

MASSACHUSETTS GAMING COMMISSION  
MEETING  
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>> CHAIR JUDD-STEIN: Good morning, Austin. Good morning. We're calling to order Commission meeting number 289 of the Massachusetts Gaming Commission on Thursday, February 13th, at 10:00 a.m. at the Massachusetts Gaming Commission offices here at 101 Federal Street in Boston. We'll begin with item number 2, Commissioner Stebbins.

>> COMMISSIONER STEBBINS: Good morning, Madam Chair. In your packet we have the final draft of the minutes from the December 19th, 2019, meeting. I'd move their approval subject to correction for any other remaining typographical errors or any other nonmaterial matters.

>> COMMISSIONER O'BRIEN: Second.

>> COMMISSIONER CAMERON: I just had one comment on -- this is December 19th. Correct?

>> COMMISSIONER STEBBINS: Yeah.

>> COMMISSIONER CAMERON: And I just picked it up. It's on page 3 at the top. It's just a spelling issue. Under 10:43, the first item, third paragraph. Disparate treatment is the word there.

>> COMMISSIONER O'BRIEN: Yeah.

>> COMMISSIONER STEBBINS: Okay. We'll make that change.

>> COMMISSIONER CAMERON: It's just a technical change.

>> COMMISSIONER STEBBINS: The grammar police.

>> CHAIR JUDD-STEIN: Commissioner Zuniga, do you have any suggested edits?

>> COMMISSIONER ZUNIGA: No, I second the motion.

>> CHAIR JUDD-STEIN: I'm sorry, I missed it. Are there any further edits, then?

Okay. Those in favor.

[ Vote taken ]

Opposed? 5-0. Thank you.

Moving on to the second set.

>> COMMISSIONER STEBBINS: Sure. Madam Chair, colleagues, you have in front of you the meeting minutes from the January 23rd, 2020, full Commission meeting. I'd move their approval with exception of a couple of insertions I would like to suggest and one correction. First at the 10:18 a.m. time point when we were discussing the

draft Region C RFI and request for public comment. I'd like to insert a paragraph that kind of kicks off that discussion. I know the Chair had some substantial comments that led to that discussion. So I think it's important to point out how that subject matter was kicked off. I would like to include the Chair began the discussion of this topic, stated the sincere deliberate with respect to considering a license award in Region C and potential impacts to the Commonwealth. The chair discussed the importance of seeking professional guidance through the proposed RFI to better insist and inform our deliberations as well as receiving the input of the general public.

And then further on, page 8, as we were all discussing the update on the Executive Director search, I think there was a note after my comments midway down the page. And I would just offer to insert the Chair added that it would be helpful to solicit an outside firm to assist the Commission with understanding the needed qualifications of the next Executive Director, engage the MGC staff for their feedback, and produce a job description that would be useful in attracting candidates. Again, you know, it's been interesting over the last few meetings as we go through a number of topics. I want to make sure that we're not missing out on anybody's explicit comments. We're obviously doing a lot of brainstorming around some of the topics. So I hope anybody will feel free to just visit with me, and we can add a note of interest that you want to make sure is included in this. Obviously, everything is in the transcript, but to make some alignment between kind of the meeting minute record and the transcript I think is appropriate.

The other change I would just recognize down at the bottom of page 8, at the 12:03 mark, the motion passed 4-0, not 4-1 with Commissioner Zuniga abstaining.

>> CHAIR JUDD-STEIN: I just have one additional technical correction, I believe, similar to yours on the middle of page 9. I think that while salary is not necessarily a -- I think it's determinant than detriment for what the salary will be for the next -- is that -- Commissioner Zuniga, it's your comment so I want to make sure it's accurate.

>> COMMISSIONER ZUNIGA: Can you tell me where?

>> CHAIR JUDD-STEIN: Right above 12:12 on page 9.

>> COMMISSIONER STEBBINS: I think I was talking about determinant. Not detriment.

>> CHAIR JUDD-STEIN: Oh, it's Commissioner Stebbins, my apology. Determinant, rather. Yeah.

>> COMMISSIONER STEBBINS: Okay.

>> COMMISSIONER O'BRIEN: Just in the same vein of the abstention, it should also say 4-0 at the top of page 9, right? Rather than the 4-1?

>> COMMISSIONER STEBBINS: Yes. Yep.

>> CHAIR JUDD-STEIN: Thank you. So those are just technically, the more substantive additions that reflect a couple of points with respect to my remarks. With those amendments -- did you have additional?

>> COMMISSIONER ZUNIGA: I do have one comment. On page 2, halfway through the section of 10:08, which is at the beginning. Where it says that I requested that the staff check the software platform for PlayMyWay. That is in place if had Plainridge Park Casino. The point I was trying to make is about configurability is that staff ensure that the PlayMyWay software that is being developed for MGM and Wynn have the capability to be configureable, unlike the one currently in place at Plainridge

Park Casino. So I will edit accordingly. But the point is that we would like to have the flexibility of some configuration for what is currently in development, which is something we made the request before.

>> CHAIR JUDD-STEIN: Do you have the recommended language for the change now or how --

>> COMMISSIONER ZUNIGA: Yeah. I would -- you know, I would insert where it says software platform of PlayMyWay, that it is strike in place and insert "being developed for MGM and Wynn." Continue striking the rest of it to ensure that configuration is --

>> CHAIR JUDD-STEIN: You mean EBH?

>> COMMISSIONER ZUNIGA: Yes, EBH -- MGM and Wynn. EBH, I'm sorry.

>> CHAIR JUDD-STEIN: Yep.

>> COMMISSIONER ZUNIGA: To ensure that some configuration is part of the software, unlike, and then insert back what is currently in place at PPC.

>> CHAIR JUDD-STEIN: Do you have that?

>> COMMISSIONER ZUNIGA: I can give you the exact wording.

>> CHAIR JUDD-STEIN: With those edits, do we have a motion?

>> COMMISSIONER ZUNIGA: I'll second that motion with those amendments.

>> CHAIR JUDD-STEIN: I'm sorry. I lost track of the original motion was made by Commissioner Stebbins with those edits. Okay. Any further edits? Okay. All those in favor.

[ Vote taken ]

5-0. Thanks.

Okay. Moving on to item number 3. Our Interim Executive Director, Karen Wells. Thank you.

>> MS. WELLS: Good morning, Madam Chair, and members of the Commission. So for the general update, one thing I would like to just mention, I think you all may be aware but to just publicly acknowledge is that it was announced yesterday that Jim Murren, the CEO of Wynn Resorts, is going to be stepping down.

>> COMMISSIONER ZUNIGA: MGM.

>> MS. WELLS: What did I say?

>> COMMISSIONER ZUNIGA: Wynn Resorts.

>> MS. WELLS: Pardon me, I apologize, of MGM International. So one of the things we noticed with Jim, A, was his support for the Springfield project. And I think we'd like to acknowledge that that was a big deal to Massachusetts. He was very supportive, and that was very helpful to us in the process going forward. The other thing with respect to Jim is that he did a lot with diversity and diversity in the workplace. And that MGM International did a lot with that, you know, under his leadership, so that's something I'd like to publicly acknowledge. He is going to be staying on until a replacement is found. There's going to be a process to find another CEO. But during that time, he'll still be there, so it's not as if he's gone as of today. He'll still be there. I just wanted to acknowledge that transition with MGM and just recognize the great work that he did.

>> COMMISSIONER ZUNIGA: Yeah. I make it a point to listen to the conference calls, you know, on the parent companies of our licensees. And he, like other CEOs, has been a great leader and very much in command of a lot of the issues that are

important for the parent company that he leads. And when people look back at his tenure and some publications already are, they'll see that there's been a tremendous moving it forward of such an organization.

>> COMMISSIONER CAMERON: And I think the support and use of PlayMyWay companywide is very noteworthy.

>> COMMISSIONER ZUNIGA: You mean GameSense?

>> COMMISSIONER CAMERON: I'm sorry, GameSense, yes. GameSense is really noteworthy, too.

>> CHAIR JUDD-STEIN: Well, I know that Mr. Murren had a background in urban design, had studied that in college. And when you visit MGM, you see that vision where he, with the help of his entire team, really integrated a very special property into Springfield. So for us it's a legacy here in Massachusetts that he had that vision and the ability to execute it. I suspect that MGM will continue to be well served by his successor, but a very lovely gentleman, and I know a friend to the Commonwealth. So we wish him good luck on whatever steps he's going to take next. Thank you for that, Karen.

>> MS. WELLS: The other thing I just wanted to mention, as you're aware, I did go to, as a member of the AGRA board, international association of gaming regulators, I was there for a board meeting last week. It was my first opportunity to sit in person with the board members and discuss a variety of topics. It was a very long meeting, very productive meeting. But just to highlight for you the most important thing for me was just what an amazing group of people. Like I got to meet these people from all over the world and get different perspectives on gaming regulation and different issues and a really great team. So I want to thank you for allowing me to be part of that and just acknowledge what great work they're doing and, you know, the excitement about coming to Massachusetts for the 2020 conference in September is really there. They're working very hard on that. And so this all seems to be going very well, and I had a very positive experience with that board. So I just wanted to mention that.

>> COMMISSIONER CAMERON: And we thank you for stepping up and taking a leadership role on an international basis. In fact, I just got an email from one of your board members recognizing us as a leader in some of our diversity issues, and she was looking for help with how they can implement --

>> MS. WELLS: That's great.

>> COMMISSIONER CAMERON: -- some of the things that we've done in Norway.

>> MS. WELLS: That's great. Excellent.

The other piece I'd like to actually turn it over to our CIO. You had asked for sort of more information about what's going on in the office. So we were thinking that on a rotating basis, bring in some of the leadership in the office to give you a firsthand look at some of the things that are going on in the office. So Katrina volunteered to be first. And, of course, you'll be impressed with her presentation. But I wanted to let her tell you, not just me reporting, but let you tell her herself what's going on with things in the I.T. side of the house.

>> KATRINA JAGROOP-GOMES: Good morning, Madam Chair, Commissioners, Interim Executive Director Wells. Thank you for the opportunity to share with you this morning about the activities, projects and changes that have and are occurring in the information technology services department. First I'd like to share with a quick update

on our current org structure and identify some of our new additions and their roles. As you can see from the org chart, the ITS department has grown and made some significant changes to our current structure to better leverage the skills and the talent of our team for the benefit of the commissions, its needs and our mission at large. I will delve into a little bit more detail later about the major divisions and some of their key responsibilities and projects.

To start the ITS department is carved into two major groups. The corporate technology group and the gaming technical compliance. In the corporate technology division, we have Tim Drain who is our infrastructure manager and he's responsible for the infrastructure and client services team. And I'll explain that a little bit later what that actually means. And his group comprises of a new addition, David Wingshee, engineer on the infrastructure side. It also includes Ben Bishop, senior service specialist, Taylor Greenwood, specialist on a temp basis. We do have an open position that has not been posted yet for a new technical support analyst which was recently vacated.

Kevin Gavreau is our senior converge engineer who's responsible for network telecommunications and security. Tamaren O'Connor is our I.T. operations coordinator who is responsible for all the business operations needs of the I.T. department which includes I.T. purchasing, vendor management, account management and other administrative functions. We currently have a cloud specialist position that is vacant but due to immediate project needs, we brought in a cloud consultant by the name of Tahir Zafar to assist in the interim. On the gaming technical compliance division, we have Scott Helwig, our Gaming Technical Compliance Manager, who's responsible for the GTC team as we like to call them. And the network operations center, which we also like to refer to as our NOC.

Priya Gandotra, our technical compliance engineer, along with Scott is responsible for reviewing, testing and evaluating electronic gaming devices commonly known as EGDs, assessment of player tracking systems, slot monitoring systems and accounting systems for interoperability. The major service areas as shown on the following slides provides more details as to what each group does. However, I'll only highlight a few to be time sensitive. The service desk which is the client services division is the voice and face of ITS. They provide tier 1 and tier 2 support which includes issues like password resets, desktop support, break fix issues, PC troubleshooting, account issues or problems with email. The infrastructure team manages your back end, user accounts and active directory email servers, imaging, storage and backups. Network and telecom designs and maintains the network backbone and architecture for connectivity, voiceover IP and security. The gaming technology team manages the Tesla electronic gaming devices, central monitoring system, our house system here at the Gaming Commission, technical compliance and regulations and day-to-day operation as of the NOC.

Currently ITS has 15 active projects. Sorry. I forgot about forwarding my slides here. The ITS department has currently 15 active projects of which I'll only highlight the following. 0365, Azure, cybersecurity, grant management application, PlayMyWay and ITG advantage testing. 0365 is the new subscription-based model of Microsoft's office suite of enterprise grade productivity applications through the cloud and includes collaboration tools and improved security and upgrades and a lot of these upgrades occur on about a 90-day basis. Traditionally whenever upgrades occurred, the I.T.

department had to physically touch the units with those upgrades to happen. This is all automated at this point.

Azure is a collective set of cloud services that allows us to build, manage and deploy applications and services through a Microsoft-managed data center. These two items go hand in hand and we're very happy to report that we are on track and plan to have full implementation within three months, more communication regarding time lines and training will be disseminated internally very soon.

We will also be launching a new cybersecurity awareness training to the Commission. This is slated for April. It will include online, on-demand training with a quiz at the end, cover the major tenants of security. The new platform also allows for reporting as well as doing iterative training throughout the year through phishing exercises and social engineering. And as you remember from our cyber awareness class, phishing is email-seeking info using false information. And social engineering are plans to secure confidential information and give you that sense of urgency. So we're really excited to launch this to staff in the near future.

In conjunction with the Ombudsman's office, ITS is working on an application solution for grant management to allow better processing, tracking and reporting. This application will also provide metrics and automation for communication and applicant data. The GTC team is also working on upgrading the lab to advantage 9.7, which provides the platform necessary to run PlayMyWay. The lab currently runs both 9.4 and 9.7 for congruent testing of equipment running on their platforms. We had hoped to have the testing environment implemented back in November. Unfortunately due to the system provider, we had delays in getting their deliverables. The GTC team is currently working in testing -- on testing PlayMyWay in the lab for functionality, patron experience, and reporting. Through these efforts we're able to test the interval alerts based on a player's budgetary settings for their daily, weekly and monthly limits. In conjunction with the Research and Responsible Gaming team, we are ensuring that reports generated from the system capture the datasets and requirements needed.

>> COMMISSIONER ZUNIGA: I have a couple of questions on those initiatives, just broadly. The PlayMyWay that you describe, is that for PPC or EBH and MGM?

>> This is specific for the advantage system which is the house systems for both MGM and Encore Boston Harbor.

>> COMMISSIONER ZUNIGA: Okay. And on the grant management, is that for the community mitigation grants?

>> KATRINA JAGROOP-GOMES: Correct.

>> COMMISSIONER ZUNIGA: I'm not aware of the state of development, but my recommendation would be that we do some of -- what we've done in the past, especially with the licensing management system in terms of the agile methodology that we don't go down the path too far in terms of developing without the user inter -- the user knowing and be engaged. And I know you mentioned the Ombudsman's office. I think there's a need there because the grants are coming more and more, and there is now a need to really evolve from a spreadsheet, you know, or paper documents. But I wouldn't want that development process to go so far imagining a future state that might leave us with the need to come back and rethink it soon thereafter.

>> KATRINA JAGROOP-GOMES: Absolutely, Commissioner Zuniga. We actually have a team that is comprised of the Ombudsman's office. It also includes Jill Griffin,

members of her team, as well as finance. So we have been evaluating products, and we're actually at the phase where they're demoing to us using some of our actual structure and framework to see if that's going to do what it needs to do for us before anything is even implemented or accepted. So absolutely.

>> COMMISSIONER ZUNIGA: Mm-hmm. And that's the right approach, I think, to have multi perspectives. I've seen in the past -- not here -- in my prior jobs where a task force like this thinks of, you know, the best-case scenario for everybody's perspective and then very soon the effort turns really big and, you know.

>> KATRINA JAGROOP-GOMES: Yeah, completely.

>> COMMISSIONER ZUNIGA: We don't want to risk the collapse of something like that.

>> CHAIR JUDD-STEIN: Well, I think it's very exciting to have your assistance in helping on the project such as the grant management because just as Commissioner Zuniga indicates, it is -- has grown, and I'm sure that the scale will be in terms of your solutions will be proper. But I also suspect that this is all the scope and scale is addressed in the budgeting process, on sort of a line-item basis?

>> KATRINA JAGROOP-GOMES: Right. Yes.

>> CHAIR JUDD-STEIN: There will be a chance for us to be reviewing this. But I suspect our Ombudsman and team will be appreciating whatever tools you create. In terms of cybersecurity training, right now you're not addressing cybersecurity from a technological point of view. You're talking about training internally?

>> KATRINA JAGROOP-GOMES: Correct. Correct. You know, based on some of the classes that I've done internally here, the human element is a huge part of cybersecurity. And so the better equipped and more knowledge that our staff has on appropriate transactions, what are they doing with emails, things to be on alert for really helps us be better about protecting our environment. So, yes, this is focused on training. We are doing the security elements behind architecture and obviously for security reasons, we would not divulge that publicly. But the program that we're launching in April is focused on user training.

>> COMMISSIONER CAMERON: Well, I certainly have noticed the upgrade in attention to assisting everyone in this organization with technical needs, with training. It's really noticeable, and you're always inviting us to, you know, train on a new system we may have implicated, so it's really helpful. So thank you for that, and your staff is very professional and knowledgeable.

>> KATRINA JAGROOP-GOMES: Thank you, Commissioner Cameron.

>> CHAIR JUDD-STEIN: I think our biggest challenge is disrupting your team when they sit down at our joint efforts, they all like to be clustered together. You've got a strong group who really like to work together.

>> KATRINA JAGROOP-GOMES: We do. We do.

>> CHAIR JUDD-STEIN: This is very helpful. And this is knowledge a snapshot of 9 of 15 current projects.

>> KATRINA JAGROOP-GOMES: Correct.

>> COMMISSIONER ZUNIGA: Great. Very exciting.

>> COMMISSIONER STEBBINS: Good work.

>> COMMISSIONER ZUNIGA: Good morning.

>> COMMISSIONER CAMERON: Thank you.

>> MS. WELLS: So if this format is helpful, I can continue to ask senior leadership at the organization to come brief you at different public meetings on what's going on in their departments, and you have a little time to interact with them at this level. I think that would be helpful.

>> COMMISSIONER CAMERON: I think it's very helpful because we hear about word-of-mouth, you know, what one division is doing, you know, and this is very helpful to see it, to understand it in an organized format.

>> MS. WELLS: Okay. Excellent.

>> CHAIR JUDD-STEIN: Thank you.

>> MS. WELLS: Okay. So I'd like to now move on to item b, within the administrative update. I just wanted to give you a status report. The Region C RFI and request for public comment as directed by the Commission, that has been posted, and the responses are due to March 16th. And I would like to note that there was a -- we did receive a significant amount of media coverage. I'd like to compliment our communications team for their efforts on that -- in that area. So they did get a lot of media coverage announced in the open comment period, and I would also like to thank the local press for helping us spread the word because that helps with the process. And we continue to promote the request through our social channels on a routine basis. So there's still an ongoing effort to get information out there that we're looking for these responses. So we will circle back with you after those responses are in and provide you with the information that we receive.

>> COMMISSIONER STEBBINS: Okay.

>> CHAIR JUDD-STEIN: Any questions on that?

>> MS. WELLS: Any questions? So the next item on the agenda, I do have two MGM qualifiers, which are on the agenda for your vote for their suitability this morning.

>> COMMISSIONER STEBBINS: Bless you.

>> MS. WELLS: I will start with Ms. Janet Swartz. She is a Director -- an outside director at MGM Resorts International. The ultimate final investigators on this case were Mike Banks and Fei Zou. I mentioned there were delays in a couple of these in part because there had been multiple assignments due to internal issues. But the final investigators were Mike Banks and Fei Zou that completed the investigation. In March of 2018, she took a position as an outside director. As you know, MGM Resorts International is the parent company for Blue Tarp Redevelopment, our licensee. And based on that position, she was determined to be an individual qualifier for MGM Springfield.

During the course of the investigation, as per our normal course of procedure, we did confirm her identity through various methods. She was educated at the University of Virginia in Charlottesville with a bachelor of arts in 1992 for economics. She then continued her education at the Harvard business school in Boston earning an MBA in 1996. We did confirm both degrees through the National Student Clearinghouse and contact with the school registrar.

As to her employment, she indicated and the investigators spoke with her about working for MX Media from 1999 until 2000 as their Chief Executive Officer. They also worked in a variety of positions at Princess Cruises, Vice President of Strategy and Business Development, sales And Customer Service, Executive Vice President of sales marketing and customer service. She was eventually named president in 2013. And



then from 2016 until present, she's group president of Princess Cruises and Carnival Australia. As a result of her position as an outside director for MGM Resorts, she was required to apply to the following jurisdictions to determine suitability. The New Jersey division of gaming enforcement, Michigan Gaming Control Board, Maryland lottery And Gaming Control Agency, the New York State Gaming Commission, and the West Virginia Lottery. As the date of the report, she was found qualified in New Jersey, Michigan, and New York state, and our information is it's still pending in Maryland and West Virginia.

