

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #235

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CHAIRMAN

Stephen P. Crosby
(present by telephone)

COMMISSIONERS

Lloyd Macdonald
Gayle Cameron
Bruce W. Stebbins
Enrique Zuniga

February 7, 2018 2:00 p.m.

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

P R O C E E D I N G S

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3 COMMISSIONER ZUNIGA: Good afternoon
4 everybody. My name's Enrique Zuniga. I will
5 be chairing this meeting of the commission
6 today. With us is Chairman Crosby remotely,
7 but I am pleased to order -- to call to order
8 the meeting number 235 of the gaming
9 commission on our offices -- at our offices
10 on February 7th.

11 I want to make sure we establish
12 that Commissioner Crosby is meeting and can
13 hear, as well. His attendance here is
14 unreasonably difficult, which is why he's
15 joining us by phone. Chairman Crosby, can
16 you hear us?

17 CHAIRMAN CROSBY: I can hear you
18 fine, Commissioner Zuniga. Thank you very
19 much. Needless to say, I'm sorry that I'm
20 not going to be there. I had skipped the
21 first three days of my family reunion to be
22 there last week, but couldn't get there. I
23 just found out about this big development
24 last night. There was just no way I could

1 get back. But I'm pleased to be able to
2 participate from afar, and thank you for
3 taking over the chairmanship.

4 COMMISSIONER ZUNIGA: Yeah. Thank
5 you for joining us. This clearly was --
6 turned out to be a working vacation for Chair
7 Crosby. We can here you well. Because of
8 remote participation, all votes that we take
9 at this commission meeting will be done by
10 roll call.

11 CHAIRMAN CROSBY: Okay.

12 COMMISSIONER ZUNIGA: So we will go
13 to the first item on the agenda, the approval
14 of the minutes. Commissioner Macdonald?

15 COMMISSIONER MACDONALD: Yes,
16 Mr. Acting Chairman. I move that we approve
17 the minutes of the meeting of January 18,
18 2018 as they appear in the packet, subject to
19 correction and for typographical errors and
20 for other unmaterial matters.

21 COMMISSIONER ZUNIGA: Is there a
22 second?

23 COMMISSIONER CAMERON: Second.

24 COMMISSIONER ZUNIGA: Thank you. I

1 did have a comment on one item that I'd just
2 like to bring up, and maybe we can just
3 review the record at a later time. But at
4 around 12:30 of the minutes on page four, it
5 says that -- at the middle of the page,
6 Commissioner Zuniga added that he did not
7 want the commission to accept prior history
8 of how the IEB handles certain things as part
9 of the determination to exempt a position.
10 I'm not exactly sure that's in the right
11 context.

12 I remember my objection was to the
13 notion that licensees might themselves
14 petition different positions, and that could
15 give us some kind of different approaches and
16 that was not going to be good. But if we
17 could back -- go back to that, Catherine or
18 Ed, just to clarify. That sentence just
19 doesn't feel like -- like it's what I --

20 MS. BLUE: We can -- we will check
21 the record on that. We can fix that.

22 COMMISSIONER ZUNIGA: Okay.
23 Secondly, at a later time, at 1:20, there was
24 discussion initiated by Chairman Crosby about

1 the same topic, the SERs. And there was one
2 category that was added by -- by consensus of
3 three commissioners. Those people who would
4 not be in areas close to the casino floor
5 but, perhaps, say, the entertainment block,
6 in the case of MGM. And that paragraph at
7 120 reads well, as my recollection. But
8 there was a second category that I forget, as
9 well. That we could -- if we are going back
10 to the record, if we could also include that,
11 I would really appreciate that.

12 MS. BLUE: We'll check that, as
13 well.

14 COMMISSIONER MACDONALD: I'll amend
15 the motion just to incorporate those
16 reservations by the acting chairman.

17 COMMISSIONER ZUNIGA: Any further
18 questions or comments? All those in favor,
19 Commissioner Stebbins?

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER ZUNIGA: Commissioner
22 Cameron?

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Commissioner

1 Macdonald?

2 COMMISSIONER MACDONALD: Aye.

3 COMMISSIONER ZUNIGA: Commissioner
4 Crosby?

5 CHAIRMAN CROSBY: Aye.

6 COMMISSIONER ZUNIGA: And
7 Commissioner Zuniga votes aye. The ayes have
8 it unanimously. All right. Second item on
9 the agenda, Executive Director Bedrosian.

10 MR. BEDROSIAN: Good afternoon,
11 Commissioners.

12 COMMISSIONER ZUNIGA: Good
13 afternoon.

14 COMMISSIONER CAMERON: Good
15 afternoon.

16 MR. BEDROSIAN: I'm going to change
17 up the order of the updates slightly.
18 General update, I don't have anything. I
19 will have items under both B and C. But
20 before we do that, I am going to move up
21 Director Lennon for the quarterly budget
22 update first, and then I'll go into those
23 other two items, if that's okay with the
24 Commission.

1 COMMISSIONER ZUNIGA: That's fine by
2 us.

3 MR. LENNON: Thank you, Executive
4 Director. Good afternoon, Commissioners.

5 COMMISSIONER ZUNIGA: Good
6 afternoon.

7 COMMISSIONER STEBBINS: Good
8 afternoon.

9 MR. LENNON: I'm here joined by
10 Agnes Beaulieu, and we're here to present to
11 you the second quarterly budget update,
12 fiscal year 2018.

13 The Massachusetts Gaming Commission
14 approved a FY '18 budget for the Gaming
15 Control Fund of 29.15 million, which required
16 an assessment of 24.45 million on licensees.
17 After first quarter adjustments, roll forward
18 of FY '17 surplus revenue, and increases for
19 hiring related to the opening of MGM, the
20 MGC's revised approved budget is 29.7 million
21 requiring a \$24.15 million assessment. This
22 update is seeking approval to increase the
23 budget by 565,000 without a corresponding
24 increase in the assessment.

1 The approved FY '18 budget of 29.7
2 million is composed of five areas in your
3 memo, with 19.2 million directly attributable
4 to gaming regulatory costs. The memo on
5 corresponding attachments details the
6 increased request of 565,000, which is
7 inclusive of a decrease of 85,000 in salary,
8 pension, insurance and indirect costs related
9 to delayed hires and attrition, an increase
10 of 645,000 to support, mainly, ongoing
11 litigation in the legal department, and an
12 increase of 5,000 for stenographer costs.

13 The Commission's revenue is
14 generated from a daily fee for slot machines,
15 licensing revenues, and an assessment on
16 licensees. Licensing revenues to date are
17 exceeding projections. The majority of that
18 come from the final cost of primary gaming
19 vendor investigations exceeding the minimum
20 licensing fee and ongoing suitability
21 investigations, as well.

22 This has resulted in an increase in
23 revenue projection by, approximately, 92,000.
24 Staff is not recommending an increase to the

1 assessment at this time. 205 CMR 121
2 describes how the Commission shall assess its
3 operational costs on licensees, including any
4 increases or decreases that result of over or
5 underspending. Section 4 of that reg,
6 paragraph three, allows the Commission to
7 assess additional costs, if, at any time the
8 Commission determines actual costs will
9 exceed projected revenues.

10 MGC administration and finance staff
11 cannot determine, at this point, whether
12 actual costs will exceed actual revenues.
13 The combined impact of the increased costs
14 with the projected increased revenue leaves
15 the Commission's budget with a projected
16 deficit of about 449,000.

17 However, the MGC has reverted funds
18 in the Gaming Control Fund each year. And,
19 annually, the reversions have exceeded the
20 current, projected deficit. In addition, a
21 determination has not been made as to the
22 source of funding for the training costs of
23 the public safety personnel associated with
24 the Category 1 facilities.

1 Based on the information currently
2 available, staff is recommending to not
3 adjust the assessment on licensees until the
4 close of the third or fourth quarter of
5 FY '18. The MGC office of administration and
6 finance has discussed this approach with the
7 three licensees responsible for the
8 assessment, and they are in agreement that
9 they would favor waiting until the close of
10 fourth quarter.

11 COMMISSIONER ZUNIGA: Okay.
12 Actually, I should have mentioned something,
13 as well, in my opening remarks. Our
14 stenographer is not currently -- could not be
15 here today. She's attending streaming, and
16 we'll have a transcript of this meeting, like
17 we always do. But because she -- they're
18 also remotely, we should try to be slowly
19 when we make our remarks and a little bit
20 more clear. But thank you for that update,
21 Director. Are there any questions from the
22 commissioners?

23 COMMISSIONER CAMERON: Pretty
24 straightforward.

1 COMMISSIONER ZUNIGA: Any comments?

2 COMMISSIONER CAMERON: Thank you, as
3 always for...

4 COMMISSIONER ZUNIGA: Thank you.
5 It's -- as you mentioned, it's an important
6 piece that we do, these quarterly updates.
7 In the past, we've reverted monies back to
8 the licensees. But our -- as you project,
9 this might necessitate some revision, but we
10 can always come back and review it at a later
11 commission meeting.

12 MR. LENNON: Thank you.

13 MR. BEDROSIAN: So with that --

14 MR. LENNON: Well, Agnes has a
15 diversity update, too.

16 MS. BEAULIEU: Good afternoon,
17 Commissioners.

18 COMMISSIONER MACDONALD: Good
19 afternoon.

20 COMMISSIONER CAMERON: Good
21 afternoon.

22 COMMISSIONER ZUNIGA: Good
23 afternoon.

24 COMMISSIONER STEBBINS: Good

1 afternoon.

2 MS. BEAULIEU: In your packet, you
3 have the supplier diversity program
4 benchmarks, and Massachusetts Gaming
5 Commission's total spending and encumbrances
6 to date through the second quarter.

7 Currently, we have reached and
8 surpassed our benchmark for the small
9 businesses, and we are continuing to work
10 toward our benchmark for the minority-owned
11 businesses, which, at this time, we are on
12 target to reach by the end of the fiscal
13 year. We have at least one more encumbrance
14 for the minority businesses that we will be
15 preparing in the coming weeks that should
16 bring us to our goal.

17 Currently, we are on target for our
18 women-owned business goals that we have set.
19 There is also one more encumbrances that we
20 will be adding that should bring us over the
21 target. We are still reaching out to all of
22 our vendors to see if they have any
23 subcontractors that can be applied to these
24 categories. The final category of service

1 disabled veterans-owned businesses remains a
2 bit of a challenge, but we have identified a
3 vendor for office supplies and are continuing
4 to work with them. We are looking to use
5 this vendor whenever it is economically
6 prudent to do so.

