

1 COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #238
4
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6 CHAIRMAN

7 Stephen P. Crosby
8

9 COMMISSIONERS

10 Lloyd Macdonald

11 Enrique Zuniga

12 Bruce Stebbins

13 Gayle Cameron
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17 MASSACHUSETTS GAMING COMMISSION

18 101 Federal Street, 12th Floor

19 Boston, Massachusetts

20 March 15, 2018

21 10:00 a.m. - 4:47 p.m.
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P R O C E E D I N G

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3 CHAIRMAN CROSBY: We are calling to
4 order Public Meeting No. 238 of the Mass.
5 Gaming Commission on Thursday, March 15th
6 at ten a.m. in our offices in Boston. Next
7 up is the approval of minutes, Commissioner
8 Macdonald.

9 COMMISSIONER MACDONALD: Thank you,
10 Mr. Chairman. I move that we approve the
11 minutes of the meeting of February 22, 2018
12 subject to correction for typographical
13 errors and for other nonmaterial matters.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: This is the
17 February 22nd, right? Okay. Any
18 discussion? All in favor? Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER MACDONALD: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 CHAIRMAN CROSBY: Opposed? The ayes
24 have it unanimously.

1 COMMISSIONER MACDONALD: And as to
2 the minutes of the meeting of March 1,
3 2018, I also move that they be accepted as
4 they appear in the packet similarly subject
5 to correction for typographical errors and
6 for other nonmaterial matters.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER CAMERON: Second.

9 CHAIRMAN CROSBY: Discussion?

10 COMMISSIONER STEBBINS: Two quick
11 points. On page two under the Plainridge
12 Park Casino quarterly report the second
13 paragraph up, you can probably check this,
14 it just says Plainridge spent about
15 1.4 million in Massachusetts but it says
16 for the year, I think. That might be for
17 the quarter, but we probably can go back
18 and check that.

19 MS. BLUE: We'll check that.

20 COMMISSIONER STEBBINS: And then on
21 the second page under the two-year public
22 safety report, the second paragraph, it
23 starts off by saying six communities. You
24 know, it really is the host and surrounding

1 communities that are participating, so
2 maybe we should identify them as host and
3 surrounding communities for all the -- the
4 host and all surrounding communities
5 participated in the research projects since
6 we're not identifying what towns.

7 COMMISSIONER CAMERON: As well as
8 the state police.

9 MS. BLUE: We can look.

10 CHAIRMAN CROSBY: Anything else? I
11 have a couple of equally small ones. On
12 page two under the quarterly report, this
13 is really small, but the second paragraph
14 it says, 14.8. million going to the racing
15 industry, which is a little misleading. It
16 goes to the Resource Development Fund,
17 which just --

18 MS. BLUE: Okay.

19 CHAIRMAN CROSBY: And then on page
20 four in the third paragraph down, there's
21 some discussion about the monetary wins and
22 losses by banned individuals. This section
23 requires administrative burden -- this
24 topic will be further discussed at the next

1 commission meeting, which is today. Did
2 that get lost in the shuffle? Where is
3 that? I don't even quite remember that
4 discussion, but we talked about discussing
5 it again today.

6 MR. BEDROSIAN: We'll definitely go
7 back and check it. It might have got lost
8 in the shuffle. Thank you for picking it
9 up. I don't remember it either.

10 CHAIRMAN CROSBY: I don't quite
11 remember it. We don't want to lose it.

12 COMMISSIONER ZUNIGA: Maybe it
13 should read subsequent commission meeting.

14 MR. BEDROSIAN: Right.

15 MS. BLUE: We'll check to see when
16 it's scheduled and whether we did, in fact,
17 not get it on this list or if there was
18 some reason that it wasn't in this meeting.

19 CHAIRMAN CROSBY: We may have said
20 that it would be this meeting. I just
21 didn't want to lose track of it. That's
22 all. Any other discussion?

23 COMMISSIONER MACDONALD: So amended.

24 CHAIRMAN CROSBY: Okay. All in

1 favor? Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER MACDONALD: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER STEBBINS: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes
7 have it unanimously. Now we are to our
8 administrative update with our executive
9 director.

10 MR. BEDROSIAN: Good morning,
11 Commissioners. I might need to change the
12 agenda up slightly.

13 MR. MATHIS: I can handle this one.

14 MR. BEDROSIAN: Okay, excellent. So
15 let me tell you where we are in the general
16 update. Thanks to our two winter storms in
17 the last two weeks, we've had a number of
18 days off. We also have staff traveling out
19 in Vegas this week. So my general update
20 was going to involve and necessitate me
21 communicating with a lot of the staff the
22 way I couldn't necessarily get done this
23 time, so I would anticipate next on the
24 29th I will have an updated employment

1 update for you all.

2 We've added some employees, and
3 we're also doing a risk assessment in our
4 IT area discussion I have started with
5 Commissioner Zuniga about needs we may have
6 in the short run. I may present that to
7 you on the 29th also. So in terms of our
8 internal staff, I will have an undate on
9 the 29th.

10 I did last time tell you that I was
11 going to work with MGM and have a joint
12 presentation on our MGM opening timeline
13 update with Mike Mathis, who is here today.
14 Mike has done in short time, thank you,
15 Mike, what they call their critical path
16 timeline, and what I will do is tell you
17 how that fits in with what we are doing.

18 A term I have learned from our
19 bureau process is what we want to make sure
20 in addition to making sure our regulatory
21 commitments are met is that we are not
22 blocking MGM's process of getting the
23 casino opened. There are a number of ways
24 after Mike goes through his timeline I can

1 tell you and show you how we are doing
2 that.

3 I will also on the next date try and
4 mimic this type of critical path timeline
5 with our own critical path timeline, and
6 then we can contrast and compare. I will
7 tell you the two big things that the
8 commission is doing that implicates this
9 critical path timeline, one, we'll be
10 hearing from Mr. Ziemba today about
11 commitments and eventually making a
12 decision on that. That is a critical path
13 item.

14 The next one will be something that
15 we will start at the end -- at the next
16 meeting, which is our regulations 138 which
17 have our internal controls in them. That
18 is something we need to get going. That is
19 on our critical path. That will start next
20 meeting also. So in terms of two big
21 critical path items, I think they are on
22 schedule and the commission is addressing
23 them. But we will have a more granular
24 critical path in terms of hiring, and in

1 those types of things that show how we
2 compliment this process.

3 CHAIRMAN CROSBY: Say again what
4 those two big items are.

5 MR. BEDROSIAN: The two bigs item
6 are the commitments that Mr. Ziemba is
7 doing today, and the second one will be
8 starting the next meeting Section 138 of
9 our regs., which is the --

10 COMMISSIONER ZUNIGA: Internal
11 control.

12 MR. BEDROSIAN: Well, exactly. It's
13 called accounting procedures and internal
14 controls. There are in that regulation we
15 reserved particular sections for internal
16 controls that we're now starting to fill
17 in. Those need to be in place well in
18 advance of opening. So MGM knows, my term,
19 not their's, what the rules of the game are
20 so they can prepare all of the rules of the
21 game. So those are two big critical path
22 items.

23 The other ones such as things of,
24 you know, hiring, having in place our

1 gaming enforcement unit, hiring our gaming
2 agents, having them trained, knowing that
3 the GameSense staff is going to be ready
4 and trained, having our office space
5 prepared, trained, having the gaming floor
6 certified, hooked up to our CMS, you know,
7 communicate with the City of Springfield
8 working out sort of what I call
9 non-regulatory but logistic items what
10 happens, you know, at opening, the first
11 weeks after opening in terms of public
12 safety, traffic control, those types of
13 things. Those are all items that flow into
14 our critical path timeline.

15 Then we'll have these discussions,
16 in fact, Mike Mathis and his staff and our
17 staff tomorrow have a meeting out in
18 Springfield, our monthly meeting, which we
19 know will also kick up in tempo as we get
20 closer to the opening date so we can
21 proactively identify items in our either
22 slipping, not on critical path timeline or
23 new issues that have arisen just because,
24 you know, there is a lot of moving pieces

1 in a project like this. So, I'm sorry,
2 Mike, my long introduction, thank you. If
3 you want to give some sense of your
4 critical path.

5 MR. MATHIS: Sure. Good morning,
6 Commissioners. Nice to see you. Thanks,
7 Ed. So I can assure you that your staff is
8 not blocking our opening. They are
9 facilitating our opening. We're really in
10 a lock step, and tomorrow's meeting is just
11 one example of how we collaborate and stay
12 choreographed on this. You've already gone
13 through the Plainridge opening. But as you
14 know, with our facility and table games and
15 different systems, it's really in some ways
16 starting all over.

17 So we're taking some of our
18 learnings from National Harbor. In fact,
19 their staff was down at that opening and
20 saw what that regulator did. So I'm going
21 to tag-team this with Alex Dixon, our
22 general manager. Alex did the work to put
23 this together, and he has been great about
24 keeping some of these timelines updated.

1 Generally, I will say that really
2 looking forward to having you all come out
3 to Springfield. I know it's been a little
4 bit of time since you've seen the facility.
5 It looks phenomenal. I'm encouraged that
6 the actual building looks like the
7 renderings. That's always a good sign. So
8 it's really -- it's remarkable. We are
9 building up our team. We're going to talk
10 to you about our team shortly. You're
11 going to hear from me later, so let me hand
12 it off to Alex Dixon, our general manager,
13 to walk you through some of these items.

14 MR. DIXON: Good morning,
15 Commissioners.

16 COMMISSIONER CAMERON: Good morning.

17 COMMISSIONER MACDONALD: Good
18 morning.

19 COMMISSIONER ZUNIGA: Good morning.

20 COMMISSIONER STEBBINS: Good
21 morning.

22 CHAIRMAN CROSBY: Good morning.

23 MR. DIXON: This is a very high
24 level timeline.

1 CHAIRMAN CROSBY: You looked great
2 in your hockey jersey.

3 MR. DIXON: Thank you very much.
4 Growing up in Las Vegas, I didn't get to
5 wear very many hockey jerseys, so I'm
6 enjoying that here in western Mass. But
7 very high level critical path timeline.
8 And, so, what's interesting is that as we
9 flow through this, it's really an
10 indication of how we're working with your
11 staff.

12 And, so, it really all starts from
13 an operations side kind of with Jill
14 Griffin counterpart from your staff of this
15 workforce plan and completed, so you recall
16 very a while ago going through the
17 workforce planning process. And so with
18 Marikate and Wanda and our team, we were
19 very fortunate to have a great platform
20 that we've already launched.