She also had, in her position with various -- with her positions in the cruise line, she had to be licensed for applications for various liquor licenses, and we confirmed that those licenses were in good standing with no derogatory information. Beyond her directorship at MGM Resorts International, she also serves on the board for Cruise Line Industry Association, located in Washington, D.C. She's been on that board for approximately eight years, and that's a noncompensated position. She also stated she serves on several internal boards within the Princess Cruise Line Corporation for internal governance.

She was -- she was interviewed and had discussion with the investigators regarding her submission on her multijurisdictional personal history disclosure form about civil litigation. She's had various litigation through her position as the princess -- in Princess Cruises in the ordinary course of business. But nothing regarding her individual capacity or anything regarding her individual behavior. We also reviewed criminal history, media coverage, references and did a deep dive into her financial suitability. All in all, there were no significant issues discovered which would negatively impact her suitability. And the IEB found that she demonstrated suitability by clear and convincing evidence. So we were recommending that the Commission find her suitable under our regulations and our law.

>> COMMISSIONER CAMERON: Yeah. It was a very clean investigation. And Madam Chair, I would move that the Commission find Janet Swartz suitable as a qualifier for Blue Tarp Redevelopment LLC.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any questions? Excuse me. Any questions for Karen? Thank you. All those in favor.

[ Vote taken ]

Opposed? 5-0. Thank you.

>> MS. WELLS: Thank you very much.

The second qualifier for your consideration is Mr. Craig Jacobs. He is the Vice President of Information Technology Operations at MGM Resorts International. Similar to the other qualifier, this investigation also had numerous investigators, says but it was the finalization report or the finalization of the report was done by Mr. Kevin Owen, financial investigator Fei Zou.

Suitability is always ongoing with our licensees, those at the corporate level and at the individual level. You know, we also -- we decided to take a look at our licensees to see if in addition to what we looked at through our original scope of licensing, if there were any other individuals that we should be capturing for suitability. So we undertook that process in 2018. And taking a look, we made the determination under our authority of the regs and under the law that we'd like to capture the Vice President of

Information Technology Operations because it has such a significant role with I.T., that that really is important and we'd like to make sure that that individual is suitable under our standards.

So as a result, he was deemed a qualifier. He had been working there since 2014, but this wasn't until later in 2018. Similar to the protocol for the previous qualifier, his identity was confirmed through our normal protocol. As for his education, he graduated from county high school in 2001. Then he attended Murray State University in Murray, Kentucky, with a bachelor's in telecommunications systems and agent. After graduating in 2005 he continued at Murray State University where he earned a master's of business administration in 2006. Both his degrees were confirmed through the National Student Clearinghouse Degree Verification.

Prior to working at MGM Resorts International, he had worked at Affinity Gaming in Las Vegas from 2006 to 2014 and then as I stated previously, came to work at MGM Resorts International then in 2014. He does hold a gaming-related license in Nevada. Investigators confirmed with the Nevada Gaming Control Board that he has an active license. That revealed no derogatory information. He has never held any offices, trustees, directorships or fiduciary positions with any firm, corporation association or partnership. So there were no issues to explore in that area.

Similar to other qualifiers that you have reviewed, we did a check of civil litigation, his criminal history, media coverage, references, and did a deep dive into his financial suitability, and no significant issues were discovered, which would warrant a negative finding of suitability with respect to Mr. Jacobs. So similar to the prior qualifier, the IEB's finding that he demonstrated suitability by clear and convincing evidence, and we are recommending that you approve his suitability.

>> CHAIR JUDD-STEIN: Any questions? Do I have a motion with respect to this qualifying report?

>> COMMISSIONER ZUNIGA: Madam Chair, I would move that the Commission find Mr. Jacobs suitable to hold a gaming license.

>> COMMISSIONER STEBBINS: Second.

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

[ Vote taken ]

Opposed? 5-0, please. Thank you.

>> MS. WELLS: And that includes section 3 of the administrative update.

>> CHAIR JUDD-STEIN: And thank you to your entire team at IEB.

>> MS. WELLS: Thank you.

>> CHAIR JUDD-STEIN: For a very thorough -- two thorough reports.

>> MS. WELLS: Thank you.

>> CHAIR JUDD-STEIN: Moving on to Ombudsman Ziemba, item number 4. And you'll be bringing up a team from the Springfield area. Welcome. I hope the roads weren't too bad today. A little slushy out here.

>> MR. ZIEMBA: Good morning, Madam Chair and Commissioners. We have asked MGM Springfield to give the Commission as much detail as it can regarding the status of its residential requirement. As you're aware earlier this week, the Mayor issued a statement regarding some positive news about the status of the project. That statement was followed by a review of the project by Springfield's casino oversight committee. In order to provide the Commission further information about this news

today, we are joined by Seth Stratton, MGM Springfield Vice President and General Counsel. Tim Sheehan, Springfield's Chief Development Officer, Mark Attia, assistant secretary for the executive office for administration and finance, and Michael O'Brien from the Winn Companies. We thank them for coming today and recognize all of their work on this matter.

Just by way of background, as you're aware, the Commission has regularly reviewed, at its Commission meetings, the status of MGM Springfield's commitment to provide 54 units of market-rate housing within one half mile of the casino. Last year we complied with this residential requirement until March of this year. The deadline reflected a date set in Springfield's host community agreement with MGM Springfield for the construction of the units. When the Commission extended the deadline, there was a recognition that further action would be required both by the Commission and the city council because of the complexities of the project and the time that would be needed to actually build the 54 units.

At the time the Commission required that MGM Springfield shall continue to inform the Commission of any material event that would significantly alter the potential of MGM Springfield proceeding with the city's plan to rehabilitate 31 Elm Street in Springfield with the assistance provided by MGM Springfield. Further the Commission required that staff shall remain in contact with MGM Springfield and the City of Springfield to monitor the project, its documentation, its schedule and report back to the Commission at an appropriate time.

We are not asking the Commission to take any action regarding the residential requirement at today's meeting. As will be explained by the group, other actions must occur at the local level to move forward with this project. At the appropriate time, as early as the next Commission meeting in two weeks, we will come back to the Commission to discuss the content of the approvals that would be needed to be considered by the Commission. While we contemplate no action today, we know that today will be very informative to the Commission. And indeed to the public. Even after today, we can continue to work with the parties to answer any questions the Commission may have. And with that, as a background, let me turn it over to Seth.

>> MR. STRATTON: Thank you, John. Good morning, Commissioners.

>> All: Good morning.

>> MR. STRATTON: Nice to see you again. It's been a little while. I will -- John's offered to provide as much detail as we can. I'll resist taking that as a challenge in the interest of everyone, I'll try to be brief. We have some folks here who have much more, I think, interesting input on this project than I do. So you have, in your packet, a letter where I did provide a lot of detail with respect to the history and MGM Springfield's position and some of the details of our involvement in this project.

I will say it does feel like somewhat of an auspicious occasion to be here before you with this group, with this project. From what we can tell, you know, on the 1 yard line of moving forward. I and maybe some of you here may have doubted whether we'd be here based on the length of time that it's taken and the number of extensions, which we appreciate. But I think what this group in front of you represents is what I've experienced to be unprecedented collaboration at the city, state and developer level with our involvement as well and certain other parties to move forward a very complex project that has the potential of being transformative in the revitalization of downtown

Springfield to the benefit of the City of Springfield and to the benefit of MGM Springfield because the -- as you're well aware, the project is immediately adjacent to our project and essentially separates MGM Springfield from the vibrancy of the business center and effectively the capital of downtown Springfield. So we're excited to move forward.

I'll assume your familiarity with the project and a lot of the details provided in my letter. I'll just briefly highlight for you the key elements of MGM Springfield's involvement, and then I'll turn it over to our partners up with me here today. So effectively, MGM Springfield will be working with the City to amend our host community agreement which embodies the original 54-unit housing residential development requirement. We will seek an amendment to that host community agreement which in lieu of developing 54 units ourselves, we will make a \$16 million contribution to a development fund, which we'll fund a loan through Mass Housing which will -- with certain other funds will provide additional funding to the developer to fund the 31 Elm project. In exchange for that \$16 million contribution, we'll effectively have a long-term loan interest in the property. We won't be the lender, but we will not have any debt service on that, so it's effectively more in line with a grant, at least the original \$11 million commitment. Through discussions with the parties, our \$11 million commitment grew to -- we're happy to say we're supporting an even higher level at \$16 million. Part of that additional funding will result in a minority ownership interest in the project which we're pleased with. And we will also be in connection with this contribution returning to the City an iconic building in downtown Springfield, 195 State Street, which is about a block and a half from our project, the former School Department Building. We purchased and made improvements to. We'll return that to the City of Springfield. And it's my understanding that the City will seek to have additional potentially residential development in that building as well.

So we view it as a win-win for the City, for us, and for the residents of the area. We think it will really help to turn on the city even further. The mechanics of the amendment to the HC amendment itself basically substitutes with a funding agreement which all the parties involved will be signatories to, and that lays out our obligations as well as others. And I think -- and that's where Mark Attia from A&F who's been instrumental in getting folks together to get this done could, I think, speak to the mechanics and give you a high-level overview of that arrangement. So unless there are further questions for me, I'd be happy to turn it over to Mark.

>> CHAIR JUDD-STEIN: Seth, I have one question.

>> MR. STRATTON: Sure.

>> CHAIR JUDD-STEIN: Of the minority ownership. That hasn't been designated yet publicly or is that going out for competitive bid, or how is that being determined?

>> MR. STRATTON: No. So that will be -- so effectively, once the project is constructed -- and Mike O'Brien can speak to this as well -- it's currently owned by the City. It will ultimately be owned by the developer, LLC, Winn Opal companies, special purpose LLC to hold interest in the property. We will take a minority ownership in that property.

>> CHAIR JUDD-STEIN: I understand it's a minority. Okay. So you don't have a minority --

>> COMMISSIONER ZUNIGA: They're the minority owners.

>> CHAIR JUDD-STEIN: You're the minority -- I misheard. You're the minority

owner. But in terms of -- there's not a diverse partner.

>> MR. STRATTON: No, sorry.

>> CHAIR JUDD-STEIN: That's been designated. Thank you. Thank you. Of course, I'm only raising probably another issue. So thank you.

>> MR. STRATTON: No. It's fine. Thank you. Go ahead, Mark.

>> MR. ATTIA: Thank you, Commissioners. It's a pleasure to be here.

>> CHAIR JUDD-STEIN: Nice to see you, Mark.

>> MR. ATTIA: Thank you. And you as well. And to echo Seth's comment, I, too, feel it's a fair representation that this is an unprecedented level of partnership with a level of complexity that many of us have not seen. We arrive here today really after six months of weekly engagement with a number of parties.

[ Phone ringing ]

Maybe one of them on the phone now.

>> MR. STRATTON: Sorry.

>> MR. ATTIA: And are very pleased with the progress we made and very proud of the quality of agreement that we have created together with a very clear purpose in mind, which is a great deal of alignment of interests, a focus on seeing this project come to fruition on a time line that we've determined to be appropriate.

The agreement that Seth referenced, the cooperative funding agreement, at this stage is substantially final but still subject to review, and therefore there are certain details I cannot discuss, including the names of some of the many parties involved. You know, I ask for your understanding. But I am happy to give, you know, a broad overview of how the framework works and in particular how the structure gives us confidence that should we reach execution of this document and see the project commence, a very high degree of confidence given the operator, the nature of the agreement itself that this project will come to fruition.

Very simply on the cooperative fund agreement, this is an agreement to capitalize a loan in the form of a construction and permanent loan to finance the development of the project. In essence, that is the heart of it. Multiple funding parties, aggregating capital to Mass Housing, a seasoned finance agency with many decades of experience providing loans for exactly projects like this in order to administer a loan, you know, in accordance with standard procedures that are familiar to the developer here and to Winn.

This agreement, upon signature, will be subject to several preconditions to reach financial close, which includes, among others, of course, authorization, support from the City of Springfield and their city council to advance the project, the necessary permitting that is required, you know, to put a shovel in the ground. And as John indicated, you know, agreement on the amendment to the host community agreement and any official actions required for the licensing agreement.

So we believe we're all aligned to see these things happen, but to be sure the funding is contingent on a number of things happening, which are necessary. So we could say a good way of framing, where we stand today. One question I know that has come up with respect to the loan is what happens if. You know, this is a construction project. They're complex. How do we control for the inevitable uncertainties that come with a complex historic rehabilitation, cost overruns and so on.

Many of these measures of security and protections for the funders and for Mass

Housing and for the developer are described in some detail in the cooperative funding agreement. But ultimately, once we reach financial close and we're operating under, you know, the traditional loan and financing agreements, you know, pursuant to programs under Mass Housing, we are operating on sort of a traditional commercial lending environment. The developer, you know, will be required to post performance and completion guarantees ensuring that, you know, we have sufficient, you know, backstop, you know, to make sure that the project gets complete if there are overruns. We've contemplated surety for Mass Housing to ensure that the third-party funding comes in to capitalize the loan.

But even at that point, the developer, throughout the construction project and throughout really the term of the loan, will be subject to a regulatory agreement, which is ongoing compliance, certain restrictions on refinancing, transfer of asset, covenants that ensure fair housing practices are administered in accordance with what we call a tenant selection plan and, of course, that predetermined level of affordability as a necessary condition of lending through Mass Housing is adhered to throughout the term of -- throughout the term of the loan.

So finally, I should mention operating agreement in replacement reserve. Mass Housing requires for those, they asset manage these loans with a great deal of professionalism to ensure that the asset is always well capitalized, well maintained, well operated and consistent with a high-quality loan, which is, you know, something Mass Housing does really with great excellence.

So those are some of the broad principles of the cooperative funding agreement. It's the culmination of six months of very hard work, and we're quite enthusiastic to see this move forward. I'll happily take your questions.

>> CHAIR JUDD-STEIN: I have one question.

>> MR. ATTIA: Please.

>> CHAIR JUDD-STEIN: You've mentioned overruns and the concern around that given the complexity of the historic site and the fact that it hasn't been inhabited for over 30 years or decades. What about timeframes? You know, we are looking for housing. Are there some safeguards contemplated for dealing with extensions on time?

>> MR. ATTIA: Yes. So the cooperative agreement contemplates certain time limitations in order to commence with the construction project. They are -- they are quite realistic, I'd say, you know, within -- you know, within -- you know, within, you know, 12 months or so, you know, assuming that the agreement is signed and Springfield commences with the necessary approval processes to allow the project to start. The developer must operate, by the time we reach financial close, in a continuous state of construction, you know, allowing us to hold the developer to performance, you know, as we commence with -- you know, with what our partners from Wynn will say is probably an 18 to 24-month project. So there are date limitations on funding. There are expectations of when this project, you know, will be under way, and there's protections to ensure the project cannot be stalled or slowed, you know, once we get started.

Commissioner, you asked about cost overruns. Just for -- go ahead.

>> CHAIR JUDD-STEIN: You seemed to address that well. So I just thought addressing those, but in terms of time. Before we continue, I just -- I have -- I wish to thank you for all the efforts that you've made on this. You and John have worked so

well together, and the collaboration for all of you here is outstanding. I'm looking forward to the continued report. But to you and your colleagues and my old colleagues, particularly at Mass Housing, thank you for keeping us so well informed and for all the collaborative efforts here.

>> MR. ATTIA: Thank you.

>> CHAIR JUDD-STEIN: More questions from our --

>> COMMISSIONER CAMERON: I agree. This is very encouraging. The one line -- the 1 yard line, we haven't heard that before. We are all hoping there are no fumbles. This is a project, we know how important it is to the City of Springfield. So it is important that the highest level of government in the Commonwealth got behind this project. I know everyone's been patient but yet diligent to try to get this done, so it really is encouraging. Thank you.

>> MR. ATTIA: Our pleasure.

>> COMMISSIONER ZUNIGA: Yeah, some of the materials and history that you articulate are really remarkable to look back to the fact that this property has been vacant for close to 30 years. Is that correct? And I'm going to guess that there have been a number of efforts in the past that have, for many reasons, failed. If and when -- maybe just when this comes to fruition, I think it would be transformative to the City, as evidenced by what you describe.

>> MR. STRATTON: Thank you, Commissioners. And if I could, one obvious and important step, as with any HCA amendment, is that the City has to approve it, and the city council plays a critical role. We had a meeting this past Tuesday with the city council casino oversight committee which Mr. Sheehan and Mr. O'Brien attended as well where we presented. And at least from my perspective, it was almost a 180 from some prior communications on this project with the council. They were enthusiastic, supportive, excited and very positive about this development. And I think that bodes well for the necessary vote which will be -- need before we come back for final approval to this Commission. But we anticipate that that will go very well. And I would invite, I think, you know, Mr. O'Brien and Mr. Sheehan to make any further comments about the development or about their perception of the city approval process.

>> MR. SHEEHAN: Madam Chair, Commissioners. As the Commission is excited to be at this point with this project at the 1 yard line, you can imagine how excited the City is to be here. The project, as you know, is a huge asset in terms of its historical significance to the City. It fronts on Court Square. It's a gateway to the casino itself. It's a gateway from the Convention Center at the heart of the downtown. So its transformation will be a game changer relative to downtown Springfield.

To follow up on the Chair's comments with regards to the participation of A&F in Mark in this, Mark has done a fantastic job in terms of saying it's taken six months. Six months, as all of you know in terms of time lines and moving a project of this complexity, in terms of financing, is lightning speed. So Mark and his team are truly to be congratulated on this effort. And we look forward to advancing this and making an announcement soon.

>> CHAIR JUDD-STEIN: Welcome.

>> MR. O'BRIEN: Thank you. People have labored over five years to get to this point. MGM and certainly myself. I can tell you that for each of those five years I've invested, I've taken a year off the end of my life because of the nature of the project.

But we would not be here without the word partnership. To get some perspective, we talked about the building itself. 30 years vacant. That has, unfortunately, resulted in a great deal of water damage, lack of maintenance and asset management have resulted in structural failures, significant. And just a layman's perspective walking through the building, there's significant holes through the floors. There's absolutely no systems that exist in the building. And that lack of heat through the years and freeze and thaw cycles as well as various animals that have made 1331 home have got this building at a point now that it would be lost but for the work that's being done, the Commission, MGM, right up to the Governor and his interest, the City, Mayor Sarno and his team, including Mr. Sheehan and MGM, and there's other partners including state agencies, as you mentioned, private partners yet to be announced, and obviously our work with National Parks Service and Mass Historic Commission. But for that, this building would be lost to the City of Springfield, to the generations going forward that would enjoy obviously it being such a center point in the city. So I'm thrilled to be part of the partnership.

What I will tell you is the endeavor is extremely costly because we will renovate and restore its historic beauty inside and out. A requirement of historic tax credits, but that's what we specialize in. Winn Companies reuses these types of buildings all over the country and brings it back to that beauty. But along the way make sure all historical elements are preserved and protected and obviously enhanced for the future as well as making sure there's a right adaptive use. 74 apartments, 15 will be middle income. There will be 12,000 square feet on the first floor. We have active interest from retailers to take that space. So I think that says a lot about the City of Springfield and the work that's being done by all the leadership I mentioned.

It will be built obviously with all ADA standards and will take on all new code to ensure that it's built once, built right and built for the future as well. So we look forward to it. It will be built by union. There will be a PLA on the project, and we're active with the unions right now in discussions to get to that project labor agreement and have that in place. And so I look forward to working with this Commission and obviously all of our partners.

I will tell you this. To that partnership, these guys are tough. All the nine partners around the table. And this agreement is probably as tight as I've ever seen in my professional career. With the checks and balanced expected, ensuring each dollar is spent wisely with the oversight and management of those dollars to ensure that it's done once, done right and done for that future generation. And it's just, again, a measure of pride to be part of such a project. Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> COMMISSIONER ZUNIGA: Thank you. I know there's, you know, questions about risks and whatnot. What about an upside? Let's just assume that everything goes really well and whatnot. Can you comment on who gets what kind of benefits does the City derive from, let's say, a project like this? Besides the economic development around it, is there anything tangible in terms of this asset if things go really well, let's say?

>> MR. SHEEHAN: Well, in terms of the existing state of the building, it's controlled by the Springfield redevelopment authority. So there's potential tax benefits associated with that in terms of its returned as an income-producing property. There's also, you



know, as you've seen as a Commission, there is a need to invest in economic development all around the casino area. And this, again, activating this space is the first leg of that ongoing effort for years to come. You're also bringing economic spending power of people living in those units back to the downtown, and they will ultimately be frequenting the retail and restaurants that are in the downtown. You know, that's important to us because the economic health of those businesses requires more than people being there on Thursday, Friday and Saturday. There needs to be an active foot presence in the downtown to economically stimulate both the existing market that's in the downtown and the future market to come.

