. So we have a streamlined process that involves abbreviated forms submission, a confirmation of ongoing suitability disclosure requirements, and it does have both the state police and a financial investigator -- investigation and review and analysis. So the recommendation is that we translate that protocol to the Penn renewal. I would also take a look to include the questions that the Commission just recently reviewed for the Massachusetts supplement that we had a public meeting discussion on. Whether we have them fill out the Mass supp or I just add the questions to the form. I can do it either way. I'll just see what makes sense based on potential redundancy in the application.

But given that there is an ongoing suitability requirement for all our licensees, I think it makes the most sense because we do have a sense of the company. We're always checking, you know, is there ongoing litigation? Have there been other regulatory infractions? What's going on with the executives on their individual basis?

So, you know, the reasons I would suggest in summary that we are recommending this type of review for the Penn suitability renewal is the category 2 license term is only five years, unlike the 15-year of the category 1 licensees. And as we've discussed, once license -- suitability is ongoing and the burden is on the applicant to maintain that suitability and provide information to the Commission, there is a continuing duty to report. And our experience with Penn National is they have a very good system of reporting. They're licensed in multiple jurisdictions. They have people that are assigned to make sure that their regulators are informed of any activity that's going on, any changes, any potential regulatory infractions, things that are going on, and they've done a good job with that. And we do have an ongoing relationship with the company, and we do monitor those issues with the company. So we monitor their SEC filings, litigation reports, compliance matters, et cetera. So it's not as if we're coming in cold the way we were back in 2013 when we were just trying to understand even what this company did and what their background was.

The other point, just to make, is that the IEB recently also did an analysis of that whole REIT transaction. So that took a big look at the company and, you know, the changes that were going on there, and there were certain new qualifiers, and we looked at those. So that has been very recent. You know, given that there have been no significant areas of concern with Penn National with relation to their ongoing suitability, I think that this format where we have an established protocol, we have forms, if we can just modify that for this purpose, that's the most efficient use of our time, resources, and it will effectuate the due diligence requirements for an ongoing suitability of the licensee for your decision.

>> COMMISSIONER CAMERON: Director Wells, I think whatever we do should -- sets a precedent, and so, I mean, I'm hearing all of the ways that Penn has been responsive, but I'm just -- do you feel like this methodology minimizes our risk? For example, if we had a licensee who had multiple issues, which they don't, I understand that --

>> MS. WELLS: Right.

>> COMMISSIONER CAMERON: But is this something -- what you're recommending, this format, you would feel comfortable with this that we would still be minimizing our risk? You'd be looking at all the pertinent issues? I understand in an abbreviated format.

>> MS. WELLS: Right. And I think -- that's a very good point because whenever we do an investigation, you know, the forms and sort of that cursory review is a mechanism to identify red flags, identify areas of concern where the investigator can take a look at that area. So, for example, if there was a licensee that had an issue, even if we use these abbreviated forms, this will catch the major areas where there may be an issue of concern, and that does not preclude the investigators from going in that direction. So we have broad discretion as to what we want to look at. And if anything comes up, even if it's in an open source check on either a press article or some other information, we still have the ability and the resources to go down that road and look at that in depth. The recommendation on the system is just how do we sort of start the investigation and get the initial information and go in that direction.

>> COMMISSIONER ZUNIGA: You know, can I expound on what I think you also mean, which is, you know, this question of precedent. The way we -- at least I have

been thinking about it -- and I think we should -- is that these would be -- should flexible, for one, but also perhaps only applicable to category 2 license.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER ZUNIGA: Category 1s are, well, 14 years from now, and admittedly many of us are not going to be here. And regardless -- it would be very hard to bind, let's say, or, you know, force the future Commission's hand as to what they might want to do there in that sense. You know, unless I'm really -- I really think it's impractical for us to start issuing regulations, let's say, on renewals that apply to category 1s at this juncture.

>> COMMISSIONER O'BRIEN: Right. I would agree with that. And I was going to make the same point. And also to your point in terms of how long it takes to have someone on a five-year term where half the term is basically processing the renewal. It's just also a waste of resources on everybody's part. The one thing that I did comment on when I talked to IEB, and I want to raise this with everyone is, while I don't think we need a formal process and we don't need new forms and we can work with what we have, I would like there to be a memorialization at the end in terms of were there any issues that need to be vetted further and an overview of what was done so that if somebody is looking back historically, particularly 14 years from now, maybe trying to figure out how to renew category 1, there's something discreet that they can go to to see what process we followed. And so I do want something in writing. It doesn't have to be to the level of a full-blown suitability report necessarily but something that would be public record in terms of what was done.

>> MS. WELLS: Yeah, I'm thinking that, you know, obviously a 500, 600-page report is not what I think the Commission is looking for.

>> COMMISSIONER O'BRIEN: Right.

>> MS. WELLS: But I can do some kind of either letter to the Commission or memo to the Commission, just sort of outlining broad strokes what, you know, what the review encompassed and if there were any issues. And they may be resolved. Sometimes things come up and resolve them and realize that, okay, it's not something that the Commission needs to be concerned about. But if there are, you need to know about that.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER ZUNIGA: And there could be -- there's a larger not just the investigatory material and the forms, but perhaps what you also mean is the broader scope of review which I think we're going to talk about in a little bit. I think there is an assumption and a presumption that we'll do a compliance review with all of the initial promises or, you know, commitments that they made, some of which is done by our Ombudsman and staff, that there might be also -- what I suggest happen, which is a little bit of more focus into the property financials, which is something we have not done as recently. The REIT transaction focused a lot mostly on the company and the other company qualifier in that case GLPI. So there's specific procedures that I think we should -- you know, we should undergo and memorialize, of course, because I would submit that they might be more relevant five years from now if we extend the license for five years, even before the other category 1s.

>> COMMISSIONER STEBBINS: Yeah, I would just add I like the idea of keeping the review simple, and I think from our conversation yesterday, I like the process that

has been envisioned in addition to answering some of the new questions that we added to the mass supp form. But if you also look back, when we did the RFA1 and RFA2, you came back to us at the start of our RFA2 deliberations to give us an update on suitability. So that's something we've done already and I think it kind of fits nicely into a renewal process to have that part of the report from you.

>> CHAIR JUDD-STEIN: So I just want to comment with respect to Commissioner Cameron's observation. It is difficult to think about policy-making when we take into consideration either the personalities that are in place at the time or decision-making or in this case the entity that we're looking at. And, you know, kudos to PPC for being so good at reporting to you and your team, Director Wells. That's an important part of the ongoing suitability process that we must do. And so it's putting us in the position where, to Commissioner O'Brien's point, it wouldn't necessarily -- it would not make sense, I can say more affirmatively, to use these critical resources to really duplicate efforts that have already been done. So I would just reiterate that a decision to not do the quote, unquote, deep dive at this time is in no way compromising or in any way not indicating the importance of our vigilance. It's that we have been vigilant during the course of the period. And so going forward, you know, who knows what the future will bring. But if I understand right now, you're not looking for necessarily firm, firm guidance from us, just a general direction. Maybe in the future there would have to be a clearer policy that, in fact, at the very least every so many -- ten years, for instance, a deep dive is required. But at this point given the context of where we're in, it just wouldn't make sense to use resources unnecessarily.

>> MS. WELLS: Correct. At this point I just need a consensus from the Commission as a whole that this approach is consistent with sort of the thinking of the Commission, that we're all on the same page. So when we complete it, we're not in a position where we have to go back and do something else.

>> CHAIR JUDD-STEIN: Do you want to give any direction in terms of memorializing -- it doesn't -- it could be a memo. It could be -- should it come to us publicly?

>> COMMISSIONER O'BRIEN: No, it should come to us publicly. I want this to be easily accessible to the public and the future Commissioners to be able to see what we did. And as Director Wells described it, I see it as short and concise, an overview of the process that was conducted and then the conclusions that were made. And to the extent that there was anything that did require a deeper dive, that that's flagged in the document.

>> CHAIR JUDD-STEIN: And this is on suitability only.

>> COMMISSIONER O'BRIEN: Correct.

>> MS. WELLS: And what I can do, I can work with Commissioner O'Brien so I can do a draft and work with her and make sure that's consistent with her vision of how this would go.

That's fine with me.

>> CHAIR JUDD-STEIN: Thank you.

>> COMMISSIONER ZUNIGA: But there does appear to be a consensus emerging around the notion of parallel tracking.

>> MS. WELLS: Right.

>> COMMISSIONER ZUNIGA: What procedures we currently do for the vendors

when we do the renewals.

>> MS. WELLS: Those just don't come in public. That's agreeable with the IEB.

>> COMMISSIONER CAMERON: I think your recommendation is entirely appropriate.

>> MS. WELLS: Nobody --

>> COMMISSIONER O'BRIEN: Do we need a formal vote or can we just give guidance?

>> CHAIR JUDD-STEIN: We don't have a vote marked up, but I think you've got the direction you're seeking.

>> MS. WELLS: I'm comfortable. I got what I needed. Thank you.

>> CHAIR JUDD-STEIN: Excellent.

>> COMMISSIONER ZUNIGA: Sounds good.

>> COMMISSIONER O'BRIEN: And should we see if Attorney Grossman has anything to say?

>> CHAIR JUDD-STEIN: Attorney Grossman.

>> COMMISSIONER O'BRIEN: If he turns it on its head?

>> CHAIR JUDD-STEIN: If you could now elaborate on the rest of the process, that would be great. Thank you.

>> MR. GROSSMAN: Good morning. Well, I'll cut out my greetings and introduction. We'll move right into the meat of it. So I think suitability is clearly an important part of any renewal process, but there are, of course, other elements that you'll want to consider in conjunction with that, things like some of the compliance with the license conditions, whether things are going well in the host and surrounding communities. You should consider things like as they do in at least Pennsylvania, whether you want to conduct a hearing of sorts in the host community to allow for public comment of any kind and issues of that sort. So I think there are a number of other elements that we'll want to consider as we move forward in crafting some type of process. Though I think as discussed, the suitability is the cornerstone, really, of that as it is in most other jurisdictions.

So with that, if it's helpful, we can move into some of the policy questions that have been posed and see if there's any consensus around some of that. And, of course, if there isn't at this point, that's okay as we're just going to really start crafting, I think, some regulations, if that's where everyone wants to go, and we'll have another opportunity to modify those and even solicit public input.

So the first question really revolves around whether there should be a fee for the renewal. The statute actually does require a renewal fee. In the case of the initial fees, you'll recall they were \$85 million, \$25 million respectively for category 1 and 2. The Commission elected not to enhance that in any way so as to allow the licensees to put any additional funding into the buildings themselves.

In our case now, the statutes actually say that any fee should be based on the cost of fees associated with the evaluation of the licensee. So it appears as though the statute did not contemplate any type of substantial relicensing fee, just that we would assess any costs associated with the suitability investigation or holding any hearings or things of that nature. Of course, we tax all of the licensees on a daily basis. And on an annual basis based upon the number of gaming positions they have. So they are paying substantial fees to begin with. And it does not appear as though the statutes

contemplated assessing any kind of sizeable renewal fee.

But that being said, the Commission does have some discretion in assessing some kind of fee here, at least in the case of the category 2, I believe it says the fee must be at least \$100,000. So we can start there. Of course, you don't have to identify a specific fee at the moment, but it would be helpful just to gain an understanding of any thoughts you have on that.

>> COMMISSIONER CAMERON: And the \$100,000 is intended to cover the relicensing costs?

>> MR. GROSSMAN: Essentially, I think that's what it would go towards.

>> COMMISSIONER STEBBINS: I think \$100,000 goes to the gaming revenue fund that gets divvied up to all the other various funds, penalties, you know, taxes on gross gaming revenue, too.

>> MR. GROSSMAN: That's right.

>> COMMISSIONER STEBBINS: So it's not actually money we see necessarily.

>> MR. GROSSMAN: That's a good point.

>> COMMISSIONER ZUNIGA: Here -- and, you know, Todd covered it well, but there is a slight distinction between the fee that the statute directs us to look at for category 1 and for category 2. Category 1 specifically says there's no minimum, but they say it needs to be -- to cover the costs of the investigation.

Category 2 does set a minimum. Perhaps suggesting that the investigation -- this is perhaps -- that the investigation for a category 2 might be less than a category 1. I don't know if that's the case, but the statute does say the minimum to be \$100,000 for category 2. And we can also infer that it is for the purposes of the investigation. But am I correct that in terms of the category 2, there is not a direct connection between whether that fee should be for the investigation?

>> MR. GROSSMAN: Well, no, actually --

>> COMMISSIONER ZUNIGA: Or there is?

>> MR. GROSSMAN: -- in both cases -- so it's all somewhat disjointed. It doesn't say this all in one place. You have to piece it together from different sections. In both cases, category 1 and 2, it does say that it has to be based upon the costs associated with the investigation.

>> CHAIR JUDD-STEIN: It looks as though at least with respect to 1, the renewal fee shall be exclusive of any subsequent licensing fees under the section. What does that mean, Todd? Do you know? Renewal fee. That would be -- shall be exclusive of any subsequent licensing fee.

>> MR. GROSSMAN: Which section are you in?

>> CHAIR JUDD-STEIN: I'm looking at footnote 3 on page 2. It's 23K, 10D, Section 10D. The Commission shall set any renewal for such license based on a cost of fees for associated with the evaluation of a category 1 licensee. I'm not sure if the same language is on 2. Do you know? I don't know. But I don't know what it means in terms of subsequent licensing fees. In other words, I did hear Commissioner Zuniga say, you know, we do -- I think it was you -- charge fees and taxes regular. Maybe it was you, Todd. My apologies, Commissioner. So I think that they are suggesting that it's supposed to be exclusive to the other fees that we charge, whether --

>> MR. GROSSMAN: Right.

>> CHAIR JUDD-STEIN: -- our licensees love that or not.



>> MR. GROSSMAN: I think that's at least a fairway to look at it. We can take a closer look at that.

>> CHAIR JUDD-STEIN: It's interesting that subsequent licensing fees.

>> COMMISSIONER ZUNIGA: Yeah. Well, there's always been that dichotomy, you know, in which licensing fees apply to the initial ones, 85 and 25 million, the individual ones, the renewal fees in this case. I think it's suffice to say that there is a presumption that the fee be associated with the investigatory costs.

>> CHAIR JUDD-STEIN: Costs.

>> COMMISSIONER ZUNIGA: I think we, like initially, we would have the discretion if we wanted to set it higher, but ultimately I am of the same mindset as initially that if there was to be a cost benefit in terms of charging a fee up front or allowing the possibility of the licensee to invest in a longer-term use of capital, whether it's putting more amenities or doing more promotions, I would be more in favor of the latter, not the former. This is just in parallel to what we decided at the very beginning where we did have the clear discretion for the initial fee to set it higher, that the 25 and the \$85 million initial licensing fees were a floor, and the statute expressly allowed us to set it higher. Like then, I am now of the mindset that a longer-term view is more preferential and that charging anything up front in terms of just purely a fee comes at the expense of a longer-term investment.

>> CHAIR JUDD-STEIN: Does it make sense, though, in terms of -- it looks as though it can't be less than \$100,000 for category 2. Could we say the \$100,000 plus any -- anything that exceeds that if it's a real cost in terms of the connection? Otherwise it would just be the base? We could just -- that seems the most simplest solution. We can't go under \$100,000.

>> COMMISSIONER ZUNIGA: No. No. The floor is 100,000.

>> CHAIR JUDD-STEIN: Even if the costs were less.

>> COMMISSIONER ZUNIGA: Even if the costs were less. I'm assuming that if the costs are higher just on the investigation, that it would be that higher cost amount to recoup the cost of the investigation, it would be fair to the other licensees because our other -- our costs to do those investigations, if we didn't charge them directly, would come out of unfortunately of the other two. So I think it's important to identify those costs, whatever they come out to be, 150,000 or whatever in excess of 100,000 and just charge -- assess that on the licensee in this case Penn directly. But what I'm suggesting we don't do is go anywhere above those investigatory costs.

>> COMMISSIONER O'BRIEN: This is just an open question of the investigatory costs, because we've set a dynamic of incorporating ongoing suitability reviews into this renewal. And so really we have a bigger question of determining those costs. And is it simply the discreet task of renewal based on mimicking the vendor form we just talked about or does it go back and look at suitability tied to Penn and what are the costs associated with that. That number could drive that 100,000 number higher.

>> COMMISSIONER ZUNIGA: I understand the point the and it's a fair one. I was assuming the former just -- not the latter. It would be --

>> COMMISSIONER O'BRIEN: I know, and I was thinking about the latter, so that's why I think we -- I agree we clearly have to be at least 100,000. I do think there has to be a broader discussion of what's the delta between those two numbers and are we going to go over 100 and if so, how are we going to draw the line on costs?