21 We then as we move into the parking
22 garage, and we noted that this is available
23 for construction. It looks complete. It
24 is not. And, so, as we think about our

1 neighboring abutters, a lot of folks want
2 to get in there right now. But, literally,
3 there is no way to get it down from let's
4 say the fourth floor where some of our
5 construction workers are parking down to
6 the first floor. They are literally
7 walking down the stairwells as opposed to
8 an elevator that would allow for ADA use
9 and for full use.

10 So we've been working with our
11 neighboring abutters just to make sure that
12 they're aware, specifically the courts. We
13 posted them over in our offices and gone
14 over to meet with them just to keep them
15 abreast. It's just a good indication. But
16 Joe Delaney and the team, Brian, is just
17 another indication of who we're working
18 with at every step along the way.

19 And as you move forward on the
20 gaming school, we had several discussions
21 and we launched and many of you were out
22 there and saw us kick that off. We're
23 moving along with the operation of that.
24 We've got our staff in place, and it's

1 amazing to see the two colleges and the
2 level of support that they are providing to
3 make sure that we get the local talent
4 inside the building.

5 As we move into internal controls,
6 this is really where we get into the heart
7 of the interaction with the staff, and Ed
8 on down have been phenomenal in outline.
9 Bruce is in Las Vegas this week, which
10 gives you an indication of how close we're
11 working with, you know, your staffs' travel
12 schedules. But it's an amazing
13 partnership, and we look forward to our
14 meeting tomorrow. We do what we call a lot
15 of pre-meetings before a big meeting to
16 make sure we're working on all the issues.
17 That has gone well for us.

18 As we go through today is a big day
19 for us where we review our commitments, and
20 so Seth and Brian have done a phenomenal
21 job leading the charge. And from an
22 operations perspective, we are ramping up
23 and making sure that we are delivering on
24 those as well. We will be able to have a

1 great report out later today.

2 Next up will be our slot floor
3 living, so April 2nd. We're going to be
4 excited now that the carpet is down and
5 approximately I'd say about 70, 80 percent
6 of the floor, and we will be finishing up
7 so that our slot bases can go in. So that
8 by the time the slots arrive, we have a
9 good transition process on that front.

10 CHAIRMAN CROSBY: Slot bases, is
11 that something that they sit on?

12 MR. DIXON: Yes. So you have -- in
13 some slots you've got these behemoths or
14 about as tall as this building, and they
15 are not on actual base. Others are the
16 more traditional are -- there is physical
17 slot bases that you configure to different
18 departments, and our construction team is
19 leading the charge in the slot loading.

20 But it's an amazing process that the
21 coordination that it takes, the number of
22 trucks from all over the country from
23 different manufacturers, and your staff has
24 to be there to receive those machines.

1 Every time we broke those seals on those
2 trucks, there's a commission staff there
3 making sure that the integrity of the games
4 is intact.

5 So as we move forward, the next big
6 phase is really the Mass. hiring. So we
7 move from in transition from what we call
8 workforce development, which is really
9 creating the avenues that people can find
10 an opportune with us to actual recruiting.
11 And, so, this goes from people getting
12 their information in Skill Smart to now
13 actually applying for jobs.

14 And right now we're in the
15 one-on-one interviewing phase. We're using
16 a tool called hiring view where people do
17 interviewing online where they're reviewed.
18 But at some point when we need to get into
19 the thousands of when we are hiring people,
20 we will do that over in the MassMutual
21 Center. There will be people lined up. It
22 will be a great day in Springfield, because
23 people will walk away with offers, and then
24 we will get into the licensing process.

1 And, so, as we work with Karen's
2 team and the entire staff to make sure that
3 we have got the appropriate visibility into
4 the numbers that are going to come through.
5 It's been tremendous to see the support,
6 and really the quickness that we are
7 getting back some of these -- some of these
8 licenses.

9 So as we move forward our Mass.
10 onboard in training, once these people get
11 licensed, they then will arrive on site and
12 we will be retraining them. So it's
13 various levels of training depending upon
14 the position. Some are two weeks. Some
15 are as long as six to eight weeks for
16 frontline positions.

17 The critical component next will be
18 our all systems go live. So our slot floor
19 needs to be talking to the central system.
20 GLI will have done its testing. All of our
21 patron management and customer relationship
22 management systems will be in place. That
23 will enable us to make sure that we are
24 ready for the testing period. We will be

1 back before you with greater details in
2 working with staff to outline the process
3 by which hopefully we will receive our
4 operations certificate.

5 And before that, though, I'd be
6 remits if Brian, who is here behind us,
7 will be turning over the building and that
8 we will receive that in the form of our
9 certificate of occupancy where we can
10 actually be in the building without PPE,
11 and we will be able to walk through as we
12 go.

13 So following that testing period,
14 once Bruce Band hopefully recommends to Ed
15 that we are -- should be recommended that
16 we receive an operating certificate, we'll
17 open our doors and hopefully never close.

18 COMMISSIONER MACDONALD: Great.

19 MR. MATHIS: I think just one
20 milestone I probably should put up there is
21 between the Q4 2017 and the Q1 2018, we
22 moved into our administrative offices on
23 site from Monarch offices for our temporary
24 space into the building. That's pretty

1 unique in one of these projects. Because,
2 typically, you'd be moving in as the
3 building is completed and all together.

4 One of the benefits of refurbishing a
5 historic building is that we are now in the
6 project nine months in advance of our
7 opening, and that provides a ton of
8 benefits that we didn't really anticipate.
9 The building did go down to the floor daily
10 and go look at real live field conditions.
11 Our operating folks are catching stuff
12 that, frankly, we designed it before we had
13 a chance to talk to them about it because
14 we hadn't hired them yet. So having the
15 gaming commission staff on site to be able
16 to do the same.

17 So, really the stars are in line for
18 really a wonderful opening, and we're
19 incredibly excited and we view the
20 commission and your staff as partners in
21 this thing. They have been wonderful. You
22 have been wonderful.

23 MR. BEDROSIAN: Yeah, and to
24 compliment that, our ability -- first of

1 all, if you haven't been out there, and I
2 think, we're trying to get the commission
3 out there for an April meeting. You can
4 see our office space. We're very pleased
5 with our office space, and we actually have
6 someone out there on a daily basis now who,
7 as Mike and Alex said, the benefit of
8 having eyes and ears in the ground even now
9 this far out in our own office space gives
10 us the ability to organically sort of hear
11 things and understand things that are
12 happening in a way that if everyone was
13 rushing in two weeks or three weeks ahead
14 of time, you'd be playing catch-up.

15 So it really does put us in a
16 proactive situation as a regulator, you
17 know, that I think might be a little unique
18 these situations but really has been
19 advantageous for us. We're getting
20 intelligence all the time about what's
21 happening either at the gaming school, on
22 the floor. It's really been very helpful
23 to us.

24 And as I said, the offices are

1 great. It gives people a good feeling of
2 working there, very close down the building
3 from the executive suite. So it's a good
4 relationship right now, and hopefully we'll
5 keep it that way.

6 MR. MATHIS: We have had to train
7 our staff to make sure that to be careful
8 on the second floor in terms of breaking
9 news. That's the only downside, but it's
10 been good. It's been a really great
11 partnership.

12 CHAIRMAN CROSBY: It would be very
13 hard for you to say otherwise at a public
14 meeting but I, nevertheless, will take it
15 at face-value, but I know who you're
16 dealing with. I think from what I can tell
17 and we can tell, Joe and John have been
18 doing a great job. But you, as you know,
19 you're invited discretely to raise issues
20 if there are any. I don't expect them to
21 come up here, but this isn't just a love
22 each other session. This can be
23 complicated stuff. It's tough stuff. It's
24 encouraging.

1 MR. MATHIS: I can assure you
2 there's some healthy tension in between
3 these hearings.

4 CHAIRMAN CROSBY: Okay, good.

5 MR. BEDROSIAN: Thank you,
6 gentlemen. Commissioners, I have to,
7 unfortunately, leave at some point during
8 the meeting for a different commitment.
9 But what I would like to do, with the
10 Commission's approval, is pull forward one
11 of the regulatory issues that I've had some
12 involvement with for a long time. I would
13 not want to miss that conversation.

14 That is under legal division, 7A,
15 Subsection 1, which is adjudicatory
16 proceedings with the Commission's
17 permission have Deputy General Counsel
18 Grossman and Ms. Lillios come up, and I
19 will try and appropriately set the stage
20 for what this is and then General Counsel
21 Blue can, as usual, correct me if I have
22 mischaracterized anything.

23 One of things our regulations do is
24 give people an opportunity to appeal

1 decisions, and it could be decisions at
2 staff level on licensing or it could be
3 decisions at the commission level on, you
4 know, the big gaming licenses or many host
5 of other things.

6 As the regulations were developed
7 historically, there were a lot of different
8 places where people would go within the
9 regulations to find out what the specific
10 processes were to what would happen for
11 those appeals. The legal department and
12 IEB started working collaboratively over a
13 year ago?

14 MS. BLUE: Approximately, yes.

15 MR. BEDROSIAN: About a year ago,
16 which I think a wise decision to say we
17 should have all our hearing processes
18 within one regulation so that whether you
19 are a gaming employee who is unhappy with
20 the decision on a potential license or one
21 of our gaming license employees who were
22 unhappy with the commission decision, you
23 would know exactly within our regulatory
24 scheme where to go to find out what the

1 process was.

2 CHAIRMAN CROSBY: Or racing.

3 MR. BEDROSIAN: Yes, thank you.

4 Absolutely, racing, racing too. So a lot
5 of different potential appeals, and some of
6 them would be much more complex than others
7 but at least trying to go and find one
8 place to find out what the process was.
9 And, so, what you have in front of you is a
10 combined work of the IEB, the legal
11 division, meetings with myself. I think
12 you will see a lot of amendments, most of
13 which are, I think, uncontroversial.

14 There are some issues, I think,
15 around two particular items within the
16 regulation. They both have to do with the
17 standard of review but at different levels.
18 One is the standard of review to be
19 employed by a hearing officer who could be
20 hearing things from racing or IEB
21 licensing. And the other is a standard
22 review that the commission, you all, would
23 undertake in reviewing major decisions by
24 the IEB. And those are found in 101.0214

1 and 101.0312 and 13.