7 COMMISSIONER ZUNIGA: Thank you for
8 that update, Ms. Beaulieu. Any questions
9 from the commissioners?

10 COMMISSIONER STEBBINS: No. Just --
11 just to comment. You know, again we strive
12 to preach what we ask our licensees to go
13 through, but I think it -- we should take
14 note of the fact that service diversity --
15 supplier diversity office for the state
16 regularly commends you, commends
17 Jill Griffin, Derek Chaves for their efforts
18 to just set an example, in terms of outreach
19 to diverse suppliers. So kudos for your
20 continued good work.

21 MS. BEAULIEU: Thank you.

22 MR. LENNON: Thank you.

23 COMMISSIONER ZUNIGA: Thank you.

24 COMMISSIONER MACDONALD: Thank you

1 both.

2 MR. BEDROSIAN: So with that,
3 Commissioners, I will move on to the MGM
4 opening update.

5 So at a staff level, we continue to
6 work closely with MGM Springfield's team. We
7 have monthly senior leadership meetings at
8 which we run down a to-do list of items with
9 both our senior teams. MGM Springfield, as
10 you know, I think Mr. Mathis has been here,
11 has added leadership at such positions as
12 security, surveillance, table games, slots,
13 marketing, human resources to support their
14 opening preparations.

15 We've started to use our office
16 space at the actual property. Angela Smith,
17 our lead gaming agent, is there daily, and is
18 working with MGM Springfield's heads of
19 security, surveillance, table and slots on a
20 daily basis. This is really for two reasons.
21 Advantage of having Angela there during
22 construction, is she can help identify
23 potential issues ahead of time, and in the
24 long run, obviously, it develops great

1 working relationships among the people who
2 have to collaborate on a daily basis.

3 We've also been having meetings with
4 MGM Springfield's gaming technology about
5 getting the slot floor up and running.
6 Installations of slot machines may begin as
7 early as March. Director Connelly, in charge
8 of our licensing, works closely with
9 Marikate Murren at MGM Springfield on getting
10 new, senior executives licensed, and
11 preparing for what we have called the tsunami
12 of licensing and registering employees in the
13 next six months.

14 Our legal division, General Counsel
15 Blue and her staff, is working with the IEB
16 to help promulgate the necessary regulations
17 with enough lead time, and you will see some
18 of those regulations today. We have started
19 to work on recruiting and hiring new gaming
20 agents. We're working with both the state
21 and Springfield police to form the gaming
22 enforcement unit that will both do licensing
23 of gaming employees and policing of the MGM
24 Springfield property. Both the new agents

1 and the law enforcement will need to undergo
2 specialized gaming -- excuse me, training.
3 Director Vander Linden is working on
4 responsible gaming commitments and having
5 GameSense agents ready to go at opening.
6 Director Griffin continues to work on
7 constructure and hiring commitments.

8 In terms of upcoming issues for the
9 Commission to deal with, here's what I see on
10 the short-term radar, regulations. Assume
11 you will see new or updated regulations at
12 most of our meetings. Service employee
13 exemptions. We are working with MGM to
14 finalize suggestions to positions the
15 Commission's to exempt from service
16 employees. I anticipate Director Connelly
17 making a presentation to the commission later
18 this month.

19 In March, I anticipate a
20 presentation by Ombudsman Ziemba and
21 Construction Manager Delaney, who have been
22 reviewing both the construction and licensing
23 commitments. Sometime after that,
24 potentially, in April, the Commission will

1 have to approve a final design of the gaming
2 establishment, and you also need a final
3 approval of what the gaming establishment
4 boundaries and the gaming floor boundaries
5 are.

6 In summary, staff continues to work
7 diligently at making sure we can fulfill our
8 regulator duties to open MGM Springfield on
9 time. If you have any questions for me happy
10 to answer them.

11 COMMISSIONER STEBBINS: Just two
12 quick comments. First of all,
13 Director Griffin has also been working with
14 the head of the regional employment board and
15 a group of stakeholders around operational
16 workforce issues. They're meeting on a
17 monthly basis. I think have another meeting
18 scheduled at the end of this month.
19 Actually, after we maybe give some clarity on
20 some of the SER positions.

21 I also had the chance to chat with
22 Director Vander Linden the other day, because
23 his team was responsible for doing employee
24 surveys as people were coming through to get

1 licensed. So we're going to meet on that
2 topic shortly. But people that were coming
3 through that were obviously at a point of
4 employment that they were coming to us for
5 fingerprinting go through a series of
6 questions on a tablet talking about, what you
7 were doing before you came here? What was
8 your level of training, and some of the other
9 baseline measurements we have as to the
10 effectiveness of the efforts to hire locally
11 and recruit locally. But so just, I guess,
12 two addendums to your report.

13 MR. BEDROSIAN: Yeah. Thank you, to
14 make sure I did not shortchange both
15 Directors Vander Linden and Griffin. They
16 are, obviously, doing very important, busy
17 work.

18 COMMISSIONER ZUNIGA: Ed, you
19 mentioned on your remarks that we would be
20 approving the design. There's also a
21 schedule element to the -- to this approval
22 that will -- you know, based on the review
23 that we'll be conducting in March; is that
24 fair to say?

1 MR. BEDROSIAN: Sure. Yeah. That,
2 sort of, tracks through to the opening date,
3 and there are some milestones. And, you
4 know, Ombudsman Ziemba and Construction
5 Manager Delaney are very much on top of that.
6 But yeah, I would anticipate that sometime in
7 March or April. We probably will do a
8 meeting in Springfield sometime, potentially,
9 in April, also.

10 COMMISSIONER ZUNIGA: Yeah.

11 MR. BEDROSIAN: Or suggest. We'll
12 suggest that we --

13 COMMISSIONER ZUNIGA: Yeah. No.
14 Plenty of time for us to figure out. There's
15 a lot going on over in Springfield and here,
16 as a result of all that ramp-up that clearly
17 continues.

18 MR. BEDROSIAN: Absolutely.

19 COMMISSIONER ZUNIGA: Other
20 questions --

21 CHAIRMAN CROSBY: Commissioner
22 Zuniga --

23 COMMISSIONER ZUNIGA: Yes, yes.

24 CHAIRMAN CROSBY: I just had one

1 point. I couldn't quite hear
2 Commissioner Stebbins. He may have referred
3 to this, but just for the record, I think
4 it's important for people to know that, also,
5 our research team headquartered at UMass
6 Amherst is completing its complete baseline
7 research on issues like problem gaming in the
8 host and surrounding community.

9 And then, all the other issues that
10 we've been studying, like crime rates and
11 property values and unemployment and so
12 forth, we're completing the building of that
13 database, five to 10 years of data on those
14 issues, so that we can track those issues
15 going forward. And that has to be
16 completed -- like all these other things,
17 that has to be completed prior to the opening
18 of MGM Springfield, and it will be.

19 COMMISSIONER ZUNIGA: Yeah, that's a
20 very good point. There's -- part of the
21 unique aspect of this research is that
22 there's both statewide and targeted samples.
23 Targeted samples are very relevant to the
24 area around the casino, the host and

1 surrounding communities. And there's quite a
2 bit of research that is coming up in the next
3 few months, as well, as we close this fiscal
4 year. Thank you for that point,
5 Mr. Chairman.

6 Other questions from commissioners,
7 or comments about the MGM review?

8 COMMISSIONER MACDONALD: No.

9 MR. BEDROSIAN: So with that, I'll
10 move on to the Wynn investigation update.

11 COMMISSIONER ZUNIGA: Okay. Please.

12 MR. BEDROSIAN: So, obviously, there
13 was a significant event last night and
14 Steve Wynn's resignation from Wynn Resorts.
15 As for our investigation --

16 CHAIRMAN CROSBY: Ed Bedrosian,
17 would you speak very clearly towards the mic.
18 I want to make sure I don't miss any of your
19 words.

20 MR. BEDROSIAN: Okay. Mr. Chairman,
21 can you hear me?

22 COMMISSIONER ZUNIGA: Actually, let
23 me -- do you want to move that mic over to
24 your side?

1 MR. BEDROSIAN: Let me see if I
2 can -- hold on for one second.

3 COMMISSIONER ZUNIGA: This one.

4 MR. BEDROSIAN: Mr. Chairman, can
5 you hear me clearly?

6 CHAIRMAN CROSBY: Wow. That's
7 perfect. Thank you.

8 MR. BEDROSIAN: You're welcome.
9 Obviously, there was a significant event last
10 night in Steve Wynn's resignation from
11 Wynn Resorts. As for the investigation
12 update, the resignation, in the short run,
13 raises additional considerations.

14 Those considerations include Steve
15 Wynn's continued stock ownership, management
16 and control influence, and brand and
17 financial impact. These are issues that will
18 need to be considered. I am telling you that
19 our investigation aggressively continues.
20 And our expectation of cooperation on behalf
21 of our licensee is very high, given the
22 gravity of these issues.

23 I'd like to remind you of the four
24 components of the Investigation and

1 Enforcement Bureau's review, as articulated
2 at the last meeting by Director Wells, which
3 continue to remain relevant, despite last
4 night's developments.

5 First, a review of the suitability
6 of individual qualifiers, including
7 Steve Wynn and other qualifiers potentially
8 involved in this matter.

9 Second, a review of any corporate
10 action, or lack therefore, contemporaneous
11 with the alleged misconduct. The question,
12 who knew what when and what, if anything, did
13 he or she do about it.

14 Third, the monitoring and reporting
15 back to the Commission on the corporate
16 response, the information that is clearly now
17 in the public domain. We will be looking at
18 how the company from the board down handles
19 the allegations.

20 And fourth, a review of how the
21 current situation potentially impacts the
22 financial stability of the company.

23 Our investigations and enforcement
24 bureau is working, even as we speak, to get

1 answers to these new issues, and will
2 consider Steve Wynn's resignation in their
3 analysis. However, it will not stop their
4 work.

5 Indeed, Director Wells and the IEB,
6 including the state police assigned to this
7 investigation, recognize the urgency of
8 getting answers so the Commission can make
9 appropriate decisions on the ongoing
10 suitability of Wynn Mass, LLC. In the
11 meantime the company continues to build a
12 project.

13 Finally, even with our sense of
14 urgency, investigations, which need to be
15 based on facts, take time. Moving forward,
16 the Commission will be updated as
17 appropriate.