>> COMMISSIONER ZUNIGA: Let me make sure we're talking about the same thing. I think it would be really, you know, time assuming to try to go back in time and assess -- and try to figure out what costs -- what investigatory costs were driven by Penn and Penn only.

>> COMMISSIONER O'BRIEN: But we don't know the answer to that truly yet. That would be a question for IEB and whether they can do that quickly or not.

>> CHAIR JUDD-STEIN: So, for instance, Commissioner O'Brien, when you asked how to memorial -- how the suitability study is conducted, you asked Director Wells to memorialize that process.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: For instance, they might include, as part of that process, what they learned during the REIT review.

>> COMMISSIONER O'BRIEN: Correct.

>> CHAIR JUDD-STEIN: So do we take into consideration the costs affiliated with the REIT or do we only look forward? Is that a fair example?

>> COMMISSIONER O'BRIEN: Yes.

>> COMMISSIONER ZUNIGA: I'm suggesting it would be too time consuming to try to ascertain those costs because A, they're in the past. And I -- and we've already paid for them, which is fine one way or another. But we would have to -- and again, it would be a question to IEB. But if they kept time sheets by activity, which I doubt they do, for example, and they spend all this time, you know, at different times in a very long period of time investigating the REIT, it would be difficult to ascertain. Unless they try to do it --

>> COMMISSIONER O'BRIEN: Difficult but not impossible. I've been in circumstances --

>> COMMISSIONER CAMERON: Why don't we get Director Wells to assist with this and what they do track. Because I think they track costs very well.

>> COMMISSIONER O'BRIEN: And I've been in situations of having to do it after the fact, and it is possible to get a ballpark.

>> CHAIR JUDD-STEIN: Commissioner O'Brien, did you complete your --

>> COMMISSIONER O'BRIEN: I'm saying I've been in situations where we've been asked in my prior jobs to do investigative and there is a way to recreate. It's a question of how accurate and how much time it takes.

>> MS. WELLS: Right. So Commissioner O'Brien's correct, and Commissioner Zuniga is also correct. So the -- as a discrete example, the REIT review, we tracked all that. I don't know if the bill went out or not, but that is going to be billed. So that wouldn't be -- that's already in process. So those -- that kind of thing. The -- sort of the regular check-in -- like the SEC review, my time, I look at the litigation. That's going to have to -- would necessarily have to be an estimate. So it's not as if there's documentation that would support that cost. So that -- that's a little trickier. And to do an historical analysis over the last five years on that would potentially be difficult to do, and I'm not sure about the accuracy. We would probably have to low ball it to be fair to the licensees. You could do some kind of estimate, but it's not as if we have specific records on that because that's just part of my day-to-day duties and a financial investigator's duty.

>> COMMISSIONER ZUNIGA: On top of that, you have the duties on the other two

as well, right?

>> MS. WELLS: You mean the other two licensees?

>> COMMISSIONER ZUNIGA: Correct. You're doing that with Penn and MGM and Wynn and I would submit that perhaps it's proportional to the proportional bill that they all get. In other words, it would be, in my opinion --

>> MS. WELLS: Our costs, my salary. Right.

>> COMMISSIONER ZUNIGA: You're assessing them currently proportionally. You are.

>> MS. WELLS: Correct, the three.

>> COMMISSIONER ZUNIGA: And so if we work to try to go back and true up these last five years, eventually the other licensees might want to do the same, and we might end up in a similar place. I mean, I think there's a happy medium here that, you know, to the extent that there are real and reasonable direct estimates that we could go back in time.

>> COMMISSIONER O'BRIEN: Like the REIT transaction.

>> MS. WELLS: Correct.

>> COMMISSIONER ZUNIGA: Like the REIT transaction. For example, if we hired consultants and there was a real -- I don't think -- but if we did, that might be an easy --

>> MS. WELLS: As another example, you mentioned before, new qualifiers come in. So we track all those expenses, and we bill for those individually. So there is -- for the most part, those are already tracked and already being billed. And then sort of that general overview is not necessarily tracked in that same -- to that same level of detail. That's just part of my job, part of our chief Enforcement Counsel's job, part of the, you know, the head of the financial investigation. That's part of sort of their day-to-day duty to have a sense, and that's just their job. So it's sort of both.

>> CHAIR JUDD-STEIN: Commissioner Cameron, do you have some input?

>> COMMISSIONER CAMERON: I think whatever new costs associated with --

>> MS. WELLS: Yeah.

>> COMMISSIONER CAMERON: -- particular investigation is very easily tracked.

>> MS. WELLS: Yeah, we have a protocol for that.

>> COMMISSIONER CAMERON: Okay. Well, then --

>> COMMISSIONER STEBBINS: And I think our licensees, not just PPC, but they've always acknowledged that certain amount of money gets you X. Anything above and beyond that's going to come back out of your pocket.

>> MS. WELLS: Right, right.

>> COMMISSIONER STEBBINS: Kind of operating under that assumption. Making it fair based on what the additional work is I think is fair.

>> CHAIR JUDD-STEIN: Yeah. And I think the happy medium that you suggest, Commissioner Zuniga, is possible because I don't think it would be entirely fair to not look back at all.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: Considering what we've just given for a directive, that we're going to use the past history.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: And the work to actually support the renewal. So we can come up with that happy medium, I think.

>> MS. WELLS: Yeah.

>> CHAIR JUDD-STEIN: This is, again, a work in process.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: So we would get some feedback and see how you're allocating those costs, and we can look at them then because you would come back to us for guidance on that. Commissioner O'Brien?

>> COMMISSIONER ZUNIGA: Does there seem to be a consensus or agreement that we reserve the fee to the costs of investigations and not try to increase that, which would be my recommendation, if anybody wants to talk about that.

>> CHAIR JUDD-STEIN: I would say tied to the costs of investigation that are related to the suitability process prepare.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER O'BRIEN: The renewal process.

>> CHAIR JUDD-STEIN: Renewal. But with respect to both, looking back to the degree that's practical and then, of course, looking forward is the easy part. So just the amendment?

>> MS. WELLS: Right. There may not be sort of a discrete -- for example, the discrete bill may just be going forward, or if we want to do some kind of estimate on, you know, I'm familiar with what Commissioner O'Brien is talking about, the cost of prosecution to go back and figure out. A little more challenging. We could do something in that respect. It would be sort of a lowball estimate. And then -- but we wouldn't obviously double bill for the REIT analysis or double bill for the qualifiers. So some of those are just already done.

>> CHAIR JUDD-STEIN: They're all done. Exactly.

>> COMMISSIONER ZUNIGA: They would be credited effectively.

>> MS. WELLS: Exactly. Exactly.

>> COMMISSIONER ZUNIGA: They would be credited proportionately.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: And it might be helpful to note that, Karen. You know, these were already billed. We're not double billing, but this is all part of it just so we understand the costs. It might be that through this process, it justifies the \$100,000 and may not even exceed the \$100,000 or it may well exceed the \$100,000.

>> MS. WELLS: It will exceed.

>> COMMISSIONER ZUNIGA: It will exceed.

>> MS. WELLS: I'm just putting it out there right now, managing expectations.

>> COMMISSIONER ZUNIGA: But I do want to note, right now is a good point, that they are very cost effective. The initial investigations that we did included a lot of consultants that by necessity charge by the hour, and there's a huge premium when we have our investigators in house, you know --

>> MS. WELLS: Right.

>> COMMISSIONER ZUNIGA: -- that do a lot of it as a matter of course and with a really minimal use of outside help.

>> MS. WELLS: Correct.

>> COMMISSIONER ZUNIGA: It is really rather cost effective.

>> MS. WELLS: Yeah.

>> CHAIR JUDD-STEIN: Is that enough guidance? Is that helpful on number 1?

>> MR. GROSSMAN: I think that's helpful. We can certainly craft some language around that discussion.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: Thank you. Number 2.

>> MR. GROSSMAN: What will the term of the renewal be. The statute addresses this in part, and it has slightly different language for each of the licenses. The 15-year license says that the initial period shall be for a term of 15 years. Category 2, it says that the license shall be for a period of five years. So in theory -- and this came up as an issue so it's worth discussing, even if it's only briefly depending upon people's sentiments on this -- whether the renewal terms should likewise be 15 -- or if we're only talking about category 2, 5 years, or whether there's any wiggle room to increase or decrease the term of the renewal period. It seems to me that the statute contemplated that the renewal period be for a term of five years, but there is an argument that could be made, if you wanted to, that it could be for something else.

>> COMMISSIONER STEBBINS: Yeah. I would take that kind of reading the legislative language I think to your point as an indication of we would expect no less than a five-year renewal. And I would start there, saying that, you know, renewal for the class 2 is five years. But, you know, I'm having some thoughts of do we want to go beyond? I mean, we have a lot of tools and mechanisms available to us to pull back a license if for some reason the operator starts acting inappropriately or what have you, we don't trust their operational skills or what have you. But I'm comfortable with a minimum of five years. I don't know if we should go beyond that.

>> COMMISSIONER ZUNIGA: Well, let me pick up on that because I'm the one who, you know, think that we could be creative here or we could be flexible if we read the language, you know, broadly. For the following reason. And, you know, again, it's up to us. I think there's enough in the language that would direct for a renewal of five years. I think the reason to get it for something higher would be almost as if we were conducting this bidding, if you will, this negotiation. The one thing that we could offer to Penn in exchange for whatever they would be willing to do in terms of additional investment, let's say, is the term of the license being different than five years, being higher. Whatever of value they might want in terms of an additional capital investment, that is the only thing available to us.

I'm just saying you know, maybe you're not on board, but if we said --

>> COMMISSIONER CAMERON: You see me shaking my head.

>> COMMISSIONER ZUNIGA: I do. But if we were to say -- you know, let's say if we offered a ten-year renewal term, they might be willing to say in exchange of that, I will do whatever. And it would be something that we could listen to.

>> COMMISSIONER CAMERON: I'm not comfortable with that. I -- we are very new here in the Commonwealth. I'm very comfortable with a five-year, take a look. These companies change so frequently that I would be comfortable with a five-year, and I don't think we should tie it to something they may offer. I just -- I'm just not comfortable with that. I think, you know, five years is a good amount of time, and then we'll take a look. We've already looked at a process that streamlines it which I do agree with. But I just -- I guess I'm just not comfortable with any way -- I don't think there's a need to do that.

>> COMMISSIONER ZUNIGA: Yeah, no. It is really a philosophical question. I

think -- you know, coming from trying to extract value to the Commonwealth, I would -- you know, it's a matter of saying -- again, what could they see of value that we could offer? I think it's really just that. If they were approved -- anything else is really up to the legislature, you know. A different number of gaming positions. It's all printed in the statute. Table games. It's all limited to category 1s. And it would be, in going with the principle that was in statute as in you will get this privilege, the ability to run gaming, but in exchange, you get a minimum capital investment, a licensing fee and all these other things. If we were taking that principle to the renewal process, and that is just what I'm suggesting -- by the way, I think it's a little creative myself. I think there is the way all of the sections in the statute come together, one could really just presume that it was intended to be a five-year renewal process. I wouldn't suggest going much longer than ten years, for example. And it may very well be that Penn would be in a position of saying whether it's five or ten, if there's enough competition, whatever, we're not willing to -- or able to put anything of value in terms of additional capital investment. I'm just --

>> CHAIR JUDD-STEIN: Yeah, Commissioner O'Brien, before I comment, I just wondered if you had some insight.

>> COMMISSIONER O'BRIEN: I don't see quite the wiggle room necessarily to go beyond five years particularly in the first renewal. There had been some conversation we had given the landscape, given the fact that the others were just up and running even to the extent that we were going to consider something like that and it would be legally feasible, wouldn't it be more prudent to stick with five for the first renewal consistent with the statute and the idea that in the future you could possibly expand could be reserved in terms of the strict -- the plain reading of the statute, it shall be for five, consistent with the new landscape. We don't know what the dynamics and the impact are going to be with everyone getting live and possibly, you know, Region C also coming online, that is the prudent cautious approach to say the statute says five. The landscape is changing. Five gives us the ability to even if we want to consider what you're talking about, five years.

>> COMMISSIONER ZUNIGA: Absolutely. Yeah.

>> COMMISSIONER O'BRIEN: So I'm of Commissioner Cameron's view that right now where we stand and looking at the statute, I think five is the number.

>> CHAIR JUDD-STEIN: If I could just add in, I think this is an interesting debate. I do question if I were General Counsel for one of our licensees, whether they would be comfortable with not having their license renewed at the expiration of five years because another -- there could be --

>> COMMISSIONER O'BRIEN: A challenge.

>> CHAIR JUDD-STEIN: -- a challenge to say that they were operating without a valid license. So there is a very significant piece --

>> COMMISSIONER ZUNIGA: You mean five years from now?

>> CHAIR JUDD-STEIN: No, the minute that they didn't get renewed.

>> COMMISSIONER O'BRIEN: If we were to offer seven.

>> CHAIR JUDD-STEIN: We would say we view -- and they might get an opinion from their own counsel to say with all due respect, Commission, we actually are concerned that we would be operating without a proper license.

>> COMMISSIONER ZUNIGA: Or perhaps more to that point, that a future

Commission says no, no, no, that seven-year or ten-year was not okay. You don't have one.

>> CHAIR JUDD-STEIN: You know, to the extent they're public companies, they would need to be very clear that their license is valid in order to continue operating. So that's -- I, of course -- and we haven't had this discussion with any of our licensees, I presume, but I would say that given what I see in the statute, barring any other, you know, real clear conclusion from our legal and even outside counsel on this, I would say that we're probably confined to five years. However we would like maybe to interpret the language, because we could put our licensees a bit at risk.

>> COMMISSIONER STEBBINS: Yeah. I'm comfortable with the five years. I think it's consistent. I think it gives our licensees some expectations of knowing what the landscape is, five years. We had the initial five. We'll have the second five. I think -- I don't want to say it's a safe bet, but I think it's logical and gives them a level of confidence.

>> CHAIR JUDD-STEIN: I do like creativity, though, Commissioner.

>> COMMISSIONER ZUNIGA: I just felt it was important to, as a threshold topic, to identify that, you know, if we were in a principle of bidding of sorts, of asking what were they able to give in return, again, for the benefit of the Commonwealth, as you just discussed. It really sounds like there's a majority or a unanimous bill. I was on the fence on this, and we can just presume it be a five-year term.

>> COMMISSIONER STEBBINS: I want to pick up on your point and think about this maybe as part of the process. I think there's kind of two pieces here that I think we should think about. One is we're going on the expectation PPC wants to be renewed. I think we need to have some type of trigger that they tell us they want to go through a renewal process. But secondly, think of, you know, the process where we will be hearing from IEB and an updated suitability. I would give our licensees a chance to say this -- I think to your point -- this is what we want to do over the next five years. Not just have this be a rubber-stamp approval of a license. Have them give us an opportunity to hear what they plan to invest because they do have a reinvestment requirement but also what their plans are maybe for staying competitive in this marketplace. Give them a chance to pitch themselves as part of us giving them a renewal.

>> COMMISSIONER ZUNIGA: Yeah. I think it's a fair assumption to assume that they want a license renewal. They signed a 20-year lease on that building. 20 or --

>> COMMISSIONER STEBBINS: One of the towns.

>> COMMISSIONER ZUNIGA: So they would owe a big amount of rent if they didn't get a renewal. But in following with, you know, the principle of, you know, A, documenting, but B, making them put on the record what they are assuming or willing to do going forward I think is really important, an important part of the process.

>> CHAIR JUDD-STEIN: Maybe this leads nicely into point 3 in your memorandum, because the different policy questions that we want to consider. Do you feel you have guidance on number 2?

>> MR. GROSSMAN: I think there was clarity on that point, so yes. Point 3 I think is really the heart of the matter, which is what exactly do you want to look at as part of this renewal process. You've obviously opined on the suitability of the individuals and entities designated as qualifiers. That's a key component to all of this for sure.

There's also, of course, and you touched on this, and Commissioner Zuniga mentioned it in a specific context, there's the financial suitability of the overall entity, which is likely an important consideration as well. Things like the overall health and capitalization of the parent company, the debt equity ratios and things of that nature, which are things that are looked at on an ongoing basis but things that you should also likely take a look at during this renewal process. And things that probably don't take a lot of further evaluation. The evaluation may already have been done. But just that a report on it would be something to consider as part of the renewal.

But then there are other issues that, again, are things that the Commission and staff have been looking at on an ongoing basis but things you may want to consider specifically as part of the renewal, like compliance with all of the licensing conditions that were assessed upon the award of the initial licenses, just taking a holistic look at those to ensure that there are no gaps. The compliance with the host and surrounding community agreements. Whether you want some type of communication with the host and surrounding communities to get their take on all of this, whether, as I mentioned before, you want to conduct any hearings and solicit public input on any of this. These are all things that some other jurisdictions do when reviewing renewal applications.