2 In terms of process, I think
3 individually you all have been briefed. I
4 don't know if you would like to sort of
5 have any questions about the
6 noncontroversial. Controversial is my
7 term, by the way. It should be
8 controversial. I think there are items
9 just for discussion which times you often
10 get regs. that everyone has agreed upon.
11 These are sort of open issues, maybe open
12 issues as opposed to controversial.

13 There are issues that aren't open
14 issues I think the staff totally agrees
15 upon. So I don't know if you want to have
16 any -- if you feel totally comfortable with
17 those and just want to talk about the open
18 issues?

19 CHAIRMAN CROSBY: Does anybody have
20 questions about anything other than the two
21 standard review issues?

22 COMMISSIONER ZUNIGA: I did, but I'm
23 happy to defer that until we talk about
24 whatever is open that may alleviate some of

1 the questions that I have.

2 MR. BEDROSIAN: Sure. General
3 Counsel Blue, do you have anything to add
4 to that opening?

5 MS. BLUE: I do not.

6 MR. BEDROSIAN: So in terms of
7 hearing officer, I think one of the open
8 issues about the standard of review is the
9 authority of the hearing officer should it
10 be that if they buy a substantial evidence
11 review and the IEB met the substantial
12 evidence threshold, would that be the end
13 of the process or would the hearing officer
14 have the ability to independently make a
15 finding even though the substantial
16 evidence threshold had been met? I'm not
17 characterizing this right. So, Todd, do
18 you want to make any comments on that?

19 MR. GROSSMAN: Sure.

20 COMMISSIONER ZUNIGA: Thank you, Ed.
21 And point us to the section.

22 MR. GROSSMAN: It's on page ten, and
23 it's paragraph 14, the new paragraph 14
24 towards the bottom. So just to calibrate

1 this particular section, this is in the
2 section that addresses hearings before the
3 hearing officer, not the section that
4 addresses hearings before the commission
5 whether in the initial review or on appeal.
6 So this is hearings before the hearing
7 officer. The question is what the
8 so-called standard or review would be.

9 Now, I don't think that anyone would
10 dispute the fact that all decisions that
11 get made by, whether it's a hearing officer
12 or commission or anyone else, have to be
13 made with substantial evidence, meaning
14 there has to be enough evidence to support
15 any decision that gets made by whomever in
16 order to assure that it's not arbitrary or
17 capricious, it's not in contradiction of
18 the law and other things of that sort. So
19 there's really no dispute that whatever
20 decision gets made has to be supported by
21 substantial evidence.

22 And the term "substantial evidence"
23 itself is defined in Chapter 30A and,
24 essentially, it provides that it's the

1 quality of evidence that a reasonable
2 person would believe supports a particular
3 conclusion. So that's substantial
4 evidence, but that's not exactly the issue.

5 The issue is whether when a hearing
6 officer is reviewing a matter whether the
7 hearing officer must afford deference to
8 the previous decision, whether it comes
9 through the racing division or whether it
10 comes through the IEB. And that could
11 affect the outcome of the decision in that
12 a hearing officer may have a different view
13 of the facts and circumstances and apply
14 the law in a different way.

15 So that is ultimately the question.
16 I can tell you that when it comes to
17 judicial review of a matter that comes from
18 an agency, the superior court judge who is
19 hearing the matter must by jurisprudence
20 that's been developed in Massachusetts
21 courts essentially defer to the expertise
22 of the agency that made the decision. So
23 there is certainly a deferential standard
24 in the judicial review of agency decisions

1 by courts.

2 But in this case, we're talking
3 about intra-agency decisions. We're
4 talking about the process that gets used to
5 make the final agency decision. There is
6 no law, at least it's our position, that
7 requires any type of deference. But
8 certainly deference is something that the
9 commission could afford to --

10 CHAIRMAN CROSBY: Excuse me, it's
11 our position, you mean the legal
12 department?

13 MR. GROSSMAN: The legal department,
14 yes. The commission, though, in devising
15 whatever process we ultimately devise is
16 certainly within its rights to afford
17 deference to lower the previous decision,
18 so that's totally proper. It would also be
19 proper to say to the hearing officer that
20 you may make your own decision based upon
21 the facts and circumstances as long as, of
22 course, it's supported by substantial
23 evidence. But that you need not defer or
24 afford special weight to a decision that

1 has come from what the racing division or
2 the IEB.

3 And, ultimately, either would be
4 correct. There is no real right or wrong
5 answer to this question. I think a survey
6 of other agencies within the Commonwealth
7 will show that different approaches are
8 taken in different circumstances, and we
9 could cherry pick certain ones to support
10 different propositions.

11 But, ultimately, I think it's really
12 just up to the commission to determine what
13 works best for us. Understanding the full
14 hearing regime that we have imposed here
15 and in an effort of course, and everyone
16 would agree on this as well, to ensure that
17 we have the ultimate fairness afforded to
18 all parties who come before whether it's
19 the commission or a hearing officer, and we
20 achieve the best results possible.

21 So that's really the issue that we
22 are talking about here is essentially not
23 whether there is substantial evidence or
24 not, because there always has to be

1 substantial evidence. But whether there is
2 any deference to be afforded to the
3 decision that was made before the case got
4 to the hearing officer.

5 MR. BEDROSIAN: So I'll let Ms.
6 Lillios add a little flavor to this. My
7 experience in having supervised the
8 administrative law division at the attorney
9 generals office a few years ago, certainly
10 was -- I think Deputy General Counsel
11 Grossman is right. You could go to
12 different agencies and find examples of
13 both of these certainly. He's exactly
14 right.

15 In general, I think my experience
16 was certainly defending decisions. We
17 always focused a lot on the expertise of
18 agency staff and preferred the deference
19 standard and found that certainly may be
20 more comfortable or familiar with an agency
21 practice. Doesn't mean that you could not
22 do it, a de novo standard or give authority
23 to the hearing officer. So, I think, Todd
24 is exactly right that this in the end ends

1 up being a decision the commission needs to
2 make.

3 Before I turn it over to Ms.
4 Lillios, it is sort of related to the
5 bigger item, which we'll discuss later,
6 which is sort of the standard review by the
7 commission also. So Loretta also worked in
8 administrative law, and Todd has done a lot
9 of administrative law also. So you have
10 the benefit of someone who is about an inch
11 deep on administrative law, be myself, and
12 people who are much deeper over here.

13 MS. LILLIOS: So a few comments is
14 the discussion about the substantial
15 evidence standard in terms of deference
16 being given to the agency in that standard.
17 How that would play out in administrative
18 hearing here would be that the agency,
19 whichever, the IEB, racing, would make a
20 determination for some sort of sanction,
21 licensing, denial or revocation would be
22 obligated under the fairness rules to
23 provide meaningful notice to the individual
24 about what the sanction is.

1 In plain English, what are the facts
2 that were relied on by the agency, what's
3 the law that was relied on would, in
4 advance, turn over all factual materials
5 that the agency plans to rely on at the
6 hearing. There's also an open file policy
7 and regulatory provision here where
8 somebody can come in at a convenient time
9 and look at all of the files.

10 Then move to the hearing where there
11 would be a full hearing before an impartial
12 hearing officer would relax the rules of
13 evidence. At the same time, the evidence
14 would always have to be reliable,
15 probative. And although hearsay is
16 allowed, it could not be the level of
17 hearsay that would effectively deprive a
18 person of the right to meaningful
19 cross-examination.

20 Hearing officer always would apply
21 de novo examination to the underlying law,
22 not bound by the agency's interpretation of
23 the law. The hearing officer examines the
24 law on his --

1 CHAIRMAN CROSBY: Excuse me,
2 Loretta. Am I right that both parties
3 agree on that, that everybody agrees that
4 the hearing officer can apply the law, come
5 to conclusions of law however he or she
6 wants, so we're talking only about the
7 other.

8 MS. LILLIOS: Correct. Credibility
9 determinations as well are in the province
10 of the hearing officer. Hearing officers
11 are obligated to make factual findings.
12 And in order to actually find that a fact
13 occurred, that level of evidence is a
14 preponderance of the evidence a standard
15 case law says. It's not a quality of
16 evidence or a little bit of evidence. It
17 has to be, you know, 51 percent or more of
18 the evidence.

19 Persons entitled to a prompt
20 determination by the hearing officer and a
21 decision in writing by the hearing officer
22 with an explanation of how the hearing
23 officer reached that decision, and this
24 process conforms with the purpose of the

1 administrative hearing.

2 When we talk about this issue of
3 deference, our standard now that we have
4 been working with since 2015 is the
5 substantial evidence standard. And, I
6 think, the proposal that's being suggested
7 is that even if after the hearing that was
8 just described, the findings of fact by the
9 hearing officer, even if all of that
10 amounts to substantial evidence, there is a
11 suggestion that the hearing officer could
12 disregard the agency's sanction if another
13 interpretation by the hearing officer would
14 also amount to substantial evidence. So
15 although --

16 COMMISSIONER ZUNIGA: What would be
17 that other interpretation if he or she is
18 looking at all those facts; what is that
19 scenario? Help me understand that.

20 MS. LILLIOS: That scenario would be
21 the sanction imposed by the agency is
22 lawful, and there is substantial evidence
23 to support it. But there is also
24 substantial evidence for another

1 determination that you would not -- there's
2 also substantial evidence that the sanction
3 that supports not imposing the sanction,
4 and that the hearing officer could go that
5 route.

6 COMMISSIONER ZUNIGA: Are those
7 substantial evidence mutually exclusive or
8 are we talking about the same or are we
9 talking about an interpretation of the
10 substantial evidence?

11 MS. LILLIOS: It's my understanding
12 of the proposal that they are not mutually
13 exclusive. So, effectively, a hearing
14 officer could disregard the agency's
15 sanction even if --

16 CHAIRMAN CROSBY: Decision, not
17 sanction necessarily.

18 COMMISSIONER ZUNIGA: Yes, decision.

19 MS. LILLIOS: Even if the agency met
20 its required standard of review.

21 COMMISSIONER MACDONALD: I think
22 it's a matter of law on that issue is that
23 they are not mutually exclusive. It's a
24 legal application of the ordinary phrase

1 reasonable minds can differ. So that the
2 IEB could conclude with substantial
3 evidence on to outcome A, and the hearing
4 officer could also have substantial
5 evidence in coming to conclusion B, so
6 they're not mutually exclusive.