18 With that, I'll try and answer any
19 questions I can, given these circumstances.

20 COMMISSIONER ZUNIGA: Commissioner?

21 COMMISSIONER CAMERON: Yes.

22 Executive Director Bedrosian, I think you
23 really did cover some of the main issues of
24 concern. Mainly, that our investigation has

1 to continue. Finding out exactly what
2 happened when, as you put it, is really
3 critical to any decisions we make. And I
4 know the team has a -- a sense that they have
5 to move quickly. But, also, they know that
6 we're expecting them to get it right. So as
7 you just pointed out, that could take some
8 time. So those are the things that were of
9 concern to me, and you mentioned every single
10 one of them so thank you for that.

11 COMMISSIONER ZUNIGA: Commissioner
12 Macdonald? Oh, do you want to make a
13 comment, Commissioner Crosby?

14 CHAIRMAN CROSBY: Go ahead with
15 Commissioner Macdonald. Excuse me, I thought
16 there was a pause.

17 COMMISSIONER MACDONALD: I will be
18 brief. Mr. Bedrosian, I thought your
19 statement very aptly summarized the state of
20 the investigation and the intentions of our
21 IEB investigative team. I spoke last week at
22 some length. Someone suggested an excessive
23 length about my priorities for the
24 investigation. I would just reaffirm what I

1 said last week. And I have total confidence
2 in the work of Director Wells and the
3 expanded investigative team.

4 MR. BEDROSIAN: Thank you,
5 Commissioner.

6 COMMISSIONER ZUNIGA: Commissioner
7 Crosby, did you want to make a comment?

8 CHAIRMAN CROSBY: Yeah. I had a
9 couple. One commissioner -- or
10 Director Bedrosian, Wynn board appointed a
11 new CEO, I believe, Matt Maddox, and a new
12 director -- I mean, a new board chair by the
13 name Wayson. Do we know whether either of
14 both of those people had any knowledge of the
15 events of the \$7.5 million settlement?

16 MR. BEDROSIAN: I cannot answer that
17 at this time, Mr. Chairman. That would
18 certainly seem to be a part of the ongoing
19 investigation.

20 CHAIRMAN CROSBY: Okay. I mean, I
21 understand the issue about, you know, needing
22 to be sensitive. But just to reiterate what
23 you said, in terminology that would be
24 familiar to many, the question -- a central

1 question is, what did the board of directors
2 and staff know and when did they know it,
3 about the settlement and the associated
4 allegations? That's a critical point for us,
5 and for the public of Massachusetts, to know
6 ASAP.

7 COMMISSIONER ZUNIGA: Yep. One
8 central reason why this investigation
9 continues, as you say, we've requested
10 documentation, as I understand it, and some
11 of that documentation is being delivered; is
12 that a fair statement?

13 MR. BEDROSIAN: That would be the
14 normal course in an investigation like this.

15 COMMISSIONER ZUNIGA: Commissioner
16 Stebbins, any questions or remarks?

17 COMMISSIONER STEBBINS: No. Just to
18 add, and I made this point, also, at the last
19 meeting, obviously, our team is conducting
20 the investigation the way investigations are
21 handled. I would only ask that, again, we
22 be -- that this commission be alerted, if,
23 for some reason, we are not receiving
24 cooperation from any party to this

1 investigation. That stuff should be more
2 immediately be brought to our attention.
3 But, obviously, you know, the ins and outs of
4 the investigation we'll hear at the
5 culmination of our team's work.

6 MR. BEDROSIAN: Understood.

7 COMMISSIONER ZUNIGA: Absolutely.
8 Well, I, for one, take their comments at face
9 value, the public remarks, that Mr. Wynn
10 feels that he could no longer continue
11 doing -- performing his duties, his roles,
12 given all of these allegations. But, again,
13 the question for us is broader. One about
14 other qualifiers and how -- that all of those
15 controls around protecting employees and
16 whatnot are really implemented and followed
17 up on.

18 So it's only fair to continue
19 diligently, like I know you are and you will.
20 And in a fair way so that we can get it
21 right. I know there's a -- there's a sense
22 of speed here, there's a sense of urgency.
23 But I would -- I would suggest that it's more
24 important to understand and get things right

1 at this point.

2 MR. BEDROSIAN: Understood.

3 CHAIRMAN CROSBY: I just have one
4 other point, Mr. Zuniga, if that's all right.
5 This also was -- has been effectively stated
6 by Director Bedrosian. But he made a point
7 of talking about all of the work that's going
8 on. We had a big job in front of us with
9 MGM, and the Investigations and Enforcement
10 Bureau had a big job in front of it, just to
11 get MGM opened on time.

12 But I want the public to know that
13 we have the resources available to us to do
14 both jobs quickly and well, and we will.
15 There's no conflict between getting MGM
16 opened quickly, expeditiously and with
17 absolute integrity, while, at the same time,
18 we pursue these issues to the endpoint, also,
19 as quickly as possible.

20 COMMISSIONER ZUNIGA: That's totally
21 on point and I agree.

22 MR. BEDROSIAN: Yeah. Thank you,
23 Mr. Chairman. Obviously, it goes without
24 stating from staff's point of view, we

1 recognize both those things are critically
2 important.

3 CHAIRMAN CROSBY: Right. Thanks.

4 COMMISSIONER ZUNIGA: Other
5 questions or comments from commissioners on
6 this matter?

7 COMMISSIONER MACDONALD: No.

8 THE FLOOR: Is there going to be --

9 COMMISSIONER ZUNIGA: This is not a
10 public hearing, ma'am.

11 COMMISSIONER CAMERON: This is not a
12 hearing.

13 THE FLOOR: Well, he's talking about
14 the public so I -- will you schedule
15 something for the public to be heard on this
16 issue, as it's been addressed at this time?

17 COMMISSIONER STEBBINS: As we stated
18 last meeting, we don't have a hearing
19 scheduled. But, certainly, MGC comments is
20 our e-mail for any public comment. And all
21 of those e-mails are shared among the five
22 commissioners.

23 THE FLOOR: I was just asking --

24 COMMISSIONER STEBBINS: Thank you.

1 COMMISSIONER ZUNIGA: Duly noted.
2 Actually, we planned on taking a break after
3 this. There may be some questions from the
4 press, perhaps. So we're going to -- we're
5 going to take a break, five-minute recess,
6 and we'll be right back. Stay on line,
7 Mr. Chairman.

8
9 (A recess was taken)

10
11 COMMISSIONER ZUNIGA: All right. We
12 are reconvening the meeting of the
13 commission, No. 235. Next item on the
14 agenda, I believe, is Ombudsman Ziemba.

15 MR. ZIEMBA: Commissioners, today I
16 provide a brief review of the 2018 Community
17 Mitigation Fund applications we received by
18 the February 1st deadline. My purpose here
19 today, is to give you a brief overview of
20 process that we're going to take to review
21 all of these applications. I'm not planning
22 to get into any detail regarding any one of
23 these applications. And the review teams
24 have yet to meet. But I just want to remind

1 the commissioners and remind those in our
2 audience what our review process will be.

3 In total, the Commission received 27
4 applications worth almost \$9 million. Our
5 target spending for the year is \$6 million.
6 We have, approximately, \$10 million left in
7 the fund that has not been awarded or
8 otherwise allocated. Approximately,
9 \$1 million of the \$9 million of the \$9
10 million in applications has already been
11 planned. For example, we have a tribal
12 technical assistance application that is a
13 refile of an application that was awarded in
14 2017 but has not been utilized to date, due
15 to uncertainties regarding that project.

16 As you'll see in your packet, we
17 have a memo that summarizes these funding
18 amounts. And it gives you a little detail
19 regarding the applications that we received.
20 It matches up the applications we receive
21 versus the program targets that we set when
22 we established the 2018 guidelines back in
23 December.

24 What I'd like to do now is work

1 backwards a little bit. We're hoping to have
2 determinations regarding these grant
3 applications well before the new fiscal year,
4 which begins on July 1st. We're hoping to
5 get decisions well before that date so that
6 we can help municipalities and others from a
7 fiscal planning perspective.

8 In order to reach that date, we're
9 going to quickly convene our review team.
10 The review team right now includes myself,
11 Commissioner Macdonald, Catherine Blue, Derek
12 Lennon, Jill Griffin, Joe Delaney, Mary
13 Thurlow. We will also ask the IEB for
14 assistance with some of the public safety
15 items that have been included in the
16 applications.

17 In addition to looking at the
18 applications, we will also look at the waiver
19 requests that we have received. Perhaps,
20 we'll come back to the commission in short
21 order early in our reviews to discuss the
22 waivers with the Commission.

23 As you know, Commissioner Macdonald,
24 he, as the commission's appointee to the

1 Community Mitigation Subcommittee, he's been
2 attending a lot of the Local Community
3 Mitigation Advisory Committees, as well as
4 some of the other commissioners, so he'll be
5 very helpful in our reviews as we go forward.

6 So almost immediately, we will reach
7 out to our licensees. Indeed, we have
8 already forwarded the applications to the
9 licensees, and we will ask them for their
10 opinions of their -- of these applications.
11 We will also reach out to the regional
12 planning agencies to see how these
13 applications may mesh with any regional
14 planning plans that they're engaged in, or
15 other items that they are currently
16 reviewing.

17 In addition to those, we will also
18 reach out to the Mass Department of
19 Transportation, MassDOT, as we did last year.
20 They were very -- very important on the
21 reviews that we did last year, on the mini
22 transportation items that are included in
23 their applications.

24 As we did last year, we will put all

1 of the applications on a very specific part
2 of our website. And we invite public comment
3 on any of these applications that should be
4 up in very short order, as well. The review
5 teams take all of those comments into
6 consideration during our reviews, and they're
7 also forwarded to the commissioners.

8 After the internal reviews, we will
9 then reach out to all of the applicants, and
10 we will invite them to meet with the review
11 teams. And we will hope to, in the course of
12 those review meetings, to flush out any
13 questions that the reviewers have, and to get
14 a general understanding of the applications.
15 Following that, we submit a written letter of
16 questions to each of the applicants. They
17 respond in writing, and those are included in
18 the packet.

19 Indeed, if commissioners have any
20 questions regarding the applications, either
21 before or after these meetings, they're
22 encouraged to talk to -- to any of the
23 reviewers, and we will try to get those
24 questions answered. And, certainly, after we

1 conduct our reviews, there'll be, you know,
2 significant questions by the commissioners.
3 So I welcome any questions. And I think
4 that's all we have for our review.