>> MR. O'BRIEN: If I could, Madam Chairman, Winn Companies does this type of work on all over the country. And with a project of this significance and its position, I think the Urban Land Institute back in 2006 designated this as the number one economic development project for the city. The results of this project will be catalytic for obviously its symbolic realities, but beyond that, of what it will do to create additional activity in and around the casino, in and around City Hall, in and around Court Square. And we've seen it time and again whether it's in Rochester, New York, Buffalo or down in The Mid-Atlantic. Every time a project like this comes to bear, great things happen as a result of it. And the reality of the partnership that's been presented, it shows that the City of Springfield is open for business and ready to work on complex things and get things done, and that's a shot heard around the world. So it will bring other developers to bear to looking at other opportunities, and the City's vision is amazing, and they're working hard to achieve it, and this will be a check in that box that gives other people hope and inspiration to take on complex projects in Springfield.

>> MR. STRATTON: If I could add one more piece. We neglected to bring a map, and we're assuming familiarity among this Commission with its location, but it shouldn't be lost that it is directly across the street from the state some of owned MassMutual Center owned by the Convention Center Authority and effectively every window from the MassMutual Center looks out directly on Court Square and this building. And so activating this property not only for Court Square and neighboring MGM Springfield, but the neighboring MassMutual Center and the activation there will also have that catalytic impact.

>> COMMISSIONER STEBBINS: Yeah. I would like to add -- and, again, I appreciate the great partnership that's been formed. I remember Seth, to your point, Commissioner McHugh standing on the second floor of the Convention Center looking out at downtown saying, what a beautiful downtown. We need to do something there. I think what's encouraging for us is that this one project completes MGM's commitment, had you not been able to pull this project off, you would have had to continue to split up the other work between 195 State Street and another location to find the remaining units that you committed to. So this is a win-win, I feel, in that you're completing your commitment, that property being turned back to the City hopefully for another developer to take that -- see the opportunity there and turn 195 State Street hopefully into a residential unit as well as, I think, the best scenario we could have found for the City of Springfield and for MGM to meet their commitment. So congrats to everybody that's been a part of the team, and Mark and your colleagues at A&F and Tim and the Mayor.

>> MR. STRATTON: Thank you.

>> CHAIR JUDD-STEIN: I think Commissioner Stebbins has pointed out that we do

have our work to complete and we will be signing off, but I think I can fairly speak for all of us here that we are keeping our fingers crossed. I came on a year ago, and I learned about -- I saw this site and was briefed by Ombudsman Ziemba, and I am just right now keeping my excitement very close to my own vest, but it is truly a testament to what can happen with proper collaboration and imagination and generosity. It's not lost on us that there is an element of generosity here that will be part of this overall project. So we thank you for all your efforts. Mark, you've gotten your kudos. We appreciate all the efforts from everyone. And I also would be remiss if we didn't acknowledge the fact that the president, the new president, Chris Kelly, is here in the back, recognizing his -- the import of today's meeting and getting to see us in operation. We will be visiting Springfield at our next meeting, February 27th, where I think we'll have a more proper introduction for Mr. Kelly. But thank you to Chris for coming out today, recognizing this is an exciting moment. We wish you luck on the -- that last yard. I don't know if it's going to be a run or a throw, but we just want that touchdown, I suspect. Keeping our fingers crossed.

>> Thank you.

>> CHAIR JUDD-STEIN: Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Thanks, John. Thank you so much.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: And thank you, Joe, too.

>> COMMISSIONER CAMERON: I do, too. It's great.

>> CHAIR JUDD-STEIN: Safe travels back to Springfield. Thank you. And we have yet another report that we're looking forward to today, very much so from our Director of Workforce, Supplier and Diversity Development, Jill Griffin. Welcome, gentlemen, and thank you, Jill.

>> MS. GRIFFIN: Good morning, Chair Judd-Stein and Commissioners.

>> All: Good morning.

>> MS. GRIFFIN: For Black History Month, the Commission recognizes, through this vendor spotlight, what we have learned to be the oldest minority-owned business in New England, Owens Movers. So this 93-year-old Everett, Massachusetts, company attributes their nine decades of success to company culture. With me here today is father and son team, CEO Mr. Eddie Owens and seated to his right is CFO Ed Owens. And I'm going to give a few introductory remarks and then turn it over so you can hear firsthand about this company.

But as part of Teamsters Local 25, the company is able to provide its employees with excellent benefits. Starting with a horse-drawn cart in 1927, today Owens Movers has 25 employees, performs commercial moving, trash removal, and industrial warehousing and storage. And I'm sure I've missed some other services. Owens Movers recently worked on Encore Boston Harbor's preopening, including moving of table games and restaurant furniture into the casino, along with gaming equipment into the nearby dealer training school. And later relocating table games and performing multiple on-demand jobs for them.

And Encore Boston Harbor's procurement team indicated they are great. They're so responsive. We love the Owens Moving Company. So, again, I'd like to

turn it over to Mr. Owens and Mr. Owens. Yes.

>> MR. EDDIE OWENS: Good morning, Madam Chair. And good morning, Commissioners.

>> All: Good morning.

>> MR. EDDIE OWENS: And thank you very much for that nice introduction there. I can't tell you how pleased I am to be here, how proud I am to be here. Not only that my father started the company with very humble beginnings back in the day, but also my mom lived in Everett. And the thing that got me was when Chief Mazzie brought the former CEO out to the site, and he said, "this is the best location in the country to have a casino." And my son and family kids me because I've been talking about the casino for the last six years. And I just want to say a few things that it's a pleasure seeing Jacqui Krum from the old days as well as Commissioner Cameron.

I could sit here all day and talk about my family and the contribution of Workforce Development, but my wife and I were there at the casino and spent a weekend. It was an experience that I never thought would ever come to Everett, because my grandmother was from Everett. She worked as an elevator operator downtown. And my mom used to say that they'd have to put the windows up, close the windows. And when I saw that ad about Monsanto and you promised to clean up the Harbor, my mom died at 63, and it was from cancer. And the beautiful job that you've done and how happy, economically happy, everybody in Everett is and how proud they are and the contributions that you're making. You made the best decision. So you made Everett proud, and you made me proud to be here to invite me and thank you very much, Jill. So on that note I'd like to hand it over to my son because he's my boss now.

[ Laughter ]

>> MR. ED OWENS, JR.: I'll just say a few things. I'm the quiet one in the family. Thank you again, Commissioners, Director. I also want to thank Bill Curtis for having us here today. Equally as important, I want to thank everyone Jacqui Krum and everyone from Wynn and Encore for really giving us the opportunity to provide our services for the casino. One thing that my dad has always said is that our business will always be based upon relationships. You know, as a moving company, our goal has never been to be the biggest moving company in Boston. We want the relationships. It's really the quality aspect that has really attracted us to Encore. A lot of our employees have been very fortunate. We have a great team. A lot of our employees have been with us since I've been a baby. And, you know, they put in a lot of work over the past year plus, making sure that the execution was up to one standard. So we want to thank everyone from Encore for giving us the opportunity to provide services.

We were very excited when Gaming Act went into effect in 2011. In fact, six months later my dad and I were sending emails, networking and trying to meet as many folks as we could. And it's been a great experience. And we're very thankful for the opportunity.

>> MS. GRIFFIN: So I've learned that Owens Movers was one of the first companies to be licensed. Bill Curtis mentioned a very low licensing number. So they were one of the first, meaning they were anxious and excited about the opportunity.

>> COMMISSIONER CAMERON: Yeah. I would love to thank you for coming in today. I was smiling when I saw you on the agenda because we did have the

opportunity to meet at a charitable event and spend some time together with the entire family. And I'll always remember your comments. You came and spoke to us at a public hearing about what -- what this could do for Everett. And your comments were inspirational. You were looking at long-term -- not just for yourself -- but for the entire city. And that made a difference. That was part of our decision-making because we had two very competitive projects, and comments like that did weigh into our decision to move forward and approve a license in Everett. So I'm happy to see the back end of this because we were there on the front end listening, and I think your family is inspirational as well, the way you contribute to charitable events and, you know, you're very proud of everything you do, and that is inspirational. Thank you. Thank you for being here today.

>> MR. EDDIE OWENS: Thank you.

>> MS. GRIFFIN: You turned it off.

>> MR. EDDIE OWENS: Well, thank you again for those kind words. As I always say to both of my sons and my daughter, to whom much is given, much is expected. And I've been blessed that I had two great parents. That provided for us. My father worked six days a week. My mom was a stay-at-home mom. And my grandmother lived with us. And the grandmother was the key because I was the baby in the family. And I was the one that was just a "C" student. But I always wanted to go into the moving business because my dad was my hero. And there's not a day that goes by I don't think of my father. And I make decisions, what would Dad say? What would Mom say? Because you want to make them proud. So I thank you again from my family, my grandchildren because they're all hearing us. Thank you again.

>> COMMISSIONER ZUNIGA: There Owens thank you. Thank you for being here and for your words. The experience that you mentioned about the casino, did you have an opportunity to dine at it? What would you -- how would you rate it, and what can you tell us about it?

>> MR. EDDIE OWENS: I'm very biased.

[ Laughter ]

Anyone -- I'm having a problem with this.

>> COMMISSIONER ZUNIGA: You can leave it pressed.

>> MS. GRIFFIN: Just leave it, yeah.

>> MR. EDDIE OWENS: Okay. You're providing jobs. As my father used to always say, if you provide someone an occupation to make a living, you're already at -- you're almost halfway there. And the thing about us is that we've been Teamsters for well over 60 years. But the thing about it is, we provide pension through the union, and we provide healthcare. How could I deny anyone that? I can't. Because I have to live with myself. And that's the way my father always thought. So we've been blessed that it's a partnership. And you know the rules. And we abide by the rules. And service is the key. When my father was coming up, people -- when we were in the moving business, the household moving business, what we did was -- I should say my father did -- we used to move all the pianos for the prop, Tanglewood. We'd go up there with a group of guys and move them around with Leonard Bernstein. And my father found a niche. The fact that no one wants to move pianos. So everyone used to call us.

>> COMMISSIONER CAMERON: Yes.

>> MR. EDDIE OWENS: And that was our niche. We did that for a long time. In fact, Commissioner Cameron was saying, "how's your golf game?" I don't have one because of my knees because of all those pianos I moved, you know. When I tell folks how many pianos I used to move a day, 20, they look at me, like, hey, come on. We'd do a pick and pick up the piano, put it on the dolly, take it off the dolly, put it on the truck, and do the absolute reverse before we even get to the store of Baldwin or Symphony Hall. So actually, it's a little bit more than 20 pianos a day. But the body's not designed for that. So -- but I'd do it all over again because I did it to provide a living for my family. And that's what counts. At the end of the day, everybody wants the same things. They want to take care of their family. So I just -- I can't tell you how much I enjoyed the casino. I'm not a gambler, so -- but the restaurants are fabulous. The steak was unbelievable. And the Frank Sinatra, I'm into that. I really enjoyed that. But the diversity, the people from all different countries, I was so proud. And I talked to them. It was a delightful weekend, and I'm going to be back. Thank you.

>> COMMISSIONER STEBBINS: I want to just thank Director Griffin. I know she had some help from Bill Curtis in giving us the opportunity to recognize not only the amazing history of the company but how you've benefited from the introduction of gaming in Massachusetts. We used to have a piano in my house. I should have called you. Because the last firm we hired was excited until my wife told us, oh, yeah, the piano's going up on the second floor. But, I mean, I can't think of a finer example of what the gaming law was intended to do. It was intended to give local small businesses in Massachusetts the opportunity to partner with, you know, a nationally and internationally recognized company. And the legislation was so specific about that, and your company is a great example of how that success for the gaming statute's being realized. So thank you for that.

>> CHAIR JUDD-STEIN: I suspect that Jacqui Krum was very excited when she learned about the expertise that you could provide in moving the gaming tables. But I have to add one element. You said -- and which is so true, and we all hope we can share the same goal of providing for our family as the most -- the greatest priority. But just imagine how you've touched all of the Commonwealth, never mind areas around, by making sure that the music of the pops, the symphony, has been available to all of us.

>> MR. EDDIE OWENS: Thank you.

>> CHAIR JUDD-STEIN: They couldn't do it without that piano. And so your knees, we're indebted to your knees. A remarkable fit that you were in Everett and available to move, and it's nice to give Bill and Jill credit. But I think your history speaks for itself. So thank you. And thank you for your service.

>> MR. EDDIE OWENS: Thank you very much.

>> COMMISSIONER STEBBINS: Thank you.

>> MS. GRIFFIN: In closing, I just --

>> CHAIR JUDD-STEIN: It's so exciting.

>> MS. GRIFFIN: -- have to tell the Commission how I love digging into the history of this company. I learned that the pianos delivered included Arthur Fiedler, the late Senator Brooke, Johnny Mathis, and Owens Moving also moved the first microwave oven from Raytheon, which was the size of a piano. It was not the kind that you would imagine. Probably a little more difficult.

>> COMMISSIONER ZUNIGA: It was a macro oven.  
>> MS. GRIFFIN: Right. So that with the first casino in Greater Boston, I think they have a history of making history there. So anyway. Thank you.  
>> COMMISSIONER CAMERON: Great. Thank you both.  
>> COMMISSIONER STEBBINS: Thank you for joining us.  
>> COMMISSIONER ZUNIGA: Thank you.  
>> CHAIR JUDD-STEIN: Now we're moving on to item number 6, and we have Mr. Curtis here who was just thanked by both Mr. Owens. Good morning, Bill. Good morning, Jacqui.  
>> COMMISSIONER ZUNIGA: Good morning.  
>> COMMISSIONER CAMERON: Good morning.  
>> CHAIR JUDD-STEIN: I was going to say --  
>> COMMISSIONER CAMERON: It is.  
>> MR. CURTIS: The nicest folks.  
>> CHAIR JUDD-STEIN: We started out with two very positive reports, and we're looking forward to yours as well. So thank you, Bill, and thank you, Encore.  
>> MR. CURTIS: Today I'm joined by Jacqui Krum --  
>> COMMISSIONER ZUNIGA: Bill, is your mic on?

>> MR. CURTIS: Sorry. And Warren Edwards. We're here before you to amend the original gaming beverage license application and presentation that the Commission approved on May 22nd, 2019. Today for consideration and vote are three separate amendment requests to this original application. The amendment requests have been submitted on the Commission form as prescribed under 205 CMR 136.04 parentheses 2. The applications are required to contain the following information. Floor plans showing the location of the area within the gaming establishment, description of the license area including the location of the dispensing areas, exits and bottle service, description of the manner in which alcoholic beverages are stored and secured, description of the business concept, business hours, and the identity of the manager.

Upon initial review of these applications by the Division of Licensing, deficiencies were noted in the applications were deemed incomplete. As per 205 CMR 136.03, (2) modifications were then requested to bring the forms into compliance with the above requirements. Revised applications have been received, reviewed, and found to now be in full conformance with 205 CMR 136.04 and MGL Chapter 23K, subsection 26. I want to give you a high-level view of each request, and then I would ask the representatives from Encore Boston Harbor to explain these amendments further as they present additional information in their PowerPoint presentation.

So the first amendment would be additional storage for alcohol. This amendment requests eight additional storage areas for alcoholic beverages. Currently surplus alcohol is stored in four locations. The four locations being three on the ground floor would be the warehouse, the liquor pump room, and the banquet pantry. And on the third floor, the liquor pump room.

The additional storage would be on the first and second floor with identifiable numbers on the doors of the storage areas. The eighth storage area is for Fratelli's restaurant, a vendor to Encore Boston Harbor. The storage area will be located in the back of the house hallway adjacent to Fratelli's outer wear. The second is for beverage outlet. This amendment requests an additional beverage outlet location to be called

Salon Prive of VIP Lounge located on the second floor in the high-limit area. Access to the lounge will be by card or by invitation. There will be lounge seating for 30 guests. Licensed employees will serve alcoholic beverage during the hours of 8:00 a.m. to 2:00 a.m. Encore has represented that there will be an employee in the lounge at all times. Alcohol storage will either be in -- will be stored in either -- excuse me, Salon Prive credenzas or back of the house and the third and final amendment is changing description of the licensed area. This amendment requests to convert the preparation of alcoholic drinks for the casino beverage service area from bartenders to easy bar self-service towers. The easy bar self-storage tower will be operated by a cocktail server. So it's really not someone goes in and makes their own drink. This conversion will take place in the casino beverage service areas numbers 1 through 6 and number 8.

Casino beverage service in area number 7 will remain the same. Alcoholic drinks will be prepared by the bartender. A total of 28 easy bars have/slash will be installed with four easy bar towers in each casino beverage service area. At the time of our inspection and myself checked out what they're doing, not all installation was completed at that time. In the hours of the alcoholic beverage service will remain unchanged from 8:00 a.m. to 4:00 a.m., but only actively gaming patrons on the gaming floor will have the service from 2:00 to 4:00.

I would ask that if the amendments are approved, that Encore review their internal controls for alcoholic beverages. So they changes are reflected in their internal controls. Any of these amendments, if they're approved. So I would ask Jacqui just to run through the Encore presentation.

>> MS. KRUM: I'm actually going to turn it over to Warren who's the expert on this.

>> MR. RICHARDS: So as you can imagine, we essentially have seven months of data and information about the flow of patrons through the building. And that led us to make these adjustments based on the demands of the various areas. One of the things that we learned very quickly in the first two weeks of opening was just how busy the facility was on the weekends. And essentially storage areas which we had outlined in the design of the building were beyond capacity on, for instance, Friday and Saturday night, especially. And that was causing us a huge amount of difficulty in running the operation and, you know, pulls from the warehouse after hours, times which were very inconvenient to everyone involved. And it was slowing down our service to the guests. So a lot of the storage area changes that are reflected here are to do with that exactly. This first instance, Sinatra. Sinatra actually is an area that is not accessible through back-of-house areas. You actually have to cross a guest esplanade. This was definitely one of the areas where we probably undervalued storage in the original design. And the area that is -- I'm sorry. If you can go back one -- the area that's identified there is actually an area which is just across that hallway, and we have installed cages there, and it just allows us the extra capacity to store wine and some spirits in that area. All of the areas that you see here either have or will have installed 24-hour surveillance and RFID access to these spaces. This space is an example of one that is completed, and both are installed. And the only people with access to this space would be through RFID.

The next space is a bar/porter support room originally something that we intended to store paper goods and supplies in. We realized again would be a nice

place to add additional alcohol storage. This is actually quite close to pump room 1 and the warehouse on the first floor. So, again, from a logistics perspective, it made a lot of sense for us to use this underutilized space which was previously storing cups and mops and towels and things like that.

This space here, again, a space which was on the original master plan used for retail storage. The retail footprint at that point included the spaces that are currently inhabited by restaurants. This storage space was never absorbed. And we would use this opportunity to add a storage area much closer to the restaurants, Sinatra, Oyster Bar, Red 8 and Waterfront. Those are the four restaurants that would be immediately impacted by this, as would the steakhouse.

And this is the back corridor for Fratelli's. So this is the main back-of-house area just up from the warehouse. Fratelli in the original master plan was a restaurant that was actually going to be owned and operated by Encore. This was at a later date an outlet that then went to a third party, frankly was Nick Guarano. Because it was originally designed to be our outlet, we did not build back of house assuming that we would have daily drops coming from our warehouse. Now that it is a third-party operator, they do not requisition from our warehouse, so they have drops coming that are of size as any independent free-standing restaurant would have. And so this has been the main reason for their challenges with storage. Basically we didn't build a restaurant with storage. The storage it was the warehouse. So there is nowhere other than that space delineated for them to store products. This is not just alcohol. It's paper goods, cooking oil, all of those larger-size items that need to come in on a truck once or twice a week for them. This space is high traffic. It's just up from the warehouse and is under plenty of surveillance with a number of things that are happening in that part of the building.

>> COMMISSIONER O'BRIEN: Do you have any pictures of what those cages are? Are they attached to the wall? Do they have wheels? I'm having -- that's the one I'm having trouble with.

>> CHAIR JUDD-STEIN: Me, too.

>> MR. RICHARDS: I don't believe there's one in the slide show, but it is a hard metal wire cage on wheels that typically 6 feet on wheels. And they essentially fill a 6 foot by 3 foot area with one or two shelves within. They are wire so that everyone can see the contents of what's inside, so there can be to ambiguity as to what's being stored in there, and they all have padlock security on the outside, which only the operators at the venue would have access to.

>> COMMISSIONER O'BRIEN: But they're movable.

>> MR. RICHARDS: They are movable, yes.

>> COMMISSIONER O'BRIEN: And then you've got ramps that take you to what -- you've got your warehouse and what other access? It just seems like those are far too readily movable to really give me confidence in storage.

>> MR. RICHARDS: Absolutely.

. And they can be attached. One of the reasons they are not attached at the moment is just for ease of cleaning the area so those can be moved out of the way. But they can be fixed in place, and that can be an easy adjustment for us to make immediately.

>> COMMISSIONER O'BRIEN: And does that cause any issues in terms of fire code or egress or anything like that?



>> MR. RICHARDS: The width of this corridor, it is not an issue with Everett fire.