There's the capital expenditure plan, which is something that each of the licensees are required to do. PPC and Penn National have a multiyear plan that was approved by the Commission I'm going to say two years ago or so, which covered a five-year term. It is looked at on an annual basis to ensure that they are compliant with it, but it would be perhaps a good time to look at it as part of the renewal process to ensure that it is where you want it to be.

So with all that, there are a wide variety of topics that you may wish to consider as part of this renewal process, and we can include as many or as few of them in the regulations as you wish. The only one that is interestingly not subject to debate is compliance with the ILEV agreements which the statute says you must consider as part of your renewal process.

>> COMMISSIONER ZUNIGA: And remind me, did they have any ILEV --

>> MR. GROSSMAN: I believe so with Wrentham and places like that. I think they have actual agreements in place. The Wrentham Outlets, not the town.

>> COMMISSIONER CAMERON: I actually think all of your -- all of your elements that you point out here look appropriate for review as part of this process. And I actually like the idea of a public hearing. We do it with racing reviews. It makes a lot of sense. You hear from people. They get a chance to talk about what they like or don't like, and I think that is an important piece.

>> COMMISSIONER ZUNIGA: Yeah. And that is, I think, fundamentally a really good way to have the licensee put forth what they're proposing, what they're willing to do, if anything different, not just their history and compliance at a summary level, but also what their perspective, just like any racing application that we get year after year, puts forward.

>> CHAIR JUDD-STEIN: Anything missing from the list? It's hard to think of what might be omitted.

>> COMMISSIONER STEBBINS: The only thing I would go back and focus on is give some thought to the review of the RFA2 application, which I know is -- you talked about that, but it's also folded in, I think everything that was in the RFA2 became part of



the overall license. You know, maybe not a formal process but, you know, each Commissioner -- you know, three of us worked on different parts of that RFA2 application. Maybe just going back to those, reviewing them and using those for whatever questions we might have to pose to in this case PPC as part of the public hearing -- not a public input hearing but a public discussion with PPC with respect to their renewal. You miss this or you didn't do this or you shifted course on the RFA2 to where we are now. Let's have a conversation about it.

>> COMMISSIONER CAMERON: Do you think that's something that we have to mandate, or is that just part of what individual Commissioners would deem appropriate materials in order to prepare?

>> COMMISSIONER STEBBINS: I mean, I feel comfortable leaving it to the individual Commissioners --

>> COMMISSIONER CAMERON: That's what I'm thinking as well. Because I do --

>> COMMISSIONER STEBBINS: To Commissioner O'Brien's point, we're trying to memorialize this process.

>> COMMISSIONER CAMERON: Right. But each of those elements were captured in the license conditions. Is that your best recollection?

>> MS. BLUE: They were, and I would think as part of any renewal process, you would want to review all the license conditions for compliance and for additional conditions if you thought that was appropriate.

>> COMMISSIONER ZUNIGA: And we should remember that we did what was initially supposed to be a midterm review that turned into more like a 3 1/2-year review for important reasons, not because we were late. Where, you know, that was a time where we also recalibrated some initial conditions, where there was perhaps an aspirational goal that was based on different set of circumstances that needed to be lowered, again, for good reason. It was not like we just agreed. We really tested the reasons and the efforts that they had undertaken. I would imagine a similar process, if it's needed.

Back to your question, Chair, the only thing that I would just clarify and what I think is really a comprehensive set of bullet points where it comes to the topics as part of the renewal analysis is on the second to last, the financial suitability which I mentioned earlier, that it be perhaps focused on the property level, not necessarily on the company level which we have done and -- I mean, we could do the company level as well as a refresh. But what I think is most relevant for us anyway, especially as this process moves forward into what is now a competitive -- a very different phase than the initial term, when Penn started with this license, they were -- they had a clear period in which they were going to be the only ones operating in the Commonwealth, and that had a set of conditions that really mixed into the financial picture. They know that it's a very different -- everybody knows that it's a very different competitive landscape as the next five-year period. And it is in that context that I would just, myself, would like to understand or work with the IEB financial investigators to get, you know, a picture of their financial condition going forward at the appropriate level.

>> CHAIR JUDD-STEIN: Just to clarify. Would you want at some degree a review of the parent company as well but also the focus on the property? In other words, both but with focus on the local property. Does that make sense?

>> COMMISSIONER ZUNIGA: And I know because of the midterm review they put

together, really helpful summary-level reports through their own corporate executives that rolls up into their financials from the property level. It is that that I'm referring to.

>> COMMISSIONER O'BRIEN: Just to add to what's already been made about us having a meeting on this where we can hear from interests other than ourselves and the licensee. I do think that that's critical. A, it's transparency to the process. And B, it also allows thoughts and suggestions that we might want to put in as conditions that maybe people that are on the receiving and sending end of regulating this industry might not think of. I do think it's critical to do that. So whether it's one or more, I think there's at least one.

>> COMMISSIONER CAMERON: Public hearing.

>> COMMISSIONER O'BRIEN: Yes.

>> COMMISSIONER CAMERON: Agreed.

>> COMMISSIONER ZUNIGA: We had a public hearing by statute in the first time around, and we did actually a host community hearing but it was a statutory one. We also did a surrounding community hearing. In some instances because there was so much interest, we ended up doing that over multiple days. But I think a similar process might be also well received.

>> COMMISSIONER CAMERON: Right.

>> COMMISSIONER O'BRIEN: I mean, it could be satisfied in one. To your point, if we get there and there's simply not enough of an opportunity for anybody that wants to be to be heard, we should be doing more.

>> COMMISSIONER CAMERON: Agreed.

>> COMMISSIONER STEBBINS: A minimum of one.

>> COMMISSIONER CAMERON: Yes.

>> MR. GROSSMAN: I think that makes sense, and we'll definitely work that in. I think it's also important to remember there's an interesting dichotomy that emerges as we talk about this as it pertains to the category 2 license, and that is that you will, as was mentioned earlier, review the category 2 license about three times before you review the category 1 once. So there should be some consideration to migrating some of these elements over to category 1s in some format even though you won't be going through a formal renewal process. So that's just one of the things that strikes me as we go through these discussions.

>> COMMISSIONER O'BRIEN: You mean like potentially having public meetings to hear input just at a midway point or five years out altogether?

>> MR. GROSSMAN: Something to think about, yep.

>> CHAIR JUDD-STEIN: Interim review.

>> COMMISSIONER O'BRIEN: Or just comment period, whatever, yeah.

>> COMMISSIONER ZUNIGA: Well, the renewal forms that we just talked about, we don't have to wait 15 years to get a refresh on the category 1s. Or 14 years.

>> CHAIR JUDD-STEIN: Because suitability is ongoing.

>> COMMISSIONER ZUNIGA: But it's a good mechanism to kind of keep that fresh. Not necessarily part of the category 2 process but really bleeds into whether we should consider it for the category 1.

>> COMMISSIONER CAMERON: Right.

>> MR. GROSSMAN: That's very helpful. I think we can get started on preparing a set of regulations that capture all of these comments and sentiments.

>> CHAIR JUDD-STEIN: And remind me again of the timing, because I'm thinking, of course, public hearings, the calendar just so that we can start to plan.

>> MR. GROSSMAN: Well, the Plainridge Park Casino license expires on June 24th, 2020. So sometime before that.

>> CHAIR JUDD-STEIN: Yeah. To be responsive, on the early side of the new year, I would think we'd want to get the public input, correct?

>> COMMISSIONER O'BRIEN: Yes.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. GROSSMAN: The final question to throw out is that the statute does talk about -- at least in the context of the category 1s -- that if there are any issues the Commission believes need to be sent to the legislature for consideration for amendment to any statutes that we do that, it says 180 days before the expiration of the first license. So if there's -- there's nothing that comes to mind for me, but if there's anything that we think will serve as a roadblock of any kind, there is an invitation in the statute to send it to the legislature.

>> COMMISSIONER ZUNIGA: There's nothing that comes to my mind, especially after the discussion we had. If, for example, we had different views as to the term, that would be one thing to perhaps get legislative direction. But --

>> CHAIR JUDD-STEIN: Although that is a different point.

>> COMMISSIONER ZUNIGA: Yeah.

>> CHAIR JUDD-STEIN: Because I think -- I don't think we were -- I think to Commissioner Cameron, you were actually thinking five years seems to be the right snapshot.

>> COMMISSIONER CAMERON: I was, yeah.

>> CHAIR JUDD-STEIN: Yeah, you were thinking that where -- I don't know, Commissioner O'Brien, but I was thinking that the statute limits us.

>> COMMISSIONER ZUNIGA: No, no.

>> CHAIR JUDD-STEIN: The legislature changed it, of course, that would address my concerns, but.

>> COMMISSIONER ZUNIGA: Well, and I'm making the point that I think we're all set on that. I think we don't need a legislative recommendation. There have been, as part of the political process, proposals that are entirely out of our hands, that are up there in the legislature and they can take them or not. That would affect potentially this license or this licensee, rather. You know, if we are focusing on -- like we did -- on what we clearly have here, which is, you know, the fee, the renewal term, the conditions, additional, if any, as well as the suitability, I think we are really covered.

>> CHAIR JUDD-STEIN: Consensus at this juncture?

>> COMMISSIONER CAMERON: Yes.

>> CHAIR JUDD-STEIN: We have nothing. Excellent. Nicely done. Thank you.

>> COMMISSIONER CAMERON: Thank you. Very thoughtful memo. Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Thank you, Commissioners.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Really important work. So thank you.

>> COMMISSIONER ZUNIGA: Five-minute break?

>> CHAIR JUDD-STEIN: We're going to break for five minutes. And this will allow

folks to transition. Next up will be Ombudsman Ziemba. Thanks so much.

>> CHAIR JUDD-STEIN: We're reconvening our meeting, item number 5, Ombudsman Ziemba, please.

>> MR. ZIEMBA: Thank you very much, Chair and Commissioners. I'm joined by Joe Delaney, Construction Project Oversight Manager. First on the agenda is the beginning of the process for the 2020 mitigation fund application guidelines. Earlier this year we announced Community Mitigation Fund awards pursuant to the Commission's 2019 guidelines. The item before you today is the beginning of the process for approving the guidelines for the next year's program. By statute applications by communities and other governmental entities are due to the Commission no later than February 1st of each year in order to give communities time to put together their applications, we plan to issue the final guidelines for the 2020 program no later than the beginning of December. And that should give applicants approximately two months to put together their applications.

Applicants can also use the period between now and the issuance of the new guidelines to put together their applications as well because undoubtedly, even though we will make some changes, the guidelines will look fairly similar to last year, I would predict.

So in order to solicit input and advice on these guidelines as we do every year, we reconvene meetings of the local community mitigation Advisory Committees and then the subcommittee mitigation, and also we plan to hopefully have a meeting with the game policy Advisory Committee. These committees include appointees, surrounding communities, regional planning agencies, the Mass municipal association, Department of Revenue and others to provide very valuable advice and input, and we thank them all for all of their input to date. We're hoping to have two meetings of each of those groups except only one meeting of the GPAC. We have already had our first meeting in the Region A LCMAC and we had one meeting on the subcommittee mitigation to date.

So in order to make these meetings as useful as possible, we annually develop a list of items that the committees could discuss. The memo is in your packet. That memo has a number of different questions that staff have identified based on last year's practice and things that we understand the Commissioners would like to review, and we anticipate communities would like to review. So my goal for today is just to understand if there are additional questions that Commissioners have that we should explore as we develop the guidelines. We anticipate coming before the Commission at least two times more on the guidelines by the beginning of December, once the report back on the input and to come up with the draft guidelines and then one to finalize such guidelines.

We plan to bring the first draft to the Commission at the next Commission meeting. And then following the Commission's approval, hopefully of the draft, our practice is to post the draft guidelines for public comment. So today is just designed to get a consensus on the list of questions to explore as we put together our draft of the guidelines. Of course, if individual Commissioners have any questions beyond today's meeting, we'll obviously take those into consideration when we come up with the draft guidelines.

So we don't anticipate trying to answer any of these questions today. I won't go

over every question on the list, although we really tried to slim the document down this year, it is still rather voluminous. But I will highlight just a few of the bigger items that we'll take into consideration as we put together our draft documents.

One is workforce program pilots. As the Commission knows, for the last three years, we've had pilots. And I think that they've been really pretty successful to date. I won't go into details about those successes. I know that Director Griffin has an item on the agenda for a little bit later, and she can give you just at least a couple sentences about our history to date regarding the workforce programs. But they continue to be probably some of our most popular programs in all of our committee meetings and also given the circumstances on hiring both in the east and in the west, they really do seem like we will need to continue those. But, again, you know, we're not answering any questions today. We're just coming up for those considerations.

One other big item that we'll take a look at is whether or not we should utilize mitigation funds for the construction of transportation projects. As the Commission is aware, our funds can be used for the design and permitting of transportation projects. But to date we have not utilized our funds for the actual construction of transportation projects. Now, I think it's quite obvious that we could not pay for all of the costs of some of the very, very large transportation projects that are out there. So we need to figure out how we could, if we do choose to move in that direction, how we could play a part in a funding strategy for some transportation projects that would benefit the regions.

One other thing that we'll take a look at is what operations related impacts should be addressed. We now have fully operational category 1 facilities. By the time of next year's application, we'll have about a year and a half under our belts for MGM Springfield and a half a year's activities out at Encore. So by that time we certainly won't see all of the impacts that will develop, but potentially we may see some of the impacts out here in the east, and we'll learn a little bit more about some of the impacts occurring out in the west.

We obviously do benefit from all of the studies that are taking place. We just had a report last week regarding some of the real estate issues out in the west. And we have some public safety reports before the Commission I believe in the beginning of November. So in regard to the operational requirements, one thing that we will take a very careful look at is what public safety needs should be addressed and how should we -- how should we put that into the guidelines. So we'll take a look at that and hopefully we'll get a little more input by the time we come up with our drafts. But obviously, there have been significant funds put into place, both by the facilities and by the host communities. But are there additional needs that we should take a look at? During this past year there was a request by one community to have some funding for late-night patrols because it didn't meet the guidelines last year, we weren't able to fund that, but that prompted us to take a look at what should we think about for this upcoming year.

So with that, as a general overview, one thing I will get into a little more depth on at the next Commission meeting is the sort of dollars and cents of the program. We're in the process of putting together our estimates for next year's program based on the revenues that have been coming into the fund so far this year. And I'd like to get into a little bit more depth about what we're projecting for next year for the overall program. So with that, I ask if the Commissioners have any questions, or turn it to Joe if he wants

to add something.

>> COMMISSIONER ZUNIGA: What was the last point you made, John, about the amounts available? You were going to take that at a later meeting?

>> MR. ZIEMBA: Yeah. So when we present the guidelines, I think what I'll go into some depth about is the anticipated level of funding for next year's potential program, what's available, what's being put into the fund now.

>> COMMISSIONER ZUNIGA: Yeah.

>> MR. ZIEMBA: Because it provides a context of what we could utilize for expanded programs or continuation of existing programs.

>> COMMISSIONER ZUNIGA: Yep.

>> CHAIR JUDD-STEIN: At that time, too, will you be addressing the tools that you use for outreach and to encourage really substantive excellent applications you've gotten in the past, but presuming that there's going to be more funding, will you be addressing that at that juncture, or is that a different day?

>> MR. ZIEMBA: I could take a shot at that now. So I referenced the committee meetings that we have.

>> CHAIR JUDD-STEIN: Right.

>> MR. ZIEMBA: Both in the east and in the west, these local community meetings. And so we have representatives from all the surrounding communities and the host communities. And so what we do is we go over these guidelines in depth so that they can understand what goes into a successful application. We give them a little bit of a flavor of what would be a successful application. You know, as Joe likes to say in the past, probably the biggest thing that we have to take a look at is whether or not the grant that's being requested relates to impacts being caused by the casino. There are a lot of great projects out there. We've seen a lot of great projects come our way, but we have to satisfy that nexus for the statute. So we have the local meetings. We publish these guidelines for public comment. There are numerous, numerous groups that I mentioned that have a lot of expertise, and they do their own outreach. Mass Municipal Association has done its outreach in the past of these guidelines. And hopefully we'll get to legislators and others as part of our GPAC process, but we have the public input as well through -- that we do the public comment period as well.

>> CHAIR JUDD-STEIN: And Elaine, that would be also something is that we could really use our social tools for that. Okay. Great. Thank you.

>> COMMISSIONER ZUNIGA: But we're not suggesting that we relax that requirement of the grants being tied to the impacts coming from the casino, right?