5 COMMISSIONER ZUNIGA: Thank you.
6 John, any questions from commissioners.

7 COMMISSIONER MACDONALD: Well, I
8 just --

9 CHAIRMAN CROSBY: As usual, it's
10 incredibly thorough. Thank you,
11 Ombudsman Ziemba.

12 COMMISSIONER ZUNIGA: Thank you,
13 Mr. Crosby. Commissioner Macdonald?

14 COMMISSIONER MACDONALD: Yeah. I
15 just might say that I'm thrilled to be on the
16 cusp of a new -- a new season of being part
17 of the review team. I look forward to
18 reviewing the thousands of pages that our
19 staff -- God bless Mary Thurlow, has
20 organized for us. And I was very impressed
21 with everybody's work last year. And on the
22 serious note, am, in fact, looking forward to
23 participating in the process again this year
24 so...

1 COMMISSIONER ZUNIGA: Other
2 questions or comments?

3 COMMISSIONER CAMERON: Thank you for
4 all the work, and very well-organized. Look
5 forward to when you have time to receive
6 comments and then give us further details
7 about what direction, so thanks.

8 COMMISSIONER ZUNIGA: Yeah. I want
9 to emphasize that notion about all the work
10 that goes, not just at the beginning when we
11 receive all these applications, but there's a
12 lot of documents that go back and forth
13 between applicants, and for this mitigation
14 grants and our review team for clarification
15 relative to how they apply to and connect to
16 the casino and what can be expected, as well
17 as other prior efforts that have been made in
18 the past. So I know it's a great -- great
19 task and look forward to it.

20 Just one question. I think you
21 mentioned this on your remarks. There's
22 \$9 million currently, in the fund
23 uncommitted?

24 MR. ZIEMBA: \$10 million in the fund

1 that's uncommitted. But we received, you
2 know, almost \$9 million worth of
3 applications.

4 COMMISSIONER ZUNIGA: For those
5 applications. Right. But those are
6 commitments. Everything else, that doesn't
7 mean balance. There's, perhaps, a little bit
8 more because some of those commitments are
9 taking time to spend down. In the case of,
10 for example, the reserves, they're not spent
11 until we later authorize, et cetera.

12 MR. ZIEMBA: That's exactly right.

13 COMMISSIONER ZUNIGA: Yeah. Okay.
14 So we're well within --

15 CHAIRMAN CROSBY: John?

16 MR. ZIEMBA: Yes.

17 CHAIRMAN CROSBY: Excuse me. John,
18 remind us, the fund begins to be replenished,
19 once MGM opens, right?

20 MR. ZIEMBA: Exactly.

21 CHAIRMAN CROSBY: What's the --
22 what's the expected revenues in fiscal --
23 what would it be, '19, I guess?

24 MR. ZIEMBA: Yeah. We're being very

1 conservative with all of our anticipated
2 revenues. But back in December, when we
3 discussed this, we said that we can probably
4 count on at least a million-and-a-half to
5 \$2 million to be deposited back into the fund
6 for next year. So if we had \$10 million,
7 roughly, left in the fund, \$6 million for
8 this year's program, we would have, roughly,
9 the same amount going into next year,
10 speaking very conservatively.

11 CHAIRMAN CROSBY: Okay. Good. That
12 makes sense. Thanks.

13 COMMISSIONER STEBBINS: Just a
14 reminder.

15 COMMISSIONER ZUNIGA: And I think
16 that's a very good approach, because we don't
17 want to deplete it all upfront, let's say,
18 prior to the opening, counting on those
19 revenues. Those revenues begin to escalate
20 as money comes in. So in our yearly funding
21 round, we need to be mindful to maintain
22 reasonable levels of funding capacity, which
23 I know this could effectively allow us to do.

24 MR. ZIEMBA: I want to -- I wanted

1 to make -- I'd be remiss, if I didn't thank
2 Mary for all of the work she does, and the
3 review team. But I also want to thank all of
4 our Local Community Mitigation Advisory
5 Committee members from the communities and
6 the Community Mitigation Subcommittee, and
7 all of the advisory committees that help put
8 this together each year. And, undoubtedly,
9 as we get close to opening MGM Springfield,
10 we'll review a whole new can of beans on the
11 types of issues that we'll be looking at for
12 the next funding round.

13 COMMISSIONER ZUNIGA: What is the
14 next major milestone? When do we expect to
15 come before with some funding
16 recommendations, broadly?

17 MR. ZIEMBA: I think probably, we
18 might come back to the Commission with some
19 questions regarding the waiver requests that
20 we received. And after we assemble and
21 discuss the applications, perhaps, we will
22 come back on some of those waiver requests.
23 And, you know, some of the applicants have
24 discussed if there's any way that we could

1 expedite the reviews, because of some fiscal
2 issues that they're experiencing, we'll have
3 to come back with that, as well.

4 COMMISSIONER MACDONALD: Is not the
5 deadline, though, John, the end of June?

6 MR. ZIEMBA: We want to make sure
7 that we have decisions before July 1st for --
8 so they can have a full fiscal year to get
9 these grants underway.

10 COMMISSIONER STEBBINS: It truly has
11 become, kind of, a year-long process. Not
12 just the review, but after you make awards,
13 there's a contract process you go through,
14 and then it seems like you roll right into
15 the next round of local community mitigation
16 guideline meetings so...

17 MR. ZIEMBA: Yeah. We actually are
18 going to do a little bit of an overlap this
19 year, so we're going to start working on a
20 lot of the details of next year's program
21 this spring and into the summer. Just so we
22 can get a head-start, because we have, like I
23 said, a whole new group of issues going into
24 the operations phase for MGM Springfield.

1 COMMISSIONER STEBBINS: Okay.

2 COMMISSIONER ZUNIGA: Very good. So
3 if there's no more questions for Mr. Ziemba,
4 we can move on to number five, the racing
5 division. Give you a minute to get set up.

6 MS. LIGHTBOWN: Good afternoon,
7 Commissioners.

8 COMMISSIONER ZUNIGA: Good
9 afternoon, Dr. Lightbown.

10 MS. LIGHTBOWN: Good afternoon.
11 Today, we have some, basically, standard
12 operating procedure items for the racing
13 division. The uncashed tickets get, by law,
14 128A, Section 5 -- 5A has -- we have to wait
15 a year before they can be given out. So what
16 we do is, Doug O'Donnell has met with the
17 parimutuel officer at Suffolk Downs to go
18 over -- they have four unclaimed tickets, and
19 he has checked with them and verified them.
20 So the recommendation for that is to pay
21 those individuals. And it comes to a total
22 of \$407, so we need a vote on that one.

23 COMMISSIONER CAMERON: So I move
24 that we -- that we request -- that we approve

1 the request of Sterling Suffolk Racecourse
2 for tickets, payments from 2016, for a total
3 of \$407.

4 COMMISSIONER ZUNIGA: Motion's made
5 on second?

6 COMMISSIONER MACDONALD: Second.

7 COMMISSIONER ZUNIGA: Any questions
8 or comments from commissioners.
9 Dr. Lightbown, is this a reflection of the
10 decreasing race days in Suffolk Downs for the
11 first time, or have we had very little --

12 MS. LIGHTBOWN: It's very similar to
13 last year. Last year, it was \$471, and it
14 was three claimed tickets so it was very
15 similar. And it's interesting, the amounts
16 of unclaimed ticket recovery that we're going
17 to get through for the next four items,
18 again, the item -- the numbers were very
19 similar for the tracks that are -- you know,
20 have live racing. They -- Raynham went down
21 a little bit, but the other -- one going
22 on -- Plainridge and Suffolk, those numbers
23 all were very close to what they were last
24 year.

1 COMMISSIONER ZUNIGA: Very close to
2 last year's. Okay. Motion's made on second.
3 Commissioner Stebbins?

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER ZUNIGA: Commissioner
6 Cameron?

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Commissioner
9 Macdonald?

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER ZUNIGA: Commissioner
12 Crosby?

13 CHAIRMAN CROSBY: Aye.

14 COMMISSIONER ZUNIGA: Commissioner
15 Zuniga votes aye. The ayes have it
16 unanimously.

17 MS. LIGHTBOWN: So Item B is
18 recovery of the unclaimed tickets for 2016
19 from Suffolk Downs. So they had a total
20 amount of 218,121.67. And we subtract the
21 407 from that to give us a total of
22 217,714.67 that we would recover from Suffolk
23 on the unclaimed tickets, and that requires a
24 vote.

1 COMMISSIONER CAMERON: So I
2 recommend that the commission approve the
3 payment of 217.714.67 from Sterling Suffolk
4 Racecourse to the Commonwealth of
5 Massachusetts for the 216 unclaimed winnings.

6 COMMISSIONER MACDONALD: Second.

7 COMMISSIONER ZUNIGA: A motion's
8 made on second. Any other questions or
9 comments from commissioners?

10 COMMISSIONER STEBBINS: Can we put
11 up signs and say keep your ticket, check your
12 ticket?

13 MS. LIGHTBOWN: It's always a little
14 surprising how much it adds up to.

15 COMMISSIONER ZUNIGA: Yeah. And,
16 again, this is similar to prior years, just
17 roughly?

18 MS. LIGHTBOWN: Yeah. Last year, it
19 came -- let's see, to 208,000. A little over
20 208,000 this year. You know, 217,000 so it's
21 very similar. That might be a reflection of
22 added race days. We had eight in '16 and,
23 yeah, we had a little bit more than the year
24 before so...

1 COMMISSIONER ZUNIGA: Okay. So
2 motion's made on second. Commissioner
3 Stebbins?

4 COMMISSIONER STEBBINS: Yes.

5 COMMISSIONER ZUNIGA: Commissioner
6 Cameron?

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Commissioner
9 Macdonald?

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER ZUNIGA: Commissioner
12 Crosby?

13 CHAIRMAN CROSBY: Aye.

14 COMMISSIONER ZUNIGA: Commissioner
15 Zuniga votes aye. The ayes have it
16 unanimously.

17 MS. LIGHTBOWN: So Item C is
18 recovery of the unclaimed winnings from
19 Wonderland. And that total came to
20 20,514.54. And, again, we need a vote on
21 that one.

22 COMMISSIONER STEBBINS: Mr. Chair, I
23 move that the Commission approve the payment
24 of \$20,514.54 from Wonderland Greyhound Park

1 to the Commonwealth of Massachusetts for 2016
2 unclaimed winnings.

3 COMMISSIONER CAMERON: Second.

4 COMMISSIONER ZUNIGA: Any
5 discussion? Motion's made on second.
6 Commissioner Stebbins?

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER ZUNIGA: Commissioner
9 Cameron?

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER ZUNIGA: Commissioner
12 Macdonald?

13 COMMISSIONER MACDONALD: Aye.

14 COMMISSIONER ZUNIGA: Commissioner
15 Crosby?

16 CHAIRMAN CROSBY: Aye.

17 COMMISSIONER ZUNIGA: And
18 Commissioner Zuniga votes aye. The ayes have
19 it unanimously.

20 MS. LIGHTBOWN: Just as a point of
21 interest, for 2015 the Wonderland amount was
22 a little over 200 -- over 17,000 in this --
23 for '16 it was 20,000.