>> COMMISSIONER O'BRIEN: If it were fixed in place, it would still comply with all the requirements?

>> MR. RICHARDS: That is correct.

>> CHAIR JUDD-STEIN: Bill, you did make -- this was the one that also caught my attention. You noted that this is considered an open location whereas the remaining request locations are behind closed doors. So the difference here is that for even the mini-storage, nobody would actually know alcohol is stored behind those doors unless they had the information that is made public now?

>> MR. CURTIS: Correct. For these seven, I did ask Jacqui if she could affix numbers to the outside.

>> CHAIR JUDD-STEIN: Good idea.

>> MR. CURTIS: You know, less problems could occur. So, I mean, only probably upper management actually knows what's behind those doors.

>> CHAIR JUDD-STEIN: And now to Commissioner O'Brien's concern, and what I'm hearing you -- because we want to be practical -- is that if you fix those, you wouldn't be able to clean as easily. There's -- that's why they're on wheels, or is there a reason why -- I guess I'm wondering is there a reason why you just didn't build storage with closed doors?

>> COMMISSIONER O'BRIEN: Why not just out the hallway?

>> CHAIR JUDD-STEIN: Yeah, why not build the hallway out? Is it because of the expense and it's clean?

>> MR. RICHARDS: Yeah. I think this has up to this point been a little bit of a moving target as to everyone normalizing their business. So this was originally done as a potentially interim or short-term solution. Now we have a better idea of the long-term demands they have, we can investigate a more permanent solution here. But the current storage that has been back there doesn't fill that entire green space. They have at times stored additional chairs from their private dining room. For instance, in that space as well. So there's been a little bit of flux as to what is stored in the space, what isn't stored in the space. They essentially use it for any back-of-house staging currently. That can be anything from liquor stored in a metal cage to furniture to a pallet of cooking supplies that may or may not have arrived.

>> COMMISSIONER O'BRIEN: So they're already storing liquor?

>> MR. RICHARDS: That would be what we're proposing.

>> COMMISSIONER O'BRIEN: I thought that you said on occasion they would have already done this.

>> MR. RICHARDS: Yeah. So this space out here is -- it's been quite flexible in terms of how we would imagine them using it. And with it be a third-party operator, we haven't yet suggested a permanent solution.

>> COMMISSIONER STEBBINS: Is the -- I noticed from the diagram it appears you have a liquor storage kind of on the other side of the hallway. Is that sufficient for the two of you to share? Obviously with keys to your own cages but access but --

>> MR. RICHARDS: That would be not impossible at all to investigate. That is where the pump room and all of the Encore supplies go. So currently we've not wanted to share that space with a third party.

>> MS. KRUM: Given that they're not our employees, our preference would be to

maintain separate access points.

>> MR. RICHARDS: Right.

>> COMMISSIONER STEBBINS: Okay. I mean, I'd probably echo my colleagues, this is the one part of the request that concerns me the most, just in terms of all the people you have moving up and down that service corridor.

>> MR. RICHARDS: Mm-hmm.

>> COMMISSIONER STEBBINS: Somebody from Fratelli's runs out, grabs a couple bottles, doesn't have enough, you know, is not an octopus, can't relock the door before they go back in. I just don't want to pose a risk of somebody just happen to be passing by grabbing a couple extra bottles out of the cage.

>> CHAIR JUDD-STEIN: So you did point out that it's all under surveillance, too.

>> MS. KRUM: It's one of the most heavily trafficked back-of-house passages, so it's under constant surveillance.

>> MR. RICHARDS: Yes. That was actually one of the things that I think is, from our perspective, a positive about this location, although not ideal. If this is on the third floor, for instance, and it was, let's say, outside of I.T. and it therefore would have very little traffic from, you know, 5:00 P.M. through 9:00 a.m. on Monday morning, 5:00 P.M. on Friday through 9:00 a.m. on Monday morning, this is a highly trafficked area seven days a week, almost 24/7. So potentially a positive and a negative rolled into one.

The proposed first floor Waterfront oyster storage refers to what was in the original plan a trash room for many of the esplanade retail and restaurants. We have abandoned said plan for trash because it wasn't really logistical. Trash goes all the way to the back of the building making this space available for storage. We actually intend, if approved, this to be a dual-use space to allow us additional prep space for the oyster bar, so we can maybe expand the menu offerings, some hot items as well as for Waterfront additional prep space for those two restaurants. Again, those were originally retail spaces. So kitchens are tight. And this will get us more flexibility. The long-term plan, of course if this is approved, we would add potentially wine racks in here, and this would be an RFID and surveillance-driven area for us to use.

The second floor beverage storage. Again, further continuation of the same theme. A proxy location for additional beverage storage. This space is right next to the stewarding warehouse and is already an RFID door and under surveillance. We had been using this for glassware recovery as we try to reunite glassware with its rightful owner in the building. Again, we don't think that that's necessarily the most important use of the space or at least splitting the space, again, gives us more flexibility.

And similarly, this is a space that is on the third floor above -- sorry, on the second floor above the steakhouse. Steakhouse and the Brew coffee shop. Again, find themselves geographically quite a long way from the warehouse. So, again, from an operational perspective and our ability to react especially after hours during the dinner-only restaurant period, this space here would give us that additional flexibility. Currently, again, storage for dry goods.

And this is a proposed future storage area that is just behind the Garden Cafe and interim dining room kitchen. Again, similar theme to everything that we've been saying. Bringing products closer for proxy storage to the back of an outlet such as Garden Cafe.

That concludes all of the additional storage areas. This is the request for the

conversion of what is existing a gaming salon. So the map here indicates two gaming tables and some residential furniture. We believe that following the launch of our tier card for the gaming guests, that our top tier of players should have somewhere to relax and take a time-out. And this space in the high-limit area lended itself very well. This salon does not have a balcony view or anything of the casino. So it was quite underutilized, and essentially the proposition is to remove those tables, add some lounge furniture, and have a licensed employee provide beverage service to those guests during the approved hours. Again, a combination of small bites, a croissant, a cup of coffee, potentially a glass of wine, beer or cocktail. But this is really a lounge for a small amount of guests at a time, 10 to 15 people, just relaxing briefly. This is not a public venue showing the game and loud music or anything like that. It's literally a VIP lounge just for those small subset of guests. Currently I believe we have no more than 200 guests that are actually qualified for this lounge. We anticipate that group growing over time. But as you can imagine, the qualified guests that are on property at the exact same time is never going to be a huge number. And this space would be run, when it is open, with an employee always in the room because that caliber of guest, again, we would provide that service to them. So there's no self-serve element there other than the food items if they wanted something to eat.

>> COMMISSIONER ZUNIGA: How would -- how would somebody access that when it's open?

>> MR. RICHARDS: Sure.

>> COMMISSIONER ZUNIGA: Is it carded? Or I'm just curious.

>> MR. RICHARDS: So currently there is a host desk -- I don't know if you have that previous map. So I guess moving south on the map where the corridor begins for the gaming area, there's currently a control point right there where we have a rope and stanchion and a sign saying guests only. And Wynn Rewards. There is usually a representative from our tier card program that's there or a host at the desk itself. So there's very little traffic through there that is not approved.

>> MR. CURTIS: Warren, could you touch on the bottle service a little bit also, please?

>> MR. RICHARDS: Sure. Bottle service, this mirrors -- there's been no change whatsoever to our original proposal. Just thought it would be a good opportunity to revisit it. So we do not anticipate bottle service being a regular occurrence in that space. If so, we would follow the bottle service requirements that would be under the control of a licensed employee at all times. The guest would never be permitted to serve themselves, and the bottle would never be unattended with the guest. So that would leave with the employee that poured it. If there was a necessity for them to step away from the table.

>> MS. KRUM: But just to be clear, we don't actually intend to sell bottles of liquor there.

>> MR. RICHARDS: No, we do not intend to sell bottles. I added that to this area, as we did for some of the other areas in the instance that we had a private event, for instance. For instance, we added bottle service to many other areas in the original application. It was just for that one purpose. It's not part of our regular programming. This is a glass of wine, bottle of beer venue predominantly.

>> COMMISSIONER CAMERON: Which would be complimentary to the guest.

>> MR. RICHARDS: Yes.

>> COMMISSIONER STEBBINS: You quickly mentioned by invitation. I'm assuming those are guests you're hoping to attract to --

>> MS. KRUM: No. Actually, it's the guests that are qualified already to be in the highest tier of our newly implemented tiered program.

>> COMMISSIONER STEBBINS: Okay.

>> MR. RICHARDS: That is correct.

So this slide and the ones following refer to casino beverage service. We have, just as a recap, eight casino service bars that service the casino floor. These are all behind-the-scenes service bars. Nothing guest-facing. There are six on the lower floor, which is on the left. And there are two upstairs. One is on high limit, which is service bar number 7. And the other is service bar 8 that's over in the poker room area.

The next slides -- and we can stay on this one just for a second -- are closer looks at the inside of each of the bars. We built bars in the traditional format here. So typically one service well to accommodate one bartender. There are two bars on property which were built with two service wells. But the bulk of the casino floor bars downstairs only have one service well with one bartender and one service rack, one ice well. So if you're looking at service bar 1, this would be an example. The space on the bottom left corner, that's actually where the bartender would be standing, and the cocktail servers would approach from the other side.

We have had fairly noticeable feedback from our guests from day one about the speed of beverage service on the casino floor, being one of our largest complaints. I have had plenty of opportunities to look at this process for the last six months. And what we realized is it actually wasn't a lack of cocktail servers, which is the usual suspicion. It was actually the bottleneck that was happening in the service bars after they had taken the order. So on a busy night, you can imagine service bar 1 here having eight to ten cocktail servers working from it. In the existing and old model, that is, 8 to 12 people approaching one bartender. And so that was doing was, no matter how many cocktail servers we had, the snake waiting for the bartender was just getting longer and longer and longer as the bartender had to execute those drinks. So adopting the self-serve easy bar technology, we actually are able to add four locations. This is the self-service tower. We replaced the bottleneck with four different places that someone can approach. So now you're taking eight and spreading them across four instead of eight and all going to one.

So our hope -- and we believe this will be demonstrated quickly -- is that this will, as much as four times, improve the speed of service going out to the casino floor. Now, this is not because I'm trying to serve any faster than we originally had intended, but it means that the hour wait for a drink, which I have been told has often been the case on peak, will shrink down to 40 minutes, 30 minutes, 20 minutes, which was our original target, which we proposed which was a guest to be offered a beverage every 20 minutes if they so desired.

The terminal itself is not that dissimilar to, I think, maybe an easy-to-visualize example here is if you've been to a quick-serve restaurant where they have the very nice Coca-Cola or Pepsi touch-screen soda fountains, which have kind of taken the place of the old ones. The only difference here is this digital screen will allow you to

pour whatever we program into it. So that can be a glass of wine. It can be beer. It can be a vodka soda. It can be a whiskey and Coke. It's quite easy to navigate. Everything is categorized and organized. The nice thing for the servers is we're able to add logos of brands, and all the recipes are preprogrammed into the machine. It pulls from the pump rooms in the exact same way that what it replaced, which is in the bottom right-hand corner, the gun that the bartender would previously press. So perhaps one of the misperceptions about the old bar service is that the bartender was essentially ordering the drink through the gun. So we did not have these bars filled with, you know, 100 different bottles, and he wasn't free pouring through jigger into a glass actually that much at all. It was preprogrammed buttons that were, in this case, a gun. That now moves to a digital screen, and the drink comes out dispensed from the screen itself.

>> CHAIR JUDD-STEIN: And in this case the beverage server has his or her list, comes in and touches the button, and gets the cups and puts them on the tray and continues to go about doing the job.

>> MS. KRUM: So it's actually a two-step process.

>> CHAIR JUDD-STEIN: Okay, thank you.

>> MS. KRUM: The beverage server would come in, run their card through our system the same way this they were doing before.

A different system than the easy bar.

>> CHAIR JUDD-STEIN: But they had to run a card through before?

>> MS. KRUM: Correct. So it sort of opens up essentially the easy bar. They then move to the easy bar.

And unlike a soda fountain machine, these are all premeasured pours. So they push the button. A premeasured pour comes out. And it would only correspond to what they've programmed into the original order.

>> CHAIR JUDD-STEIN: But they're now grabbing the glass. They're taking it, pouring it, putting it on their trays and going back out.

>> MS. KRUM: Correct.

>> CHAIR JUDD-STEIN: In terms of the towers, how is this going to help the bottleneck?

>> MS. KRUM: So instead of having the one bartender and all the cocktail servers come up to the one bartender, essentially each cocktail server will have their own easy bar.

>> CHAIR JUDD-STEIN: They will have their own?

>> MS. KRUM: More or less, more or less. So there are four there instead of one. So they would come up, run their card, move over to the easy bar and be able to do those drinks.

>> CHAIR JUDD-STEIN: So a tower is, like --

>> MS. KRUM: That's the tower.

>> CHAIR JUDD-STEIN: One tower per -- and then you have about four cocktail servers coming up.

>> MR. RICHARDS: Right. We've installed -- four is the original install for each bar. So that's the 28 count that was referenced previously. Because we're only converting seven of the eight bars. High limit which has a wider selection including some premium

spirits.

That made this not really an applicable thing for service bar 7. So the other seven bars will have four towers. So, again, that lane of really -- let's say use the example of eight, you now have no more than two cocktail servers approaching one tower. So it's four to one versus an eight to one -- sorry, I said that wrong. It's a two to one ratio per terminal. Whereas before essentially it was eight to one.

>> COMMISSIONER CAMERON: Have you had a chance to look at the comments here with regard to two different issues? One would be because of this, you will have more intoxicated patrons because they will get their drinks so rapidly. And the other comment really was about, you know, not using bartenders. I know that when we talked about this initially, that was not the case with bartenders. But those two issues were brought up again.

>> MR. RICHARDS: Sure. So the speed of service is no different to our original application. What has happened is a gross amount of inefficiency in our original plan. So we have not -- we wouldn't -- we do not intend to add any more cocktail servers to the floor. What we're trying to do is time them correctly based on our original plan. In the original process, we intentionally spaced and trained to a speed of no more than three drinks per person per hour. So once every 20 minutes was our target, and that remains the same. There is no change to the pour size that we're attempting here. And one of the ways that we're pacing that, along with the training of the ladies, is the routes and the size of the sections that they're working. So essentially the process of covering an area that would be a typical section for a slot -- someone working in the slots section, they don't have the opportunity to get back any faster than they already were. What was happening currently in the current system is they would make their rounds, take their orders, and then essentially stand in a traffic jam at the bar. And so that's the inefficiency that we're looking to eradicate. We're not looking to speed up in any way from our original proposal. This is just to remove that inefficiency. And the common comment that we're getting, and literally this morning I got the social media report. I got the credit adjustment reports that we get every single day, which are logging complaints from our casino guests that are on the gaming floor. And when it's busy, they're continually reporting about an hour as a typical time that they're not seeing somebody come to offer them a drink. So that's where we're trying to improve that guest experience.

The other comment --

>> CHAIR JUDD-STEIN: Loss of jobs for bartenders.

>> MR. RICHARDS: So fewer than 40 employees were actually impacted by this change.

>> CHAIR JUDD-STEIN: Could you just say that again, please?

>> MS. KRUM: Fewer than 40.

>> MR. RICHARDS: Fewer than 40, yes. And we have, in a very active process, been looking to make sure that each and every one of those had the opportunity to find an opportunity elsewhere in the building. I am -- can I share the -- so as of this morning, I can report that 30 of the -- what I show as 40, basically -- had been placed in other positions in the beverage department on property. So that means they took open positions that existed at the burger bar, Waterfront, steakhouse, wherever else it may be.

One of the main areas for placement was actually in the exact same department they were already in, which was actually in the service bars. As you can imagine, when you switch over this process, it doesn't mean that you still don't need to stock the bars. So a lot of them actually moved into a higher hourly rate position, stocking the bars with all of the product which is now automated. So that was something that allowed us to place 30 of the affected people. Four people have accepted a transfer to other departments in the building. That could be hotel, surveillance, security, valet, any of the above. Again, any openings that were available were made available to the entire group.

There is one person who is undecided, and eight have made the decision to seek other opportunities outside of the building.

>> COMMISSIONER CAMERON: If those eight had chosen to stay, you would have worked to place them as well?

>> MR. RICHARDS: Absolutely. Absolutely. They were presented with opportunities as diverse as the open opportunities we had in the building. They were presented with the entire set. And as I'm sure you're all aware, there are plenty of other attractive opportunities in the city that we're competing against for talent. We saw some of the new openings here in the city. Davio's just opened, 300-seat restaurant. That's just one example of ongoing opportunities there are in the city that people have in some cases taken. Everybody that is choosing to leave is very much eligible to return if they decide that there's an opportunity for them to come back or if they left and, you know, something wasn't to their liking and they wanted to return, everyone is leaving in, as far as I'm concerned, great terms. And if they want to have a future with Encore, we'd be happy to have them.

>> MS. KRUM: And just one more clarification on the bartenders and the cocktail servers, the change from bartenders to cocktail servers. All of those employees are certified in terms of the TIPS training. So they all have that same certification.

>> MR. RICHARDS: Mm-hmm.

>> COMMISSIONER O'BRIEN: And did the servers whose positions are being eliminated, in addition to the hourly rate, do they also get tips? So were they moving into a non-tip job when they --

>> MR. RICHARDS: The bartenders that were -- the casino service bartenders that were affected would receive a tip from the cocktail servers. So that was part of the economics of their decision, moving into a bar/porter position which is the stocker, they are paid a higher hourly rate because it's a nontip position.

>> COMMISSIONER O'BRIEN: Nontip.

>> MR. RICHARDS: Still at the same discretion. They all had the opportunity to apply for positions both tipped and nontipped that were open in the building. So I am almost 100% sure that one of the bartenders is going to be a guest-facing bartender now at On-Deck Burger Bar up on the balcony. So that would be a tipped position and hopefully a great and lucrative position because On-Deck is very busy always. So that would be just one example.

>> MS. KRUM: I think we've gone through that. Just to clarify, the service between 2:00 and 4:00 a.m. remains unchanged. It's just the process behind the service.

>> MR. RICHARDS: Mm-hmm. If you just want to rewind to steps there. One more. So this was the original submitted process. And the two highlighted bullet

points just separate what was one previously. So this just differentiates service that's happening in the seven of eight bars, and then the eighth bar which is in high limit which is in service bar 7, that's actually the terminology from the original application.

In terms of control, which I'm sure is an important point just to revisit here. This is technology driven, access to the towers to open it up, unlock it is only done through employee swipe. And we have the ability to shut down these towers for categories of product, alcohol in this case electronically. So at 4:00 in the morning, if you attempt to order beer or wine, it essentially locks you out, as just an unavailable item. The towers remain at that point open for Coca-Cola, Sprite, nonalcoholic beverage. So the towers do remain on, but the categories of alcohol are all blocked out and unavailable for use.

>> MS. KRUM: And we can't change that locally. We can't ever override that locally. It has to be done through the programmer or through Las Vegas.

>> MR. RICHARDS: Yes. Our programmer in Las Vegas Monday through Friday, 9:00 to 5:00. She is responsible for that programming. And that's not someone locally here in Massachusetts.

>> CHAIR JUDD-STEIN: I thought that was an interesting control.

>> MS. KRUM: Mm-hmm.

>> COMMISSIONER ZUNIGA: Yeah. You have to wake somebody up in Las Vegas.

>> CHAIR JUDD-STEIN: Any further questions for Bill, Jacqui or Warren?

>> COMMISSIONER O'BRIEN: Going back to Fratelli's, what are they doing now in terms of their alcohol storage?

>> CHAIR JUDD-STEIN: Alcohol storage.

>> MR. RICHARDS: It's untidy back there. We have -- that back hall is a daily struggle for us to get them to receive the product into the venue and put it away correctly. So this is a daily struggle for us. To be honest with all things both alcohol and nonalcohol, that is a high-traffic area, and we are looking for a sustainable solution that we can implement ASAP.

>> COMMISSIONER O'BRIEN: So if a recommendation were to come from here that the cages be affixed in, say, a six-month period of review where you continue to look for other options, is that something that addresses the immediate issue that you're having with Fratelli's not taking delivery into the secure space in the restaurant?

>> MR. RICHARDS: You're referring to another space somewhere on property?

>> COMMISSIONER O'BRIEN: Or building out that hallway, Fratelli's looking at their seating design, if it's going to come in house, maybe they have to reconfigure some of the seating, that sort of thing.

>> MR. RICHARDS: Absolutely, we would continue to look for a different solution potentially an area that's not in the hall. There aren't a lot of spaces left in the building that are unassigned space, but we'll absolutely look to continue to find one if this is not the long-term solution. And as far as affixing them, that can be done this week.

>> COMMISSIONER ZUNIGA: Yeah. I think that was more your point. The fixing wasn't it?