7 COMMISSIONER ZUNIGA: Correct.

8 MS. LILLIOS: That was my -- did I
9 say not mutually? I meant to say not
10 mutually exclusive. That's my
11 understanding of what --

12 COMMISSIONER MACDONALD: I wasn't
13 contradicting you. I was just trying to
14 put --

15 CHAIRMAN CROSBY: So we're talking
16 about circumstances to get it colloquial
17 where you could have two or more reasonable
18 interpretations of the same sentence. Is
19 credibility of the witness one of the
20 variables in that substantial evidence so
21 that if, for example, the IEB comes to a
22 conclusion based on a set of facts and its
23 interpretation of the credibility of the
24 witnesses and the hearing officer has a

1 different view of the credibility of the --
2 so that is one of the variables.

3 MS. LILLIOS: If the credibility of
4 the witness is deteriorated in the eyes of
5 the hearing officer, that would also
6 deteriorate the substantialness of the
7 evidence, so...

8 CHAIRMAN CROSBY: It was exactly --

9 MS. LILLIOS: If the hearing officer
10 didn't believe the IEB's witnesses, there
11 would not be substantial evidence.

12 COMMISSIONER ZUNIGA: But a witness
13 could present evidence not afforded to the
14 IEB before its decision during the hearing,
15 and that could enhance or deteriorate that
16 credibility or that substantial evidence.

17 MS. LILLIOS: Correct.

18 COMMISSIONER ZUNIGA: Having the
19 hearing officer perhaps reach a different
20 decision from the IEB.

21 MS. LILLIOS: And that is likely to
22 happen in a hearing even with a full
23 investigation, you know, when a person
24 comes in even after being interviewed by

1 investigators, when the person gets on the
2 stand presents possibly in a different
3 way --

4 COMMISSIONER ZUNIGA: New evidence
5 maybe.

6 MS. LILLIOS: Or presents new
7 evidence that was not available at the time
8 of the determination or takes on a
9 different complexion in the setting of a
10 hearing, that is not unlikely to happen.

11 COMMISSIONER ZUNIGA: In that
12 scenario, how does that deference work out
13 in your view? Because in my -- I'm coming
14 from the point of what is the hearing
15 officer there to do to begin with?

16 MS. LILLIOS: I don't believe the
17 hearing officer affords any deference to
18 the agency's decision. The hearing
19 officer -- the standard, maybe a
20 deferential standard, a substantial
21 evidence standard is more deferential than
22 a beyond a reasonable doubt standard, for
23 instance. But I don't believe that the
24 hearing officer gives any deference to the

1 agency's determination.

2 The hearing officer does a de novo
3 review of the law. It does an independent
4 review of the facts and has to come up with
5 a quantum of evidence. And if that quantum
6 is substantial, I think the difference of
7 opinion is that one view is that if that
8 quantum is substantial, the agency's
9 sanction must be upheld.

10 The other view is that if that
11 quantum is substantial and if there is also
12 another view that amounts to substantial
13 evidence, the other view because they are
14 not mutually exclusive can be adopted by
15 the hearing officer. And although in my --

16 COMMISSIONER ZUNIGA: So who
17 determines that provision, that if that
18 quantum is substantial, the first one?

19 MS. LILLIOS: In the first instance,
20 the agency would not put forward a
21 sanction, would not move to revoke a
22 license or deny a license if it didn't
23 believe it had substantial evidence. But
24 then under the principles of administrative

1 law, the person at the other end of that
2 has the right to, you know, make us take
3 that in this other forum, this hearing
4 forum and, you know, prove the point.

5 So in the first instance, the
6 agency, whichever bureau or division of the
7 agency, would be held to believe it had
8 that quantum of evidence before it took an
9 adverse action. But when the person asks
10 for a hearing, that's when all those facts
11 get put out there, and the hearing officer
12 has the authority and responsibility to
13 evaluate whether the evidence is
14 substantial and lawful, you know, whether
15 it's a lawful interpretation of the
16 statutes and regulations.

17 COMMISSIONER CAMERON: So I just
18 from a standpoint, you know, I served as a
19 hearing officer in New Jersey, was trained
20 by the attorney generals officer as
21 attorneys as all the hearing officers in
22 the department were and significant cases
23 with significant discipline for troopers.
24 And I will be honest with you, we use this

1 substantial evidence, meaning that we would
2 uphold if, in fact, the evidence was there
3 and they could demonstrate that the
4 evidence was there.

5 As a hearing officer, I never felt
6 like using that standard. I was given
7 deference. It was really about examining
8 all the facts and the credibility of
9 witnesses and deciding if, in fact, there
10 was enough evidence there to uphold the
11 decision that had been made.

12 CHAIRMAN CROSBY: But if you had
13 been a hearing -- I'm using -- you probably
14 had cases in point where you saw the
15 evidence. You thought that the
16 investigating officers met the substantial
17 evidence standard, but you might have also
18 thought that there could have been some
19 other interpretation.

20 COMMISSIONER CAMERON: I wouldn't
21 have thought I had enough information at a
22 hearing to get there. I'm very accustomed
23 to how much work goes into an
24 investigation, all the work that is done.

1 What is presented at the hearing are pretty
2 much the findings, pretty much the
3 conclusion. So I'm not familiar with
4 coming to a different decision on my own
5 nor would I have thought I really had
6 enough investigative material to go there.

7 I didn't come across a case where I
8 felt like, you know, they met the burden.
9 There's substantial evidence, but yet
10 there's substantial evidence over here. I
11 wouldn't have felt like I had, as a hearing
12 officer, it never occurred or I'm not
13 familiar with using that standard, and I
14 wouldn't have thought I had enough
15 information to go there on my own.

16 So that was my experience here in
17 Massachusetts serving as our first hearing
18 officer working with the lawyers from DPL,
19 that's the standard we used as well.

20 COMMISSIONER ZUNIGA: Did you ever
21 reverse a decision?

22 COMMISSIONER CAMERON: Oh, yes.
23 There was not evidence in a few cases,
24 absolutely.

1 COMMISSIONER ZUNIGA: Couldn't it be
2 at least possible that it's the
3 interpretation of the evidence. In your
4 view, there was not enough evidence. In
5 the view of someone else, there was enough.

6 COMMISSIONER CAMERON: Which is my
7 job then --

8 COMMISSIONER ZUNIGA: And realized
9 the fundamental job of the hearing officer.

10 COMMISSIONER CAMERON: Which comes
11 to the point of parents, yes. If I didn't
12 think they proved the case, which frankly
13 happened on a couple of occasions, then
14 that was my finding. And I was able to do
15 that, because that was part of my job.

16 CHAIRMAN CROSBY: Commissioner
17 Cameron is sort of obviating the question
18 because you're positive that it couldn't
19 happen, which is fine.

20 COMMISSIONER CAMERON: I don't think
21 it couldn't happen. It wasn't my
22 experience that I had enough information to
23 go in a different direction on my own,
24 which is why I'm concerned with that

1 approach. I'm not familiar with it.

2 And, frankly, I see value in
3 respecting the agency's expertise with a
4 well-done investigation and does -- that
5 really does -- that the evidence is
6 presented, and it makes sense and it's
7 substantial. So that's what I'm talking
8 about here. I'm not saying it couldn't
9 happen.

10 CHAIRMAN CROSBY: Okay, go ahead.

11 COMMISSIONER MACDONALD: My concern
12 here on this regulation, as well as the one
13 relating to the scope of review at the
14 commission level, is that the draft -- it
15 doesn't articulate either the IEB's
16 position or the legal department's
17 position.

18 Just focusing on this one, which is
19 the standard of review and hearing officer,
20 they have struck out the reference to
21 substantial evidence and simply say, "the
22 hearing officer shall conduct a review of
23 the matter making findings of fact and
24 conclusions of law to render a decision."

1 That doesn't give guidance as to what
2 standard of review is to be applied.

3 But having discussed this with on a
4 one of our meetings with the IEB staff and
5 the legal staff and discussing at length
6 just yesterday with General Counsel Blue,
7 that it wouldn't take much to amend the
8 language here, to adopt one or the other.

9 And if it's the IEB's position what
10 would we do if what's before us is that red
11 line, which it would delete the red line
12 and simply restore the earlier text, which
13 was, "the hearing officer shall determine
14 whether the order or find issues by the
15 bureau of the racing division supported by
16 substantial evidence," that's the
17 traditional, very familiar standard.

18 The legal department's position, if
19 articulated affirmatively here, would be
20 that the hearing officer shall conduct a de
21 novo review of the facts in the case. And
22 as a de novo review, it would then be
23 entitled to make his or her decision on the
24 merits as to whether they -- whether the

1 IEB had acted appropriately.

2 So I'm very -- it's a very close
3 case in my mind one way or the other. But
4 the one thing that I feel, you know,
5 strongly about is the current language
6 isn't sufficient. So we ought to do either
7 the de novo review by the hearing officer,
8 or we ought to restore the substantial
9 evidence. I'm inclined to restoring
10 substantial evidence, because that's the --
11 but it's a really close case. That is the
12 standard which is most familiar to me.

13 And I was involved when I was in
14 superior court for ten years and sitting in
15 Suffolk County, in particular, with many
16 administered actions. The scope of review
17 at the judicial level can be argued be
18 somewhat different but the standard -- the
19 substantial evidence standard is applied by
20 the reviewing judges as well, and it's not
21 uncommon on review to have the person who
22 was reviewing come to a different -- if
23 left to their own devices come to a
24 different decision than the decision-maker

1 below. But if the record contains
2 substantial evidence to support the
3 decision below, the person doing the review
4 is legally obliged to accept the
5 submissions and the evidence.

6 CHAIRMAN CROSBY: Let me see if we
7 can just take one at a time. Does either
8 IEB or legal department disagree with
9 Commissioner Macdonald's additions that
10 once we pick which way to go that's sort of
11 clarifying and strengthening these two,
12 does anyone disagree with those?

13 MS. BLUE: I agree with Commissioner
14 Macdonald with the current language. It
15 doesn't describe either position, and it
16 was put in there as neutral more kind of a
17 replacement. So, I think, that the way
18 it's described and the way it's been
19 described is essentially a decision as to
20 one or the other.

21 We have been referring to the issue,
22 the main issue is deference. But it's
23 whether you're bound to accept the
24 underlying decision, because there's

1 substantial evidence or whether if there's
2 substantial evidence to go either way, the
3 hearing officer picks which way to go.
4 Those are the two choices.

5 COMMISSIONER MACDONALD: One thing
6 to think about, which there is no
7 disagreement, and that is that at the
8 hearing officer level, there is a full
9 evidentiary hearing, full evidentiary
10 hearing before the hearing officer. The
11 hearing officer is not obliged to -- in
12 fact, is obliged to make independent
13 findings of fact. And then the question
14 becomes, having made those independent
15 findings of fact -- on those facts, is
16 there substantial evidence to support the
17 conclusion of the here would be the IEB or
18 the Division of Racing.