24 So the next item is the same issue

1 for Plainridge. And the amounts came to a
2 total of 174,558.68. And, again, we need a
3 vote on that. In '15, Plainridge's total
4 came to a little over 158,000 so...

5 COMMISSIONER ZUNIGA: Could that be
6 attributed a little bit to increased
7 activity, or am I reading a little too much
8 into figures?

9 MS. LIGHTBOWN: It might be. And,
10 also, they did have a significant, you know,
11 number of added days, so I think that might
12 have contributed, also.

13 COMMISSIONER ZUNIGA: Right. Okay.
14 Is there a motion?

15 COMMISSIONER MACDONALD: Yeah. I
16 move that the Commission approve the payment
17 of \$174,558.68 from the Plainridge Racecourse
18 to the Commonwealth of Massachusetts for 2016
19 unclaimed winnings.

20 COMMISSIONER CAMERON: Second.

21 COMMISSIONER ZUNIGA: Motion's made
22 on second. Any more discussion?
23 Commissioner Stebbins?

24 COMMISSIONER STEBBINS: Aye.

1 COMMISSIONER ZUNIGA: Commissioner
2 Cameron?

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Commissioner
5 Macdonald?

6 COMMISSIONER MACDONALD: Aye.

7 COMMISSIONER ZUNIGA: Commissioner
8 Crosby?

9 CHAIRMAN CROSBY: Aye.

10 COMMISSIONER ZUNIGA: And
11 Commissioner Zuniga votes aye. The ayes have
12 it unanimously.

13 MS. LIGHTBOWN: So the next item is
14 for the same idea for Raynham-Taunton. This
15 year, the amount for 2016 recovery is
16 168,414.50. And just for -- since you were
17 interested, in '15 the return amount was
18 180,953. So that one has gone down a little
19 bit this year. And, again, this requires a
20 vote.

21 COMMISSIONER CAMERON: I move that
22 the Commission approve the payment of
23 \$168,414.50 from Raynham-Taunton Massasoit
24 Greyhound Associations to the Commonwealth of

1 Massachusetts for the 2016 unclaimed
2 winnings.

3 COMMISSIONER MACDONALD: Second.

4 COMMISSIONER ZUNIGA: Any more
5 discussion? Motion's made on second.
6 Commissioner Stebbins?

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER ZUNIGA: Commissioner
9 Cameron?

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER ZUNIGA: Commissioner
12 Macdonald?

13 COMMISSIONER MACDONALD: Aye.

14 COMMISSIONER ZUNIGA: Commissioner
15 Crosby?

16 CHAIRMAN CROSBY: Aye.

17 COMMISSIONER ZUNIGA: And
18 Commissioner Zuniga votes aye. The ayes have
19 it unanimously.

20 MS. LIGHTBOWN: So our next item,
21 Item F, is a promotional fund payment request
22 for Suffolk Downs. Bruce Barnett is here
23 today representing Suffolk, if there's any
24 questions. And I'll turn it over to

1 Doug O'Donnell for that item and the local
2 aid payments.

3 MR. O'DONNELL: Good afternoon,
4 Commissioners.

5 COMMISSIONER MACDONALD: Good
6 afternoon.

7 COMMISSIONER CAMERON: Good
8 afternoon.

9 COMMISSIONER ZUNIGA: Good
10 afternoon.

11 COMMISSIONER STEBBINS: Good
12 afternoon. What you have in front of you is
13 a request for reimbursement from the
14 Suffolk Downs Promotional Trust Fund. It is
15 for project number SPT 2011-1. And the total
16 amount of the request is \$185,219.60. This
17 will actually be the balance due on this
18 particular project so there will be a zero
19 balance.

20 And in the trust fund, after this is
21 paid out with your approval, we'll have
22 \$2,367.54. This is primarily for advertising
23 and promotional items for the year 2011.
24 We're going back that far with this

1 particular project, but we will need your
2 vote on that.

3 COMMISSIONER ZUNIGA: Do I remember
4 at least -- tell me if I'm getting my years
5 correct. Does this -- have we approved
6 payments from these trust fund for years
7 prior -- for years after 2011?

8 MR. O'DONNELL: After 2011, no, not
9 for this -- for the promotional trust fund we
10 have not. No. We're staying in sequence on
11 an annual basis. So the next -- in fact,
12 Mr. Tuttle had submitted a letter. And I
13 believe it's the second letter in the packet,
14 you'll see when the next project is for 2012,
15 which we'll be requesting reimbursement for,
16 once the funds have built up enough to --
17 that we can do that.

18 COMMISSIONER ZUNIGA: Right. Right.
19 So there will always be a bit of a -- quite a
20 bit of backlog, I suppose, right?

21 MR. O'DONNELL: Yeah.

22 COMMISSIONER ZUNIGA: It's a
23 function of backlog, not a function of when
24 these promotional monies are expended.

1 MR. O'DONNELL: Right. Back then,
2 in these particular years they were spending
3 a lot more on promoting racing than the
4 promotional funds that were coming.

5 COMMISSIONER ZUNIGA: Right.

6 MR. O'DONNELL: So it's kind of on
7 the flip side with the Capital Improvement
8 Trust Fund. They have -- you know, they have
9 an excess amount of money in the cap fund,
10 and they're doing projects now to try to
11 expend that money.

12 COMMISSIONER ZUNIGA: Right.

13 COMMISSIONER MACDONALD: Doug,
14 remind me as to what the origin of the funds
15 in the trust fund are, is it a statutory?

16 MR. O'DONNELL: Yes, it is. Yes.
17 And it was primarily for the purpose of
18 promoting the track. We're basically holding
19 the funds for them so we will know that they
20 will be -- you know, and improvements with
21 the capital expenditures, and advertising and
22 promotional items for promoting the track.

23 MR. ZUNIGA: There's how many funds
24 that come out of those -- out takeout --

1 MR. O'DONNELL: It's a cap and promo
2 fund. The racing stabilization fund comes
3 out with the dog handles, which is a totally
4 separate issue.

5 COMMISSIONER ZUNIGA: Yeah, this is
6 all statutory. I guess the equivalent in
7 gaming is the 3 percent of gross gaming
8 revenues that they're required to put back
9 in. But it's not through a trust fund, it's
10 really through a plan. This is a particular
11 work of racing.

12 COMMISSIONER STEBBINS: Doug -- oh,
13 I'm sorry.

14 COMMISSIONER ZUNIGA: Please.

15 COMMISSIONER STEBBINS: Doug, the
16 letter from Mr. Tuttle references 2011, 2012,
17 2013. Are we holding promotional monies for
18 '14, '15, '16 and '17?

19 MR. O'DONNELL: They haven't
20 submitted anything for those years as of yet.

21 COMMISSIONER STEBBINS: Okay.

22 COMMISSIONER ZUNIGA: But, again,
23 you know, it's the monies that are --
24 actually we have to build before we can

1 disburse anything. Okay. Anymore
2 discussion? Do I hear a motion?

3 COMMISSIONER CAMERON: So I move
4 that we approve the request for reimbursement
5 by Suffolk Downs Promotional Trust Fund in
6 the amount of 185,219.60, as outlined in the
7 memo dated February 7, 2018.

8 COMMISSIONER MACDONALD: Second.

9 COMMISSIONER ZUNIGA: Any more
10 discussion? Motion's made on second.
11 Commissioner Stebbins?

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER ZUNIGA: Commissioner
14 Cameron?

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Commissioner
17 Macdonald?

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER ZUNIGA: Commissioner
20 Crosby?

21 CHAIRMAN CROSBY: Aye.

22 COMMISSIONER ZUNIGA: Commissioner
23 Zuniga votes aye. The ayes have it
24 unanimously.

1 MR. O'DONNELL: Thank you.

2 COMMISSIONER ZUNIGA: Thank you.

3 COMMISSIONER CAMERON: thank you.

4 COMMISSIONER ZUNIGA: Are those --

5 MS. LIGHTBOWN: The next item is the
6 local aid. Doug will do that one also.

7 COMMISSIONER ZUNIGA: Okay.

8 MR. O'DONNELL: So what we have here
9 is the quarterly local aid distribution.
10 These are monies that are submitted to the
11 local towns where racing is taking place and
12 simulcasting. These are done on a quarterly
13 basis, and at six-month in arrears.

14 So this is for the December 31st
15 payment, which would be April, May and June
16 of 2017. The total amount of handles and the
17 .35 percent that's going to be paid to the
18 towns is \$245,768.79. And on the second
19 page, you will see the computation sheet,
20 which has each city and town listed as to
21 what the disbursements will be to them,
22 totaling that amount, and we will need your
23 vote on it.

24 COMMISSIONER ZUNIGA: I have a --

1 and, again, maybe I have this question the
2 same time every time. But has also -- has
3 some of these monies changed dramatically
4 with the change in activity at the -- at
5 Suffolk Downs, in terms of live racing, or is
6 this really more treatment by the
7 simulcasting?

8 MR. O'DONNELL: With the live
9 racing, it does increase a little bit. So
10 this is April, May and June. So we're going
11 to see more of a bump in this quarter. It's
12 245,000. Whereas, I believe last quarter was
13 166,000. So during the live racing season,
14 you're going see the handles high and so
15 you'll see more of a disbursement.

16 COMMISSIONER ZUNIGA: Right. And
17 what is just an order of magnitude of the
18 total every year that gets distributed from
19 these -- from these monies to the cities and
20 towns, a million dollars, like, four times
21 this amount?

22 MR. O'DONNELL: It's --

23 COMMISSIONER ZUNIGA: It varies?

24 MR. O'DONNELL: There's a cap at

1 1.1 million. But we haven't reached that
2 since, I'd say, back in 2008 or nine.
3 It's -- last year was \$754,000.

4 COMMISSIONER ZUNIGA: Okay.

5 MR. O'DONNELL: So this year, it may
6 be a little bit more because there was a
7 little bit of an increase for the handles.
8 But, you know, it stays within that -- within
9 that realm right there.

10 COMMISSIONER ZUNIGA: Yeah. Okay.
11 Are there -- if there's no more questions for
12 Mr. O'Donnell, do I hear a motion?

13 COMMISSIONER STEBBINS: Mr. Chair, I
14 move that the Commission approve the local
15 aid quarterly payment dated December 31, 2017
16 for 245,768.79 with the distribution as
17 outlined in the packet.