>> COMMISSIONER O'BRIEN: I still have concerns about open cages being in a high-traffic area that close. The affixing is my most immediate objection where there's no way I would say that okay. That to me resolves what was my immediate concern. I still am a little uncomfortable with that as a long-term solution which is what I'm



proposing is affix them and have the approval go for a six-month period with the understanding you're going to come back and look licensing and enforcement can also talk about have there been any issues or is it fine to have it affixed and it's sufficiently secure. That's sort of where I'm leaning right now.

>> MS. KRUM: Is the concern the cages or if it was a more built-in structure, would that give you more comfort?

>> COMMISSIONER O'BRIEN: That would give me less pause, yes. I think even the comment of numbering the doors as opposed to labeling them and now you have cages in a high-traffic area with two egress points.

>> CHAIR JUDD-STEIN: Is that what you said, Jacqui, to have more built-in cabinets?

>> MS. KRUM: If it was a more built-in structure so that the alcohol wouldn't be visible from the outside.

>> COMMISSIONER O'BRIEN: Right. And not moveable.

>> CHAIR JUDD-STEIN: Is it the only place where the alcohol is visible, or is that a common -- is that a practice where they use cages, Bill? Have you seen that?

>> MR. CURTIS: I've seen them being used as MGM, but that's just to take the stock off of the shelves in the bar, lock it into the cage and bring it into the back room, wheel it into the back room.

>> CHAIR JUDD-STEIN: For transportation.

>> MR. CURTIS: Correct.

>> CHAIR JUDD-STEIN: I see.

>> MS. KRUM: We do use quite a bit of cages for lockup, but they're usually in an enclosed space.

>> CHAIR JUDD-STEIN: They're in an enclosed space, so I understand. But they're mobile for a reason. So that's why you have them. Okay.

>> MR. RICHARDS: For instance, in room 1 which is next to that there are cages like that inside that which house our premium stock. Even though that's a controlled room, we want that added level of control for access to anything over \$100, for instance.

>> CHAIR JUDD-STEIN: And that was space that was designated as part of the license for --

>> MR. RICHARDS: Yes, yes.

>> COMMISSIONER ZUNIGA: This is something I learned today. Fratelli's bring in all their supplies. They contract for delivery.

>> MR. RICHARDS: That's correct. We wanted to make sure that their employees were handling their product and would have no reason to be in our warehouse, for instance, especially not in our alcohol areas. So this was just the cleanest way to do it. They make their own deals with Martin Eddie and Horizon and all of our beverage suppliers.

It's very separate to ours.

>> MR. CURTIS: And that's the same for Memoir and Mystique as well?

>> MR. RICHARDS: That is correct.

>> MS. KRUM: The difference being that they were -- we knew they were going to be outside vendors to begin with, so the space was designed differently.

>> MR. RICHARDS: Right.

>> CHAIR JUDD-STEIN: So legally the license is through you, through an agency or

some kind of arrangement, they have to comply with all of our rules?

>> MS. KRUM: That's correct.

>> CHAIR JUDD-STEIN: If I could understand that better?

>> MS. KRUM: It's a co-responsible person?

>> MR. CURTIS: It pretty much runs from the ABCC.

>> CHAIR JUDD-STEIN: Is that how it works?

>> MR. CURTIS: They can't purchase alcohol and give it to someone else because it's invoiced to Encore. So Encore has to sell it. Fratelli's, in order for them to get their first delivery, they had to send a copy over of their license. And with the, like, Martin Eddie would do is they'd jot down their information and the billing is directed to Fratelli's as well as Big Night Entertainment which runs Memoir and Mystique. It's a state law that they only can deliver to an active license.

>> CHAIR JUDD-STEIN: That's what I wondered.

>> COMMISSIONER O'BRIEN: And just to clarify, so the Fratelli's license is an ABCC license.

>> MR. CURTIS: No, no.

>> COMMISSIONER O'BRIEN: So it derives from the license that comes from us, so the execution, it's delivered and billed directly to them, to deal with ABCC's regs.

>> MR. CURTIS: They're a jointly responsible party.

>> MR. GROSSMAN: And just to clarify, it doesn't run through ABCC at all. It runs through us. There's what they call a gaming license under Chapter 23K which the Commission issues. We have a provision in the regs that we refer to as a jointly responsible party. The gaming licensee is ultimately responsible for all of the alcoholic beverage service in the building, but they're allowed to have someone else run a restaurant bar or what have you.

>> COMMISSIONER O'BRIEN: But the ABCC reference comes to the fact that those regs overlay us. They are not allowed then to sell directly?

>> MR. GROSSMAN: The ABCC has nothing to do with this at all except for the fact that a distributor --

>> COMMISSIONER O'BRIEN: Right, can't go --

>> MR. GROSSMAN: Has to deliver --

>> COMMISSIONER O'BRIEN: Right.

>> MR. GROSSMAN: -- to a licensed entity, essentially. But we have a regulation that requires all alcoholic beverages to be received from a licensed distributor under Chapter 138. But otherwise the Gaming Commission controls all of the alcoholic beverage service in the casino.

>> COMMISSIONER CAMERON: And they understand that you hold the license and they have to comply with your internal policies?

>> COMMISSIONER ZUNIGA: Absolutely.

>> MS. KRUM: Yes. We send them notices quite frequently about not just that.

>> CHAIR JUDD-STEIN: Well, with that said, we want to make sure that this is all nice and secure.

>> COMMISSIONER CAMERON: Well, to address Commissioner O'Brien's concern, it sounds like the easy way to move forward is to fix the -- fix the cages.

>> COMMISSIONER O'BRIEN: I would say affix the cages with the understanding that this is a six-month review. Is there something even more secure? I mean, your

point about not labeling alcohol behind the door and that even your premium liquor is sort of double protected with cages within close spaces so that you don't have this visible area in a high-traffic area near egress points. I do think, as a short-term solution, it helps what is already an issue for you guys. But I do think it should be continue to be looked at to say this should be more secure and not visible to people.

>> MR. RICHARDS: And potentially with the approval of the other storage areas, we'll be able to look at Encore storage as a whole and potentially there would be a space that would reveal itself for Fratelli's. Obviously logistically, we want them to be as close to their restaurant as possible. Pump room 1, if we had been running Fratelli's this whole time, it would have been right there. It's only the reason that the alcohol storage wasn't sufficient because we anticipated them -- well, us using our own storage area. It only became a challenge with the fact that it became a third party.

>> CHAIR JUDD-STEIN: And we want to make sure not to handicap Fratelli's. We want them to be successful here, you know. So the mother in me is concerned about cleaning under those cages, if we affix them.

>> COMMISSIONER O'BRIEN: That's why walls also solves that problem, too.

>> MS. KRUM: I think the cages are slightly off the floor, if I'm not mistaken, so we can get under there.

>> MR. RICHARDS: Yeah.

>> CHAIR JUDD-STEIN: I'm feeling better already.

>> MR. RICHARDS: They're on wheels.

>> COMMISSIONER STEBBINS: As a dad, I don't care about cleaning. I do appreciate the recommendation to try out affixing the cages and see if we can come up with a better solution.

>> CHAIR JUDD-STEIN: So with that said, why don't we -- why don't we tackle first the request around the easy bar, self-service. Are there any more questions with respect to that license -- that's a license amendment as well.

>> COMMISSIONER STEBBINS: Yeah.

>> CHAIR JUDD-STEIN: They're all license amendments.

>> COMMISSIONER STEBBINS: I just had a general question. By removing a person who's back there full time, what state of guards do you have to make sure people aren't just wandering in off the floor? Give me an idea of how that wouldn't happen.

>> MS. KRUM: Well, even if they did wander in off the floor, they wouldn't be able to access any alcohol. So they'd have to slide their employee card through and then the easy bar doesn't open until they've gone through that process.

>> COMMISSIONER STEBBINS: And you don't keep anything else back there that somebody would want to rifle through?

>> MR. RICHARDS: Yeah. It's actually an interesting point. In the old model with the guns, I would say that 85% probably of all drinks was through the gun, but there was still a speed rack that would have those one-off things for the person that wanted something with blue curacao or, you know, peach schnapps or something that wouldn't go through the gun. In this new tower, those items now actually live locked, and they are all running through, because we had to replace the bartender. So there is nothing now that doesn't go through the tower itself. So there is actually no bottles loose anywhere that are not locked up. It's all coming from behind the scenes or locked in

cabinet now. So that's a big positive. Plus, we anticipate having the bar porter in the bar at all times, cleaning, restocking glassware, ice, and all of the maintenance of the bar, cleanliness, all of the above. So we believe the bar is actually going to be attended by an employee at all times. And to Jacqui's point, there's actually nothing that's accessible to them other than nonalcoholic beverage even if they were to find their way in there.

>> CHAIR JUDD-STEIN: So there's a bar porter who does the cleaning and the stocking of nonalcoholic --

>> MR. RICHARDS: Of everything that's in the bar yes. Yes.

>> CHAIR JUDD-STEIN: They are also authorized to go to the additional storage areas and get --

>> MR. RICHARDS: Exactly.

>> CHAIR JUDD-STEIN: -- whatever they need.

>> MR. RICHARDS: Yes. That person isn't able to --

>> CHAIR JUDD-STEIN: That's the same person. And that's the job that I think I heard -- did I hear only one person took that elevated job?

>> MR. RICHARDS: No. There's one undecided. There was just one person undecided, still deciding.

>> COMMISSIONER CAMERON: Is this the first time for the company to use these easy bar self-service towers? I know other casinos do use them, but is this the first for your company?

>> MR. RICHARDS: So we actually had a couple of them installed since the opening for nonalcoholic beverages as an experiment only. So the technology's not actually brand-new to us. We have had them, and the intention there was that on the overnight shift when we're not serving any alcoholic beverage, essentially the need for a bartender was potentially redundant because they would just be standing there. So that's why we had installed them. We've never used them at Wynn Resorts until hopefully now. But we researched very heavily other casino companies, both in Las Vegas and outside of Las Vegas. And we took great feedback from those operators. And I think unanimously, they felt that it had the positive impacts that we described earlier, and they were happy from a control perspective but also accuracy of pour and taking the human error element out has been, I think, a widely accepted plus side to the system.

>> COMMISSIONER ZUNIGA: And that's also with MGM and PPC.

>> COMMISSIONER CAMERON: Yeah. I realized that but I just didn't know --

>> COMMISSIONER ZUNIGA: Yeah, from the company. Yeah.

>> CHAIR JUDD-STEIN: Any further questions on the easy bar self-service amendment proposal? With that said, do I have a motion?

>> COMMISSIONER ZUNIGA: Madam Chair, I will move that the Commission approve Wynn Mass LLC request to use an easy bar self-service tower in their service bar numbers 1 through 6 and number 8 in accordance with the terms and conditions discussed here today.

>> COMMISSIONER CAMERON: Second.

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

[ Vote taken ]

Opposed? 5-0.

Now moving on perhaps to the Salon Prive. I think one clarification for me was that you will probably not have the bottle -- will not be a practice to have the bottle service. Any further questions for Warren on -- Mr. Richards on this matter? Do I have a motion?

>> COMMISSIONER ZUNIGA: Madam Chair, I'd move that the Commission approve Wynn Mass LLC's request to add a new licensed area, referred to as Salon Prive as described on slide 14 in the PowerPoint.

>> CHAIR JUDD-STEIN: 13 and 14.

>> COMMISSIONER ZUNIGA: I'll amend that to be slide 13 and 14 in the PowerPoint presentation.

>> COMMISSIONER STEBBINS: Second.

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

[ Vote taken ]

5-0.

Now moving on to the additional storage.

>> COMMISSIONER O'BRIEN: Before we go to making formal motions what I would be inclined to recommend is a motion that looks at approval for the seven of the eight requested but specifically as to number 4, that it be approved for a six-month period with the condition that the cages be locked and that prior to the end of that six-month period, both IEB and licensing, whoever has looked at that and the licensee come back for just a review of whether that can be improved in terms of the visibility and the egress in that hallway.

>> COMMISSIONER CAMERON: Fixed.

>> COMMISSIONER O'BRIEN: Yes.

>> COMMISSIONER CAMERON: But that they're already locked.

>> COMMISSIONER O'BRIEN: Fixed. Fixed. That would be my inclination.

>> CHAIR JUDD-STEIN: Mr. Grossman, is there any issue with respect to -- it's not -- the condition would be we'd like them fixed now, and then we would issue the certificate rather than conditioning the certificate?

>> MR. CURTIS: They'd have to be affixed first. We'd have to go out and look at it, and then we'd issue the license.

>> MR. GROSSMAN: I think that's fine.

>> CHAIR JUDD-STEIN: And then a six-month review.

>> MR. GROSSMAN: We'll come back in six months and have another look at it.

>> CHAIR JUDD-STEIN: You'd have an update.

>> COMMISSIONER O'BRIEN: I would still like a discussion about the visibility. And maybe it's something that's resolved even prior to six months where they come back and say, this is how it is now. And there's no issues, then there's no reason.

>> MR. RICHARDS: My goal is that after these approvals and we can essentially move into our new homes is that Encore, an approved space that Encore is currently using, I will vacate, and they will move into -- will hopefully be in an approved and RFID secured floor. I don't want to be overpromising but one of the storage areas that is just around the corner from this space, if I can absorb into other areas, that's the one that I would like to probably investigate first. But we will do a very diligent search immediately after locking these cages to the wall today. And we should be able to report back positive news well in advance of six months, but I think Jacqui would agree

with me, I should probably take your generous offer of six months.

[ Laughter ]

>> COMMISSIONER CAMERON: Thank you for being responsive.

>> CHAIR JUDD-STEIN: Mr. Richards has his tool chest right behind him with a drill.

>> COMMISSIONER ZUNIGA: So maybe we just split the motion. Two motions.

We can do two motions. For 7 and then for --

>> COMMISSIONER O'BRIEN: You could do 1 through 3 and 5 through 8.

>> COMMISSIONER ZUNIGA: Mm-hmm. So I'll move that the Commission approve Wynn Mass LLC request to add seven new alcoholic beverage storage areas as depicted on slides number 4 and labeled 1 through 3 and 5 through 8, submitted in the PowerPoint presentation in accordance with the terms discussed here today.

>> COMMISSIONER CAMERON: Second.

>> COMMISSIONER O'BRIEN: Second.

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

[ Vote taken ]

Opposed? 5-0.

>> COMMISSIONER ZUNIGA: Do you want to make the motion on number 4, Commissioner?

>> COMMISSIONER O'BRIEN: Finally, I move the Commission approve subject to confirmation of the cages being locked --

>> CHAIR JUDD-STEIN: You mean fixed.

>> COMMISSIONER O'BRIEN: Fixed, the storage beverage area that is referenced on slide 4 of the PowerPoint today bulleted as number 4 outside Fratelli's with the further understanding that on or before six months from today's date that a review will be done in terms of the visibility and the storage of that location.

>> COMMISSIONER CAMERON: Second.

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

[ Vote taken ]

Opposed? 5-0. Excellent. Thank you so much for your patience with all our questions. We appreciate it. Thank you, Bill, for an excellent job.

>> MR. CURTIS: Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: Do lunch before John's? Before we advance on our agenda, Mr. Ziemba, are you available if we were to have our lunch now? Would you available this afternoon?

>> MR. ZIEMBA: Absolutely.

>> CHAIR JUDD-STEIN: Okay. Then we ask for a break of one half hour. Does that work?

>> COMMISSIONER STEBBINS: Mm-hmm.

>> CHAIR JUDD-STEIN: And we'll return at 1:00.

[ A lunch break was taken at 12:32 P.M. ]

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>> CHAIR JUDD-STEIN: Good afternoon. We are reconvening meeting 289 of the Massachusetts Gaming Commission. Ombudsman Ziemba. Item number 7, please.

>> MR. ZIEMBA: Good afternoon, Madam Chair, Commissioners. For the

afternoon matters, I'm joined by Director Griffin and Construction Project Oversight Manager Joe Delaney. The first item up for consideration is the development of a new template format for the quarterly reports. Sometime ago the Commission requested staff to take another look at our quarterly reports that each licensees are required to make. It's been a good number of years since we established the format of the quarterly reports when Plainridge Park first opened. We've been utilizing that as basically the roadmap for all of the subsequent MGM Springfield reports and then most recently now that Encore has at least one operational report under its belt for Encore as well.

So in order to try to determine what we should think about for the quarterly reports, staff met together a few different times. We met individually with Commissioners, and we had some conversations as well with our licensees. So what you have before you is some overall goals of the quarterly reports and some recommendations, but I think overall what our recommendation is is that once the Commission has time to discuss some of these more amorphous general goals, that then staff can go back to our licensees with the nuts and bolts and actually crafting a very concrete template form, a report that would come to the Commission quarter after quarter.

So with that let me just dive into some of the goals that we heard in all of these conversations. One of the goals was just a general consistency of reporting data between and among all licensees. Now, they are all different, of course. But for the most part, some of these statistics can just be pretty much across the board. We can require a more consistent format on how things are reported.

One of the other goals is more precise information on the achievement of diversity requirements. I'll get into that in a little bit. Clearer comparisons between current quarter statistics and historical statistics, clearer display of statistics versus relevant goals, more information showing the development impacts that are occurring in the gaming licensees' communities, continued focus not only on the prior quarter but also current period issues. Refinement of reporting to help the Commission achieve its mission while reducing unnecessary regulatory burdens on staff and licensees. The use of quarterly reporting as a method to ensure compliance, and then more definition, differentiating information that is part of a presentation versus part of a PowerPoint.

At the center of the recommendations, what we are recommending is that we would like to go back to where we used to be. During the construction period, we used to have a system where we had a report, and then we had a companion PowerPoint. And all of the relevant statistics were included in this report. And so what we would -- what we think we should do is that we should go back to the way that it used to be done so that everything in all the more concrete finite detail can be in this report. And then when the Commissioners -- excuse me, when the licensees report to the Commission, their PowerPoints, the PowerPoints can be a little bit -- they'll include all of the relevant topical stuff of the day. They'll try to include most of the material matters that we're accustomed to in seeing from the Plainridge that we report on, but there can be a lot more detail included in these templates that will look the same, licensee by licensee.

One of the other recommendations is when we were thinking about it as a tool for compliance, whether indeed it is, appearing before the Commission and explaining how

the statistics are going between one period and another and versus goals, it is a way to help achieve compliance with a good number of things. Now, when you take a look at the reports as they were developed, there was an initial focus on minors on the gaming floor for Plainridge Park. And then as we moved on to MGM Springfield, that continued to be a concern, and then indeed as we're looking at the Encore data, it continues to be something that we want to take a look at.

But obviously that is just only one compliance item. So we were trying to figure out what we should do. That is one important compliance item, and we imagine that that would probably appear before the Commission for the foreseeable future, but there's a great many other compliance items that could be reviewed by the Commission. And so what we're recommending is instead of trying to put every compliance item or every matter and all of our various departments in these report, that we would have to develop a more concrete system to flag issues that are of concern that might become problems or might become problems in the future, or just items where our licensees are really doing a good job at compliance and that we would bring individual items to the Commission at different quarterly reports. But it wouldn't be a laundry list of every particular compliance item because that would become a little too unwieldy, and it may not serve the purpose of serving the Commission under these some other items. Now, that involves a good deal of communications between Commission meetings, but with an overall focus that we're trying to achieve on compliance and greater cooperation between and among all of the various divisions, I think that that probably won't -- that will probably to be one of the most valuable parts of this endeavor.

We want to include the -- so in the PowerPoint, as I mentioned, it will be a little bit of a looser construct. The template report, we want to make sure that the template can show statistics of prior quarters. We still have to determine how many prior quarters we would recommend for that template. But right now, depending on the month or the report, sometimes you just may only have current data, and you have to leaf back to your quarterly report that you received in the prior quarter and another in your files to say how you're doing across quarters. But we think that that kind of detail -- that could show up in this new template report. And then the licensees could talk about material or significant diversions from trends in their PowerPoints and, of course, the Commissioners would have those templates so that they would be able to see them on their own and question our licensees. But we would ask our licensees to continue to try to bring up significant or material events in their PowerPoints themselves. But in general when we looked at the PowerPoints, they do currently capture most of the important stuff that we really value. They include all the detail on how we've been doing on a quarter from revenues, what have we been doing on employment.

I think when we first came up with them, we hit it pretty close to correct on some of the important matters, and I think that's sort of served us well. One thing we would also like to do is in addition to just quarter-to-quarter statistics and historical statistics, that we could also have the goals directly right there with the statistics. Sometimes it's not as easy as we think to find what the goals are. And we'd have to make sure that we work with our licensees to make sure that they agree that the goals are the goals and that they agreed to those goals when they put together their RFA2s and when we issue the licenses.

On more specific matters, the Commission has asked for more detail on lottery



information. We think that we can definitely do that. Information regarding keno, information regarding purchases of tickets. We think that that could go in the new template reports. Let me turn it over to Director Griffin really quickly. In general what I wanted to say regarding vendor and employee information and diversity information, I think that you're all aware that Jill and Crystal, Commissioner Stebbins, have been working for a good period of time to try to update some of those formats. And I think we're pretty close to finalizing with the licensees. We'll probably have one more round. Director Griffin and Jill have put together basically the templates that will be the example for the rest of the report, but I think we're looking pretty good there, and hopefully in very short order, we can have those updates.