>> MR. ZIEMBA: No, no, no, no. I guess what I mean by that is when we try to educate all of our committee members and communities --

>> COMMISSIONER ZUNIGA: Thank you.

>> MR. ZIEMBA: -- that we repeat that and repeat that and repeat that sort of ad nauseam.

>> CHAIR JUDD-STEIN: It's a statutory requirement. Without that, the application will fail.

>> MR. ZIEMBA: That is correct. And that is the main reason why applications have failed in the past.

>> CHAIR JUDD-STEIN: Disqualified, yeah.

>> COMMISSIONER ZUNIGA: Well, I have some reactions to some of the, you

know, some of the comments. Maybe -- I don't know if they -- maybe a couple of the points that I have would be into guidelines, but I think it's a good perhaps topic of discussion. And one is -- or the first one in that rubric is to eventually give more discretion to staff to manage what is becoming, you know, a necessity of a grant program, and that is perhaps slight cost overruns or maybe an initial budget that changes a little bit, and it's still related. I don't know if we want to call it a contingency or, again, a discretion. The amount of -- the votes that we have had to take as a result of changes are really minimal, but I think it's not really us that I'm worried about. It's the resources that it might take, here internally and then locally, in trying to figure out and go back and forth between whether that -- whether a cost or an item was really what was approved and whether we would have to bring it up back to us or and so on and so forth. So I'm not sure that that goes in the guidelines. I'm just putting it out there. But if it's a 10% contingency or something to that effect, some kind of threshold that under which you guys can have the discretion as you see fit and above which it would have to bring it back to us. That's just something that I think might be really helpful as this program builds in terms of significance.

>> MR. ZIEMBA: Thank you, Commissioner. I think that might be something we might want to bake into the guidelines as well for next year and maybe even if we have reason or need for this year, maybe we could bring that separately up during the course of this year to the Commission. You'll see an item a little bit later on today that is up for consideration by the Commission where it is literally the movement of a couple thousand dollars from one account to the other account. And we felt that we needed to bring it back to the Commission because we initially brought the \$3,000 or \$4,000 change to the Commission, and since it grew in costs, I didn't believe that we had the authority or we should move forward without at least informing the Commission. But those are the types of things that they do require a lot of back and forth between us and our grantees and even, you know, arguments or disputes between staff members of do we really need to do this? It's such a de minimis expense. So it does take some time. You know, certainly the Commission acts pretty darn quickly on all of these requests. But sometimes it does take a little bit more to get to the Commission on some of these items, so that might be something worth consideration.

>> COMMISSIONER ZUNIGA: Yeah. And I'm more worried about what does not happen or does happen locally as a result of the necessity of having to consult with us every two weeks, says let's say, with a window of, you know, within the next two weeks.

>> COMMISSIONER O'BRIEN: The only thing I would say on that is I'd be more comfortable with a de minimis dollar threshold than a percentage because if we're going to be handing out grants of a significant amount, I would want to know about it before they changed it rather than sort of, as you're talking about de minimis, 1,000, 2,000, that's different than a percentage. I'm not so sure I feel comfortable with a percentage.

>> COMMISSIONER ZUNIGA: Sounds good.

>> CHAIR JUDD-STEIN: And that's consistent with contracting practices.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: There be a dollar.

>> COMMISSIONER O'BRIEN: Right.

>> CHAIR JUDD-STEIN: Minimum change. A really good and a good point.

>> COMMISSIONER ZUNIGA: And by the way, if any -- you know, any changes are

required that the staff feels is not the original approval, that always is assumed to come back to us or come back, you know, to a next, you know.

>> MR. ZIEMBA: Right.

>> CHAIR JUDD-STEIN: You'd always have the discretion to come back to us.

Exactly.

>> MR. ZIEMBA: As you'll see from Director Griffin, we err on the side of bringing it back to you. Even though it was approved by the Commission, the documents were in the packet, it may not have been obvious in some of our presentation what the actual story was. So if there's an item in there today that may not be needed to come to the Commission, but we thought we should.

>> COMMISSIONER ZUNIGA: It's just something to consider.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: You know, I think it gives you flexibility. The program is going to get harder and harder to manage because it's going to grow, and we've been very -- very diligent because, especially the first few years, because there was only one source of funding, the licensee, that had to last through the construction years. Now there's going to be more of a rhythm with the monies that come from the operations. And I think it's only something to consider.

The other thing that I wanted to mention is -- I don't know if we're ready for it this time around, but it's something that we've put off, and that is the notion of a multiyear grant. If we are considering -- again, perhaps subject to resubmission or re -- reapproval or whatnot, but our mechanism has been limited to a year. Even though there have been a couple of projects that span more than a year. But, again, as if we're thinking of eventually putting larger grants out there because we're now thinking whether they could be in conjunction with other funding sources for junction projects, for example, I think we're going to be in the need to contemplate the possibility of multiyear grants.

>> MR. ZIEMBA: Just to reflect on that, one of the big conversations that we've been having at the committee level is for larger transportation projects. Obviously, as I mentioned, we cannot pay for big costs. And if we do pay for big costs, they would have to be over a number of years where we could pay not a little bit but a sizeable amount out of each year's grant over a good period of time. And how does that work? And if someone is bonding for the overall costs of the transportation project, can they rely on our funds? Because we have to make these determinations each year? And we can't -- we don't know for certain what our revenues are going to be for the upcoming year. We don't know for certain even other aspects regarding the licensees and the licenses, indeed they're all subject to Commission action. So there's some risks that we have to really think about, and we are working on it.

>> COMMISSIONER ZUNIGA: No doubt. And if we ever get to a multiyear option, I would be very much in favor of having really that be a small percentage of the overall grant consideration. I wouldn't want us to go, you know, committing most of the funding or even a majority of the funding available for one year because by definition, the funding to this fund is going to fluctuate. There's going to be some variability. So whatever commitment we make at any given point, you know, has the certainty of taking away, you know, future year available funding. But I think now looking back at this program, we have had a real focus on planning grants mostly, and those have been



very helpful. But if there's really a need out there -- and there are some good examples -- there's the notion that we should be thinking towards, you know, expanding that funding.

The final point I wanted to make is perhaps -- I don't know if you alluded to it or if this is a sentiment to what you're getting in terms of feedback from the local committees -- but I think when it comes to operations or trying to address operational impacts, that we -- like we have done before, we begin to get a feel for what those are before we put out, you know, a commitment of any kind in the guidelines. I'd rather us let that process be organic. Very similar to what we experienced through the construction phase. Those needs are going to begin to, you know, identify themselves. And I'd rather much have that intelligence rather than trying to make, you know, assumptions as to what would be an impact before really seeing them. I'm just -- I'm just -- I'm just agreeing with -- or, you know, perhaps what you said or the practice that we certainly have had, which is, well, says let's just wait and see when it comes to some of these operational impacts.

>> MR. ZIEMBA: And along those lines, I did mention that we try to take advantage to a lot of the research reports whenever they are available so we can ascertain what impacts are, housing, public safety and the like. And over the course of this next year as well, we will have the advantage of a lot of the traffic studies for MGM and for Encore. Indeed Plainridge just completed another traffic report. So even some of those impacts will be better known.

>> CHAIR JUDD-STEIN: Commissioner?

>> COMMISSIONER CAMERON: As always, very thoughtful work. The committees are obviously working well and coming up with good ideas. So just lots of interesting questions to consider moving forward.

>> MR. ZIEMBA: Commissioners, I would like to note that I did notice a typo in the memo on the first page. I think the Commission remembers that we awarded approximately \$4.1 million in grant funding for this past year. But the number in the bolded text, the Commission awarded a total of instead of 3.682, that should be 3.882. And then over and above that is the \$200,000 that we had from the tribal grant and then a \$75,000 in reserve totaling to the 4.1, but that's a typo in there, that 3.682.

>> COMMISSIONER CAMERON: Okay. Thank you.

>> CHAIR JUDD-STEIN: And building on Commissioner Cameron's point, in terms of the process, the committees, are you finding that the local committees, are you finding that there's easy consensus, or were there any asks that you would have liked to have entertained that just didn't really meet the statutory demands or the past policy requirements?

>> MR. ZIEMBA: No. I think we find these committees extremely useful. We're really trying to struggle with a lot of the details. A lot of the members have been meeting with us for a good number of years. So folks remember what we discussed last year. For example, on the transportation construction item. We chose not to have a general transportation construction item. We had one exception which was a transit project of regional significance, which was sort of a pilot program. But people realized while we made the decision last year on transportation construction and we're having the same conversations this year. But we may open it up. And I think folks are -- they understand the constraints that we're under, but the potential for the program, as we get

new revenues in, and indeed this upcoming year we will have some significant new revenues.

>> CHAIR JUDD-STEIN: Is everyone all set? Any further questions? Comments? Thank you. I think we're moving on now to item 5b.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: On the appointments.

>> MR. ZIEMBA: Great. Thank you. So next up, Commissioners, is a request for reappointment of several members to the local Community Mitigation Advisory Committees and committees -- subcommittees under the Gaming Policy Advisory Committee. The local Community Mitigation Advisory Committee reappointments, I have included biographies of the appointees that were provided to you last year. We are recommending the following reappointment for the Region B, LCMAC, Allen Potashnick for one of the two human service provider appointees. We are actively working on the remaining Region B representatives and may have one or more recommendations for you by the next meeting.

I thank Commissioner Stebbins for all of his assistance in reaching out for some of these new members. For the Region A LCMAC, we are again recommending Vincent Panzini as the chamber of commerce representative. Mr. David Bancroft as the regional economic development representative, and Mayra Negron-Rivera as human service representative for region A. We still have one more human service representative open position in region A. So we're very pleased that these very qualified individuals helped us over this past year and that they have agreed to continue to help us. In prior years, we recommended that these appointments should be at the pleasure of the Commission. In addition to these appointments the Commission also needs to appoint a Commission representative for the subcommittee on community mitigation. A representative on the public safety subcommittee, and also a representative on the subcommittee on addiction services. Commissioner Stebbins and Commissioner Cameron were appointed by the Commission to the community mitigation subcommittee and the public safety subcommittees respectfully last year. Last year the Commission appointed Mark Vander Linden to the addiction services subcommittee. As you know, Mark and Commissioner Zuniga have been actively involved in issues of relevance to this subcommittee. So I will turn it to a discussion by the Commission regarding either of the reappointments to the LCMACs or to gauge interest by Commissioners for the appointments to the subcommittees.

>> CHAIR JUDD-STEIN: I'd like to turn first to the community mitigation advisory subcommittee, whether you're recommending Commissioner Stebbins. I understand, Commissioner Stebbins, you are interested in continuing. And if I -- do we get to vote? Would you like to vote on --

>> MR. ZIEMBA: So we have some votes included in your packet. I think it's framed as one vote.

>> MS. BLUE: We have a motion that covers all of them. So to the extent that you are comfortable with that, that's fine. To the extent that you want to amend that motion, that's fine too.

>> CHAIR JUDD-STEIN: Okay. But in any case, I would recommend -- and we can vote comprehensively -- that Commissioner Stebbins continues in that work. His commitment is clear.

>> COMMISSIONER STEBBINS: I'm happy to do that.

>> COMMISSIONER CAMERON: Yeah. Is that a motion or should I make the motion?

>> CHAIR JUDD-STEIN: Well, I think it would be nice to do it on an individual basis.

>> COMMISSIONER CAMERON: Okay. I would move that we reappoint Commissioner Stebbins to that role with the mitigation.

>> CHAIR JUDD-STEIN: Do I have a second?

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any further discussion or questions for Commissioner Stebbins?

>> COMMISSIONER STEBBINS: Any further nominee?

>> CHAIR JUDD-STEIN: Hearing none. All in favor?

[ Vote taken ]

Aye. And you're abstaining, Commissioner Stebbins, so 4 approvals and 1 abstention. Thank you. Commissioner Cameron, you have served in this capacity as the Chair of the Public Safety Committee -- subcommittee. Do you wish to discuss your experience?

>> COMMISSIONER CAMERON: I do. It's been a worthwhile experience. I've served since the beginning with that. By the way, I was the representative from the Commission and the Public Safety Committee then in turn voted me in to Chair. And it's been -- I think we've done good work. They've added excellent value. I think moving forward, there's even more value to be added by this group because we really now have casinos up and running, and we have public safety issues that need to be addressed. So I think moving forward, this public safety committee will be of even greater value. Having served in this capacity, I would like, for discussion purposes, and then a motion. I really think Commissioner O'Brien would add great value to public safety. She, like me, has a public safety background, and I believe this would be an appropriate time for a transition to have Commissioner O'Brien serve in that capacity with public safety. And I will gladly make that motion to have her serve in that -- and by the way, I'm not hitting her cold. We have discussed this. She has been a valued member. She's come to meetings. She's added great value. But now to officially transition, Madam Chair, I think would be appropriate.

>> CHAIR JUDD-STEIN: If I could just add in to complement Commissioner Cameron's recommendation, first off -- and I did **jump** in ahead of my fellow Commissioners because I just wanted to first before we discuss this very good recommendation, that we have to acknowledge Commissioner Cameron's leadership, extensive experience and expertise in public safety and what she has brought in terms of her leadership to that very important subcommittee. We are extremely fortunate that the reappointing officials had the wisdom to appoint Gayle to that position, recognizing what she brought to this Commission with respect to her extensive law enforcement background. And I know that with that experience but also your leadership, you have garnered the respect of all of the local public officials, particularly the law enforcement community, and given the work here, really the gravity that it deserves, but also you've achieved a collaboration that's really significant and unique. So I want to wish publicly my personal gratitude and also if I can the gratitude of all of my fellow Commissioners for your leadership. And, of course, leadership recognizes that sometimes a transition

is important, and Commissioner O'Brien was appointed by the Attorney General in the public safety capacity and brings an extensive background as a prosecutor and a great deal of varied state and legal experience which will help her in that role if we go forward. Now I'll let you elaborate if you wish.

>> COMMISSIONER ZUNIGA: Well, I think that's a great summary. I mean, says the one thing that I would highlight of your remarks is that you brought very important key players to the table, which is very relevant later. It will come to the example of where we have not been able to do in the addiction services committee. But the point is that that's a committee piece of this. I hope that you will continue to help in those efforts. You know, it's, again, bringing the players that sometimes have -- well, not sometimes -- they have day jobs. Otherwise they care -- they have the important -- the outlook of looking out for the community first. And so coming to cooperate on regional efforts is really critical. Sometimes not at the top of their priorities.

>> COMMISSIONER CAMERON: Thank you, everyone. I appreciate that. I will continue to be a part of it, certainly, but I do think it's an appropriate time to transition and think that that works as well.

>> COMMISSIONER STEBBINS: I think it's a great -- she's had the task of -- I don't want to say corralling cats, but as Commissioner Zuniga alluded to, having significant interest and having everyone at the table, a lot of that not only has been based on your persistence but the fact that they respect your background. You know, we're talking about a lot of the public safety officials at the municipal level. And certainly appreciate Commissioner O'Brien's background and experience, both from her legal work as well as her kind of due diligence work. I think it's a great recommendation.

>> CHAIR JUDD-STEIN: Commissioner O'Brien, do you -- do you accept the responsibility if given it?

>> COMMISSIONER O'BRIEN: I do. I do. I know it's big shoes to fill, and I agree, the respect that she gets by the nature of her background and who she is. I hope to be able to step in successfully. I'm more than happy to do it.

>> COMMISSIONER CAMERON: You'll do an excellent job.

>> CHAIR JUDD-STEIN: And the transition will be perfect because you'll have Gayle to turn to as you start to -- you've already met so many of all the local -- I think you've met them all, police chief. So the transition has been under way. This formalizes it. Do I have a motion?

>> COMMISSIONER STEBBINS: Madam Chair, I move that the Commission appoint Commissioner Cameron as a member of the Public Safety Commission as well as Commissioner O'Brien.

>> COMMISSIONER ZUNIGA: Oh. Sorry. One or two or --

>> COMMISSIONER CAMERON: No, I'm sorry. There's only run one representative.

>> COMMISSIONER STEBBINS: Oh, one representative. Sorry.

>> COMMISSIONER CAMERON: So it will be Commissioner O'Brien.

>> CHAIR JUDD-STEIN: Do you wish to restate your motion?

>> COMMISSIONER STEBBINS: I'll restate my motion.

>> CHAIR JUDD-STEIN: So that first is withdrawn. Thank you, Commissioner Stebbins.

>> COMMISSIONER STEBBINS: The first one is withdrawn. And again, move to

reappoint Commissioner O'Brien as the Commission's representative to the Public Safety Committee.

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: I would just have the amendment of appoint, Commissioner O'Brien, rather than reappoint, and add the friendly amendment that we thank Commissioner Cameron for her service. Do we have an approval? All those in favor?