18 COMMISSIONER CAMERON: Second.

19 COMMISSIONER ZUNIGA: Motion's made
20 on second. Commissioner Stebbins?

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER ZUNIGA: Commissioner
23 Cameron?

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Commissioner
2 Macdonald?

3 COMMISSIONER MACDONALD: Aye.

4 COMMISSIONER ZUNIGA: Commissioner
5 Crosby?

6 CHAIRMAN CROSBY: Aye.

7 COMMISSIONER ZUNIGA: Commissioner
8 Zuniga votes aye. The ayes have it
9 unanimously.

10 MS. LIGHTBOWN: Thank you.

11 COMMISSIONER ZUNIGA: Thank you.

12 COMMISSIONER MACDONALD: Thank you
13 both.

14 COMMISSIONER CAMERON: Thank you.

15 COMMISSIONER ZUNIGA: So that
16 concludes the -- number five, the racing
17 division, and we move on to the legal
18 division. General Counsel Blue --

19 MS. BLUE: Good afternoon,
20 Commissioners.

21 COMMISSIONER ZUNIGA: -- and Deputy
22 Counsel Grossman.

23 COMMISSIONER CAMERON: Good
24 afternoon.

1 COMMISSIONER MACDONALD: Good
2 afternoon.

3 MS. BLUE: As Executive Director
4 Bedrosian mentioned, the Commission has been
5 seeing and will continue to see regulations,
6 both new and amendments to existing
7 regulations, as we move towards the opening
8 of our Category 1 casinos. I also want to
9 advise the Commission that, oftentimes, when
10 an issue arises, that requires amendments to
11 more than one regulation because, oftentimes,
12 issues go across various regulations, and the
13 regulations are, in fact, interconnected.

14 So sometimes, for example, we'll
15 talk about 6A, if an amendment to address a
16 certain matter has to impact a couple of
17 different regulations. So we are very
18 mindful of trying to make sure we track
19 issues through the entire body of our
20 regulatory regulations.

21 So on 6A, we're asking you today to
22 let us begin the promulgation process for
23 amendments to the alcohol beverage license.
24 And as you recall, the legislature gave the

1 Commission the ability to allow licensees to
2 apply for additional alcohol beverage service
3 between the hours of two and 4:00 a.m., if
4 requested, and only on service on the gaming
5 floor and the Commission approves it.

6 The purpose of these amendments are
7 simply to conform the statute and the
8 regulation. There is no other -- no other
9 change to that. We have -- since this is
10 beginning, we have not put this out for
11 public comment yet, but we will, and take it
12 through the process. So there is time for
13 the commissioners to consider it, to look at
14 those comments as they come in. We will have
15 our normal public hearing on that. But what
16 we're asking you today, is to approve the
17 Small Business Impact Statement and the
18 amendments to these regulations, and to start
19 the promulgation process.

20 COMMISSIONER ZUNIGA: Okay. Any
21 questions for Counsel Blue?

22 COMMISSIONER STEBBINS: Yeah. More
23 of just a comment. Obviously, this was, you
24 know, the statute changed allowing a licensee

1 to request beverage service from two to four
2 in the morning. You know, just, I think we
3 want to be cognizant about the fact we did
4 hear from some law enforcement groups on this
5 issue. I also found a letter from
6 Senator Lewis, who, at the time, was a chair
7 of the senate public health committee,
8 outlining the senator's concerns about this
9 change.

10 As I went through the -- went
11 through the regs, and obviously it's more, as
12 you pointed out, just to fold into our
13 regulations what the statute says, and it's
14 up to us on the other side to come up for a
15 process for reviewing this, you know, we may
16 want to consider, at least have staff
17 consider some element of a public hearing for
18 a license application. If we were going to
19 open up a bar in any town across
20 Massachusetts, you have to have a public
21 hearing. It would seem to make sense that we
22 would fold that in -- somewhere into our
23 evaluation on that type of request.

24 MR. BEDROSIAN: Yeah, we are --

1 Commissioner, good point. We're obviously
2 working on that in conversations with all our
3 licensees and recognize the vital importance
4 of public input. But to be clear, as both
5 you and General Counsel Blue have said,
6 literally, we're trying to conform with the
7 law right now. But we do recognize,
8 potentially, a very sensitive issue. And we
9 would anticipate the Commission would want
10 public input on this. No question about it.

11 So we're also trying to build that
12 in as I -- I talk about my opening timeline.
13 We're trying to back that up to fit in so
14 there's enough process, so the Commission has
15 enough information to eventually make those
16 decisions. This isn't the traditional 2:00
17 a.m. business.

18 COMMISSIONER MACDONALD: And so that
19 the record is clear, our affirmative vote on
20 this does not reflect a vote in favor of our
21 establishments.

22 MR. BEDROSIAN: Absolutely not.
23 It's just, literally, that the laws change
24 and our regs need to conform with the law,

1 reserving the authority to be exercised,
2 we're not, at a later time.

3 COMMISSIONER ZUNIGA: Right.

4 COMMISSIONER CAMERON: If and when
5 we receive an application.

6 COMMISSIONER STEBBINS: Correct.

7 COMMISSIONER ZUNIGA: That was the
8 point I was going to make. We first have to
9 get an application.

10 MR. BEDROSIAN: Yep. Absolutely.
11 So either way, our regs will conform with the
12 law, and then we'll go through another
13 process, substantive process.

14 COMMISSIONER ZUNIGA: And all the
15 comments that we receive, we'll continue to
16 file them appropriately, whenever we have to
17 come back and make decisions along these
18 lines. Okay. So if there's no more
19 discussion, can I -- do I hear a motion?

20 COMMISSIONER MACDONALD: I can
21 move -- I move that the Commission approve
22 the amendments to 205 CMR 136 and 138.12, as
23 included in the packet and authorize the
24 staff to take the steps necessary to file the

1 regulation with the secretary of the
2 commonwealth, and to proceed with the
3 regulation promulgation process.

4 Further, I move that the Commission
5 approve, for filing, the associated Small
6 Business Impact Statement as included in the
7 packet.

8 COMMISSIONER CAMERON: Second.

9 COMMISSIONER ZUNIGA: Okay. Any
10 more discussion? Motion's made on second.
11 Commissioner Stebbins?

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER ZUNIGA: Commissioner
14 Cameron?

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Commissioner
17 Macdonald?

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER ZUNIGA: Commissioner
20 Crosby?

21 CHAIRMAN CROSBY: Aye.

22 COMMISSIONER ZUNIGA: Commissioner
23 Zuniga votes aye. The ayes have it
24 unanimously.

1 MS. BLUE: Thank you. Item 6B, with
2 the permission of Executive Director
3 Bedrosian and the Commission, I would like to
4 defer action on 6B. We have had some more
5 discussion amongst ourselves and our
6 colleagues, and we think there's some more
7 work to be done on this. So we will bring
8 this back to you at a later time with more
9 information and a new redraft of the
10 regulation.

11 COMMISSIONER ZUNIGA: That's fine by
12 me and, looks like, others. Was this -- what
13 part of the promulgation process was there?
14 Did we go to a public hearing?

15 MS. BLUE: This one we haven't
16 started at all.

17 COMMISSIONER ZUNIGA: We haven't
18 started?

19 MS. BLUE: No, we have not. We had
20 a discussion in front of the Commission at
21 the last meeting, and we're just trying to
22 get the right reg language together.

23 COMMISSIONER ZUNIGA: Okay.

24 MS. BLUE: So we'll bring it back to

1 you to start the process.

2 COMMISSIONER ZUNIGA: Okay. So it
3 hasn't even started the process?

4 MS. BLUE: That's right. It has
5 not.

6 COMMISSIONER ZUNIGA: That's
7 harmless. Up to Item C.

8 MS. BLUE: Item 6C, we are asking
9 you to approve the Small Business Impact
10 Statement for the changes to 205 CMR 152.
11 This is the excluded persons list. We
12 brought this regulation and the amendments to
13 the Commission before. You asked us to make
14 changes. We have done that. This time is
15 just for the Small Business Impact Statement
16 so we can take this through the process.

17 COMMISSIONER ZUNIGA: Okay. Any
18 more questions, or any questions to -- for
19 Counsel Blue?

20 COMMISSIONER CAMERON: No.

21 COMMISSIONER STEBBINS: No. I'm
22 happy to see the changes that were made.

23 COMMISSIONER ZUNIGA: I wasn't. But
24 this is for the Small Business Impact

1 Statement so...

2 COMMISSIONER CAMERON: So I move
3 that the Commission approve for filing, the
4 Small Business Impact Statement as included
5 in the packet, relative to the amendments 205
6 CMR 152 involving individuals excluded from
7 the gaming establishment that were previously
8 approved for filing.

9 COMMISSIONER ZUNIGA: Motion --

10 COMMISSIONER MACDONALD: Second.

11 COMMISSIONER ZUNIGA: Okay.

12 Motion's made on second. Any more
13 discussion? Hearing none, Commissioner
14 Stebbins?

15 COMMISSIONER STEBBINS: Aye.

16 COMMISSIONER ZUNIGA: Commissioner
17 Cameron?

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Commissioner
20 Macdonald?

21 COMMISSIONER MACDONALD: Aye.

22 COMMISSIONER ZUNIGA: Commissioner
23 Crosby?

24 CHAIRMAN CROSBY: Aye.

1 COMMISSIONER ZUNIGA: And
2 Commissioner Zuniga votes aye. The ayes have
3 it unanimously.

4 MS. BLUE: Item 6D is the Small
5 Business Impact Statement for the SER
6 registration exemption language. As you
7 recall, we brought that back to amend that
8 section, because we wanted that to conform
9 with the law, as well. We've made those
10 changes. You have approved the amendments to
11 that section, now, we're just asking for the
12 approval of the Small Business Impact
13 statement so we can take this through the
14 process, too.

15 COMMISSIONER ZUNIGA: Okay. And
16 does this Small Business Impact Statement, is
17 this an affirmative one, or do we feel that
18 no small business is affected?

19 MS. BLUE: I don't believe there's
20 any small businesses. They're individuals.
21 And it will actually make their lives simpler
22 because they won't be registered so...

23 COMMISSIONER ZUNIGA: Excellent
24 point. Okay. Any more discussion? Do I

1 hear a motion?

2 COMMISSIONER MACDONALD: I move that
3 the Commission approve for filing the Small
4 Business Impact Statement, as included in the
5 packet, relative to the amendments to 205 CMR
6 134.03 involving the exemption of certain
7 gaming service employees from the
8 registration requirement that was previously
9 approved for filing.