>> MS. GRIFFIN: Sure. Thank you, Ombudsman Ziemba. So the -- we've been actually in conversations, I think, since -- I remember good weather, so maybe the summer back and forth with licensees and have back-and-forth conversations and different versions and really refining the templates regarding Workforce and Supplier Diversity. One of the changes that we are recommending is we'd like to have a snapshot of diversity by management level. So how are employees doing in terms of getting managerial or supervisor jobs? And so that is going to be one new recommendation that you'll hear more about.

But other changes that we've talked about with John are formatting, clarity. For example, being more inclusive, as he mentioned, about including the prior quarter's data so you can more easily compare, you know, the spend or the employee level, that sort of thing.

And just some of these changes came about as we were preparing for our annual report and comparing and noticing that the information wasn't quite apples to apples. And so that's what we're looking in terms of, for example, a chart regarding vendor spend and diversity would also include the total biddable spend at quarter. So it's easier to compare and check.

But I think -- yeah. I think that is the general progress that we're interested in. And I think our licensees do very well at sharing, whenever possible, success stories, both the human element in terms of their employees and also the vendors as well. And combined with that, we'd like them to include plans for remediation, should they not reach a goal.

>> MR. ZIEMBA: Moving on to the next recommendation, to go from the more precise to a little bit more of the global. One of our first meetings, we spent a good time with Elaine on what are some of the big goals that we want to achieve with these quarterly reports. And I think that part of the -- part of the usefulness of the quarterly reports can be conveying the message of what is happening not only within the walls of the facilities themselves, but what impacts are being felt in the communities. And we talked about different measures such as hotel/restaurant taxes that we can definitely capture in the templates. But what we want to do is we want to continue to work with our licensees to figure out how do we capture quarter to quarter some of the greater impacts on the communities themselves.

And I think, in general, perhaps there's -- maybe there's some way that we can work with our researchers, because even though our researchers, they get out the reports whenever they can, when everything being abouts statistically correct, et cetera, maybe there's some way that we can work with our researchers to get relevant

statistics, work with our licensees so that you can get some more up-to-date information on the impacts that are being felt in the communities themselves. But that's something, I think, that bears a lot more thinking on how and what statistics and what types of things can we include in these quarterly reports.

We think that we should include some of our capital spending requirements in the reports. How are they doing versus the capital reinvestment requirements? And then we will continue to work with our licensees on a lot of the financial reporting. The financial reporting by its necessity doesn't really come into the Commission discussion because these are sort of detailed financial statistics that can't be made public for various reasons. So we're going to try to continue to figure out how we get the best information at the property level without overburdening our licensees. We certainly have the availability of SEC public reports. But there's different levels of reporting that go on for each of our properties in those more rolled-up quarterly reports or annual SEC reports of the parent companies. That they each have different numbers of properties that are in their portfolio. But this is one particular aspect that I think I mentioned that all staff -- most of the departments are working together to try to figure out how do we make this work, and we've had some good conversations with our licensees on how to do that as well.

And one final recommendation, and I think we've heard about this from Mark, is that even though we probably wouldn't require our licensees to do the reports on GameSense and others, that really should be a companion piece by Mark, we would encourage our licensees to incorporate relevant information regarding responsible gaming activities in their reports or in their PowerPoints, but that the GameSense updates, that is probably more appropriate for not our licensees by Mark when he comes quarterly before the Commission. We welcome any thoughts.

>> COMMISSIONER ZUNIGA: This is great that we're -- we've started this thought process of looking at, you know, holistically and from different perspectives as to what we really need to see in the reports going forward and, you know, that many things will probably stay, but others, you know, might change. I just want to pick up on one of the aspects that you mentioned, and that is the notion that a lot of this helps in terms of compliance with not only what they're required to do under conditions of the license or what have you, but our own compliance, and this is something that we've been giving it quite a bit of thought.

And there are -- I'll also mention this. There are some of those requirements that are annual and others that are, you know, perhaps really lend themselves to being on an ongoing quarterly basis. So perhaps as we think about this new format, we can also think of the fourth quarter or the annual version of the quarter to include certain elements that are in addition to or that do not need to be reported quarterly but we'll accept on an annual basis, because they're changing enough -- or not enough that they don't merit quarterly reporting, but it's really appropriate not just for the period but for compliance purposes that they be reported annually. I wouldn't want to create a fifth report, and I'm thinking maybe the fourth quarter report could be a compilation of a few things that are not necessarily reported all the time.

Not only would that help us with our own annual report, but it could also really help with the comparison with the statistics that you mentioned. If we're looking at quarter over quarter, you know, on a quarterly historical, I think it also may be relevant

to come to the annual anniversary to look at the prior years, wherever those may be and make an annual comparison for that fourth quarter. But I like the principles that you've outlined here. I know the intention is not to make a lot more work that already is happening. It's really trying to be creative on, you know, what we want to see and when we want to see it, but also helps us on our own, for our own purposes.

>> MR. ZIEMBA: One thing I mentioned as one of the goals is regulatory reform. And one of the questions that we asked our licensees, we didn't get too much input as of yet, but we did say, hey, are there things that are particularly vexing that maybe you don't think are worth pulling together, and we can evaluate what those things may be. And when we take a look at reporting, there are things that we require every month. There's things that we require every couple months. There are things we require quarterly, there are things that we require annually, and maybe we can take a look at what data do we need at what particular period of time on a going-forward basis as we start to think about it.

>> CHAIR JUDD-STEIN: We may be able to have tools to help on that exercise, too, as you pursue the regulatory reform so that we assist the licensees through a proper forum to prompt that review.

>> MR. ZIEMBA: Yeah.

>> CHAIR JUDD-STEIN: And without causing a lot of work to streamline the process a little bit. So that's something to think about. Again, providing in consistency, you know, guidance on that. He has his blue book.

>> COMMISSIONER ZUNIGA: I have my blue book. She knows my system.

>> MR. ZIEMBA: So if there are no further questions, we can take this to the next level, more fully engage our licensees, more pen to paper on what these things will look like. Sometimes it's difficult to talk about things, in general, if you have the specifics, it's a little bit easier to do.

>> CHAIR JUDD-STEIN: I think we have a few more questions. Commissioner Stebbins?

>> COMMISSIONER STEBBINS: Yeah. Sorry, John. Just a couple of points, and I thought the memo was well put together by you and your colleagues. And, you know, I always thought our licensee Plainridge Park did a great job. I know that's why you've included it as kind of a model.

>> MR. ZIEMBA: Right.

>> COMMISSIONER STEBBINS: As to how we've successfully extracted information quarter to quarter. You know, I think it's important to remember that quarterly reports are a snapshot. They're meant to, you know, spot issues with our licensees, if there are any. They're not meant to put our licensees in a position of some type of gotcha moment. But it's good information to tell a good story. It's good information to help us understand what the challenges are, as well as, you know, for the folks that put this legislation together, there's a lot of information we collect that reflects back into what the priorities of the gaming statute are. You know, no impact -- no negative impact on the lottery, jobs, business opportunities, so collecting that information is key.

I think some of this -- I know some of the stuff that Jill has already had a chance to talk about is critically important. I would like us to think about not only capturing the current quarter or the most recently passed quarter and maybe one or two before that,

but maybe trying to look at that same quarter the previous year, if you agree with the argument that there is some seasonality to the gaming industry in Massachusetts. It would be interesting to look at that year previous. And I like Commissioner Zuniga's point. Maybe there's some things we can capture at the end of the year. It might be more on the job front, number of promotions that our licensees have given out. That reflects a good story as to the opportunities. The number of people that we've helped catch, on behalf of our friends at DOR. So I like the idea of maybe having some kind of rollups at the end of the year of some of the other critical compliance or enforcement categories as well.

>> COMMISSIONER CAMERON: I like that idea as well. I think it's a good one. And I like some of -- it's really apparent that you thought this through. Where do we get more value for these quarterly reports? And I liked a lot of the ideas. I don't know how happy they'll be able to do diversity all the way up, but it's asked about it several times. And I think it's important. Because when you know you have to report on something you just pay more attention, right?

>> MS. GRIFFIN: Exactly. We've had lots of conversations about this, and our licensees, if anything, are very cooperative.

>> CHAIR JUDD-STEIN: Any further questions for John, Joe and Jill? An excellent, excellent report. Thorough. In terms of Interim Executive Director Wells, I think today's meeting, all of the reports have been so detailed and thorough and really helpful to me. I'm sure my fellow Commissioners agree, and this is just another great example. So thanks. And the best outcome, as I know how to say template.

>> MR. ZIEMBA: That's right.

>> CHAIR JUDD-STEIN: So thank you. And John, you're staying on now. I don't see Mary.

>> MR. ZIEMBA: Mary is out today. And we all want to wish her a happy birthday. Yesterday was -- wait, two days ago was -- was yesterday the 12th? So yesterday.

>> CHAIR JUDD-STEIN: Yesterday as well.

>> MR. ZIEMBA: Yesterday was her birthday, but she's out for other reasons for today and a couple days. But we wish her happy birthday.

>> CHAIR JUDD-STEIN: Happy birthday, Mary Thurlow. Great job on this report as well.

>> MR. ZIEMBA: All right. So the good news, Commissioners, is that I am not going to go into every one of the applications that we received. That is never the purpose of the intake meeting.

>> COMMISSIONER ZUNIGA: I was ready to go.

[ Laughter ]

>> COMMISSIONER O'BRIEN: Do you have another notebook in there?

>> COMMISSIONER STEBBINS: The red one.

>> COMMISSIONER CAMERON: I think there's another fire truck in there.

>> CHAIR JUDD-STEIN: I have to say, it's exciting.

>> MR. ZIEMBA: Yes.

>> CHAIR JUDD-STEIN: There may be a lot of them, and it may have been torturous, but it's exciting news.

>> MR. ZIEMBA: Yeah. So what we usually do in this first intake meeting is we just remind everybody of the process that we utilize to review the applications, give sort of a general overview of what we received, and then we start moving forward with the actual review. In regard to timetable, what we've been trying to do is we've been trying to get all of these awards done by the early part of June, if not May. I'm not sure we've really hit that in prior years because one thing or another really seems to surface. We're going to redouble our efforts in that regard this year because it's helpful for communities and others to plan for their next fiscal year if they get earlier decisions. So we're going to try to do that. But I don't have a specific time line here, but that's what we're aiming to do.

As you mentioned, we received a lot of applications. This year we received 36 applications totaling \$13.4 million, which is the most that we have ever received. It is far greater than the number of applications and the dollar value that we received last year, which was about \$5.1 million. And the previous high was \$7.9 million in 2018, but that involved a one-time expense of state police costs. So that's what helped add to that number that year.

So we added a new category of grants this year, which is transportation construction grants, and we did receive a number of applications in that regard. But in general, I think that one thing that the number of applications is testament to is that all the work that we do -- all of us do -- every fall and in the spring to make sure the communities know what these grants are for, that they can get ready, they can prepare to try to figure out what will be in their applications, and it's quite clear that people are paying attention. So we'll take a look at those.

So as for our review process, I think you're aware that we have a very highly interactive review process. So what we do is we assemble, as a review team. And this year's review team will include at least the following members: Commissioner Stebbins, thank you once again, myself, Joe, Mary, Mary Thurlow, Director Griffin, Crystal Howard, Carrie Torissi and Theresa Fiore is a new addition to our team this year. That review team we assemble pretty routinely to go over the applications. What we're going to do is we're going to try to assign various applications and ask for different members to take the lead on assembling the paperwork this year. So what we do -- the paperwork is pretty intense. So what we have is a very detailed summary of all the grants and the issues, and we weigh those grants against the criteria that we put into the guidelines. And then we put together a summary memo, which is usually about 40 pages. So it's not much of a summary, but it is in comparison to the thousands of pages of materials that we review. And that goes to the Commission, you know, by May or June for us all to review including whatever conditions there may be.

We always post our applications on our website, thanks to Elaine and Austin, those are already posted on our website. And fairly soon we will issue a request for comments. And those comments are all distributed to the Commissioners, and they are reviewed by the review team. We do really value those comments that we receive.

So in addition, we also solicit comments from our licensees, from regional planning agencies, and very specifically from MassDOT on all transportation-related matters. They have been invaluable to us in previous years and specifically now that we are moving into the construction function, I think they'll be even more valuable. We've already done the outreach to them, and hopefully we'll have a conversation with

them soon about the applications and what do we do next.

One thing, while we're talking about transportation, is that as a companion piece to this year's grant applications, we're going to issue a statement of -- a request for statements of interest. So our transportation construction grants for this year, they're designed to be one-year grants. They're not designed for these rather large transportation projects that may have a need for many years worth of funding because we could never fund a big transportation construction project through the revenues that we would have in any one year. But we will try to issue this statement of interest hopefully by the first half of this year and so that we will be in a good place when we take another look at our guidelines this fall for final review coming up in December. And so we'll know the universe of some of those bigger projects, what they're going to cost, what types of other financing is available, we'll gain some familiarity with it. So even though we won't award based on the statement of interest, we will get a lot of very detailed information that we can utilize in developing our guidelines.

So one thing I will mention is that we did receive that 13-plus million dollars worth of applications. Our program goal has been \$11.5 million that we set. We still think that that is a reasonable goal. But I just caution because even though you may think of it the \$13 million versus the \$11.5 million, because we've set regional targets based on the amount of revenues that we're receiving from each casino whereby MGM dollars would be staying in Western Mass and Encore dollars would be staying in Eastern Mass, it's not as close a match. For example, we received approximately \$9.2 million in applications for Region A, and that compares to a \$6 million funding target, and we received about \$3.9 million in applications for Region B versus a \$5 million target. So we'll have to continue to take a look at that. And when we come back to the Commission, either sort of a midterm update or when we get closer to the time of making our recommendations, we'll take a look at both the overall amounts and funding amounts between and among all of the different categories of grants.

So we'll take any questions.

>> COMMISSIONER ZUNIGA: Yeah. I can just speak to that. And I think that is a very helpful highlight of what dynamics are going to start to emerge in between the regions, which I know you anticipated.

>> MR. ZIEMBA: Yes.

>> COMMISSIONER ZUNIGA: And there's something in the works relative to -- after a three-year period, some kind of reversion back -- there's unused monies.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: That they refer back to the fund, if you will, for future targets, without precluding any one region to reapplying to something that emerges. And that's something that we'll continue.

But just back on the target, the overall target versus the application, and I'm really just -- you know, I read the summary descriptions of the applications. As a whole, it occurs to me that, you know, the target was appropriate and is doable.

>> MR. ZIEMBA: Yes.

>> COMMISSIONER ZUNIGA: With the caveat of the regions, notwithstanding.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: Because, you know, like in previous years, there's people that tend to, you know, make some requests that are less associated with the

casino as others. And as you go through the review process, like I know you've done really diligently in the past, it is quite possible that we might end up with, you know, very close to that target. Again, notwithstanding the differences between the regions. And just for reference, do you have -- or can you come back in the next time to have, like you've done in the past, sort of like a status of the overall fund as a whole, like, that can look back to how much we've awarded, what is pending, and therefore with the projection that we anticipate for this coming year, where do we end up with the overall target?

>> MR. ZIEMBA: Sure.

>> COMMISSIONER ZUNIGA: Maybe for next time.

>> COMMISSIONER CAMERON: Yeah. Looks like the review committee has its work cut out, right?

>> MR. ZIEMBA: Right.

>> COMMISSIONER CAMERON: To meet those target goals there. But it's certainly -- the committee is up to the task. They've demonstrated that in the past, and it's always a thoughtful review.

>> MR. ZIEMBA: I think you both hit upon a big point. We've allocated a big amount of dollars for these grants. And if you're looking at the applications from the outside, oh, great, there's plenty of money. But in reality, we have the statutory responsibility that our funds can only be utilized for things that are related to the casino. And that every single year of us being able to make that determination, so in good conscience we can make that recommendation to you, that is the hardest thing. But Joe's in charge of that, so. . .

[ Laughter ]

>> MR. DELANEY: Easy.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: There are -- you know, and nobody can -- nobody blames the local officials for trying to advocate for their communities.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: But there clearly -- concentric circles effect here in with relationship to the casino begins to, you know, fade.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: In some of these topics.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: You know.

>> CHAIR JUDD-STEIN: John, you touched briefly on the potential for the multiyear fund.

>> MR. ZIEMBA: Yeah.

>> CHAIR JUDD-STEIN: I know at one point you mentioned that that could be a challenge for the recipients because of implications on finance. Is there -- I know that that's down the road on your guidelines.

>> MR. ZIEMBA: Yeah.

>> CHAIR JUDD-STEIN: I just wondered if it made sense to maybe seek out any guidance from external experts on that so that when you do turn to that down the road, maybe closer in the fall, you'd have guidance, or are you already doing that?

>> MR. ZIEMBA: Yeah. One thing that we benefit from, we have a lot of experts that sit on our various committees, one of them being the subcommittee on community mitigation. And we started going to some of the difficulties of this multiyear financing, how municipal financing works, how you might have to engage bond counsel to discuss some of these. And we had some very good recommendations for people that we should talk to from one of our members. And so we can engage them now well before the fall.

>> CHAIR JUDD-STEIN: Excellent. Thank you. Any further questions for our community mitigation experts?

>> COMMISSIONER ZUNIGA: The only other point, which is good to see, you know, as we look back, I think there's an emerging trend, clearly, about, you know, who is applying for this, is proactively looking for things. There's other available monies that are -- form part of the equation here.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: For example, what is part of a host community or surrounding community agreement.

>> MR. ZIEMBA: That's right.

>> COMMISSIONER ZUNIGA: And I think the myth -- the process that you've really put together here in terms of the guidelines, the consultation with the Advisory Committees and whatnot I think is working out very well.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: And I think it's good.

>> MR. ZIEMBA: I think Katrina mentioned it this morning, but, you know, it's a pretty burdensome process, right? It's staff intensive, and Mary, happy birthday, but she does a lot of work on a lot of different matters, and we're going to try to make sure that we keep her workload within reason, you know. And so one of the ways to do that is to maybe utilize some software. But I'm very mindful -- I think most of you know me as being fairly cheap. I really don't want to spend almost any dollars on this, but to the extent that we can, it would help us all, I think that might make sense. But, of course, we would come do a recommendation to the Commission before we move forward with anything.

>> COMMISSIONER ZUNIGA: Yep.

>> CHAIR JUDD-STEIN: And I've said it before. It's a system that others around the state might be interested in replicating. And Director Griffin understands the implications of that with respect to her other work. So using some technology to create those efficiencies could allow perhaps another group to replicate and scale it accordingly.

>> COMMISSIONER ZUNIGA: And/or there may be some solutions out there that are already also potentially available to us.

>> CHAIR JUDD-STEIN: That's right.

>> COMMISSIONER ZUNIGA: Because they have done something similar.

>> CHAIR JUDD-STEIN: Yeah.

>> MR. ZIEMBA: We're really looking at off the shelf rather than building our own.

>> CHAIR JUDD-STEIN: Any further questions? No action needed.

>> MR. ZIEMBA: No action needed.

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



>> MR. ZIEMBA: Thank you.

>> CHAIR JUDD-STEIN: Moving on to item number 8. This is Director Wells.

>> MS. WELLS: So there's a memorandum in your packet describing the process that is suggested for the Commission's approval. I'm going to turn it over to Attorney -- oh. I'm going to turn it over to Attorney Grossman to review that with you, see if you have any questions, and I believe Commissioner Zuniga will expect to have some comments as well.

>> MR. GROSSMAN: Good afternoon. We can jump right in. I just remind everyone, of course, that the license that was awarded to Plainville gaming redevelopment LLC is set to expire on June 24th of this year. That's their five-year date there about the commencement of their operations. Section 20F of Chapter 23K says that the Commission shall establish procedures for renewal. So we're here today to establish those procedures and commemorate them in writing.

It's important, of course, that we do this so that everyone is clear as to what the process will be. A, that the Commission is -- has been fair to the licensee, and we put them on notice as to what will be expected of them. But also to help guide our efforts to make sure we're all on the same page as far as what type of information the Commission will be looking to obtain.

That said, the draft you have before you is simply a draft, and we can and should make any modifications here today that would accurately reflect the Commission's intention as to how the process will unfold. Of specific note, there are a number of instances where we use the word "may." The Commission may do this. The Commission may do that. If there is consensus here today, we can change some of those may's into shall's. And then what the intention would be, if this makes sense, would be to take the Commission's decision relative to the process and commemorate it in a written letter to the licensee, outlining all of the procedures and in earnest kick off the renewal procedure. Renewal process.

So that's the master plan. I'd be happy to now walk through the proposal as outlined in the memo, if that would be helpful. And if so, we can start with Section 1, which talks about the application itself. There is legal significance to an actual application. And though we don't have an application form, it's important that an application be submitted. In this case, the application would be comprised of all the documents and other information that is submitted by the licensee for the Commission's review. The significance, in part, is that under Chapter 30A, Section 13, once a licensee has submitted a timely and sufficient application for renewal, the license doesn't expire essentially until the agency makes a final decision on that application. So though we should certainly aim to have a decision made by June 24th, if they have timely submitted an application, it does afford us a little latitude on that particular date.