[ Vote taken ]

>> COMMISSIONER O'BRIEN: Abstain.

>> CHAIR JUDD-STEIN: And you abstain? 4 ayes and 1 abstention. Thank you. And thank you again, Commissioner Cameron, and Commissioner O'Brien for stepping up. Commissioner Zuniga, do you wish to speak about the addiction services?

>> COMMISSIONER ZUNIGA: Yeah. Let me do it in the same format. I'll mention unfortunately unlike the public safety subcommittee, the addiction services subcommittee has not met for reasons having to do totally not with our efforts. I do recommend that we continue the appointment of Mark Vander Linden and that we renew our efforts to get this subcommittee to meet as the statute intended. There's a little caveat to all of this, and that is that by memorandum of understanding, we do have the public health trust fund executive committee, which addresses some but not everything that I think this subcommittee intended to address, which is why I think we should really renew our efforts in trying to get this advisory services -- the addiction services subcommittee of the GPAC to meet this coming year. And perhaps the first thing is really to reappoint Mark Vander Linden to that effort.

>> COMMISSIONER CAMERON: Motion or discussion?

>> COMMISSIONER ZUNIGA: Well, discussion, I suppose.

>> COMMISSIONER CAMERON: Well, I would agree with your recommendation that Director Vander Linden serve in that position. He's certainly got the background and passion and, you know, abilities to really make that work effectively.

>> CHAIR JUDD-STEIN: I agree with that recommendation. I think it might be helpful for us to at least put on our agenda in the near future -- maybe not the immediate future -- just an update on the strategies for trying to meet this goal and perhaps the strategies including public outreach for those experts to come and participate in this important work. Maybe later in November or December meeting we can revisit this. But I do agree with the recommendation that Mark be our continued representative.

>> COMMISSIONER ZUNIGA: Right.

>> CHAIR JUDD-STEIN: Any further discussion?

>> COMMISSIONER ZUNIGA: No. We can certainly come back with we don't appoint the Chair to this committee. The Governor's office does. There was a person identified a little while ago. I think in either case, that person or someone else would have to be reappointed as well. And that's the piece that we'll come back to, Chair, to give an update.

>> CHAIR JUDD-STEIN: Strategy, to make sure we're all communicating well. That's excellent. Thank you.

>> COMMISSIONER ZUNIGA: So Madam Chair, I would move that the Commission

approve the appointment to the addiction services subcommittee of the GPAC of Mark Vander Linden, Director of Research and Responsible Gaming.

>> CHAIR JUDD-STEIN: Do I have a second?

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you. Thank you, Mark. Now moving on to the -- moving on to the other appointments, they are, in fact, all of the appointments, correct, John?

>> MR. ZIEMBA: Correct.

>> CHAIR JUDD-STEIN: So with respect to Region A, perhaps we could take the regions separately. Is there -- do you have any questions for John concerning those nominees? John, can I just ask, are these committee meetings, how often do they meet, and is the attendance strong?

>> MR. ZIEMBA: It's always a challenge to get quorums for all of these meetings, and we try to meet at least two times in the fall and then quarterly. But it's been a real challenge, but we're going to keep on working on it.

>> CHAIR JUDD-STEIN: Well, thank you for your efforts. Questions or -- I defer to John's expertise here in terms of these reappointments. Do I have a motion if there's no further discussion?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move that the Commission approve the reappointments to the Region A LCMAC of Mr. Panzini, Mr. Bancroft, and Ms. Negrón-Rivera.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you. Moving on to Region B, we have one appointment, human service provider Ellen Hattish. Any questions for John on this recommendation?

>> COMMISSIONER CAMERON: No. Madam Chair, I move that we -- that we agree with the appointment -- the approval of Ms. Ellen Patronick as the Region BLCMAC human services provider for this opening.

>> CHAIR JUDD-STEIN: Okay. A second?

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you. Does that address everything that you need at this time?

>> MR. ZIEMBA: One other item, which is the 90-day report for a number of different commitments that had to be met by Encore Boston Harbor as part of the operations certificate. I'm going to turn it over to Joe.

>> MR. DELANEY: Thank you, Commissioners. So in your packet are two memos. One dated 10-7. That provides an update on the Section 61 status of the Encore project. And the second memo is dated 6-26. This memo was presented at the June 27th meeting and is just provided for your reference, because the two memos work together.

So at the June 27th meeting, the Commission gave Encore 90 days after opening to complete the items that were presented from that memo. Now that the 90

days have passed, there are still a few items that need to be completed at this point. Most of them have been done. You know, for the most part, these are sort of paperwork items that don't really -- you know, such as some permit closeouts with MassDOT, things like that, and some minor construction items such as some work that's going on next door at the MBTA facility that they're coordinating with the MBTA on. You know, none of these have any material impact on the operation of the facility and, you know, they're working towards getting them done. They're just taking a little bit longer than we expected.

So we do expect these items to be done soon, but because there are outside agencies involved, MassDOT, MBTA, City of Boston on some of these, you know, some delays could creep in that, you know, really aren't in Encore's control. So what we're recommending is to give this another 90 days and we'll report back in December. I expect fully that all of these things will be done by then. You know, and again, it's mostly just kind of a paperwork kind of effort to get the stuff done.

>> MR. ZIEMBA: Commissioners, I'd like to just highlight one item that was on the original list which is an escrow agreement that needs to be reached between the City of Boston and Encore Boston Harbor. And so we've been carefully monitoring the progress of that document, and it's in signature stage. So we would anticipate that it was going to be ready for this meeting. It may be but we haven't heard yet today.

>> MR. DELANEY: Yeah, 4:00 yesterday afternoon, Jacqui Krum had told me that they had signed, it had been sent to the City, they're just awaiting their signature, and the account is actually already been set up and is ready to accept money. So that's truly a paperwork item that we expect at any moment.

>> COMMISSIONER CAMERON: So each of these issues that you've outlined are close to being --

>> MR. DELANEY: Well, on the first five issues on the memo, those are done. And then there are -- the next four are the ones that are almost completed. And then the last item on here is the -- we had that sort of, you know, that list of thousands of items. We were down to about 100 at opening.

We're down to about 40 by now. I think by the end of next week, I'll probably knock 20 of those off the list. So again, it's getting right down to the final little pieces.

>> COMMISSIONER CAMERON: But none of them give you pause? They're all really you don't anticipate any snags in meeting these commitments?

>> MR. DELANEY: No.

>> COMMISSIONER CAMERON: All right. Thank you.

>> MR. DELANEY: And we didn't set this up for a vote. I thought we could just come back and revisit it in December if you want to do it, or you could vote an extension if you wanted to.

>> CHAIR JUDD-STEIN: Are we comfortable with December? So that gives you a couple of months.

>> COMMISSIONER O'BRIEN: The only thing I would comment on is if it does wrap up faster than you expect, says the first meeting if it's done or if there are any issues, to come back.

>> MR. DELANEY: Will do.

>> COMMISSIONER CAMERON: Great. Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> MR. ZIEMBA: And that concludes our report.

>> CHAIR JUDD-STEIN: Thank you, Joe and John. Moving on to item number 6. Really a combined effort of our two departments. Director Vander Linden and Chief Information Officer Katrina Jagroop-Gomes and Scott Helwig, our Gaming Technical Compliance Manager. Oh, and we see Theresa Fiore who is our Program Manager in Responsible Gaming. Thank you.

>> MR. VANDER LINDEN: Good -- I think it's officially afternoon right now. Good afternoon.

>> CHAIR JUDD-STEIN: It is 12:03. Yes, thank you.

>> MR. VANDER LINDEN: Chairwoman and Commissioners. We are bringing before you an update on management for category 1 casinos. It's actually been quite some time before we brought this before you. It's been about a year since I provided an update to the Commission on the status of this development. So I think it's worthwhile just providing some background to you about where we've come from and where we currently are. So by way of background, a key initiative of the gaming Commission's responsible gaming program is the play my way budget-setting tool. It supports the responsible gaming framework which is to provide timely, accurate and balanced information to empower patrons to make informed choices about their gambling. Play My Way was developed and launched in June -- June 9th of 2016 at Plainridge Park Casino. It was at the time we launched it as a pilot program. We worked closely with Plainridge Park Casino who's been a great partner in this project. We worked closely with them to market it or to offer it as a benefit to player card holders. Patrons have the opportunity to enroll in either a slot machine or at one of the GameSense kiosks. The program is completely voluntary. You can enroll in it, or you don't have to enroll in it, which was a high priority of, I believe, now several years ago of Commissioner Cameron, that that was very important to you.

Players can set a daily, a weekly or a monthly budget. They can unenroll at any time. They are provided notifications at every 25% starting at 50% of their budget. It doesn't stop a player from gambling once they reach 100% of their budget, but it will continue to provide notifications at every 25% interval. This, as a side note, was an important feature that if we're providing informed player choice, we want to provide a moment -- we don't want to stop somebody from gambling if they choose to continue to gamble, but it's an important piece where we provide them with information at a juncture and they can make the decision about whether to continue to gamble or whether it's time to stop based upon that information.

>> CHAIR JUDD-STEIN: Mark, do you have any statistics on how many players actually do stop at their budget or if they continue to play through the budget?

>> MR. VANDER LINDEN: We do have that information. We've had two evaluations of the Play My Way program to date. I don't have the specific information in mind, but both of those reports are posted to the research page of our website.

>> CHAIR JUDD-STEIN: And that statistic is in there. Thank you. And today the report isn't on there. Because I'm kind of coming in new on this, I wondered. So I'll look at that. Thank you.

>> MR. VANDER LINDEN: Yes, yes.

>> COMMISSIONER CAMERON: And I think it's most that choose to use the program are staying within their budgets, isn't that --



>> MR. VANDER LINDEN: Yeah. You know, I really want to provide the accurate information on this, so I would need -- I'm happy to go back and provide some top-line data from those evaluations. We intentionally didn't provide that in the update today just because it was about where are we going with category 1 casinos.

>> CHAIR JUDD-STEIN: Right. I want to be fair to you on that. I wondered if you happened to know off the top of your head.

>> COMMISSIONER ZUNIGA: I can say this that I remember, which was a big finding -- maybe Mark does not want to venture, and so I'll be happy to venture. Just rough numbers. Perhaps in these terms. Of the people that used Play My Way, they were more likely to stay within their budgets than those who didn't. And there is -- and there is a fundamentally good finding from the tool. I think there's less about whether you go over or under, but it's more about whoever is using it is generally staying closer to what they intended. There's also a very important thing to note, which is the uptick into this tool that happened for a variety of reasons, but especially compared to other places elsewhere in the -- you know, in the history that have undertaken it. The caveat of all of this is, which our evaluators pointed out, is whether that initial finding, whether we're seeing something that is because people are likely to use these tools or likely going to be staying within their budget anyway. In other words, the comparison is whether it's causation. The comparison is to the Fitbit, if you might remember, if using a Fitbit -- the people who are most likely to be concerned with their fitness are those that use a Fitbit versus those who don't. But I think there was a lot of great findings from that initial evaluation. I think in the context of this discussion, I think we should -- which was going to be my point, but I'll make it now -- we should look to feedback, some of which was from the evaluation, but then some of which was -- is anecdotal but powerful -- can be incorporated to modify the tool. And I have the top one that I know Mark has heard me talk about, and that is the early notifications. There's evidence that a lot of the people that like this tool use it for just the overall total, the monthly statement, or the ability to check in from time to time. And they are not really all that interested in the early notifications when you haven't even hit your budget. So some users -- and, again, this is anecdotal. I don't want to put under the evaluation -- set budgets that are well in excess of what they intend to play because they don't want to be getting that notification that says you are at 50% of your budget. Well, if my budget was 100, why don't you remind me when it's 100? So -- but the point to this effort is to make sure -- and I've had these points -- I made this point to Katrina and Scott and Mark, of course -- that this can be configurable. And I know it's not going to be configured by the user, but if we are developing a tool that can change because we have now not anecdotal but real evidence or an evaluation effort that says do away with this early notification or let the user choose one way or another, that we incorporate that in these development efforts. It's always balancing, which I know that that is another very important lesson learned here, which is if we make it too difficult for people, too many options, too much legalese in the site, we turn people off and they don't sign up. So all of these things come to fruition, and that is essentially the efforts that are currently taking place including a lot of those lessons that I've referred to.

>> MR. VANDER LINDEN: I mean, to your point, I think that it's the importance of ongoing evaluation.

And so we have two evaluations of the Play My Way program right now. The intention

is that this evaluation is ongoing. And so while there is not an evaluation in the field right now, we continue to track data with an eye that we will continue to evaluate this program down the road, or at least that would be my very strong recommendation.

To go off script and to support some of what Commissioner Zuniga's points, this was a pilot. It was -- when we started down this path back in 2015, what we had was a body of evidence about this type of technology, about this type of tool that was somewhat mixed based upon its development in other jurisdictions. Nowhere had it been developed in the United States. And so what we had was some gray literature, at best, looking at other jurisdictions in Australia or in Canada. And so the Commission was kind of challenged with a decision about how do we proceed with this. It's completely in line with where the legislature envisioned, a progressive responsible gambling program to go. It's completely in line with what the adopted responsible gaming framework and where it was -- what was adopted and recommended in that framework. But how do we proceed, then, with a tool that doesn't have a solid empirical evidence based to it. The Gaming Commission, I think, very wisely decided to press forward but in a very cautious manner, adopting a precautionary approach, one in which said there seems to be promise here, not only just within other jurisdictions with this type of technology, but it's in line with other types of technology outside of the world of gaming. And so let's adopt it in a nonregulatory approach, let's evaluate it, and let's seek the cooperation of each of our licensees in doing so and leverage some of their expertise in this area as well.

So that was a lot of kind of the conversations that were happening back in 2015, 2016 as we developed this. It was after those two evaluations, after our operators -- category 1 operators had an opportunity to see this tool that it was decided then in 2018 -- the date is in the memo. I'm going to go back on script now. I apologize. So back in January of 2018 where the Commission met again to say, okay. So we have this pilot project. We have an evaluation. We've seen what the uptake is, which is relatively powerful information for us. So where do we go now beyond this pilot project? And the Commission decided that we would move again in a nonregulatory path toward developing a play management tool with cooperation of MGM Springfield and Encore Boston Harbor. And so without a regulatory path, it was decided that the best path forward to memorialize this commitment was through a memorandum of understanding, which was then signed about nine months after that in October of last year. And that MOU laid out what should we expect. What does development look like? What should the tool -- what features should the tool have as well as what is the time line? So based on the information that we had to date, it held many of the same features that the current tool has with some flexibility to, as Commissioner Zuniga pointed out, to make some adjustments to it. And it set a time line for implementation of September 1st, 2020.

>> COMMISSIONER CAMERON: So with these modifications that are due to some of the evaluation, right, what some of the users would be looking for, I think -- so what we're talking about is the user having the ability to say, don't notify me until I'm at 100%? Is that what we're talking about?

>> MR. VANDER LINDEN: Yeah. It doesn't. It allows us to set it at -- we can set it so it's configured so that the notification would be received at 100%. It's this tension -- I am torn between saying let's completely leave this up to the patron, and the

challenge there is that it has more touch points before -- between enrollment and when you're back and you're able to start gambling, or making it as simple as possible where there's very few touch points which was an original priority of this program. We don't want there to have to be a user's guide in order to enroll in it.

>> COMMISSIONER CAMERON: Right.

>> MR. VANDER LINDEN: We don't want it to be overly complicated. And so I think -- you know, Katrina and Scott can speak to this -- I think where we're going with this is in the right direction, but we're still, even with the current development, we have a lot to learn about what players -- what will be useful for players. What type of information and configuration will be best for them. And that's where the function of ongoing evaluation comes in.

>> COMMISSIONER CAMERON: Was it a strong -- was it just a couple of users who thought that they wouldn't want to be notified until they hit 100%, or was that really a strong theme of the evaluation?

>> MR. VANDER LINDEN: I -- you know, the evaluation provides some clear insight, but the evaluation also didn't provide a lot of clear answers to questions like that. I think that, as Commissioner Zuniga pointed out, that we have anecdote -- the strongest evidence of that is anecdotal, experiences of our GameSense advisers and their interactions with patrons at Plainridge Park Casino where they had repeatedly heard that they didn't like to receive the multiple notifications over the -- while using the tool, but they felt like the information, when they would go back in and check it, was actually very useful.

>> COMMISSIONER ZUNIGA: And that people were setting up double their budgets, let's say, so that their first notification was actually the one that they originally intended.

>> CHAIR JUDD-STEIN: I think -- just to really to just set back to our original agenda item.

>> COMMISSIONER ZUNIGA: Yeah.