19 CHAIRMAN CROSBY: Were you okay with
20 the clarification either way?

21 MS. LILLIOS: Yes. And I entirely
22 agree that the regulation needs to give
23 direction on one way or the other.

24 CHAIRMAN CROSBY: So we are down to

1 which is it, de novo slash deference or
2 substantial evidence is compelling?

3 COMMISSIONER MACDONALD: It's not de
4 novo slash deference. It's de novo --

5 COMMISSIONER ZUNIGA: It's
6 either/or.

7 COMMISSIONER MACDONALD: It's either
8 de novo. I'm uncomfortable with the phrase
9 of deference. But in any event, the
10 practical matter is deference. Substantial
11 evidence is definitely would be the
12 deferential standard.

13 COMMISSIONER ZUNIGA: The way the
14 statute originally set up our review is
15 that an action of the IEB would come before
16 the commission, right?

17 MS. BLUE: The language in the
18 statute is ambiguous, but it could be
19 construed that way.

20 COMMISSIONER ZUNIGA: And in that
21 context, it is very practical for us to
22 hearings like this for many reasons, which
23 is how we ended up with we need to have a
24 hearing officer.

1 MS. BLUE: That's right, yes.

2 COMMISSIONER ZUNIGA: But in that
3 prior setting or the prior, we would have
4 of course the de novo review, wouldn't we?

5 MS. BLUE: I believe so, yes.

6 COMMISSIONER ZUNIGA: We would not
7 be bound by any kind of substantial
8 evidence of deference.

9 MS. BLUE: You would have to have
10 substantial evidence to support your
11 decision, but you wouldn't necessarily have
12 to give deference to the racing commission
13 or the IEB or whatever the underlying
14 action was. You would look at everything,
15 all the evidence together, you would assess
16 credibility of witnesses, and you would
17 make your findings of fact.

18 COMMISSIONER ZUNIGA: So we're
19 putting the hearing officer, why wouldn't
20 we afford them that ability?

21 MS. BLUE: I think that's the
22 choice.

23 COMMISSIONER ZUNIGA: That's the
24 choice.

1 MS. BLUE: That's the choice.

2 COMMISSIONER CAMERON: I just have
3 concerns about different hearing
4 officers -- we'll probably have to have one
5 in western Mass. -- just making independent
6 decisions after an awful lot of work has
7 been done here, meaning by either our
8 racing division or our IEB to come up with
9 this and work hard on cases and come up
10 with this. I just -- I'm not all that --

11 First of all, I don't see a problem.
12 In fact, I'm so proud of the work that has
13 been done to improve our process. When we
14 started this, you know, it needed a lot of
15 work. Let me say that. Doing the early
16 racing hearings, it's the first thing I
17 knew. We needed to professionalize this,
18 train everybody, make sure the
19 investigators, and we've done a really good
20 job, I think, on that from that
21 perspective.

22 I think -- we talk to our hearing
23 officer. He'll tell you that, wow, the
24 team is well prepared. They're proper.

1 They're professional. So I really want to
2 credit the whole team, frankly, the legal
3 team, IEB for the work that has been done
4 to professionalize the process.

5 And I see how hard and how
6 thoughtful they are about these decisions.
7 So, I guess, I just don't see a problem
8 that we have to fix. I don't see evidence
9 that we have in any way been unfair to
10 anybody. I may have a different opinion if
11 I thought that I saw things that I thought
12 were maybe improper or were not well
13 thought out with regards to this, but I see
14 the work that's been done and I don't see a
15 problem to fix. And I've seen the standard
16 work well in this jurisdiction as well as
17 in others. So I'm just really -- you know,
18 I don't see an issue to fix.

19 COMMISSIONER ZUNIGA: Wasn't this
20 prompted by a decision of the hearing
21 officer, this update?

22 COMMISSIONER CAMERON: Clarity was
23 needed.

24 MS. BLUE: We've had one or two

1 instances where the hearing officer based
2 on substantial evidence has come to a
3 different conclusion. And, you know, I
4 think having the ability to do that allows
5 the hearing officer to look at all the
6 evidence. You raised a very good point
7 when you talked about additional evidence
8 that comes into the hearing. Oftentimes it
9 does. It's not stuff that comes to us in
10 the first instance, so it gets rolled in
11 and could potentially make a difference.

12 We do think that this gives the
13 hearing officer some flexibility to look at
14 it. And then, you know, at that point that
15 decision is appealable up to the full
16 commission to review as well.

17 CHAIRMAN CROSBY: In the case of the
18 de novo option, what's the point of having
19 the first decision if the hearing officer
20 is going to make the ultimate decision?

21 MS. LILLIOS: If I could jump in
22 here, I'm not persuaded that the commission
23 has de novo ability if it does first go to
24 a hearing officer. In matters that go to

1 you in the first instance, like in the
2 first part of this new regulation, where
3 the bureau makes recommendations to you
4 about a gaming license, a transfer of a
5 gaming license, a racing license, there is
6 eight or ten items in the first part of the
7 regulation that go to you in the first
8 instance based on a recommendation from the
9 IEB that you can either pay attention to
10 the recommendation or not pay attention to
11 the recommendation, and you do a de novo
12 review.

13 In the last part of this proposed
14 regulation, which talks about matters that
15 come to you after a hearing officer
16 decision, the proposed language says that
17 you do both the de novo review, and you
18 apply the substantial evidence standard.
19 There is a detention between those two
20 languages.

21 As a practical matter, the bureau
22 would like to know what standard of
23 evidence it needs to supply. If you're
24 going to do or a hearing officer is going

1 to do a de novo standard or a de novo
2 review and end up with substantial evidence
3 for, you know, that's a very difficult
4 standard for the underlying agency, the IEB
5 or the racing division to know what sort of
6 evidence passes mustard.

7 We would like to be pretty sure we
8 have the right amount of evidence before we
9 revoke somebody's license or denies
10 somebody's license. And a de novo review
11 is not helpful to us in that -- as a
12 practical matter in that way.

13 COMMISSIONER ZUNIGA: Why is it not
14 helpful? I don't understand.

15 CHAIRMAN CROSBY: Why isn't this --
16 whoever is making a substantial evidence
17 judgment --

18 COMMISSIONER ZUNIGA: Yes, it's the
19 judgment.

20 CHAIRMAN CROSBY: It's a judgment
21 based on whatever facts you can come up. I
22 don't understand why that would be
23 difficult. That's not the question I was
24 asking, by the way. We'll come back to the

1 question I was asking. Go ahead.

2 MS. LILLIOS: I see a tension
3 between the de novo standard of review and
4 the substantial evidence standard of
5 review.

6 CHAIRMAN CROSBY: But the de novo
7 standard of review still would require
8 substantial evidence. It's just that they
9 would make their own judgment about the
10 application of that substantial evidence,
11 so...

12 MS. LILLIOS: I'm not familiar with
13 that standard in any other context. I'm
14 not familiar with that standard by other
15 gaming jurisdictions. And although there
16 is no uniform procedure or standard across
17 all gaming jurisdictions, there is some
18 variety in the standards being used. I'm
19 not aware of any gaming jurisdiction that
20 allows the hearing officer to disregard the
21 determination even if it's supported by the
22 standard that's supposedly applying.

23 COMMISSIONER ZUNIGA: But who makes
24 that determination that it's supported by

1 that evidence? Isn't that --

2 MS. LILLIOS: If the matters that go
3 directly to you, you make that in the first
4 instance. And if the person goes to court
5 they --

6 COMMISSIONER ZUNIGA: The court can
7 decide that. What about the matters that
8 go to the hearing officer?

9 MS. LILLIOS: In the matters that go
10 to the hearing officer through his
11 independent review, he determines
12 independently whether there is substantial
13 evidence.

14 COMMISSIONER ZUNIGA: I feel like
15 we're really splitting hairs here, and it
16 boils down to whether we trust the judgment
17 of the hearing officer. Isn't that really
18 what it boils down to?

19 MR. GROSSMAN: I think that's right.

20 COMMISSIONER MACDONALD: I'm not
21 sure. What it builds into -- if we went
22 with the IEB's position, which is a
23 familiar position, then there would be
24 hearing -- we want the IEB's formulation on

1 this. The hearing officer would take
2 evidence on a de novo basis, or just there
3 would be no restrictions on the evidence
4 that we present before the hearing officer.

5 But then once that evidentiary
6 record is determined with the hearing
7 officer has he made enormous significant
8 decisions in terms of potential
9 substantive -- of a substantive outcome as
10 to, you know, to credibility, the hearing
11 officer then on those facts, which he or
12 she has independently determined, then goes
13 to the issue of whether or not on those
14 facts the conclusion of the IEB here or the
15 Division of Racing is supported by
16 substantial evidence.

17 And under those circumstances, it's
18 very possible and it's not uncommon for the
19 hearing officer if he or she was left to
20 their own devices could decide one way but
21 because the hearing officer acknowledged
22 that the agency in the first instance had
23 sufficient evidence that they concluded as
24 a matter of law is substantial, he or she

1 would have to accept the conclusion of the
2 agency to the IEB or the Division of
3 Racing.

4 That is, to my knowledge, that is by
5 far the most familiar structure for a
6 hearing officer would do in this instance
7 certainly that I have been exposed to, and
8 I haven't had presented to me since we
9 started this discussion internally of
10 another practice.

11 CHAIRMAN CROSBY: Well, they both
12 told us that they were in other agencies in
13 Massachusetts. But could I go back to my
14 question? If the legal department's
15 position is adopted, what's the point of
16 having there be a decision made at the
17 investigation side? Why doesn't it just --
18 why don't you just have the IEB or the
19 racing folks or whoever investigate come up
20 with the facts as best you can, present the
21 facts to the hearing officer and the
22 hearing officer decides? What's the point
23 of having that first step?

24 MR. BEDROSIAN: Because that's not

1 the role of the hearing officer. The role
2 of the agency is to make a decision to a
3 punishment or not, and then it's appealed
4 to the hearing officer. It's not just we
5 will do an investigation, and the hearing
6 officer decides. We're the agency. We
7 make the decision. And there has to be a
8 record that goes to the hearing officer of
9 an action for an actual controversy, quite
10 frankly, to go in front of the hearing
11 officer.