So we want to make sure that a timely and sufficient application is made to the Commission with all the documents you would like to see. To that end, in Section 1, we have identified a variety of documents that we believe is very broad and inclusive. And you can see right in here at the introductory sentence before the bullet points, we say that such items may include the following: If you're so inclined, we could change that to "shall include the following," unless we want to, you know, keep the door open to not requiring some of these particular documents. But these are all things that we've had a look at and we believe would be helpful to you to really gain an understanding as

to where the licensee stands at present.

The first one relates to -- the first bullet point, that is, relates to the suitability. You've discussed that at a prior meeting. A letter has been issued from the Division of Licensing that's attached to this particular memo. It outlines all of the individuals and documents that would be necessary for submission in order to refresh the existing qualifiers and the suitability for the entities as part of this renewal process. So that's the first set of documents that would be required as part of this.

The second, there are a series of attested-to statements that we would recommend. The significance and the purpose of an attested statement is multifaceted. But one of the things, I think, it does, and the reason why it's useful, is that it puts someone in a position of authority. Someone with knowledge of a particular matter on record as telling us that a fact either exists or doesn't exist or that there is a certain compliance that's been achieved or it hasn't been achieved. And while certainly we should check this information ourselves, and we assume fully intend to, I think it's helpful to put the licensee on the record itself with an attested statement. So you'll see there are a number of areas here where we recommend that we obtain an attested-to statement by either -- the first one is from their CFO or someone else with knowledge, or anyone else who's able to attest to a certain set of facts.

That's the purpose of the attested-to statements. I don't know if you want to go through each one, but you can see the second one is a fairly comprehensive list of agreements and other compliance obligations that the licensee is under a present obligation to satisfy. So as part of the renewal process, we would make sure that that is, in fact, the case. And much of this, of course, we do on an ongoing base anyway. So this is just an opportunity to take a look holistically at their compliance program and make sure we're satisfied.

The third bullet down talks about the status of a number of goals including gaming revenue, lottery sales and taxes, vendor spend, vendor diversity, things like that. It's an opportunity to have a look at what the goals were, whether they're accurate, whether they should be recalibrated, things of that nature. So we're asking for them to attest to their compliance with those, whether they've met goals, whether they haven't met goals, and it's an opportunity to have a fresh look at some of that information as well.

The next bullet down talks about the conditions of licensure. And as you'll recall, each of the licensees including this one has a comprehensive set of conditions that's attached to their license. At the time that this license was awarded, we didn't even have a full set of regulations at the time. So there are certainly some elements in there that may not be wholly applicable at the present time moment. So we should take a look at their conditions. Not that they're problematic, just that we may have a regulation that governs the condition, which would render it duplicative in some respects. So it's a good opportunity to have a fresh set -- a fresh look at their conditions.

The recommendation here is that we ask the licensee in the first instance to submit a proposed set of conditions with the understanding that if they are to remove any of the existing conditions, that they note why that is that they're doing so and why it is. And that the Commission can then make a determination as to what the final set of conditions should be.

Two more bullets down, we talk about horse racing. That's obviously an important component to the PPC operation. We ask that they provide a statement relative to their future plans for horse racing at PPC and then their overall compliance with the existing laws, regulations, et cetera.

We get into, in the footnote, the law that governs the racing requirements and the mandate that they offer racing at the facility. We'll at some point need to either become a continue that they continue racing or not. There is language in Section 20. It's paragraph C that talks about the requirement that the licensee maintain and complete an annual live racing season under Chapter 128A. We need not decide that today. But at some point we'll need to have a look at that language and see exactly -- make a determination as to its applicability moving forward as well.

And the same is true of Section 24 where it talks about the number of racing days and things like that. So, again, not something that needs to be decided here today. But racing is obviously an important component to the renewal process, in general.

As you'll see, as we work through, we talk about responsible gaming, compliance with PlayMyWay, GameSense. The next bullet down we talk about the renewal fee which we'll get into in a moment. And the one item that we don't mention on this list that's obviously important as well is any future plans that the licensee may have for the facility for the next five years.

And we didn't include that specifically otherwise only because a number of these goals and plans that have already been submitted including the capital expenditure plan date beyond the expiration of the initial license. So in some respects, they have already told us what their future plans are. We can obviously have -- and should have a fresh look at those to make sure that they're still meaningful and are moving the facility in the right direction. But we could certainly add some additional language if the Commission is interested in receiving a summary or some type of other submission relative to the future plans for the facility. We can come back to that.

The next section, Section 2, talks about the renewal fee. We quote the statute here. It's Section 20F of Chapter 23K. It says that the renewal fee has to be based on the cost of fees associated with the evaluation of the licensee. Provided, however, that the costs of renewal shall not be less than \$100,000. The projection that was put together is that the costs associated with the evaluation, the suitability evaluations and what have you would come to approximately \$67,000. If you factor in some of the other components that could go into it, the cost to host a public hearing which we'll talk about, things like that, it appears as though we're under or around the \$100,000 threshold. It would -- we could certainly do a more comprehensive analysis on that, but I think we'd be safe to set the renewal fee at \$100,000, which is the statutory minimum.

That amount, as we address in the memo, goes into the gaming revenue fund, which essentially then goes right into the gaming local aid fund. So these are not amounts that we retain, but it is certainly an important and meaningful fee that contributes to local aid. That's the scenario on the fee.

Section 3 talks about the suitability process. I know the Commission has addressed this in the past that, of course, suitability will be an important component to the renewal review. The Commission has offered guidance to the Division of Licensing and the IEB in the past, and we have attempted to capture that here. And again, it's, I

believe, consistent with the letter that was sent out by the Division of Licensing. We just kind of run through here how that process would work. It's consistent and similar to the process that the Commission has used in the past to review the suitability of individuals and entities. It would conclude essentially with a report to be -- or memo issued by the IEB relative to the overall suitability of the licensee and all associated qualifiers including not just the individual and entity suitability but regulatory compliance, things like litigation and financial stability, things of that nature would also fall under those auspices.

Section 4 talks about a site visit. We say that the Commission may elect to conduct a site visit. That might be something you change to shall that you will and do intend to conduct a site visit to review things from the physical condition of the property to inspect any capital improvements that have been made in accordance with their capital expenditure plan, to review any documents that you might want to take a look at, and things of that nature.

Section 5 talks about the public hearings or a public hearing. Again, this is a may. This might be something you elect to address to a shall. Bless you. We talk about a public hearing possibly being convened in or around Plainville, the host community to the property. There are a number of bullet points which reflect how that process would likely unfold. Again, very consistent with the way it's been done in the past, I think successfully so that people would have an opportunity to come make a presentation, to speak, to submit comments in advance, things of that nature.

Number 6 is obviously an important part where we talk about the final review procedure and how once the Commission has gathered all of this information and taken a look at any documentation spoken to any individuals, how it will actually review and consider the documents. Again, I think this is very similar to the RFA2 process that the Commission engaged in when it came to the initial awards of the licenses. In fact, much of this was copied right out of that regulation. It's designed to afford the Commission great flexibility, to ensure that you can obtain whatever information that you might need to make the decision to ask any questions that need to get asked. But at the same time, again, to put the licensee on notice as to what types of issues that you will be interested in and you will be considering. And this list is intended to be very similar to the list we reviewed up above. We include here, at the last bullet point, that we will include a review of the gaming establishment that comes out of the suitability review. That's obviously an important component of an ongoing suitability review and in consideration for a renewal.

The following parts just talk about how the Commission internally might go about handling and processing the information that is gathered. Section 7 talks about just the final adjudication of the matter, that you will gather at a public meeting, discuss all of this out in open, as you did once before, and issue a final decision as to whether to renew the license or not, that the license would be for a term of five years from the date of the expiration of the previous license or from the date of the renewal decision, whichever one happens to be later.

Number 8 is just a reminder to the licensee of its obligation to cooperate with the investigation. That's a statutory requirement. And then part 9 is a proposed time line that we've come up with in an effort to establish expectations as to when the Commission will be reviewing certain documents, taking certain action, and when the

licensee will be expected to provide certain information. So that's certainly a part we should take a look at as well.

That is the -- all of the components in the memo. I think if we capture all of this in some form with whatever modifications that you will then have a comprehensive set of renewal procedures that will allow us to move forward towards renewal.

>> CHAIR JUDD-STEIN: So just to clarify, today, Todd would be looking for a motion from us to adopt this memorandum subject to proposed amendments.

>> COMMISSIONER CAMERON: I'm sorry.

>> CHAIR JUDD-STEIN: Would you like to go first? Go ahead.

>> COMMISSIONER STEBBINS: Go ahead.

>> COMMISSIONER CAMERON: Again, very comprehensive memo. Well thought out. I was trying to think of things as I read that I would add or subtract, but I really think it's very well done. I agree that the shalls could be mays. I think all of those steps that are now listed as mays are appropriate for this process including site visit, of course a public hearing.

>> CHAIR JUDD-STEIN: Oh. So you're saying may become shall.

>> COMMISSIONER CAMERON: Yes, yes. I'm thinking -- from what I read, I see it as an appropriate step here. All of the items you have listed are certainly appropriate for review in the application, all of them important, many of them required by statute. I think it's very well done and an appropriate review after five years. I don't see any issues that I would change, and the time line's very helpful. It lends me to think okay, we need to move this because it's a tight time line, but that's really helpful.

>> CHAIR JUDD-STEIN: Commissioner Stebbins, I think you were next. We're competing for air time.

>> COMMISSIONER STEBBINS: Yeah. No no no no. Again, I think this is great staff work by you, counselor and Loretta and John and the rest of the team. Just to go through where I think some of those shalls should be mays, the licensee may submit a proposed set of license conditions. I think we're just trying to cut down on the back and forth. Do I need to? Can I? Let's try to streamline the process for them.

>> CHAIR JUDD-STEIN: Well, maybe we should be more precise, then.

>> COMMISSIONER O'BRIEN: Yeah.

>> CHAIR JUDD-STEIN: Not to interrupt you.

>> COMMISSIONER STEBBINS: Yeah, yeah.

>> CHAIR JUDD-STEIN: Commissioner Stebbins.

>> COMMISSIONER O'BRIEN: Yeah, there are a couple mays that should probably stay mays.

>> COMMISSIONER ZUNIGA: I was going to make that point.

>> CHAIR JUDD-STEIN: Yeah. So this a good time to pause on that?

>> COMMISSIONER STEBBINS: Yeah. My first suggestion is the bullet at the top of page 3 where it says "the licensee may be asked to submit a proposed set of license conditions." I would give them that choice if they so choose to do it, so they may submit.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER STEBBINS: But we're not going to force them if they don't want to.

>> COMMISSIONER ZUNIGA: So it stays a may.

>> COMMISSIONER CAMERON: You don't think they'll have any maybe, huh?

>> COMMISSIONER STEBBINS: It stays as a may, but I would just scratch "be asked to." Just say "you may submit." Not may be asked to. Let's just clarify that we give them the go-ahead if they want to do that.

>> COMMISSIONER O'BRIEN: Take out the "intend," then? To the extent the gaming license does not include a condition that was required, then have them explain?

>> COMMISSIONER ZUNIGA: Mm-hmm.

>> COMMISSIONER O'BRIEN: So take out the "intend to"?

>> COMMISSIONER ZUNIGA: Yep.

>> COMMISSIONER STEBBINS: I don't know if we need to talk about the \$600 per machine, but --

>> CHAIR JUDD-STEIN: My recommendation would be that that be taken out and addressed in a separate -- through a separate process.

>> MR. GROSSMAN: Absolutely. That's not in the letter that would go to the licensee. That was just included for reference.

>> COMMISSIONER STEBBINS: It's just more a tool as our disposal more than it is --

>> CHAIR JUDD-STEIN: Because it's a five-year trigger.

>> MR. GROSSMAN: It's a five-year trigger. It's a tool some the tool shed. Auto it's not even directly related to it necessarily but just something to bear in mind.

>> CHAIR JUDD-STEIN: So if we could put that in the parking lot and take it out of this memo. Great. Thank you.

>> COMMISSIONER STEBBINS: Again, you should site visit at the bottom of page 5, I agree, shall conduct site visit. We did site visits as part of the due diligence originally.

>> CHAIR JUDD-STEIN: We all agree with that.

>> COMMISSIONER STEBBINS: Under the public hearing, I would say the licensee will have at least one individual available for a public hearing.

>> CHAIR JUDD-STEIN: Should we change that first may at the very top to shall? Are we going to commit?

>> COMMISSIONER STEBBINS: Yes.

>> COMMISSIONER CAMERON: Yes.

>> CHAIR JUDD-STEIN: Okay. Shall. And then where were you, Commissioner Stebbins?

>> COMMISSIONER STEBBINS: That first bullet, I would say the licensee will have.

>> CHAIR JUDD-STEIN: Oh.

>> COMMISSIONER STEBBINS: So take out "may be required to."

>> COMMISSIONER CAMERON: We'll have a whole team there.

>> COMMISSIONER STEBBINS: Yep. At least one person.

>> CHAIR JUDD-STEIN: At least one.

>> COMMISSIONER STEBBINS: The licensee will make a presentation, the second bullet. I think that gets to the point that I've talked with Commissioner Grossman about. I would like to encourage our licensees to --

>> CHAIR JUDD-STEIN: Congratulations.

>> COMMISSIONER O'BRIEN: Welcome.

>> COMMISSIONER STEBBINS: I'm sorry. Counselor.

>> MR. GROSSMAN: Commissioner, yeah.

>> COMMISSIONER O'BRIEN: Pull up a chair.

>> COMMISSIONER CAMERON: So you like will better than shall.

>> COMMISSIONER STEBBINS: I do. Will make a presentation. And I would like to offer some language.

>> COMMISSIONER O'BRIEN: I was going to say, give them some guidance.

>> COMMISSIONER STEBBINS: It can be not only what we've done in the first five years of our operation, but what some of our goals are for the next five years.

>> CHAIR JUDD-STEIN: Look back in the future. So far just -- I'm just trying to build a consensus here around these edits. Is everybody in agreement? Okay, good.

>> COMMISSIONER STEBBINS: The next bullet, representatives of the host community, surrounding communities, I-levs will attend, may make a presentation, again, kind of leaving it up to them, and be available to respond to questions from the Commission.

>> COMMISSIONER ZUNIGA: Sounds good.

>> CHAIR JUDD-STEIN: Okay.

>> COMMISSIONER STEBBINS: I'm thinking if I had one more. I don't think --

>> CHAIR JUDD-STEIN: The very last bullet.

>> MS. WELLS: I was wordsmithing a little bit. If it's will be permitted to attend, make a presentation and respond.

>> CHAIR JUDD-STEIN: May make --

>> MS. WELLS: Modify it's permitted to attend, present and respond.

>> COMMISSIONER STEBBINS: Right. Will be permitted to attend. May make a presentation and be available to respond. I mean, that's leaving it up to the organizations as to what they want --

>> COMMISSIONER ZUNIGA: We're not requiring them to make a presentation. They can if they choose to.

>> COMMISSIONER STEBBINS: Everything else looks good. The only thing that just kind of caught my eye on the proposed time line is we have a March 31st licensee submission of draft initial compliance materials to Commission staff. But I'm wondering if there's another date that requires the final submission of information, or is that included in one of the other dates?

>> COMMISSIONER ZUNIGA: You know, I was going to speak to this. And I think we may have touched on a prior conversation. And I think there is -- there's an operating assumption here, which is that we will begin to have a number of elements to this application, really, come in on a rolling basis. So that we're not constrained to a date certain of when we begin the review. In fact, we already have begun the suitability review in many of these qualifiers. There should be, and that's part of your point, Commissioner. One date when we make a determination that everything that has come in the past on a rolling basis is complete. So that we comply with the principle that you articulated before. But I wouldn't want to be constrained by the notion that everything needs to be assembled for the review process only to begin at that time. And that goes for the site visit. Maybe they're assembling information. They're preparing the statements, and that's all great. That's a beginning. But as we go to the site visit, we may ask for other documents and whatnot, and they can continue to submit

those. There should be -- and this is, again, maybe not something that we need to resolve today, especially because so long as we make the determination that the application is complete prior to June 24th, we'll be in good shape. But there should be that milestone where we say everybody's comfortable that we've gotten everything that we wanted.

>> COMMISSIONER STEBBINS: Okay.

>> COMMISSIONER CAMERON: I just want to revisit -- and I don't -- you know I'm not usually the wordsmith in the group here. But I think most of our regulations all say "shall." I just -- I guess I'm thinking about being consistent.

>> COMMISSIONER ZUNIGA: Well, a big differentiation that I'd like to make in terms of regulations is what we require of people and what we require of us. I like to have as much flexibility as we can.

>> COMMISSIONER STEBBINS: Right.

>> COMMISSIONER ZUNIGA: So all the mays that come to the Commission, I will retain them. It's an important principle when it comes to relations.

>> CHAIR JUDD-STEIN: That you require.

>> COMMISSIONER ZUNIGA: Yeah. What we require of the licensee is critical and, you know, and it's important to say whether it's may or shall, and that's part of what we've done here. But, for example, I was going to say --

>> COMMISSIONER O'BRIEN: I think you were just saying will versus shall, right? Not the choices themselves?

>> COMMISSIONER CAMERON: I was just thinking most of the work we do, we always use shall. So will is just not --

>> COMMISSIONER O'BRIEN: Will versus shall.

>> COMMISSIONER CAMERON: Right, right, right.

>> COMMISSIONER STEBBINS: Oh, yeah. Oh.

>> COMMISSIONER CAMERON: That's all. It just seemed to me that that was more --

>> CHAIR JUDD-STEIN: That's fine.

>> COMMISSIONER STEBBINS: That's fine.

>> CHAIR JUDD-STEIN: And on the site visit, are we all in agreement that that's going to be a mandate?

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER O'BRIEN: Yeah, the only other shall and this would be on us, they need to get written notice in 6 where it talks about final review procedures. It says written notice should be provided. I just think it says the Commission shall provide written notice to them detailing the scope. I just think we --

>> MR. GROSSMAN: I'm sorry, where were you?

>> COMMISSIONER O'BRIEN: 6, page 6, Section 6, final review procedures. You have once all materials have been submitted. Next sentence was written notice should be provided to the licensee. I do think that should say the Commission shall provide written notice to the licensee details blah, blah, blah, blah. That is a place.

>> COMMISSIONER ZUNIGA: Yes. I was particularly thinking of all this other language that follows, which gives us the flexibility to hire consultants.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER ZUNIGA: Or not. It should remain a flexibility.



>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER ZUNIGA: Not a may.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER CAMERON: What items are you talking about?

>> COMMISSIONER ZUNIGA: So, you know, the licensee, you know --

>> COMMISSIONER CAMERON: Where are you? What page?

>> CHAIR JUDD-STEIN: 7.

>> COMMISSIONER ZUNIGA: 7.

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER ZUNIGA: Retain, for example, at the licensee's expense, you know, consultants and whatnot. That was important, flexibility that we exercised early on.

>> CHAIR JUDD-STEIN: At the very top, it says "may."

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Before those bullets.

>> COMMISSIONER ZUNIGA: That's what I would retain.

>> CHAIR JUDD-STEIN: We're not obligated.

>> COMMISSIONER CAMERON: Okay. That makes sense.

>> COMMISSIONER ZUNIGA: No matter what happens, we'll see what happens.

>> COMMISSIONER CAMERON: Yeah.

>> COMMISSIONER ZUNIGA: But I wouldn't want anybody to say, well, you didn't retain anybody.

>> COMMISSIONER CAMERON: So we retain the flexibility.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER CAMERON: Where we say shall, we really do want to see that from the licensee.

>> CHAIR JUDD-STEIN: Or we mandate ourselves.

>> COMMISSIONER STEBBINS: I'm sorry. The other question, just are we in common agreement that the renewal fee will remain at the \$100,000 minimum?

>> CHAIR JUDD-STEIN: That was one question we -- I think we should set it now in this document because I think we've done enough due diligence on the expenses that we think it's not likely to go much further north than the \$100,000.

>> COMMISSIONER STEBBINS: I would just make the argument that, you know, when the legislation has given us the opportunity to set, whether it was the initial application, whether it was the license fee, you know, we've kept it at the minimum, hoping that more resources would be poured back into the facility as opposed to just paying for a license. I mean, my suggestion would be to give them some assurance that \$100,000 is where we would like to keep it.

>> COMMISSIONER ZUNIGA: Yeah. I agree with that. I mean, I thought we had talked about that in a prior setting, but it's important as we are now approving this to make that clear. And it's especially because the statute talks about, in this particular case, to be tied to the cost of investigations, which we then are projecting that is going to be perhaps less than the minimum to simply just go with this \$100,000 minimum and leave it at that.

>> CHAIR JUDD-STEIN: No disagreement on that?

>> COMMISSIONER O'BRIEN: Nope.