>> CHAIR JUDD-STEIN: I think that we don't want to get too far off course because I don't believe folks are really prepared to discuss all the various policy considerations that you would be considering down the road. If I understand correctly, the proposal today includes the technical capacity to bring in flexible -- to be flexible enough to really address important policy points for the future.

>> COMMISSIONER ZUNIGA: Precisely. Yes.

>> CHAIR JUDD-STEIN: One of which would be the kind of example that you gave, perhaps less or more notifications. But that's not what we're here for today, correct?

>> MR. VANDER LINDEN: Today is an update on where we stand. The Commission adopted this MOU in collaboration with our licensees. It charges IJT to go forward with development based upon those specific requirements that were laid out by the Commission and our licensees. And so today is really an update of where we are in that development.

>> CHAIR JUDD-STEIN: Forgive me because I started it, so thank you.

>> MR. VANDER LINDEN: Well, but I think that some of these questions that really highlight just how complicated this -- and complex this really is. I mean, we're introducing technology that interfaces with the player at a slot machine that provides them with information. And is it the right information? Is it delivered to them at exactly

the right time? Does it really do what it's truly intended to do, which is provide them with information where they can make a decision about whether they can continue to gamble or stop. This is a fundamental question about how we promote responsible gambling in Massachusetts, and I think it's a fantastic conversation and one that I think we will look at how we implement play -- a play management tool now, but it will also inform how we move forward in this direction as well as other directions. And going, again, off script, which I'm sorry, but Katrina and I have had some, I think, very exciting conversations about what is the intersect between technology and the programs that we offer through the MGC or through anybody else that gets back to this idea of how do we promote positive play? How do we promote safer levels of gambling for people who choose to gamble? So I think it's an exciting time in a lot of different ways and should be a really good conversation ongoing.

>> COMMISSIONER ZUNIGA: And I know we should move on from this conversation, but it's really part of it. We should remember -- or for your benefit, Chair, when we came up -- we came up with intervals. When we first started looking at this tool, we looked at all the efforts that had been done outside of the United States on prior similar tools. And there's a lot of caution about, for example, providing a slide bar where people might want to go to the middle, you know, to set a number that they want to gamble because that might incentivize some people that would have never gone to that place to just go with that default. In other words, just the interface for simplicity versus what it can cause others to do. There was a subject of a lot of study and discussion. We initially started with notifications at 75, 90 and 100, and it was the evaluators who suggested 50, 75 with different incremental -- at the same number of increments, you know, a 25% increment. And my point has only been that it is in that same spirit that we should be able to look at and challenge those assumptions and have the flexibility to do that.

>> CHAIR JUDD-STEIN: The technical flexibility.

>> COMMISSIONER ZUNIGA: The technical flexibility. Because in other jurisdictions where they gave a lot of options to -- in terms of a lot of to the user, it ended up in the user just eliminating it. There's too many numbers or I got confused. I put in the wrong number, a number that I intended to be weekly or monthly, I put it in a week and that confused me, and now I'm getting all these notifications, et cetera. So that's an important part of what we are set out to do. It boils down to what you just says earlier, Mark, which is we're committed to doing this with another evaluation effort, one that I believe we have also learned a lesson from, which is I really want us to have an evaluation that's more in realtime that can help us develop the tool or improve it, not just tell us whether there's, you know, a pass/fail kind of audit, which is something that I think is a big lesson from the first effort. We want this tool to continue to be improved, and that's how we should be thinking about the next evaluation phase.

>> MR. VANDER LINDEN: Some of the barriers in the original evaluation efforts dealt with our ability to generate very specific reports and the flexibility in those reports. You know, it was an early version of this type of tool, and I think that that has been in our mind in the development of this tool with IGT. And I know Katrina and Scott specifically, as we're moving through this development, the ability to do these type of ad hoc reports is front and center.

>> MS. JAGROOP-GOMES: Yeah. Just to add to that, and you highlighted some

really important points, Commissioner Zuniga, is that this has been a growing process. Because it was piloted with PPC basically originally, the whole concept is evolving as we're getting evaluation and feedback from the patrons as our staff has become more engaged, especially on the technical side, Mark and Scott and Theresa have been collaborating quite a bit on how can we expand on what Play My Way means to us in this moment. And for today's purposes, obviously, we are reporting on IGT's compliance with what the MOU technical requirements are, but that does not mean it stops there. This is a continuous growing process, and I think as we get more data back, as we have access to that data and the reporting requirements that we will review and really data mine to figure out what do the patrons want to see without being more prohibitive and more of a deterrent and education, that's really going to enable us to build or work with our licensees and the manufacturers of that product. And that totally depends on our path as we move forward. So there's lots of great conversations to be had. Again, this isn't the final stop. This, I think, is just the beginning leading up to a destination. I think there's a lot of iterations of this to come that we're going to see as time moves forward.

>> MR. VANDER LINDEN: So just one last point and then I just want to show you some of the status of the development to date. So what's happened since October of last year to date and where do we need to go before September 1st, 2020. One of the -- so Play My Way at Plainridge Park Casino was built on the platform, a scientific games platform because that's their casino management system is Scientific Games. We needed to -- it's not going back to the drawing board, but it's also -- it took significant development because both Encore Boston Harbor and MGM Springfield use a different slot management system. Is that the right -- they use IGT Advantage. So it's a completely different company, and it operates, functions slightly different. And so it required quite a lot of development.

So I thought it would be useful for us to just -- it both supports kind of what it looks like at Plainridge Park Casino in a lot of ways, but it also shows you what it will look like on the IGT Advantage system. So many, many similarities. So what you see are two screenshots that would appear when somebody initially enrolls in the program. So this would show up either on a kiosk or on the actual slot machine itself. The enrollment screen provides an overview of Play My Way and the incentive, if there is an incentive, for enrolling.

>> COMMISSIONER ZUNIGA: Can I point out a typo?

>> MR. VANDER LINDEN: Yes.

>> COMMISSIONER ZUNIGA: The incentive -- no, it's an important one -- the incentive is a \$5 drink credit. Not a five-drink award.

>> MR. VANDER LINDEN: Oh. Well, actually, it should be food. Food voucher.

>> COMMISSIONER ZUNIGA: It's a \$5 incentive.

>> MR. VANDER LINDEN: Well, that is actually quite flexible. We can provide an incentive where we don't have to provide an incentive, and that's one of the areas of flexibility of the program. Currently at Plainridge Park Casino, there's a \$5 food voucher. It's not for drink, it's not for gambling, it's very specifically for any one of the food vendors at Plainridge Park Casino.

>> MS. JAGROOP-GOMES: Just as an FYI, these screenshots, it was not finalized yet. This was just for demo purposes. Thank you for pointing that out. We will let

IGT now.

>> MR. VANDER LINDEN: This is IGT development.

>> COMMISSIONER ZUNIGA: Otherwise I'd have to sign up.

>> COMMISSIONER CAMERON: I was just going to say.

>> CHAIR JUDD-STEIN: Then you'd have a different issue.

>> COMMISSIONER CAMERON: People pushing buttons they really don't know what they're pushing.

>> COMMISSIONER STEBBINS: Can we add free soft drinks?

>> MR. VANDER LINDEN: You're very attentive, Commissioners. Sorry about that. But we will -- we will work on -- and it's working with our operators, too, our licensees, on what would be an appropriate incentive and how can we think creatively about this? That goes back to, you know, the reason why we get a lot out of a cooperative arrangement with our licensees to advance this that we wouldn't necessarily get if it was a strict regulation at this point in time.

So these are the two enrollment screens. So budgets are broken into daily, weekly and monthly, as I said early on. IGT advantage looks very similar to the scientific games. The amounts can be adjusted at any time to accommodate the player. So if you're in the middle of your play, you can log into the Play My Way system and adjust your budgets.

>> COMMISSIONER ZUNIGA: And you can leave two of them blank, right? You can sign up for just one if that's what you want?

>> MR. VANDER LINDEN: Correct. We have another screen just ahead that would show how, if you wish not -- if you only wish to have a daily budget but not a weekly or monthly, the other two would be defaulted to zero. And you would only receive these notifications -- notifications for the daily amount. So here are the two budget -- the three budget screens, I'm sorry, where you would set those amounts.

For security purposes, it's linked to your player card. Any enrollment in Play My Way is linked to your player card, so you must have a player card in order to enroll in Play My Way. That's because that's how it tracks your play over time to ensure the security of it. You're asked to enter your player reward number. As you can see on the screen here.

>> COMMISSIONER STEBBINS: So they're using a player reward card, but in addition to that, they have to have a P.I.N. number?

>> MR. VANDER LINDEN: It's the -- no, no. It's the same P.I.N. number as your player reward card.

>> COMMISSIONER STEBBINS: Okay, okay.

>> MR. VANDER LINDEN: So it's linked to your player reward card. In fact, this was another decision point. Do we want it to be completely separate from your player reward card where you would have a play my way card and a player reward card. Again, we want this to be as simple as possible with as few touch points as possible. So we decided that it was best to link it to the player's reward card.

>> COMMISSIONER ZUNIGA: And it was, Mark, importantly, it was marketed -- it is marketed as a benefit of your player rewards card.

>> MR. VANDER LINDEN: Correct. Yes.

>> COMMISSIONER ZUNIGA: We need the information to track the play, but it's also a point of marketing.

>> MR. VANDER LINDEN: You know, as another just interesting side note, this tool was just recently launched by the British Columbia Lottery Corp, NBC Casinos, and they did not place it under their GameSense program. They placed it as a benefit under their player reward system. We obviously took a different path with this, but it highlights the point that this is a benefit for people who are enrolled in the player reward programs.

So players can track their play over time. Players can adjust their budgets or continue to play. So this was a point that Commissioner Zuniga made, that there are people who don't wish to necessarily receive these types of notifications, but they really value that real realtime information about how much they have spent gambling. It's important to note that this tracks the ups and downs. This tracks exactly how much you've spent. So it will take what you've -- if you're ahead, it will take that into account. But it's really truly a budget-setting tool. So if you say you want to spend \$50, it will track that -- it will track on that \$50. It won't necessarily just track the amount of money that is bet. That's an important concept, and I don't think I'm articulating it very well. It really is intended to track the amount of money that you'd want to spend.

>> COMMISSIONER ZUNIGA: It's the net of all your expenditures with gambling minus your losses. I mean minus your winnings.

>> MR. VANDER LINDEN: Yeah. It would be net loss, right.

>> COMMISSIONER ZUNIGA: Net loss.

>> MR. VANDER LINDEN: There's also a feature on here that provides just general information. General information about the GameSense Information Center, responsible gambling tips, and information about how slot machines work that can be accessed at any time.

You can unenroll at any time, which is a feature that was also important to the Commission when we first set it up. That there is no cooling-off period. There is no delay. If you wish to unenroll, you can unenroll at any time. Again, it puts the power of this tool squarely upon the patron if they use it and how they use it. But it does ask information about if you are unenrolling, why are you unenrolling. And I think this will be valuable information in determining how we continuously improve the experience for the player and user of this tool.

>> COMMISSIONER STEBBINS: Mark, I apologize, I might have forgotten. Can a player also access all of this information at home?

>> MR. VANDER LINDEN: They cannot access all of this information at home. The two places that they can access information is from the slot machine or from one of the GameSense kiosks.

>> COMMISSIONER STEBBINS: Okay.

>> MR. VANDER LINDEN: But it highlights, Commissioner Stebbins, what direction can we go. Can you enroll and change your budgets while at home and kind of a cool state of mind. Should you be able to receive your notifications on a smartphone and connect it not necessarily through the slot machine or the kiosk but have it delivered through your phone. These are the ways in which I think we need to be attuned to where technology can take us and what ultimately will be helpful for patrons at casinos to stick to a budget that they wish to.

>> COMMISSIONER CAMERON: I think those points about mobile notifications would be especially important if and when the Commonwealth chooses to move forward

with sports betting and/or online at some point. I think that's really important to be thinking about that already. And I think the other important point here is, remind me if I'm accurate, don't we have about 12% who actually are using the tool?

>> MR. VANDER LINDEN: That's correct, yeah.

>> COMMISSIONER CAMERON: And that's a really high number?

>> MR. VANDER LINDEN: So one measurement of success that you can't overlook is what is the percentage of enrollment of eligible players. And currently at Plainridge Park Casino, where we have over 20,000 people currently enrolled in the program, with a relatively modest unenrollment rate of -- it's in your memo, around 3200 or 3300 people have unenrolled. If people -- you can unenroll at any time. We want to make this as simple as possible. So if you don't find it useful, you don't like it, you can unenroll. And so I found this to be incredibly powerful. And I think that it speaks not only to the tool itself, but this is part of the GameSense program. And the GameSense advisers at Plainridge Park Casino, they take a lot of ownership of this and a lot of pride that this is -- this fits very well within our overall approach for the GameSense program.

>> COMMISSIONER ZUNIGA: I think that's key, and we'll continue to, you know, to value that. It happens very organically with people who are either trying the tool and need some help and there's GameSense advisers who can help or the other way around. They have a relationship with a GameSense adviser and they get them to use a tool and answer questions. Just back on the uptake, the historical uptake of some of these tools in the past was in the low-single percentages. So being above that is really good. But it also may speak to the fact that there is a lot more acceptance of technology, and we may be just observing some of that. It also goes to your point about how most of this is now mobile. And so there ought to be -- those thinking -- that thinking about, you know, where else might somebody be able to consult or not get notified or. . .

>> MS. JAGROOP-GOMES: Just to add to that, these are all conversations that Mark and the team have had behind doors with sports gaming on the horizon and all of the other iGaming components or anything else that may hit our jurisdiction, really looking at the tool and evolving it to be that mobile app, to be more accessible and expand its usage into those newer arenas as opposed to just being on **prem** is going to be critical to its continued success but allow our patrons or allow the Commonwealth citizens to be more informed about their gaming decisions and their budgets and being more responsible. So all of that, like I said earlier, it's really an evolving process, and it's really -- of course, I have to nerd out a little bit -- it's really exciting for us because from a technical perspective, there's just so much complexity and data and just really neat opportunities to really build and expand this with either the operators and/or the licensees or developing internally.

>> CHAIR JUDD-STEIN: Katrina, that was my question. In terms of this technology, do we directly have access to the data so that we can perform the data analytics, or will we have to be outsourcing that?

>> MS. JAGROOP-GOMES: No, we do have access to the data. It can be a little complicated sometimes because of PPC's system being on ECSE and IGT is on Advantage and we're a couple versions behind, not just us, but the properties themselves.

So in order for what we just presented for Encore Boston Harbor and MGM to take



advantage of the play my way solution, they actually have to upgrade their entire system and have to be compliant in order for this to meet the September deadline for 2020. We have access. It can be a little cludgy, but Scott and our engineer, our gaming technical engineer, work diligently on making sure that that communication and that transparency into the datasets are there, and we're always building and evaluating reports. So as we get more familiar with the Play My Way and the responsible gaming requirements, we're really digging into that more.

>> CHAIR JUDD-STEIN: But the bottom line is that technically we'll have that.

>> MS. JAGROOP-GOMES: Yes.

>> CHAIR JUDD-STEIN: Moving forward.

>> MR. VANDER LINDEN: Yeah. And some of that, it hasn't been accessible to us or readily available, and so having Scott and Katrina very involved in the development of it with IGT and our operators is really important.

>> CHAIR JUDD-STEIN: Yeah.

>> MR. VANDER LINDEN: One other -- giving credit where credit is due, when we talk about a successful implementation, certainly our GameSense advisers are true champions on site, but we also had a very thoughtful, strategic rollout of this led by Elaine Driscoll and thinking about how we successfully communicate this, do a successful communication of this. And from the onset, if you take a look at the initial enrollment of Play My Way out of the gate, it was within the first month, if it just stayed where it was, it was outstanding. And I think that it set the tone for Play My Way to really -- to really take off. So thank you to Elaine for her help with that.

>> COMMISSIONER CAMERON: Mark, I had a chance to share with you and the Chair that this was a prominent part of a couple of presentations at the International Gaming Regulators Conference. In fact, one of the presenters really had these screenshots and did the GameSense commercial, showed it to the audience, so there was really a lot of interest in the work that we're doing, groundbreaking is how it's been described, and lots of questions around what we're doing. Lots of accolades as well. So I do think -- yeah, the team -- and part of that is the communication piece. So it's nice to be at a conference out of the country and hear so many good thoughts about this work.

>> MR. VANDER LINDEN: Thank you.

>> CHAIR JUDD-STEIN: So I don't think you're looking for a vote today, but I think you have a consensus of our gratitude for the expansion of this pilot program to the other two licensees, and we actually should acknowledge their cooperation through the MOU.

>> MR. VANDER LINDEN: Yes. Definitely. You know, we've had -- you know, over the course of the past several months, we've had a number of meetings. They are there. They are present. They're assisting in driving this. It's great to see something that started off as a stiff headwind that was led by the Gaming Commission to initiate this to see some tailwind, to see our operators taking some leadership in this and ownership in helping to drive this process.