10 COMMISSIONER CAMERON: Second.

11 COMMISSIONER ZUNIGA: Any more
12 discussion? Motion's made on second.
13 Commissioner Stebbins?

14 COMMISSIONER STEBBINS: Aye.

15 COMMISSIONER ZUNIGA: Commissioner
16 Cameron?

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Commissioner
19 Macdonald?

20 COMMISSIONER MACDONALD: Aye.

21 COMMISSIONER ZUNIGA: Commissioner
22 Crosby?

23 CHAIRMAN CROSBY: Aye.

24 COMMISSIONER ZUNIGA: Commissioner

1 Zuniga votes aye. The ayes have it
2 unanimously.

3 MS. BLUE: Item 6E is the final
4 version of the amendments and the amended
5 Small Business Impact Statements for a host
6 of regulations, there's four of them, they
7 all -- they all conform and they all work
8 together. We made these amendments in the
9 past. We have taken this through the hearing
10 process, and this is ready for final
11 promulgation. So we're just asking you to
12 approve the final version that you have in
13 your package today, and the amended Small
14 Business Impact Statement that goes with it.

15 COMMISSIONER ZUNIGA: And remind us,
16 these amendments were as a result of the
17 public hearing or some other --

18 MS. BLUE: There were some -- I'll
19 defer to Deputy General Counsel Grossman on
20 the details of those amendments. I think we
21 got some amendments through public hearing,
22 but mostly through our internal discussion
23 process, and discussions with the
24 commissioners, as well.

1 COMMISSIONER ZUNIGA: Okay.

2 MR. GROSSMAN: We did actually
3 receive two separate sets of comments. One
4 from Plainridge Park Casino, one from
5 MGM Resorts. And they pertain to separate
6 areas of this particular proposal.

7 So starting from the beginning, the
8 first pertains to the amendment to the
9 regulation governing the gaming day. And the
10 comment in your packet from MGM Resorts
11 asserts that our proposal would cause them a
12 hardship, and requests that we not make that
13 change. And, in fact, we allow them to set
14 their own gaming day, for the reasons set
15 forth in their letter.

16 I've asked Mr. Barroga to join us
17 here today to explain exactly why we put this
18 proposal forward in the first place, and how
19 it affects our operations here, if we may.

20 MR. BARROGA: Good afternoon,
21 Commissioners.

22 COMMISSIONER MACDONALD: Good
23 afternoon.

24 COMMISSIONER CAMERON: Good

1 afternoon.

2 COMMISSIONER ZUNIGA: Good

3 afternoon.

4 COMMISSIONER STEBBINS: Good

5 afternoon.

6 MR. BARROGA: So within our initial
7 review, our discussions with IGT, and taking
8 into account the existing gaming day of
9 6:00 a.m. and adding a separate gaming day to
10 manage multiple casinos is a substantial
11 upgrade to the system.

12 Our system, which is IGT INTELLIGEN,
13 which operates in other jurisdictions, such
14 as Pennsylvania and Maryland, in those
15 jurisdictions that system only operates under
16 one gaming system.

17 So taking into account those other
18 jurisdictions and operations, this would be a
19 substantial upgrade for MGC. And, you know,
20 we need to take into account the management,
21 the upgrades, the testing associated with
22 this upgrade. We would basically be
23 reinventing the wheel for IGT INTELLIGEN.

24 COMMISSIONER ZUNIGA: I'm not sure I

1 quite follow the hardship piece. Can you,
2 perhaps, try to explain it one more time?

3 MR. BARROGA: So within INTELLIGEN,
4 there's 50 reports that the Commission has
5 available to the Commission. And within the
6 reports, within the calculations of those
7 reports, you have that gaming day time frame
8 identified in those reports, so that every
9 day at 6:00 a.m. the system identifies the
10 meters and, basically, calculates your
11 invoice for each casino property. And since
12 it's associated individually with each
13 report, that would correlate to IGT updating
14 each report, each -- all 50 reports that I
15 mentioned, along with other reporting of the
16 system.

17 COMMISSIONER ZUNIGA: So the
18 hardship is one of monetary value to all of
19 us because we'd have to upgrade, including
20 the licensees, because we would have to
21 significantly upgrade the software.

22 MR. BARROGA: Yes. It's a
23 significant upgrade that could take --

24 COMMISSIONER ZUNIGA: So what is the

1 alternative, and what is -- what have we
2 either changed or kept? I'm still trying to
3 follow the regulation.

4 MR. GROSSMAN: So, at present, you
5 know, PPC operates on a set gaming day,
6 according -- in accordance with our
7 regulations, so we haven't had any issues
8 there. The MGM gaming day would be
9 different. And I'm not even sure what the
10 Wynn one would be, ultimately. And my
11 understanding is that it just -- it's very
12 difficult to program, and this is basically
13 what you just said, to have different gaming
14 days in our CMS without, you know, be a
15 significant expense for us to update that.
16 And I obviously can't explain why that is
17 exactly. But --

18 COMMISSIONER ZUNIGA: Is it because
19 it has to get to the milli-second or
20 whatever, 5:59:59?

21 MR. GROSSMAN: Yeah, probably.

22 COMMISSIONER ZUNIGA: An atomic
23 clock or something?

24 MR. GROSSMAN: I don't know. But it

1 would cost a lot of money and a lot of time
2 to have, on our CMS, separate gaming days for
3 the different gaming licensees. We're unique
4 in that we have a CMS, of course. So many
5 jurisdictions don't face this issue and they
6 can have different gaming days. They don't
7 have to, you know, deal with that element or
8 problem.

9 We have a CMS that wasn't programmed
10 to handle, as I understand it, or accommodate
11 different gaming days for different
12 licensees. So that's the issue we face. As
13 you identified, it's really a financial
14 hardship, if you will. We'd have to figure
15 out exactly what it would cost to make such
16 an upgrade, as compared to the hardship that
17 MGM has identified. So it may be prudent, at
18 the moment, to take a step back on this piece
19 and see if we can gather a little more
20 information on these issues. This part of it
21 just came up.

22 COMMISSIONER CAMERON: I think you
23 explained it pretty well. We -- I think I
24 understand the issue. And so, we're changing

1 the regs to accommodate that, right, so there
2 will not be this --

3 MS. BLUE: We're changing the reg to
4 set a uniform time frame.

5 COMMISSIONER CAMERON: Right.

6 MS. BLUE: MGM has expressed concern
7 that they can't live with it. My
8 recommendation would be that we move forward
9 with this change and we figure out how to
10 address it. You know, whether it requires
11 some work on our part, or some work on MGM's
12 part. I think we have a system, and a
13 uniform gaming day is probably very important
14 to us from an accounting perspective.

15 So while I appreciate their
16 comments, my suggestion to the Commission
17 would be that we approve this change to go
18 forward and we can meet with our licensees to
19 determine whether -- how -- what we need to
20 do to make it work for everybody. And if we
21 have to come back with another change, we
22 can. But I think, at this point, we've
23 gotten fairly far down this road in this
24 process and you know, we should have a

1 uniform gaming day.

2 COMMISSIONER CAMERON: Have we heard
3 from the licensees yet, as to exactly why
4 this is difficult for them; I mean, what
5 their hardships are? Have we had those --

6 MS. BLUE: Well, they operate -- my
7 understanding is MGM operates on a 3:00 a.m.
8 to 3:00 a.m. gaming day, so there would be
9 some necessity on their part to change their
10 accounting to match our six to six. We have
11 not heard, I don't believe, from Wynn, have
12 we?

13 MR. GROSSMAN: We haven't heard from
14 Wynn. It wouldn't be a problem for Penn
15 because they operate on the time that we are
16 prescribing. MGM described their hardship in
17 the letter here. They essentially say they
18 have an entity that, kind of, reconciles all
19 of their gaming days across the country and
20 otherwise, and they like to do it on a set
21 time schedule, essentially.

22 COMMISSIONER ZUNIGA: I actually --

23 CHAIRMAN CROSBY: Did we hear from
24 Wynn about this?

1 COMMISSIONER ZUNIGA: No. The
2 answer was no, Steve. I actually see Jed
3 Nosal shaking his head. Would you like to
4 comment on this, Jed, or do you want to --
5 no, you might not necessarily be prepared to
6 do that now but...

7 MR. NOSAL: Thanks. Listen, I'm not
8 going to be able to offer anything more but
9 the technology. I think we set forth in our
10 letter, the hardships MGM that are going to
11 occur to this, due to the fact that they want
12 to integrate this property into their
13 financial-shared services model. They've
14 been planning for that. This regulation's
15 been in place since 2015.

16 I think that, you know, we certainly
17 ought to go back and explore, sort of, some
18 of these financial issues. My general
19 understanding is, we could do, certainly a
20 comparison of what it may cost to make
21 changes to the CMS, which I understand would
22 probably be a cost borne by the licensees,
23 as well. And this is a pretty significant
24 issue for MGM, again, around what their

1 planning was.

2 And I would also suggest, that since
3 the gaming day right now is a required part
4 of the internal controls, which have to be
5 approved by the Commission, if the Commission
6 wants uniformity, it can accomplish that,
7 essentially, through the approval of the
8 internal controls.

9 I don't see a necessity for making
10 this change right now, from a process
11 perspective. And I think the cost issues are
12 one that we ought to have an opportunity to,
13 at least as Attorney Grossman said, to be
14 able to straighten out.

15 MR. BEDROSIAN: Jed -- may I ask?

16 COMMISSIONER ZUNIGA: Yes, please.

17 COMMISSIONER STEBBINS: Do you know
18 what's happening, what they do in Maryland?

19 MR. NOSAL: I'm sorry, Director
20 Bedrosian, I do not.

21 COMMISSIONER MACDONALD: It seems to
22 me that the --

23 CHAIRMAN CROSBY: I --

24 COMMISSIONER ZUNIGA: Hold on --

1 CHAIRMAN CROSBY: Mr. Zuniga --

2 COMMISSIONER ZUNIGA: Yes, go ahead,
3 Chairman Crosby.

4 CHAIRMAN CROSBY: Again, I couldn't
5 hear everything everybody said quite
6 perfectly, but I'm inclined to agree with
7 Attorney Grossman, that, you know, the cost
8 of this is going to be borne by either all
9 of the licensees, or possibly by just one of
10 the licensees, depending on how we worked it
11 out, and they're the ones who are asking for
12 the change.

13 So it seems to me that, if the
14 primary issue is a financial one, it would
15 make sense to take a step back and really --
16 really assess it from a financial standpoint
17 and do the cost-benefit analysis after we
18 have that well in hand.