>> CHAIR JUDD-STEIN: I have a couple -- did you have some more?

>> COMMISSIONER ZUNIGA: No. I think I made it when it came up.

>> CHAIR JUDD-STEIN: Okay. I think that you mentioned the idea of whether or not we suggest that the licensee could include future plans that we might as well have that trigger, right, but not mandate?

>> MR. GROSSMAN: That they may.

>> CHAIR JUDD-STEIN: That they -- yeah. I suppose that would be of interest to us. But my --

>> COMMISSIONER ZUNIGA: I thought on that one that when we talked about the licensee's presentation, Commissioner Stebbins --

>> CHAIR JUDD-STEIN: Yeah, he happened to mention also in terms of page 3. That's when you mentioned -- as long as the licensee is put on notice that that's something that would be of interest, if it is. I mean, it's kind of -- it's an unusual request because we're issuing a license -- I guess if it's firm enough future plans, correct?

>> COMMISSIONER O'BRIEN: Well, it wasn't the original process.

>> CHAIR JUDD-STEIN: Right.

>> COMMISSIONER O'BRIEN: You're not doing anything that you didn't do already.

>> CHAIR JUDD-STEIN: Right.

>> MS. WELLS: So the prior discussion had it on page 6, paragraph 5, the second bullet. There was conversation about the licensee shall make a presentation, and there was some language about looking back forward.

>> CHAIR JUDD-STEIN: Right.

>> MS. WELLS: Is that sufficient for this concern to just put it here or do you want something --

>> CHAIR JUDD-STEIN: That's only at the public hearing, though.

>> MS. WELLS: Correct.

>> CHAIR JUDD-STEIN: And I wondered if we wanted it --

>> MR. GROSSMAN: Earlier on, something in writing outlining, like, a summary of any future plans or whatever.

>> COMMISSIONER O'BRIEN: Where's the language --

>> CHAIR JUDD-STEIN: Because I feel like it is a relevant part of our review.

>> COMMISSIONER ZUNIGA: So we could put it in the application piece.

>> COMMISSIONER O'BRIEN: Yeah.

>> COMMISSIONER ZUNIGA: Under number 1 as another bullet that says a statement relative to future plans.

>> CHAIR JUDD-STEIN: Yeah. And did I miss it?

>> COMMISSIONER O'BRIEN: For some reason I thought it was already in here somewhere.

>> COMMISSIONER ZUNIGA: Oh, it is there. Oh, no, but it's only there for horse racing.

>> COMMISSIONER O'BRIEN: Oh. Well, maybe we need to be broader.

>> MS. WELLS: Okay. So we would add that to the application as one of those bullet points, adding it as a statement to future plans for the property.

>> COMMISSIONER O'BRIEN: For the property and then also specifically as to racing.

>> CHAIR JUDD-STEIN: As to the horse racing.

>> COMMISSIONER ZUNIGA: It's the same language as that last bullet in number 1 but not exclusive to horse racing.

>> COMMISSIONER STEBBINS: Right.

>> CHAIR JUDD-STEIN: And then the other clarification I would like on the time line -- and I appreciate what commissioner Zuniga was saying about the rolling basis and how we're going to get information coming in from the licensee on an ongoing basis. But I'm also cognizant of a mid-April public hearing which I do feel like that's the right timing for a public hearing. Will the public be adequately informed at that time to be able to be responsive? In other words, we don't have anything about the conditions that might be -- when would they have to let us know that they're not going to meet a condition or if they have some new future plan, is that anticipated? Should we have -- should there be some kind of -- enough for the public to be informed?

>> MS. WELLS: Yeah. I mean, I think that depends on what the Commission wants to do -- what's the purpose of the public hearings on that -- in that. If it is sort of that public response to the casino, and it's been in operation and it's been in their community and how they feel about it.

>> CHAIR JUDD-STEIN: Right.

>> MS. WELLS: That would be sufficient. If it's public comment about the application, that's a whole different ball game.

>> COMMISSIONER O'BRIEN: Yeah.

>> CHAIR JUDD-STEIN: That's very helpful.

>> MS. WELLS: What they want to do.

>> CHAIR JUDD-STEIN: That's very helpful. Because it made me think then at the very very least, we should offer some public comment period.

>> COMMISSIONER CAMERON: Yes.

>> CHAIR JUDD-STEIN: Near the end as the --

>> COMMISSIONER STEBBINS: Something to close the application hearing.

>> CHAIR JUDD-STEIN: -- application becomes really --

>> MS. WELLS: But would the application be a public document at some point during this process? Because if you want a public comment about the application, the public would need to see the application.

>> CHAIR JUDD-STEIN: So otherwise --

>> COMMISSIONER O'BRIEN: We need to invite a comment about the application. Did you do that in the RFA102?

>> COMMISSIONER ZUNIGA: No, it was not tied to the application. There were a number of things that were not a public record on the RFA1 part but only temporarily. As well as the RFA2 also only temporarily. There were different levels of protection.

>> COMMISSIONER CAMERON: Materials that were -- what's the word we use? You know, the materials that are confidential to the applicant.

>> COMMISSIONER ZUNIGA: Yeah.

>> COMMISSIONER CAMERON: That does not become public.

>> COMMISSIONER STEBBINS: You know, the public hearings that we did have, there had been so much groundwork play by the licensee because they had to go through the host community.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER STEBBINS: The renderings of the building, the job

commitments, all that --

>> COMMISSIONER ZUNIGA: Was already part --

>> COMMISSIONER STEBBINS: Public domain before the public hearing. So they did have time to come in and talk specifically about --

>> COMMISSIONER ZUNIGA: But we did not make the application -- it wasn't necessarily public --

>> COMMISSIONER O'BRIEN: It wasn't opining on the application so much as getting reaction from the public.

>> MS. WELLS: I mean, you could do something -- I would defer to Ombudsman Ziemba. But, for example, you could put out some documents such as, you know, their quarterly reports or something like that so there is some information for the public to review in commenting about how the casino's doing because it's a little weird to have them review the am -- the public sort of reviewing the application.

>> COMMISSIONER O'BRIEN: Well, they're going to be doing the presentation at the mid-April meeting.

>> CHAIR JUDD-STEIN: They want to have something to react to. They'll do a presentation.

>> COMMISSIONER STEBBINS: Public comment after that?

>> COMMISSIONER O'BRIEN: Or do we have that go in advance? Have that be submitted in advance or you hold it until the meeting?

>> MR. ZIEMBA: So I think that's a good suggestion. If you do have them do a presentation at the April hearing, then you keep open the comment period so they could submit written comments after that date. And then we could weigh those in the presentation.

>> CHAIR JUDD-STEIN: That would work.

>> MR. ZIEMBA: Yeah. I just want to -- just issue a word of caution. I would imagine if I were in the licensee's shoes, that when I'm putting together my forward-looking plans, I would be very cautious what I include. Because otherwise if they're just thoughts, the public or others might think they're being held to that.

>> CHAIR JUDD-STEIN: That was why I said it's a tricky process. It's not like we're going to build the casino and it was a known fact. So I guess it would be only if they had some -- that the future plan that was firm -- I am wondering about that.

>> COMMISSIONER CAMERON: Especially since some of their future plans may include legislative approval.

>> CHAIR JUDD-STEIN: Right.

>> COMMISSIONER O'BRIEN: Or private negotiations if they don't want to reveal.

>> COMMISSIONER STEBBINS: My point in this was, you know, we gave them a license based on what they were going to do in five years. I'm not necessarily looking for something that I'm going to hold them hard and fast to, but for all the purposes we've talked about, you know, showing your hand for your -- to your competition or whatever. But, you know, some aspirational effort as to where they see themselves in the next five years. You know, for lots of reasons, you look at the original legislative intent. Even the legislature didn't want these facilities to become stagnant. That's why we have a capital improvement plan. It's why all these other goals were set forward. So it's really to give them a chance to show where they could be in the next five years, but I'm not

going to necessarily -- I myself, I'm not going to necessarily hold them hard and fast to a lot of detail, and when are you going to have to done.

>> MR. ZIEMBA: But we will in all likelihood have potential conditions because we'll be looking at the range of their plans such as the tourism plans that they need to update, some of their own plans and they might get baked into our review process. Even in and of itself, even without the forward-looking statements, they'll be back and forth on a range of different things. I guess that is just something that we would have to flesh out further with the licensee of what should be included in this forward-looking --

>> COMMISSIONER ZUNIGA: Yeah. Let's see what we have.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: It may very well be that, you know, their plans are to continue as much as they have been doing.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER ZUNIGA: And, you know, we'll have to see what they present in terms of their outlook.

>> CHAIR JUDD-STEIN: Have we exhausted our edits?

>> MS. WELLS: Just for my own edification, my understanding on page 1 under application, in that first paragraph, there's the application itself then shall consist of certain documents and other pieces of information that are submitted to the Commission, blah, blah, blah. Such items shall include the following. Does everyone agree that's what you want to do?

>> COMMISSIONER O'BRIEN: Yep.

>> COMMISSIONER ZUNIGA: Where was that again?

>> COMMISSIONER O'BRIEN: Opening paragraph.

>> MS. WELLS: Page 1, first paragraph after the word "application."

>> COMMISSIONER ZUNIGA: Yes.

>> MS. WELLS: You're all good with all those.

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Shall require all the bullets below.

>> COMMISSIONER ZUNIGA: Yes. Yes, because they're all a statement. I mean, there's --

>> CHAIR JUDD-STEIN: They're required.

>> COMMISSIONER ZUNIGA: Presumably there's a lot of information there that we can review, but it's straightforward for them to say -- to say in a statement.

>> MR. ZIEMBA: I had one other item. In light of what Commissioner Zuniga mentioned regarding the may's and the shall's. We put in a proposed time line, and we met that as really the potential time line. But because we're including in this document, we didn't include any caveat, maybe we might need to say, proposed time line subject to amendment by the Commission in parentheses. It was really meant as a guide rather than something that requires us to do something on a specific date.

>> COMMISSIONER O'BRIEN: Could you say anticipated as opposed to proposed?

>> MR. ZIEMBA: Yeah. Yeah.

>> COMMISSIONER CAMERON: She's the wordsmith.

>> COMMISSIONER O'BRIEN: It's a little more --

>> COMMISSIONER ZUNIGA: One thing I'll say on the time line, it doesn't have to be here, but I anticipate that the site visit would happen somewhere in March or April

timeframe. And, of course, it may be more than one time. So that it's, you know, doesn't have to be only one group going out there, you know, there may be a financial investigation piece. There may be another group. But I would want it kind of like in close proximity to what is being submitted in case there needs to be additional documentation reviewed or not and then we can go on to the review process.

>> COMMISSIONER O'BRIEN: We good?

>> CHAIR JUDD-STEIN: Well done. So do we have a motion in light of these suggested edits?

>> COMMISSIONER O'BRIEN: Madam Chair, I move that the Commission approve the procedures for the renewal of a category 2 gaming license as outlined in the memorandum included in the Commissioners' packet and as further discussed at the hearing today.

>> COMMISSIONER STEBBINS: Second.

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

[ Vote taken ]

Opposed? 5-0.

>> COMMISSIONER O'BRIEN: Madam Chair, I further move the Commission authorize staff to serve a letter on the gaming licensee commemorating the approved renewal procedures and to take steps to facilitate the renewal process consistent with the discussion today and the time line in the memorandum that is included in the Commissioners' packet.

>> COMMISSIONER CAMERON: Second.

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

[ Vote taken ]

Opposed? 5-0. Thank you.

>> COMMISSIONER CAMERON: Thanks. Good work.

>> CHAIR JUDD-STEIN: Thank you very much. Nice work. Commissioner O'Brien, Commissioner Zuniga, thank you for your efforts on it, and Counselor Grossman, thank you, and everybody, excellent. And I know Loretta, thank you.

Now we're moving on -- and I just want to note for Maryann's purposes, we are at 2:33. And once again, we're ahead of schedule.

>> (Away from mic).

>> COMMISSIONER CAMERON: We love that.

>> COMMISSIONER STEBBINS: Wow.

>> CHAIR JUDD-STEIN: We're never behind. Never behind. Moving on to item number 9.

>> (Away from mic).

>> CHAIR JUDD-STEIN: I know. Exactly. In terms of item number 9a, I believe that we last left this matter for action by Commissioner Zuniga to convene a procurement management team to develop an RFP to further the Executive Director search process. And do you have an update?

>> COMMISSIONER ZUNIGA: Yes, I do.

>> CHAIR JUDD-STEIN: And we have Derek Lennon joining us.

>> COMMISSIONER ZUNIGA: Derek will help me where I omit any details that are necessary. But we have drafted an RFR for an executive search firm or consultant to help in the search of an Executive Director. We have posted an intention to post an

RFR. That happened last week, if I remember correctly, to advise potential respondents and bidders of this upcoming RFR that actually helps in the duration of our internal process so that people know to expect the RFR while we're working on it. But we're very close to a final draft of that RFR. I've assembled a team, the procurement management team. Like in the past, it includes people from different disciplines here to help in this procurement, finance, legal, diversity, Jill and Joe are also part of the team and, again, the RFR is ongoing, and we'll be issuing it shortly.

It generally, based on the discussions from last time around, it generally stipulates two phases of -- in the approach. And that is to conduct an initial assessment I believe is the -- do I need to state clear some of the details because of the RFR?

>> MR. LENNON: So what we did is we went and reviewed the Commission meeting.

>> COMMISSIONER ZUNIGA: Yes.

>> MR. LENNON: And looked at the items that were discussed in the Commission meeting, which were for the purpose record, an internal evaluation or assessment of the agency needs and the next director, different ways to go about that, whether it be meetings, whether it be focus groups, whether it be surveys, all of that was discussed in public. Drafting a job description, doing outreach and recruiting, helping with scoring, and setting up meetings and then kind of setting that up as a menu, all or some, that is all contained in the RFR as was requested or in the scope of services. How it's laid out --

>> COMMISSIONER ZUNIGA: Yep. We'll see what responses we get. You anticipate that, you know, some people might respond, you know, different from others, and that's usually what happens in this kind of procurement.

>> MR. LENNON: Just like we looked at feasibilities which you had requested of the 10,000 threshold which would be an incidental which would only require three quotes or even less than that, looking at statewide contracts or procurement, and the team thinks that the procurement is really the best way to go.

>> COMMISSIONER ZUNIGA: Yeah. So I can answer any questions if there are any, but I think, you know, we're progressing as we intended to.

>> CHAIR JUDD-STEIN: And I think I probably have questions, but I'm going to honor, I think, the system, which is that we need to allow the PMT to forge ahead.

>> MR. LENNON: Yeah. So we have a time line developed. We do, as Enrique said, sent out the --

>> COMMISSIONER ZUNIGA: Notice of intent.

>> MR. LENNON: -- notice of intent, even though we really didn't have to, but we just wanted to give people -- because this didn't hit the world trade threshold, the World Trade Organization threshold. We have our criteria developed already. So really all we're waiting for is kind of the okay to go ahead and post it. And we'll have language in there that identifies what the Commission wanted. You can respond to one or all areas of this as the menu but, you know, we support partnering. That will all be covered in the language. And the areas that we sent it out to, all the vendors on statewide contracts for management consultants got the notice of intent as well as any vendors that had Human Resources or recruiting in one of their areas of expertise, even though they might not be on a statewide contract. They may have done business with

someone else in the Commonwealth, they're set up as a vendor. They all got the notice. So, you know, at this point it's just really putting it into finalizing it, putting it into the RFR, and then you know, the time line is what it is. I mean, it's -- it's not as short as some would like, but we are being very aggressive, and we did signal -- we did signal in our language our expectations for timing from the vendors to make sure that expediency is a preference and is acknowledged that this is something that we're looking for here. So we tried to really go back and look at the Commission meeting, the couple meetings, and hit on every topic and cover it in there.

Now, once again, once it gets posted or if you guys want to see it before it gets posted, there is a way to get use if you're a nonvoting member because in our composition we've already identified who are the voting members and who are the nonvoting members. So if you want to see it right before it gets posted, it will be nonvoting members in case you have any discussion or want to go to, you know, one of us and say, hey, we'd really like this clarified. Can you, as the procurement team, go back and think about it? We can do that. Or you can wait until it gets posted. It's a public document, and then we can always amend it. You have both of those options.

>> CHAIR JUDD-STEIN: Todd, on the earlier version, that doesn't run against the Open Meeting Law?

>> MR. GROSSMAN: (Away from mic).

>> CHAIR JUDD-STEIN: The first version?

>> COMMISSIONER CAMERON: We looked at it as a nonvoting member.

>> MR. GROSSMAN: As long as you're not communicating the details.

>> MR. LENNON: We'd give your comments back to the procurement team.

>> CHAIR JUDD-STEIN: The status of our lives.

>> COMMISSIONER CAMERON: Mm-hmm.

>> CHAIR JUDD-STEIN: All right. Perhaps that could work, but your point is in the event there was some kind of an issue that seemed, you know, critical enough, we could amend, and that would be acceptable.

>> MR. LENNON: It is. It is acceptable.

>> CHAIR JUDD-STEIN: All righty. Excellent.

>> COMMISSIONER CAMERON: Yeah. Good. And we are going to post in the -- with the gaming -- we're members of a couple of prominent ones, you know, IMGL, lots of people in the industry look at our postings.

>> MR. LENNON: We'll work with Elaine like we have done in the past once we're ready to post this just to get it notified just like we do with the RFI.

>> COMMISSIONER CAMERON: Okay.

>> MR. LENNON: We'll work with Elaine to get as much coverage as we can in the areas we should be hitting on to make sure that --

>> CHAIR JUDD-STEIN: I actually received two inquiries for other searches, and I said, sorry, we've got our hands full here. That is a good point. Everybody knows that there's different resources available. So thank you.

Anything else? Excellent work. Thank you, Commissioner Zuniga.

>> COMMISSIONER ZUNIGA: Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: And Derek thank you so much.

>> MR. LENNON: I just get to take the credit, as usual. Most of the work gets done



by others.

>> COMMISSIONER ZUNIGA: Quite the contrary.

>> CHAIR JUDD-STEIN: And then we have 9b. As folks know, when we issued our decision on the Wynn Resorts matter at the end of April last year, in addition to a fee, several conditions were imposed, and one was requiring us to appoint an independent monitor. That independent monitor was selected through a competitive procurement process and decided here in a public hearing. Part of the requirements of the independent monitor is to produce a six-month baseline study. And we, just as a -- to set the stage, the rules, if you will, were -- our hope was that the independent monitor and the licensee would be able to just work together. There have been a few, you know, calls and questions raised. They continue to work together. However, the independent monitor is requesting a very straightforward extension in order to complete the baseline in the fashion that they need. So they've asked for an extension from March 5th to a later date in March.

>> COMMISSIONER CAMERON: So it's not a long extension.

>> CHAIR JUDD-STEIN: Not a long extension.

>> COMMISSIONER O'BRIEN: I think they anticipate --

>> CHAIR JUDD-STEIN: A few weeks.

>> COMMISSIONER O'BRIEN: Probably the week of the 23rd.

>> CHAIR JUDD-STEIN: Yeah. Right. And we don't want to hold them to a particular date at this time.

>> COMMISSIONER CAMERON: Mm-hmm.

>> CHAIR JUDD-STEIN: So -- but in terms of that process, we anticipate that report being presented, Commissioner O'Brien has provided support to me only because I'm the contract point, but I think we anticipate that that will be presented in public.

>> COMMISSIONER O'BRIEN: Yes.

>> CHAIR JUDD-STEIN: With an invitation to the licensee to also be here.

>> COMMISSIONER O'BRIEN: Yep.

>> CHAIR JUDD-STEIN: We'll have to figure out exactly that process. I think, you know, what it -- you know, if it's a public hearing versus something else, but you'll give us those directions, Todd. And we should expect that sometime near the end of March or beginning of April, I think?

>> COMMISSIONER O'BRIEN: I think the anticipation -- the hearing or the report?

>> CHAIR JUDD-STEIN: The hearing, yeah. Does that --

>> COMMISSIONER CAMERON: Sounds appropriate.

>> COMMISSIONER ZUNIGA: Sounds good.

>> CHAIR JUDD-STEIN: Yeah. This seems very reasonable. The independent monitor has been nothing but professional with us and, of course, independent. And that's the key. So I think this is a fair request. Do I have a motion?

>> COMMISSIONER O'BRIEN: Madam Chair, I move that the Commission grant the independent monitor's request for an extension for the submission of the six-month baseline. The deadline currently set for March 5th be extended to a date prior to the end of March.

>> COMMISSIONER CAMERON: Second.

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

[ Vote taken ]

Any opposed? 5-0.

Okay. Any other business, Commissioners?

>> COMMISSIONER ZUNIGA: Nope.

>> COMMISSIONER STEBBINS: Motion to adjourn.

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

>> COMMISSIONER ZUNIGA: Second.

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

[ Vote taken ]

5-0. Thank you.

>> COMMISSIONER CAMERON: Good job.

[ The meeting concluded at 2:45 P.M. ]