>> CHAIR JUDD-STEIN: Before I go to my fellow Commissioners, Theresa and Scott, do you wish to add? Not to put you on the spot, but certainly you're part -- an integral part of the team.

>> MR. HELWIG: I'm good. Both Mark and Katrina covered everything.

>> CHAIR JUDD-STEIN: Thank you. Thank you, Theresa. Commissioners, any further questions for this team?

>> COMMISSIONER ZUNIGA: No. Thank you for all those efforts and keep those up.

>> MR. VANDER LINDEN: Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: Thank you for the update, and then we'll look forward to the important policy discussion in the future. Thank you. Moving on to Director Griffin and item number 7 on our Workforce, Supplier and Diversity Development and lots of reasons to celebrate. A very exciting Tuesday. So we look forward to your update on that and the rollout of the best practices report.

>> MS. GRIFFIN: And I'm joined by program manager Crystal Howard as well.

>> CHAIR JUDD-STEIN: Welcome, Crystal.

>> MS. GRIFFIN: So first off, I would like to say that yesterday we released our Built to Last best practices for diversity in the construction industry at our event at Smith College in Northampton, Mass. And I'd like to thank Chair Judd-Stein and Commissioner Stebbins, Commissioner O'Brien also for participating. We were really pleased with the results, received very good feedback, and the audience, actually close to 100 people, far more than we expected, quite honestly.

>> CHAIR JUDD-STEIN: It even felt like more. I was trying to guess the numbers. Great room.

>> MS. GRIFFIN: Yes, yes. But everyone seemed very engaged till the very end and asked great questions. And so we were really pleased with the outcome. So thank you all. And just in summary, we had municipal and state officials, higher ed, and hospitals, contractors and builders. And I just wanted to take a quick moment to thank folks who were responsible internally for making it happen. Crystal Howard, number one, Commissioner Stebbins, Director Driscoll, and our digital communications coordinator, Austin Bumpus. We can't give them enough credit for helping out.

>> CHAIR JUDD-STEIN: I should add that, Jill, you did a tremendous job emceeding, and you moderated a very interesting panel. So you and your whole team's leadership created a really exciting, exciting day. And the stakeholders were so diverse that were there and interesting questions. I don't know, Eileen, if you want to comment. But before you go on to substance -- I came back really just so thrilled with what I knew was such an important event for you. It was so successful.

>> MS. GRIFFIN: Great. Thank you so much. So to that end, we officially released this report. This is a summary. The report's author Peg Beringer couldn't be here today. She's traveling. But we'd like to thank her. This is a summary. And I'll note that this report is already posted on our website.

So one of the lasting legacies of the casino construction may well be the focus on equity and inclusion related to the construction workforce and also the business opportunities as well. Our agency Commissioned this report to capture and share the promising practices that we saw develop over time with our licensees and also through the monitoring process. And, you know, this led to new opportunities for thousands of Massachusetts residents, and we wanted to share some of these learnings. We think this document will be a lasting roadmap for other projects to follow.

So you'll see we -- this is an outline of the report. I'm going to turn it over to

Crystal now.

>> MS. HOWARD: So our consultant interviewed over 33 individuals to really get a grasp on what she was reporting because she was not in this industry. And as you know, it's a little bit difficult when you're talking about construction in its own but then the casino, diversity aspect, she had no idea. So she did a really great job when we got this first draft. It was just phenomenal. But the acknowledgments indicate those individuals who were interviewed, and then you'll see that most of them are from the AOC. Many of you have attended at least one of our AOC meetings. And these participants came -- some of them -- most of them came pretty frequently. Some of them once or twice. But it actually is through the history of PPC all the way from Plainridge to the opening of Encore. So we were pretty intentional about making sure that each phase was included in the report. And they did a great job with that.

>> MS. GRIFFIN: So the report and the report's author concluded, after all those interviews, that -- and you heard this yesterday, probably, quite a bit -- the integrated supply and demand strategy. I think historically it was thought that we don't have enough diverse workers, and that's the problem. But without the demand and the diversity goals and the construction projects that are embracing those goals, it doesn't work. And so this report calls out and really chronicles the integrated strategy.

>> MS. HOWARD: So as part of the overview, Peg, the author of the report, actually compiled a really great graphic that demonstrates the history and milestones over time, really the building blocks of how this work came together. And so this kind of opens up the document as to what we're going to be speaking about through the entire report. And additionally as part of our overview, really it highlights the implementation of the expanding Gaming Act and really hones in on the diversity plans being the integral part of the gaming license all the way through our contracting and workforce diversity even till -- as we're moving through, but primarily highlighting the construction. So in the overview, it's the importance of diversity is just reinforced, and she really bulleted out the applicant -- from applicant time period being diversity plans being formulated then and then how they were presented publicly for comment and then the actual implementation. So even just that various strategy.

>> MS. GRIFFIN: So as we mentioned earlier, the demand strategy included effective diverse hiring and contracting practices like making diversity a requirement, formulating plans with specific numeric goals, communicating the diversity goals widely and making sure everyone understands the goals throughout. And although this seems like a basic practice, it's not often utilized from start to finish. So from the preconstruction meetings all the way through the project. Designating a compliance officer or a team. Reviewing diversity histories while hiring all contractors. And so these together, in addition to some of the others mentioned, really form a very strong and effective program.

And as you all know, both licensees required their contractors to individually submit plans on how they would achieve diversity. We also required this of our licensees. Both licensees had data tracking systems. And internally they provided weekly reports showing diverse worker hours and held very effective corrective action meetings when they saw that things were not working.

One of the, I think, newer best practices that we saw emerge was utilizing not just the stick but the carrot as well. And so recognizing and rewarding contractors who

were meeting or exceeding the diversity goals. So both programs had awards at some point during the process.

>> MS. HOWARD: So throughout the report we actually had the opportunity to highlight some really great stories, which you guys have actually probably heard. The ultimate abatement was one of the greatest stories that came from a woman-owned business. So Nina and Charity was actually highlighted in the report as she had received an original contract of \$250,000, but it increased up to 1.5 -- actually over \$1.5 million. And the unique story about Nina is that ultimate abatement, when they went through the armory building, they used an entirely all-female crew. So it was great to be able to highlight that in the report.

Additionally, we broke out the report's demand strategy into both workforce specific and contracting-specific practices. So we were able to bullet point out some of those throughout the report. The report actually illustrates many examples of the community outreach that we and the licensees did through job fairs. And one of the interesting components we did see was that a lot of the talk from within the industry was about core crew. And so we really had to emphasize that that was a diverse crew that people should have been using as their primary group of workers from day one. So there was a lot of talk around that in the demand strategy.

Additionally, there were some really great strategies to retain diverse workers, and the hard hat, actually, there is one of the strategies that Encore used in their construction phase to help identify some of the veterans who were at first a little hesitant in coming forward and identifying themselves, and it was a really great way to get the -- not just the identification but the recognition on the project of how many veterans there really were. So they were wearing these hats to identify themselves. Interesting strategies that came out.

>> COMMISSIONER CAMERON: Quick question. Do we understand or do we know why they may have been hesitant to self-identify?

>> MS. HOWARD: I mean, so I guess what we see is it's more of a cultural component. It's just sort of -- we see that even in our suppliers and vendors. Bruce and I have had this conversation, actually. It's -- I want to say it's a humble component. They just -- they either don't want to identify, or we have also heard that there's some stigma sometimes attached to that that they are concerned about what that may bring to their -- to people who now know that they're veterans, that they are perhaps have some mental health issues or just some of the stigma that comes from previously serving, which we've found that since they did this veteran hard hat identification process, it was actually very inclusive and people were really responsive to that positively. So it kind of helped break that, how Encore had perceived it to us. I think it's -- the interesting thing about how many veterans were on the projects is that we've seen that that is not accurate. So people are more willing to come forward and were afterwards, just identifying themselves. So it was good for everyone.

>> MS. GRIFFIN: And here's another great story. Felisha Dillon who's on the left attended the very first Tradeswomen Tuesday event. And if you'll remember that this is part of a program that we helped launch and fund the Build a Life Campaign that is administered by the Northeast Center for Tradeswomen's Equity. So Felisha attended the very first session and was accepted into the sheet metal workers apprenticeship program shortly after, and there are many other illustrations of success along this way.

We were celebrating that yesterday as well.

And some supply strategies to accompany or complement the demand strategies include advocacy for the under-represented. You all know that in our access and opportunity committee meetings, we had a diverse group of individuals who came to every meeting. And some of those advocates include the policy group for tradeswomen's issues. We had community groups who were representing various constituencies, and that's actually a really important part of the process. Industry recruitment. We also -- the Massachusetts Girls in Trade. This was an effort launched by Encore Boston Harbor's Jenny Peterson in conjunction with the vocational technical school to recognize young women who were enrolled in nontraditional careers. And it started on one side of the state launched into a full statewide effort that has actually seen a couple of years and multiple conferences. So it's very exciting. Yesterday Lieutenant Governor Karen Polito mentioned that she had been to several of these, so that was exciting to see.

Pre-apprenticeship training --

>> CHAIR JUDD-STEIN: I'm just going to correct -- you were saying yesterday, but you do mean Tuesday, the event. It feels just like yesterday.

>> MS. HOWARD: I've already said yesterday several times.

>> MS. GRIFFIN: My apologies.

>> CHAIR JUDD-STEIN: (Inaudible).

>> MS. GRIFFIN: That's right, Tuesday. Thank you for that clarification. I was just telling someone earlier that it feels like Friday, so I'm a little mixed up. The pre-apprenticeship training, you know, both licensees worked closely with building Pathways in the eastern part of the state and then Community Works in Springfield. And the trades union recruiting and apprenticeship programs were represented as well. The contractor certification, our partnership with the Commonwealth supplier diversity office was crucial in terms of ensuring that small and diverse business ownership, that these businesses were actually certified and licensees could actually get credit for their utilization.

Contractor training. For example, Suffolk Construction's trade partnership series to ensure that small and minority and women-owned business and veteran-owned business actually were trained and understood the policies and were able to work effectively to get the contracts. So these were all highlighted in more depth in the report.

And then we have other stories, examples of MBEs like Mitchell Clinton, the owner of CMJ, LLC, the landscaping and trucking company that worked at the MGM site. And there were so many great examples of businesses who received an opportunity or worked on either project.

And integral to this process is an effective monitoring strategy. And the Access and Opportunity Committee, I think it was best described in this quote down below, constant monitoring and collaboration problem solving by the multistakeholder AOC was central to the success of this strategy. And the report's author heard over and over that the Access and Opportunity Committee was crucial.

>> MS. HOWARD: This is just another highlight. Reggie Cole was actually one of the contractors on MGM's site. He actually -- while we are very concerned about minority women and veterans on the project, he actually was able to report that all of his

employees were from Springfield. We cared about the locality, so that was an interesting story to highlight.

>> MS. GRIFFIN: So you have heard about the outcomes, but it can't be overstated that these practices together with our licensees' attention and dedication resulted in some very strong outcomes in terms of diversity and opportunity for our residents. And one of the key points that we emphasized yesterday was the intentionality of utilizing these practices together, and it doesn't have to be hard, but you have to be intentional from the beginning. So with that, I'll close my remarks and ask for any questions.

>> COMMISSIONER CAMERON: I don't have a question but I do have a comment, and I just think the work is tremendous. The leadership, watching you, Director Griffin, grow through this process when the group -- do you remember the initial groups were somewhat combative and your strong, steady respectful leadership really, I think, made a tremendous difference, and I commend the team for the work and the results. Great work. Thank you.

>> MS. GRIFFIN: Thank you. I think early on the Access and Opportunity Committee, it was a very diverse group with diverse opinions, and everyone needed to learn how to trust each other and respect that everyone was coming at it from different viewpoints, but each were very valuable all together.

>> COMMISSIONER STEBBINS: I would just add to that, you know, the AOC meetings and I think the way you ultimately structured them was to have both licensees reporting, and I think that kind of created its own little internal competition almost between our licensees. Certainly the relationships improved from the get-go. Nobody wanted to come in with numbers that were not as strong as the other project happening at the other end of the state. So keeping that consistent. And you had people who would weigh in with suggestions for both licensees. It wasn't kind of one or the other based on where somebody was based. I learned a lot of meeting management tools from watching Jill over the last few years.

>> MS. GRIFFIN: Yeah. One of the things that we also found was the shared learning. I think both licensees admitted that they were able to learn from each other. So that was great, too.

>> COMMISSIONER O'BRIEN: I have to say one of the things that struck me the most powerful things from Tuesday was the real-life highlights that you brought in. And we had already heard from the gentleman who was the painter. But also to see the employees and to hear sort of the real-life impact was one of the most powerful things I think of that day. And then the other takeaway for me was I wasn't there to see the progression of it and the evolution of it. So what struck me, though, yesterday -- Tuesday, falling into your pattern -- of the panelists, one of them made a comment about workplace diversity almost being akin to OSHA and workplace safety decades ago. And that you really are at the beginning of a wave where the fight hopefully to say that this is a valid area to focus on in projects seems to be ending, and it's more a question of implementation. And it was hopeful to say to somebody, look, we were having these OSHA conversations decades ago. I lived through that, and this is the next phase, and we're going there was, I think, a really powerful statement to the work that you were able to achieve in a really short period of time.

>> MS. GRIFFIN: Right. I had to agree when I heard that statement, and I think that was Mike Kerns from design and construction who is the Western Massachusetts

representative, and he recalled when safety was not one of those top-tiered --

>> COMMISSIONER ZUNIGA: Priorities.

>> MS. GRIFFIN: -- things that companies thought about. And now, of course --

>> COMMISSIONER O'BRIEN: It's a given.

>> MS. GRIFFIN: -- you want a safe work site.

>> COMMISSIONER ZUNIGA: Yeah, that is a very powerful comment or point. I'm sorry, I missed Tuesday, but I just want to add my congratulations to all of the factors that worked well here and your leadership clearly was a big one. We started with an outside chair, Ron Marlowe, who was prominent in other efforts, similar, but not part of this agency. And I would submit that the role that we played, one, not -- detracting a little bit for one of regulator to more of a convener in this setting really worked in a positive way. There were other important factors that I think have been mentioned before, the licensees were very engaged. They were competing at times. This was a very visible, very highly visible projects, and there was a real sense in the community and many other stakeholders that we don't want to miss this opportunity. So numerous stakeholders, many of them are credited in the report were very involved making these meetings really working meetings, not just speaking opportunities, and that is one of the things that I think really contributed to the success. I hope others can replicate it. I think there's differences in different projects. I think it's very hopeful at least in the minds of some, we're moving in the direction of this being a requirement, not just a wish or a given for the benefit of everybody. But I do think that because the licensees, because of what they do, gambling, is still viewed with skepticism by many, they knew they had to be very committed and very much in the form of delivering the calls that they set out to deliver and that also plays an important factor.

>> COMMISSIONER STEBBINS: Yeah, I would just pick up on that. You know, this is kind of a wrap-up to our, you know, legacy of work we're going to leave behind. But as I had the chance to ask some of our partners from the building trades on Tuesday was, you know, how did you feel this event went, they all talked about the fact that the people that needed to hear the message were in the room. So public higher ed, private higher ed, anybody who's doing a building project, or is a contractor that's going to be doing future work was in that room and heard the message. And they were -- some folks up to this point the building trades had not been able to make that pitch to. So, you know, moving beyond the great work that we did in the legacy we created looking to the next phase is now that there's real hope and opportunity for some of the women that were represented in that room and the veterans and diverse construction workers, now they're looking ahead to think that there is going to be another project that's going to follow our model, and they were elated with that result on Tuesday.

>> MS. GRIFFIN: Yeah. I think there was one point when Mayor of a Western Mass town raised his hand during the question and answer and said, you know, can anyone tell me how you implemented this at a municipal level with these requirements and to have City Manager Ed Augustus being able to, from his perspective, give that advice was really great. So anyway. Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Thank you. And, again, just to recognize Commissioner Stebbins and your role, leadership in this effort, you know, we're very lucky to have the team of Jill Griffin and Crystal Howard, Elaine and others, but it's been your leadership

that's been a steady stewardship, so thank you for your efforts, and I know it's very much from the heart, which this is in many ways, because I think Elaine provided us with the word passion-driven -- passion, focus and purpose and it really resonated on Tuesday. And I do think that we're left with an obligation to continue to support replication. We have to stay within our mission, but this work that you produced and that we Commissioned will serve as a great blueprint. We were lucky to be hosted by Smith College that was able to announce that they exceeded their diversity goals in their recent construction of the Nielsen Library. So already we're seeing kind of a partnership across the Commonwealth that I hope that we can continue to be part of even if we're not always in the driver's seat. So we'll look for those replications and how we can continue the conversation down the road. It's important, important work.