19 COMMISSIONER CAMERON: I guess I'm
20 concerned about our time frame here. We have
21 an opening to accommodate, and this -- in one
22 way or another, this issue has to move
23 forward, correct?

24 MR. BEDROSIAN: Let me -- let me ask

1 my folks. And this might go to Floyd
2 specifically. Do we have time to quickly do
3 that analysis and come back to the Commission
4 with more information?

5 MR. BARROGA: Yes, we do have the
6 time. But if -- if the decision is to manage
7 multiple gaming days, updating the system and
8 having it ready for your MGM opening would be
9 at jeopardy. So we would have to, basically,
10 mitigate the risk and go with an opening of a
11 6:00 a.m. while working on the updates to the
12 system, and quarterly to the later update of,
13 say, 3:00 a.m.

14 COMMISSIONER CAMERON: I think I'm
15 hearing you don't have time, then, to make
16 the appropriate changes in order to --

17 COMMISSIONER ZUNIGA: Well, I'm
18 hearing that it's very tight.

19 MR. BARROGA: To determine the
20 issue. Determine what --

21 COMMISSIONER ZUNIGA: It's very
22 tight. Now, the current regulation states
23 6:00 a.m.

24 MS. BLUE: Well, I don't think

1 there's a particular time. We do 6:00 a.m.
2 because that's what PPC does, and that's how
3 we built our CMS; is that correct?

4 MR. GROSSMAN: That's right. So the
5 current regulation, just to set the stage,
6 basically says the gaming licensees can have
7 whatever gaming day they want. They just
8 need to tell us what it's going to be. The
9 thinking at the time was that it didn't
10 really matter to us. I don't recall that we
11 had the CMS in place, or at least we were
12 aware of this particular issue at the time.

13 Since, of course, we've been up and
14 running, we have the CMS in place and we've
15 inquired as to whether it's feasible to run
16 different gaming days on our system and learn
17 that the way it's presently configured it is
18 not feasible, and that it would take a number
19 of upgrades to accomplish that, we have been
20 given a figure as to how much that would
21 cost. And it would be a lot of money.

22 So, you know, it's -- that's kind of
23 where we are at the moment. So the change
24 that is being proposed, is that we move from

1 an open gaming day, where the licensees can
2 just tell us what their gaming day would be
3 to one that must be, essentially, a six to
4 six.

5 COMMISSIONER ZUNIGA: Doesn't the
6 statute speak to 6:00 a.m.; am I remembering?

7 MS. BLUE: Well, that's their open,
8 from 6:00 a.m. to 5:59. So, I mean, it does
9 track the day, our casino day in our statute,
10 is tracked in our reconciliation system, so
11 yes.

12 COMMISSIONER ZUNIGA: But
13 conceivably, those could be different, you
14 know, when we make our accounting and when
15 they're open.

16 MS. BLUE: Yes.

17 COMMISSIONER STEBBINS: So I think
18 we do anticipate -- and I need to work with
19 the chairman on this scheduling of further
20 meetings in February. I think we do
21 anticipate a potential further meeting in
22 February. Given that and the confusion, I
23 would say, let's give it one more meeting.
24 Let us go back and try and make some -- some

1 quick -- quick -- I don't know -- I don't
2 know how much more information we're going to
3 get, but at least try to explore that and
4 come back and say, we can't -- maybe find out
5 what happens in Maryland, and come back with
6 a little more information.

7 But I take what Floyd says
8 seriously. You know, the time frame of if
9 we -- if we have to change it, we're going to
10 6:00 a.m. and then, sort of, noodling back
11 3:00 a.m. I think we should all be on the
12 same page, including who's paying for it and
13 the associated potential risk. I don't know
14 if we would get any more information from,
15 you know, the Wynn folks now about what
16 they -- and if they thought about this, quite
17 frankly. Because I'd hate to come back a
18 third time and say guess what, we've got more
19 money to spend for a 4:00 a.m.

20 COMMISSIONER ZUNIGA: Yeah, no.
21 There's enough reasons to try to postpone
22 this for, at least, only a couple of weeks
23 until the next meeting. I say we reach out
24 to Wynn. What if they have, also, a 3:00

1 a.m. day, for example. And then, in which
2 case --

3 CHAIRMAN CROSBY: Or a 2:00 a.m.

4 COMMISSIONER ZUNIGA: Or a 2:00 a.m.
5 and then -- you know, and look at
6 alternatives. By the way, what would it
7 take, in terms of cost and hardship for -- to
8 change to 3:00 a.m. or 2:00 a.m., whatever
9 the case may be. Of course, this should be
10 done as quickly as possibly, given the
11 pending opening. But I seem to be hearing
12 quite a bit of, you know, reason to at least
13 postpone this promulgation at this point, and
14 we can always come back to it in a following
15 meeting.

16 MR. BEDROSIAN: We'll work as
17 quickly as we can.

18 COMMISSIONER MACDONALD: I'm not
19 averse to a postponement, provided that it
20 doesn't place in jeopardy the timely opening
21 of MGM.

22 I was struck by the language in
23 MGM's letter being so similar to Floyd's
24 rationale for the opposite. They're asking

1 for the flexibility to designate the gaming
2 day, and that it -- the current proposal
3 places in jeopardy MGM's ability to -- I'm
4 now reading, "effectively integrate MGM into
5 its operations, creating a one-off from its
6 other properties. Whereas Floyd is saying,
7 and I'm sympathetic to that, and for our
8 purposes, our CMS purposes, it's very
9 important to have a uniformity between the
10 different -- the different operators so...

11 MR. BEDROSIAN: We can -- you know,
12 Commissioner Macdonald, you make a good
13 point. We can also call Maryland and
14 Pennsylvania, two jurisdictions I know use
15 CMSs and just inquire.

16 MR. BARROGA: And, Commissioners, we
17 actually have a call scheduled later this
18 week with Maryland Lottery, to determine
19 exactly what they -- how they handle the MGM
20 National Harbor location.

21 COMMISSIONER ZUNIGA: Okay. And
22 they also have INTELLIGEN, right?

23 MR. BARROGA: Yes.

24 COMMISSIONER ZUNIGA: They have not

1 only INTELLIGEN, but MGM?

2 MR. BARROGA: Yes.

3 MR. BEDROSIAN: Right.

4 COMMISSIONER ZUNIGA: On more than
5 one casino?

6 MR. BEDROSIAN: Yeah.

7 MR. BARROGA: Correct. And to add
8 a -- based off of confirmation from IGT, the
9 Maryland end of gaming day is 6:00 a.m.

10 MR. BEDROSIAN: All right. Well,
11 we'll find out that information. It sounds
12 like we, hopefully, can come back to the
13 Commission in the next meeting.

14 COMMISSIONER ZUNIGA: Sounds good to
15 me.

16 MR. BEDROSIAN: Thank you.

17 MS. BLUE: Okay. So we'll defer
18 action on 6E. 6F is the final amendments in
19 the amended Small Business Impact Statement
20 for the gaming school change. This is when
21 we clarified how much of the responsible
22 gaming training needed to be done. So it
23 only has to be done once, not every time we
24 take a course. And so, we would like your

1 approval to move this through the final
2 promulgation process.

3 COMMISSIONER ZUNIGA: Okay. Any
4 more questions or comments for Counsel Blue?

5 COMMISSIONER MACDONALD: I move that
6 the Commission approve the amended Small
7 Business Impact Statement and final version
8 of 205 CMR 137.02, as included in the packet,
9 and authorize the staff to take all steps
10 necessary and file the regulation with the
11 secretary of the commonwealth and complete
12 the regulation promulgation process.

13 COMMISSIONER STEBBINS: Second.

14 COMMISSIONER ZUNIGA: Motion's made
15 on second. Commissioner Stebbins?

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER ZUNIGA: Commissioner
18 Cameron?

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Commissioner
21 Macdonald?

22 COMMISSIONER MACDONALD: Aye.

23 COMMISSIONER ZUNIGA: Commissioner
24 Crosby?

1 CHAIRMAN CROSBY: Aye.

2 COMMISSIONER ZUNIGA: And
3 Commissioner Zuniga votes aye. The ayes have
4 it unanimously.

5 MS. BLUE: And that's all we have.
6 Thank you.

7 COMMISSIONER ZUNIGA: Thank you,
8 Counsel. That concludes number six. The
9 next item is the Commissioners Update,
10 outstanding item. Are there any items to
11 discuss from commissioners?

12 COMMISSIONER MACDONALD: Not me.

13 COMMISSIONER ZUNIGA: Commissioner
14 Crosby?

15 CHAIRMAN CROSBY: No. Nothing from
16 me.

17 COMMISSIONER ZUNIGA: Okay. Well,
18 do I have a motion to adjourn?

19 COMMISSIONER CAMERON: So moved.

20 COMMISSIONER MACDONALD: Second.

21 COMMISSIONER ZUNIGA: Motion's made
22 on second to adjourn. Commissioner Stebbins?

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER ZUNIGA: Commissioner

1 Cameron?

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Commissioner
4 Macdonald?

5 COMMISSIONER MACDONALD: Aye.

6 COMMISSIONER ZUNIGA: Commissioner
7 Crosby?

8 CHAIRMAN CROSBY: No, this is too
9 much fun. Aye.

10 COMMISSIONER ZUNIGA: I'm going to
11 take that as an aye. And Commissioner Zuniga
12 votes aye. The ayes have it unanimously.
13 And we're adjourned. Thank you.

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15 (Proceeding concluded at 3:30 p.m.)

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1 GUEST SPEAKERS:

2 Jed Nosal, Esq., Brown Rudnick LLP

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4 MASSACHUSETTS GAMING COMMISSION:

5 Catherine Blue, General Counsel

6 Edward Bedrosian, Executive Director

7 Todd Grossman, Deputy General Counsel

8 Floyd Barroga, Gaming Technology Manager

9 Derek Lennon, CFAO

10 Alex Lightbown, Director and Chief Veterinarian,

11 Racing Division

12 Agnes Beaulieu, Financial Analyst

13 Doug O'Donnell, Sr. Financial Analyst

14 John Ziemba, Ombudsman

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C E R T I F I C A T E

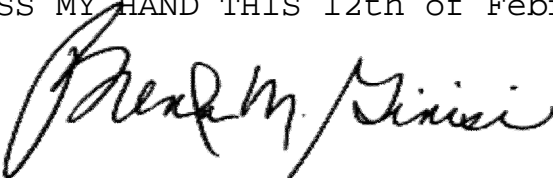
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by verbatim means, and transcript produced from computer.

WITNESS MY HAND THIS 12th of February 2018.



BRENDA M. GINISI My Commission expires:
Notary Public June 18, 2021