12 CHAIRMAN CROSBY: Let me -- I kind
13 of lean towards -- I pretty much lean to
14 the IEB side. That seems to be, you know,
15 sort of a best practice or a purpose. And,
16 you know, if there is a situation where a
17 reasonable person could interpret the same
18 set of facts, hearing officer gets to
19 establish the facts and that looking at
20 those set of facts there are two reasonable
21 outcomes, two reasonable interpretations, I
22 don't see any reason why the hearing
23 officer should be the one any, you know, to
24 pick, you know.

1 If there is two reasonable outcomes,
2 then you might as well go with the one that
3 was decided by the first reasonable
4 interpretation. I can't think of any
5 compelling reason why that hearing officer,
6 you know, should be the one to make that
7 judgment as opposed to the agency in the
8 first instance.

9 But I keep trying to think about is
10 there a circumstance -- I think what the
11 legal department is trying to get at here
12 is sort of an escape valve to make sure
13 that there is no possibility for an
14 injustice sort of. But if there is
15 substantial evidence that on both sides
16 that any reasonable people can differ on,
17 then there isn't an injustice. It's just a
18 random choice.

19 And I was -- the case I tried to
20 figure out in my mind whether this is
21 instructive or not was a -- I'm going to
22 re-construe this slightly. But we had a
23 racing case where we were hearing the
24 appeal, the commissioners were -- all of us

1 I think we were hearing the appeal and most
2 of the commissioners heard the facts, and
3 the guy who had lost his license was from
4 Central America somewhere and had -- and as
5 most of us heard the facts and his
6 explanation for his actions, we thought,
7 no, this guy is not credible. This isn't
8 making sense. We agree with the agency.
9 Enrique said, you know, that this guy comes
10 from Central America. This guy speaks
11 Spanish as a second language.

12 COMMISSIONER MACDONALD: As a first
13 language.

14 CHAIRMAN CROSBY: Sorry, English as
15 a second language. And you guys don't
16 realize the environment of an autocratic
17 police state that he comes from. And given
18 that context, said Enrique, I can
19 understand how he did act the way that his
20 culture taught him to act, and he is not
21 just assembling or lying.

22 Now, I don't know whether that goes
23 to degrading the substantial evidence. If
24 it does, then we're home free. But if

1 that's just a different interpretation of
2 the same set of facts based on the life
3 experience of the determiners, then maybe
4 that is a case in point where some kind of
5 discretion on the part of the hearing
6 officer's case is appropriate.

7 So two questions, one, A, would that
8 degrade the substantial evidence or is this
9 really a case in point where perhaps better
10 justice would be done by the hearing
11 officer having the choice; and, B, is there
12 any other way to create an escape valve?

13 You know, like we talked about --
14 when we talked about this case in point
15 where this person was found in the car with
16 two kids and left the kids and was that,
17 you know, against, whatever it was,
18 protecting the interest of the Commonwealth
19 and we created a very high standard. We
20 said if it's really egregious, then the IEB
21 can rescind -- can kick the person out or
22 whatever --

23 COMMISSIONER ZUNIGA: Put him on the
24 exclusion list.

1 CHAIRMAN CROSBY: Yeah, put them on
2 the exclusion list, exactly. We created
3 this very high standard that in an extreme
4 case of egregious action, you could put
5 somebody on this list. If I've raised the
6 case, which is generally a conundrum here
7 where there may be a real justice problem
8 and not giving discretion to the hearing
9 officer, is there any other way out of
10 this?

11 COMMISSIONER CAMERON: Well, it can
12 come to us and several of them have. The
13 other issue is, and you raise a good point
14 --

15 CHAIRMAN CROSBY: So your point is
16 if the --

17 COMMISSIONER CAMERON: The person
18 can appeal to the full commission if they
19 don't agree with the after it goes to the
20 hearing officer. So they do have another
21 step if they don't think justice has been
22 served. The other issue -- you raised a
23 very good point with language. That's one
24 of the areas in which we tremendously

1 increased -- we make sure -- when I started
2 doing this, there were no interpreters.
3 There really were issues around a language
4 barrier where people really didn't
5 understand the process and didn't have a
6 chance to fairly make their case. We
7 really improved that. That's just a side
8 thing other than, I think, we are -- that's
9 all part of the improvements we've made to
10 make sure we are fair to everybody.

11 COMMISSIONER ZUNIGA: Well, I tend
12 to favor the legal department's
13 interpretation or decision mostly from the
14 notion of affording discretion to the
15 hearing officer as in, I think, that's the
16 whole point to begin with, to have somebody
17 who is not part of the agency or the
18 individual who is about potentially in some
19 cases to lose their livelihoods the ability
20 to be heard and present all the evidence
21 that they can before the hearing officer.

22 I think the reality of the people
23 that we end up dealing with in this appeals
24 is that oftentimes they are unrepresented

1 by not by counsel, very unsophisticated and
2 they come sometimes I fear without a real
3 understanding of what's at stake, you know,
4 in some of these hearings. For a number of
5 those, for all those reasons, I'd rather
6 have the hearing officer a little bit more
7 discretion, if you will, if it comes down
8 to this.

9 CHAIRMAN CROSBY: I appreciate those
10 points and I'm resting with them, too. But
11 the case -- in the application case, the
12 person who was unsophisticated, who didn't
13 present their case very well, gets a new
14 set of -- a new opportunity with an outside
15 person not from the agency and the hearing
16 officer gets to reestablish what the
17 operative facts are, and then if the
18 hearing officer looks at those facts that
19 that hearing officer has established, not
20 the IEB, and determines on those facts it
21 was a reasonable outcome, why should you be
22 able to superimpose his judgment to go for
23 another reasonable outcome?

24 COMMISSIONER ZUNIGA: I think it's a

1 presumption. It's a little bit like a
2 presumption of innocence, right? Whenever
3 it's very close, somebody has to presume
4 something. And in this case, it sounds
5 like we're talking about we have to presume
6 that the IEB acted properly because they
7 always act properly as opposed to the
8 presumption of --

9 CHAIRMAN CROSBY: No, no, that's not
10 right. That's kind of what she is saying.
11 But what I'm saying is you get to do your
12 own set of facts, and so you get to
13 determine -- you, the hearing officer, get
14 to determine whether or not the IEB really
15 did get it right or not. Did they miss
16 stuff? Did they --

17 COMMISSIONER ZUNIGA: This is what I
18 think that we're really splitting hairs and
19 we might be thinking, you know, each of us
20 perhaps unconsciously about whether we are
21 trusting the hearing officer or not. I
22 don't know if that's the case.

23 COMMISSIONER MACDONALD: As I hear
24 what you're saying, Commissioner Zuniga,

1 and also what the legal department has, you
2 know, conveyed is a concern for fairness to
3 those who are subject of the adverse action
4 by the IEB. But I also think it's
5 important that we be fair in the sense of
6 supporting the reasonable judgments of the
7 IEB, and the IEB is the commission in the
8 sense at that stage.

9 And given the hearing officer's
10 authority under these traditional
11 principles of having -- of being required
12 to make an independent assessment of the
13 facts, that to my mind provides a
14 sufficient -- a sufficient, you know,
15 opportunity for a second and independent
16 look of the underlying merits of the
17 enforcement action that's at issue.

18 CHAIRMAN CROSBY: Commissioner
19 Stebbins, do you want to weigh in on this
20 before we start to --

21 COMMISSIONER STEBBINS: No. I've
22 always viewed this process is the hearing
23 officer unnecessarily having some capacity
24 to expand a review or expand an

1 investigation but to be in check against
2 our own agency's action. So kind of
3 broadening that I think beyond the scope
4 that we currently have is substantial
5 evidence. I just don't see it.

6 CHAIRMAN CROSBY: Sorry. So which
7 way? I didn't quite follow that.

8 COMMISSIONER STEBBINS: I'm happy
9 with keeping the standard as we have it for
10 the hearing officer.

11 CHAIRMAN CROSBY: Okay. Given the
12 de novo -- given the de novo standard.

13 COMMISSIONER MACDONALD: I think
14 he's saying the former standard.

15 CHAIRMAN CROSBY: The IEB -- so the
16 deference to the substantial evidence on
17 the side of the IEB.

18 COMMISSIONER STEBBINS: Yes.

19 CHAIRMAN CROSBY: Well, do we need a
20 vote?

21 MR. BEDROSIAN: So there's --
22 procedurally there's two issues, and I
23 appreciate that this has been a very robust
24 discussion but maybe a little longer than I

1 anticipated but necessary.

2 CHAIRMAN CROSBY: Maybe a little
3 longer than MGM anticipated.

4 MR. BEDROSIAN: Yes, I know. I'm
5 trying to work this out. Yes, you do need
6 a vote. You can do a vote on the whole
7 regs. making whatever changes you deem
8 appropriate. So in this particular case, I
9 think articulated by Commissioner
10 Macdonald, you might suggest instead of the
11 red highlight now re-including the last
12 sentence.

13 CHAIRMAN CROSBY: In that sequence.

14 MR. BEDROSIAN: Yes, in that
15 sequence. Having said that, there is still
16 one more open issue which I think is
17 complimentary, which is the commission's
18 standard review. More than welcome -- I
19 don't think it will be as long a
20 discussion, because you just sort of gone
21 through this. Welcome to wrap it up all at
22 once or -- and this was my request. I am
23 comfortable now with the commission fully
24 understands the issue. You could recircle

1 back to this whole issue later and let MGM
2 and those folks get going.

3 CHAIRMAN CROSBY: I think that's
4 what we should do. I think we have a
5 consensus here, not a unanimous.

6 COMMISSIONER ZUNIGA: Not unanimous.

7 COMMISSIONER MACDONALD: Could we
8 vote then on at least that portion of the
9 reg. that relates to the hearing officer?

10 MR. BEDROSIAN: I think maybe vote
11 on everything except I would say you would
12 want to discuss --

13 CHAIRMAN CROSBY: Why don't we just
14 wait.

15 MS. BLUE: Yes, I think just wait to
16 vote.

17 CHAIRMAN CROSBY: Let's just stop.
18 I think it's important --

19 COMMISSIONER CAMERON: Later today.

20 CHAIRMAN CROSBY: We'll come back to
21 this, and we'll give MGM a chance to do
22 their thing. There's a lot of folks that
23 are just sitting around here analyzing
24 angels on the head of a pin. We'll have a

1 quick discussion -- a quick break while MGM
2 sets up. Is that next up, John?

3 MR. ZIEMBA: So Joe and I are going
4 to give brief ten minute introductory
5 remarks, so maybe you will allows us to do
6 that and then the MGM folks get set up.