>> MS. GRIFFIN: Great. Thank you. And I'd like to also give my thanks and appreciation to Commissioner Stebbins as well for this project and more.

>> COMMISSIONER STEBBINS: I was happy you let me be part of the team.

>> CHAIR JUDD-STEIN: So exciting. All right. You do have another piece for us.

>> MS. GRIFFIN: Right. Director Ziemba mentioned that out of the utmost of caution, we wanted to bring this case before you. As part of the staff review of the workforce program budgets in Region B, Holyoke Community College and their subgrantee, Springfield Technical Community College requested two minor funding changes for their FY19 workforce program. And they have requested to utilize some of those funds in FY20 that were not fully utilized. We believe that these -- this is in line with what you approved. However, there were some things that were not explicitly clear when we spoke to you last time. So we wanted to bring it back. Did you have any questions -- well, before I ask that, Holyoke Community College has requested the use of \$35,000 to hire a part-time career counselors to advise, support and coach participants in their program. And there were some funds that, for example, that cost a little bit more than they had thought for testing and bus passes and things like that.

So we are, I believe, asking for a vote.

>> CHAIR JUDD-STEIN: Has everybody had the chance to read the memorandum?

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Do we have a motion?

>> COMMISSIONER O'BRIEN: Madam Chair, I move that the Commission approve the revised budget and the allocation -- excuse me. I move that the Commission approve the revised budget and reallocation of funds awarded to Holyoke Community College pursuant to a grant from the Community Mitigation Fund as described in the memorandum from director of supplier and workforce diversity Jill Griffin, John Ziemba and Crystal Howard dated October 7, 2019, and included in the Commission packet.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions with respect to the memorandum? Okay. All those in favor.

[ Vote taken ]

Opposed? 5-0. Thank you for the really helpful memorandum. That made it clear to us.

>> MS. GRIFFIN: Great. And I just have one last -- Director Ziemba asked me to say one or two words regarding the workforce grants, and so I will do that. We have



found these grants to be very successful in connecting individuals with careers in culinary, hospitality, and gaming, specifically dealers. We have talked to licensees. The need is still great, especially in the culinary and gaming areas. And so we will work with the guidelines to ensure that some of these funds are still available for these purposes at least this next round.

>> CHAIR JUDD-STEIN: Thank you. That's an important theme I know in Springfield, we learned that MGM Springfield is working very hard on workforce development, particularly in light of our unemployment rate. So the impact of the workforce development grants are really important. So thank you. Thanks. All set?

>> MS. GRIFFIN: Yes. Thank you.

>> CHAIR JUDD-STEIN: Excellent. Thank you so much.

>> MS. GRIFFIN: All right.

>> CHAIR JUDD-STEIN: Okay. Are we all set to move on to item 8? Finance division. Will you be giving the report?

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Thank you. I believe that our Chief Financial Officer Lennon is unable to make today, but he know that he's been working very hard with Agnes Beaulieu to provide this report in conjunction with your work, Enrique, so thank you.

>> COMMISSIONER ZUNIGA: Sure. Yeah, Director Lennon is out on a family medical issue, but he provided a very good summary like he has done in the past of the budget closeout for the fiscal year of 2019 that is included in the packet. Just to recap some of the figures, the Commission approved a fiscal year '19 budget in the amount for the gaming control fund in the amount of \$33.4 million which required an initial assessment on licensees of \$28.3 million. And during the year, like we do, we came to quarterly budget revisions, and that grew to \$37.81 million, which revenue projections were \$37.64 million. This necessitated \$29.6 million in assessment of licensees.

The Commission was relying on at least \$163,000 in reversions to bridge the gap between anticipated spending and anticipated revenues. This is as of the last -- the third quarter. So in your packet today there is the actuals for the year. And the actual spending for fiscal year '19 in the gaming control fund was \$36.34 million, and revenues were \$37.78 million. The result of which is \$1.44 million surplus for this year. And as is our practice, that will be credited towards the fiscal year '20 as initial assessment of licensees.

So I will point out that the Gaming Control Fund is composed of both statutory costs and regulatory costs. Of the \$37.81 million budget, the gaming regulatory costs were \$27 million. The Gaming Control Fund spending for fiscal year '19 was \$36.34 million, which was 3.9% less than the approved budget.

The chart on page 2 provides a high-level summary -- high-level explanation of certain line items which were either underspent or overspent that results in the underspending that I mentioned before. But in general, the regulatory costs were underspent by 3.1%. The indirect cost was this year fully applied by the state and represents a 12.2% increase from what was originally budgeted. The office of the Attorney General has underspent their budgeted amount by 11.3%. The Research and Responsible Gaming portion of the budget is underspent by 7.3%. And the ABCC did not spend its budgeted amount, which is every year is amounts only to \$75,000.

So as I mentioned, the chart on page 2 provides some of that high-level view of the variances. And, again, as mentioned, the excess revenue -- or the difference between the revenue and the expenditures that provides an excess of the planned amount will be credited to the licensees in the amount that is highlighted on page 3 of the memorandum. I can pause here and see if anybody has any questions relative to what's included in the packet or our practice relative to budget revisions and assessments.

>> COMMISSIONER STEBBINS: I had the chance to meet with CFAO Director Derek Lennon yesterday and he walked me through all the numbers, so I'm pretty comfortable with his explanations and where we saw some savings.

>> COMMISSIONER ZUNIGA: I might state for the record that legal costs we treat separately. We come to approve increases. We initially budget by what was -- what is minimum required per our insurance, but there's enough legal costs still or for this last fiscal year, and we have come to ask for budget revisions in this particular area in the last three quarters. Notwithstanding all of that, legal costs after the last revision were -- we spent less than the latest revision, which is good news. But they will continue with some, you know, with some regularity at least in the short term. This is the first year that we had an assessment portion of the public health trust fund be funded by the revenues that come from MGM. And that is what is reflected in -- at the bottom of the chart here on page 2 that incorporates an ISA that we signed with DPH in which we fronted money because there was not going to be the ability to commit on their side because money was going to build in which was later returned as agreed upon to the gaming Commission, which is some of the seemingly large variability numbers towards the end of that chapter -- of that chart, but they should be taken together, and that was a way, again, to make sure that the partners at DPH had the ability to commit contracts because the monies they anticipated to receive were going to be realized through the course of the year.

The other thing that I might add is that the team who's here and Director Lennon are very careful and very judicious in budgeting, looking for efficiencies and being -- making sure that we are not in a negative cash flow situation, which is why we often is a good practice, come with a slight credit year after year, which just reverts back to the next assessment from licensees.

>> CHAIR JUDD-STEIN: Very thorough report. Any questions?

>> COMMISSIONER CAMERON: No. Thank you, Commissioner.

>> COMMISSIONER ZUNIGA: Thank you. Director Lennon will be here for the next quarter which is forthcoming, you know, in a future meeting.

>> CHAIR JUDD-STEIN: No vote needed today. Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Moving on to our last substantive item. Catherine Blue, Legal Division, you have regulations today.

>> MS. BLUE: We have Attorney Torrisi and Attorney Liliros here to present those items for you.

>> MS. TORRISI: Yes, good afternoon. So you have two regulations in your packet today. We're looking for a vote to beginning promulgation process. So the first one is 133.05. That's the voluntary self-exclusion reg, a companion regular to the junket regulation which you voted on last month to begin the process on that one. So if you

remember in that regulation, we require the licensees to provide a no-marketing list to junket operators, and the list includes people who are on the voluntary self-exclusion list in addition to people in a number of other categories. So this regulation really just closes the circle and essentially adds the same language to the VSE reg. Do you have any questions on that one?

>> COMMISSIONER STEBBINS: No.

>> COMMISSIONER CAMERON: No. We did have a chance to meet and fully digest the work that's been done, the rationale behind it, so I do not have questions.

>> MS. TORRISI: So you should have a small business impact statement on that as well, so we're just looking for votes on both of those.

>> COMMISSIONER CAMERON: So Madam Chair, I move that the Commission approve the small business impact statement for the amendment to 205 CMR 133.05 voluntary self-exclusion as included in the packet.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any further discussion? All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you.

>> COMMISSIONER CAMERON: I further move that the Commission approve the version of the amendment of 205 CMR 133.05, voluntary self-exclusion as included in the packet and authorize the staff to take all steps necessary to begin the regulation promulgation process.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you.

>> MS. TORRISI: And then the second set is changes to our licensing regulations. So Deputy Director Lillios will run you through that.

>> MS. LILLIOS: Good afternoon. I have a number of updates to 205 CMR 134, the regulation pertaining to licensing and registration of casino employees and vendors. In total there are six provisions in 134 that are being brought before you today. Five of them are in the nature of housekeeping matters. Those which I'll address first reflect prior Commission votes and current practices of the licensing division and the IEB. We are looking today to correct some inadvertent errors in the final printing, and that's why I'm referring to them today as housekeeping matters.

The first one is reflected in your packet is 134.07 which is the regulation on application forms. And as you'll see subsection 5 included the word "identify" twice. We're looking just to omit the incorrect duplicate word.

The next subsection is 134.09, which outlines the procedure whereby the IEB and licensing division work to approve or deny or revoke applications of registrations and the language as reflected in your packet indicates that the bureau approves, denies or revokes key license applications, gaming employee applications, and service employee registrations and that the bureau in conjunction with the licensing division notifies the applicant in writing of the specific reasons for any adverse action and includes written instructions on how to appeal any adverse action. And, again, this reflects current practice and a prior vote.

134.10 and .11 are two companion sections. .10 sets forth the licensing

standards for key employees, gaming employees, and gaming vendors and .11 sets forth the registration standards for service employee registrants and nongaming vendor registrants. The red lines parallel one another, which is why I'm mentioning them as companion regulations. And the subsections that are being stricken in both of them are repetitive either of prior provisions in the same regulation or as for the final stricken language in each one repetitive of language that appears now in our hearing regulation which is 205 CMR 101.

Turning to 205 CMR 134.14, that is the regulation on administrative closure, looking, again, to make some corrections here. This regulation allows the bureau and the licensing division to administratively close applications when the individual or the vendor is not responsive to requests for required information. The regulation reflects a 14-day window for individuals to respond, 21-day window for vendor companies to respond before there is authorization for the division or the IEB to administratively close. This, again, is an administrative closure. It is not a denial or revocation on the merits. It allows persons or companies to reapply with no waiting period so long as they provide the information that they neglected to respond to in the first instance.

Finally, there is some new language that we're proposing for 134.13, which is the regulation on fingerprinting. We would like to specifically insert a sentence here indicating that each person who appears for fingerprinting shall provide identification at the time of fingerprinting and the manner required by the bureau, we'd like to be explicit about that information now in this particular regulation. You should know that the procedure is that the licensing division does send the individual who has an appointment to come in for fingerprinting, written instructions on the types of identifications that will be accepted so that they are prepared when they do appear. And also the final red line in that section asks for two sets of prints. We don't need three in the instances where for good cause shown, the IEB would accept fingerprint cards rather than requiring the person to show up in person, and that good cause could include something like the fingerprints were taken within, say, the past year or the individual is a foreign individual that makes appearing impracticable. Those are the amendments to 134 that I'm requesting at this time.

>> CHAIR JUDD-STEIN: Any questions?

>> COMMISSIONER ZUNIGA: Even though they're mostly housekeeping, as you mentioned, will we still have to have a hearing? Is this a regular promulgation process?

>> MS. BLUE: Yes. We'll have to follow the regular process.

>> CHAIR JUDD-STEIN: And we thank you for your vigilance. These housekeeping matters happen, and it's important for us to continue to monitor the final product. So thank you for taking care of that. And there's a couple of substantive new ones that will go through the same process, so we'll stay tuned. Do I have a motion?

>> COMMISSIONER STEBBINS: Sure. Madam Chair, I move the Commission approve the small business impact statement for the amendments to 205 CMR 134, licensing and registration of employees, vendors junket representatives and labor organizations as included in the packet.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0.

>> COMMISSIONER STEBBINS: Madam Chair, I further move that the Commission approve the version of the amendments to 205 CMR 134, licensing and registration of employees, vendors, junket representatives and labor organizations as included in the packet and authorize the staff to take all steps necessary to begin the regulation promulgation process.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you.

>> MS. LILLIOS: Thank you.

>> CHAIR JUDD-STEIN: So I think we've come to that part of the meeting where we have our Commissioner updates. If there are any further ones. Briefly do you want to mention your latest conference?

>> COMMISSIONER CAMERON: Yes. I briefly mentioned it earlier. I attended last week the International Gaming Regulators Conference, very substantive, good information. We will be hosting next year. Director Wells has been appointed -- has been appointed and then confirmed by all the delegates to be a member of that board. That's quite an honor. She's one of just a couple of members of the board that are from the United States. So I think she'll do a tremendous job and would add great value. But I was paying close attention to all the detail work because we will offer our support as the host agency next year for this conference. And I already mentioned the accolades regarding responsible gaming and the tools in our framework that were mentioned and highlighted, actually, at the conference. So, again, very good details. The other thing we were very instrumental in is the statistics committee really -- what does every agency do throughout the world so that there's a resource if you're doing something new, and we were an active member of that as well as providing the translation. I want to commend Commissioner Zuniga who volunteered to actually translate and make that document a Spanish version of the document that has been utilized by some of our -- the neighboring countries in South America and around the world, Spanish-speaking. So we have provided great value, and I think it's important that we continue to be part of that, and we certainly will with Director Wells's participation, leadership position.

>> COMMISSIONER ZUNIGA: Yeah, it's a great occasion. I think -- I look forward to that next year. It's probably going to be around the same time, right?

>> COMMISSIONER CAMERON: Yes. It's the third week in September. All of that will be posted shortly.

>> COMMISSIONER ZUNIGA: Yeah.

>> COMMISSIONER CAMERON: The Marriott Copley. There was a bid process. I want to also commend Janice Reilly for her -- I mean, Janice carried this project, frankly. She really is excellent at many, many things, but in particular, this piece. And it was really keeping two different organizations that will be combined with IMGL, keeping them on track, getting them to understand that we needed to respond quickly in order to obtain a hotel here at a price that is affordable for regulators, so a lot of that work was done by Janice and keeping the folks on track to really move forward with that whole bid process. So that got done. And there will be some other hurdles along the

way. Not hurdles, but just opportunities for us to assist in the planning with the conference.

>> COMMISSIONER ZUNIGA: I perhaps should mention that there's no cost that comes to the Commission or the licensees as part of this effort.

>> COMMISSIONER CAMERON: Correct, yes.

>> COMMISSIONER ZUNIGA: But I know conferences like this do rely on the help from people on the ground.

>> COMMISSIONER CAMERON: Host agencies.

>> COMMISSIONER ZUNIGA: And our agency which I value deeply, and I think it's great that we can offer that because we will also benefit from the exposure.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: To this group.

>> CHAIR JUDD-STEIN: And so will Boston and the Commonwealth. It's a chance to showcase our region, and it brings great business. So it's a real honor to be selected and with the recognition it does take the hands of many to still make it happen. So thank you, Janice. Thank you, Gayle. Looking forward to Karen's work.

>> COMMISSIONER CAMERON: Yes.

>> CHAIR JUDD-STEIN: So thank you. But it's exciting for Boston. How many people -- how many do you expect, do you think?

>> COMMISSIONER CAMERON: Well, there were over 200 delegates this year, but we're anticipated well over 300 next year because of the combination and a great interest in regulators from around the world in coming to Boston, frankly. This is one of those cities that people really -- if they haven't been, look forward to it. And if they have been, they look forward to coming back. So I did a little -- I beat the drum a bit and got the group interested and I believe lots of folks said we'll see you in Boston next year. So I believe that we'll have -- it will be well attended, and it's such a diverse group from around the world of regulators that it's really -- it's good to learn from one another.

>> COMMISSIONER ZUNIGA: And I might add it's also a great time. We were asked initially when we first were conceived if we wanted to be considered as one of the cities to host this conference. And we were -- we had not even awarded any of the licenses. And that was certainly going to be a hardship, I might say, on the staff that was working on a lot of other important issues. But now that three licenses -- three licensees are open, we've gained notoriety, as you correctly point out, I think the timing is also really good for that conference.

>> COMMISSIONER CAMERON: I agree. Thanks.

>> CHAIR JUDD-STEIN: Any other updates? Okay. Moving just on to item 10 for anything else that might be reserved. I don't anticipate -- I have not anticipated anything. Anything else that we have missed? Then do I have a motion to adjourn?

>> COMMISSIONER CAMERON: So moved.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you. Thank you, everyone. Thank you, Austin.

[ The meeting adjourned at 1:45 P.M. ]