7 CHAIRMAN CROSBY: Okay, no more than
8 ten.

9 MR. ZIEMBA: No, I'm quick. I speak
10 very quickly.

11 MR. DELANEY: I can speak fast.

12 CHAIRMAN CROSBY: Loretta, I can see
13 you leaving. I guess, you'll be back. You
14 know, this is a really interesting issue
15 and I appreciate everybody's contribution
16 to it, you know, all the commissioners. I
17 mean, these are -- we're supposed to be
18 making decisions here about trying to
19 figure how to apply this law as fairly as
20 possible. I appreciate everybody's
21 contribution.

22 MR. ZIEMBA: Great. Thank you,
23 Mr. Chairman and Commissioners. On the
24 agenda today are the review of MGM

1 Springfield status and schedule, then it's
2 quarterly report and a discussion of gaming
3 school scholarships. Up first today we
4 continue our review of the MGM Springfield
5 project as we prepare for its opening later
6 this year.

7 As you are well aware, the
8 commission and its staff have been actively
9 monitoring MGM Springfield's progress and
10 meeting its important state and local
11 commitments. MGM Springfield is here today
12 to provide a further update regarding its
13 scheduled programming and fulfillment of
14 commitments.

15 They will address a number of areas
16 of focus that we had identified.
17 Significant detail regarding these areas of
18 focus are included in MGM Springfield's
19 response to a similarly detailed letter
20 staff sent to MGM Springfield in February.
21 Both of these letters are included in your
22 packet.

23 Before construction project
24 oversight manager Joe Delaney will briefly

1 highlight some of these areas of focus, I
2 of course will explain some of the
3 regulatory steps and approvals that the
4 commission must make before MGM Springfield
5 opens its doors. I first start with the
6 schedule.

7 Although the commission already
8 determined the approved opening date back
9 in 2016, the Commission has not yet
10 approved the detailed schedule for the
11 major components of the project. The
12 commission's regulation 205 CMR 35 and
13 M.G.L. Chapter 23K Section 10 calls for the
14 commission to approve of the major stages
15 of construction. The commission staff
16 letter and MGM Springfield's response break
17 out some of the mile-markers such as the
18 completion of the hotel by August, and the
19 completeness of the podium also by August.

20 As Joe Delaney will describe, MGM
21 Springfield has been making great progress
22 in the construction of the facility. Now
23 that the general construction timetable is
24 more certain, we believe it is time for the

1 commission to approve this final schedule.

2 In addition to the schedule before
3 MGM Springfield opens, the commissioners
4 must make a determination that MGM
5 Springfield is in compliance with its host
6 and surrounding community agreements.
7 Executive Director Bedrosian has described
8 in the past, we are actively working with
9 and meeting regularly with the City of
10 Springfield in order to prepare for MGM's
11 opening.

12 In addition to these local
13 agreements, we will also check that MGM
14 Springfield has met its licensed conditions
15 and is in compliance with the RFA-2
16 assurances, including any modifications
17 that have been approved by the commission.
18 Further, the commission and staff are
19 checking to assure that the MGM Springfield
20 is meeting the Massachusetts Environmental
21 Policy Act, MEPA, Section 61 requirements.
22 Our outside counsel, Anderson Kreiger, is
23 here today to help us with any questions.
24 They'll assist us in our review of such

1 important environmental requirements.

2 For example, the Section 61
3 requirements outline numerous
4 infrastructure improvements that need to be
5 completed before the opening. With that as
6 a brief background, I'll soon turn to Joe
7 Delaney to provide us in detail on some of
8 these areas of focus. As you know, Joe is
9 continually on site at MGM Springfield to
10 track progress. Before Joe begins, I would
11 like to highlight just some of these areas
12 that will be part of MGM's presentation and
13 have been the focus of commission and
14 commission staff review.

15 For example, the status of the
16 residential units remains somewhat unclear.
17 The city -- Springfield City Council has
18 adopted a March 2020 date for the
19 completion of these units. At a prior
20 meeting, MGM explained this new date to the
21 commission. However, the commission has
22 not yet approved of the March 2020 date.

23 In the staff letter to MGM
24 Springfield, we requested that MGM

1 Springfield provide an outside date when it
2 would need to make a final determination
3 about whether to proceed with the city's
4 preferred location for such units, 31 Elm
5 Street. We asked for this earlier date so
6 that we will know where such units will be
7 constructed well before the March 2020
8 deadline date for the completion of these
9 units.

10 Joe and MGM Springfield will
11 describe the status of the Armory and the
12 so-called Dave's retail building. In our
13 correspondence, we asked for significant
14 detail today on those important parts of
15 the project and information on how these
16 parts of the project will be dealt with in
17 the future.

18 I mentioned that we are actively
19 working with the City of Springfield on
20 many items. One of the items alluded to in
21 the letter is the preparation for opening
22 day traffic. We had spoken with MGM about
23 its role in preparing for the anticipated
24 traffic associated with the opening.

1 Further in regard to traffic
2 impacts, we asked MGM Springfield to
3 provide more detail on the use of its sign
4 that faces I-91, as the commission has
5 noted the importance of the intention to
6 safety. Of note, we referenced the section
7 of the report they commission that stated
8 that the industry standard for billboards
9 that they have static images and retain the
10 same image for at least eight seconds.

11 Joe Delaney will also detail
12 compliance and schedule items relating to
13 the Section 61 comments such as MGM's Dave
14 plan, transportation demand management
15 plans and greenhouse gas-related program
16 items.

17 We will leave the bulk of the
18 presentation to MGM Springfield today. I
19 note that no votes are scheduled today on
20 any of these items scheduled, programmed or
21 commitments. Following today's
22 presentation, we will work with MGM
23 Springfield to bring such items to the
24 commission for its approval at a subsequent

1 meeting or meetings such as the commission
2 meeting scheduled for March 29th. I turn
3 it to Joe for his brief remarks.

4 MR. DELANEY: Thanks, John. Thank
5 you, Commissioners. I'm just going to be
6 providing a few of the high points in the
7 areas of schedule, program and commitments.
8 With respect to schedule, as John mentioned
9 also, I want to stress that MGM is making
10 great strides in the construction of the
11 Springfield facility. We have been closely
12 monitoring their schedule and construction
13 in the field and have a high degree of
14 confidence that the major components of the
15 project will be completed on time by the
16 scheduled project opening.

17 With that said, there are a few
18 items that will extend beyond the project
19 opening that MGM will discuss further.
20 These include the offsite housing, which
21 John has already provided some description
22 on that, so I won't discuss that one in any
23 detail.

24 The corner rectangle building, the

1 so-called Dave's Furniture site, MGM's
2 current construction schedule show a
3 completion date for this portion of the
4 project as July of 2019. In our
5 discussions with MGM, we're very hopeful
6 that this portion of the project will
7 proceed well ahead of that schedule, and
8 MGM will provide some updates regarding
9 current negotiations on that site and some
10 of the expectations for that parcel.

11 The Armory building, the discussion
12 of the Armory building really crosses over
13 between both schedule and program. As
14 originally envisioned in the RFA-2, this
15 space was to be used as a food and beverage
16 outlet with a possibility of a club on the
17 upper level. While MGM would still like to
18 have this space built out for tenant use,
19 its current plans at opening called for a
20 flexible programming space that will
21 compliment the outdoor uses of the Armory
22 marketplace.

23 MGM will be providing updates on the
24 currently envisioned programming for the

1 Armory. Going forward, we are recommending
2 that MGM provide quarterly updates to the
3 commission on the proposed programming, as
4 well as the efforts to find a permanent
5 tenant for that space.

6 With respect to the overall project
7 program, as with the project -- any project
8 of this nature, refinements are made to the
9 project program based on market conditions
10 and current preferences. This project is
11 no exception. Since the filing of the
12 notice of project change, a number of minor
13 changes have been made to the facility,
14 which MGM will discuss in more detail.

15 These include the number and mix of
16 slot machines, table games and poker tables
17 to reflect current player preferences,
18 relocation of certain amenities on the
19 project such as the Starbucks and the salon
20 and revisions to the gaming establishment
21 boundaries due to the notice of project
22 change, and some of the more recent project
23 changes.

24 The third area we will talk about is

1 the environmental commitments as identified
2 in the Section 61 findings. The Section 61
3 findings outline literally hundreds of
4 environmental commitments that the project
5 needs to comply with, and MGM is making
6 great strides in this effort. But during
7 the course of construction, however, a few
8 items were identified that may require
9 modification to their implementation
10 schedule in order to effectively meet the
11 underlying environmental requirements.
12 Some of these include the lead gold
13 certification. MGM fully intends to
14 achieve lead gold certification and is
15 currently tracking well into the gold
16 standard.

17 The Section 61 findings, however,
18 specify that the project complete its
19 certification by the opening of the
20 facility. While the small number of
21 projects may be able to achieve
22 certification by the project completion,
23 the vast majority do not receive their
24 certification until several months after

1 opening. This is due to the voluminous
2 documentation requirements of the Green
3 Building Council, which are often being
4 compiled up to a few months after the
5 opening. MGM has proposed a realistic
6 schedule for completion of their
7 application and final certification.

8 Solar panels, the Section 61
9 findings require the installation of a
10 solar portable tank system on the project.
11 However, the Commonwealth's solar incentive
12 programs have been influx over the last
13 year, year or so, which has added a level
14 of uncertainty to the construction of the
15 solar array. Given this uncertainty, MGM
16 has not started the construction of the
17 solar panels yet, and this work will not be
18 completed by the project opening.

19 MGM will give an update on the
20 status of the Commonwealth's incentive
21 programs and the schedule that they have
22 for moving ahead with this portion of the
23 project.

24 A green roof, a green roof is

1 proposed for the project. The size of
2 green roof was reduced during the notice of
3 project change process. However, that
4 reduced size wasn't carried forward into
5 the Section 61 findings. It seemed like an
6 oversight at that point in time, but MGM
7 will provide an update on how the project
8 continues to comply with all of the
9 underlying environmental commitments with
10 the current green room.

11 And the last one is the
12 transportation demand management. There
13 are dozens of TDM requirements in the
14 Section 61 findings designed to reduce the
15 number of single occupancy vehicle trips to
16 the site. MGM will discuss some of these,
17 and their implementation schedule. And
18 with that, I guess we'll turn it over to
19 Mike Mathis and his cast of thousands to
20 give you the presentation on --

21 CHAIRMAN CROSBY: We'll have a quick
22 break and resume with MGM.

23
24 (A recess was taken)

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CHAIRMAN CROSBY: Okay, Mr. Mathis, please.

MR. MATHIS: Good morning again, Commissioners. So just speaking, I've got to give Executive Director Bedrosian a hard time with this one. With his limited time today, he chose to accelerate that tinseling hearing officer section at the risk of missing our full presentation.

COMMISSIONER STEBBINS: Our viewership dropped off.

MR. MATHIS: That's right. That's right. It comfortably numbed you guys so we can come in with our presentation.

CHAIRMAN CROSBY: I've done you a favor. He wore us down.

MR. MATHIS: Chairman, I know you cautioned me against excessive sycophancy but I wanted to take the opportunity to recognize Commissioner Macdonald and the sad news on our side that his temporary assignment is coming to an end. You filled tremendous shoes with Commissioner McHugh,

1 and I can you some of the more -- as a
2 former lawyer some of the more enjoyable
3 moments in our hearing some of your
4 discussion and comments. So, thank you for
5 your service and good luck with retirement
6 and look forward to working with
7 Commissioner O'Brien.

8 CHAIRMAN CROSBY: Thank you. There
9 will be more about that in due time.

10 MR. MATHIS: Yes. I'll let the team
11 introduce themselves as they come up to
12 speak, but just want to give you an update
13 on the project. A lot is going on, and for
14 us that starts with our executive team. We
15 had a goal at the end of 2017 to have our
16 full executive team assembled. I won't go
17 through all the individuals on the slide.
18 You'll meet them throughout the rest of our
19 updates and when you come out to
20 Springfield. Some of them are here today,
21 and you've seen some of the folks
22 throughout the project.

23 But what I'll tell you is couldn't
24 be happier. When I got assigned this job,

1 I was told that my main responsibility was
2 to build a great team, and we've done that.
3 This group represents a diverse group in
4 every sense of the word, some local talent,
5 some Las Vegas talent, some folks that are
6 in our industry, some folks that our
7 outside the industry, some folks that are
8 young, some folks that are less young and
9 people that are within MGM and people that
10 come from other competitors in the
11 business.

12 And that's something that is
13 becoming more and more common in our
14 company, because we really believe diverse
15 perspectives and best practices. And there
16 are things that our competitors do, not
17 many in our view, but there are some that
18 our competitors do that we can do better
19 and learning from them is a part of this
20 process. So excited for you to meet that
21 group, especially when you come out. We're
22 getting busy enough that we don't have the
23 luxury of bringing everybody out to Boston,
24 so, Joe, I challenge the thousands of cast

1 members you referred to.

2 Moving along. I want to give you an
3 update on -- you know, one of the great
4 things about MGM is the continuous research
5 and really understanding what our customer
6 wants. So early March we did a study at
7 the corporate level on entertainment,
8 really a white paper, and some interesting
9 findings about it really confirmed a lot of
10 what we believe. The white paper, which we
11 call it publically, is the truth about
12 entertainment and let me just give you a
13 little background on that research.

14 We went out and polled 2,000 people
15 in the U.S. and China and Japan. As you
16 know, we're looking at opportunities in
17 Asia. We want to understand how does that
18 customer think about entertainment compared
19 to our domestic customers. We also did a
20 four-day person focus group on east
21 coast/west coast and as well as the Midwest
22 and down south, and I won't go through all
23 of the slides. I won't go through all the
24 stats.

1 CHAIRMAN CROSBY: Do we have these
2 slides?

3 MR. MATHIS: Yes.

4 MS. BLUE: Yes, they are in your
5 packet.

6 CHAIRMAN CROSBY: I lost that
7 package. Go ahead.

8 MR. MATHIS: So we've got an
9 info-graph, and there is a much more
10 comprehensive white paper that sits behind
11 this, but I'll just call out a couple of
12 interesting stats. And what we found is,
13 you know, entertainment is universal. Our
14 brand mission is entertainment is an
15 upcoming more human need. And with this
16 research, we've really confirmed that.

17 Once set, for example, at the bottom
18 left of the this info-graph is 92 percent
19 of Americans said we think of entertainment
20 as a fundamental human need. A couple of
21 other interesting stats on the top of the
22 slide is, you know, 76 percent of people we
23 polled talked about entertainment forming
24 the person that they are today. 62 percent

1 talked about it being -- entertainment
2 being impactful on their choice of a
3 partner.

4 So you can think about first dates
5 and all that entails, and it's a really
6 exciting thing about our project and how
7 many first dates and how many wonderful
8 moments we're going to celebrate in our
9 resorts, so really interesting. We love
10 data.

11 In the center of the slide, we talk
12 about the respondents watch five live
13 sporting matches in a year, go to one
14 comedy show a year, go to two live music
15 concerts every year. Importantly for us,
16 although this seems low, goes to a casino
17 three times every year, so interesting
18 information. We're going to use this to
19 inform our programming, and it really
20 confirms the tenants of our philosophy and
21 strategy, which is around entertainment and
22 the amenities that we built.

23 Moving along, I want to give you an
24 update on the dealer school. Alex

1 mentioned this in our pipeline. This was
2 really exciting for us. We opened this
3 early, early this month, late last month.
4 And to see the first few folks come in and
5 experience that what we think is the joy of
6 gaming and the interaction with customers,
7 these are people that are local Springfield
8 residents. I recognize some of them from
9 the campaign days, and they told me four
10 years ago I'm going to be a dealer, and to
11 see them in school is incredibly
12 gratifying.

13 All of our team members have gone
14 out to the school are running multiple
15 shifts on the ninth floor of our building,
16 and it's really energizing to see people
17 that want to start a career in our business
18 interacting and having fun on this side of
19 the table. They talked about being on the
20 other side of the table.

21 CHAIRMAN CROSBY: What percent of
22 the class is filled; how many available
23 slots do you have?

24 MR. MATHIS: Alex, do you want to

1 speak to that?

2 MR. DIXON: Sure. We've got a
3 little over 100 students who are currently
4 enrolled. And the best way to think about
5 it is we've scaled up that we have enough
6 capacity where we can scale up to as many
7 as 300 throughout. We'll have another
8 session starting in May. So right now
9 we're focused on really getting that next
10 class.

11 So this one is, to be completely
12 transparent, we need to find more people
13 who are interested in this career and
14 remove every barrier we can to make sure
15 that folks in the City of Springfield see
16 it as a viable way to kind of pursue that
17 next step.

18 As you can imagine, it's little bit
19 intimidating if you never walked into a
20 casino or don't have a family member who is
21 dealing. So we're making sure that we're,
22 in language, making sure that we're doing
23 our outreach in the community. Sarah's
24 team, that billboard, we have a whole

1 entire advertising marketing plan. But we
2 want more people from the City of
3 Springfield to look at this as an avenue to
4 further their careers.

5 MR. MATHIS: Just one observation
6 I'll make about this photo is, you know,
7 we're starting to, even at the dealer
8 school level, trying to instill some of the
9 good habits that we're going to need from
10 workers. So everybody needs to show up
11 with a white shirt and black pants to start
12 ingraining an idea of a daily uniform. So
13 it's those small things that will ensure
14 our success, but that is how thoughtful we
15 are about the different details around this
16 workforce development strategy.

17 COMMISSIONER MACDONALD: Mike, did
18 you ensure that Mayor Sarno won at craps?

19 COMMISSIONER ZUNIGA: Looks like
20 he's about to hit on 11, by the way.

21 MR. MATHIS: Commissioner, we don't
22 want to have loaded dice right out of the
23 gate, so, no, that was a natural role. I'm
24 not sure how it turned out.

1 COMMISSIONER MACDONALD: This is not
2 Rick's Cafe.

3 MR. MATHIS: That's right. That's
4 exactly right. With that, I'm going to
5 hand it off to Sarah Moore and then I'll
6 bounce back in for a complete shortly.

7 MS. MOORE: Good morning,
8 Commissioners.

9 COMMISSIONER CAMERON: Good morning.

10 COMMISSIONER MACDONALD: Good
11 morning.

12 COMMISSIONER ZUNIGA: Good morning.

13 COMMISSIONER STEBBINS: Good
14 morning.

15 CHAIRMAN CROSBY: Good morning.

16 MS. MOORE: I am excited to be here
17 this morning and share with you some
18 additional information and announcements
19 we've made recently on our restaurant and
20 entertainment programming. And we'll kick
21 that off with our diverse culinary
22 portfolio. We're incredibly excited as to
23 how this has come together, and this
24 collection is really focused on ensuring

1 our guests feel comfortable and return
2 frequently.

3 So we'll start with Cal Mare Costal
4 Italian, really headlining this portfolio.
5 At the helm is Chef Michael Mina, award
6 winning Chef Michael Mina and executive
7 chef Adam Sobel, who was San Francisco's
8 chef of the year last year. And this
9 concept is really built on Italian infused
10 with seafood, and we're really excited to
11 have a location in Los Angeles in the
12 Beverly center. And so we will be
13 flaunting their east coast location in
14 western Massachusetts. And it's a vibrant,
15 really fun atmosphere, very comfortable.
16 And it's about, you know, craft cocktails,
17 the freshest seafood, handmade pasta and
18 brick oven pizza, so we're really excited
19 about this phase.

20 Moving on to the Chandler
21 Steakhouse. So if there's one thing MGM
22 knows how to do, it's a good steakhouse,
23 and this will be really the highlight of
24 our steakhouse as we hold the best

1 practices from every one of our steakhouses
2 in our portfolio of properties. And
3 leading this is Executive Chef Megan Gill,
4 who won season 14 of Hell's Kitchen. And,
5 so, we're really excited to have her on the
6 roster here.

7 And it's white linen means
8 approachability. It's a really comfortable
9 space. But, again, this is where you're
10 going to want to spend your Saturday
11 nights, and it's meats that have been
12 dry-aged for 21 days, a phenomenal wine
13 list, steamed lobster and just a really
14 beautiful space.

15 CHAIRMAN CROSBY: Is this Chandler
16 as in the Chandler building?

17 MS. MOORE: It is. So its namesake
18 comes from the building, which we preserved
19 which was the Union House Hotel later
20 renamed The Chandler Hotel.

21 CHAIRMAN CROSBY: So this is done
22 internally. This isn't subbed out to a
23 contractor.

24 MS. MOORE: Nope. This is owned and

1 operated by MGM. So moving on to South End
2 Market. This is our warming twist on a
3 casual food hall. And this is for those
4 that like a little variety in their life
5 and a social atmosphere, and it's six
6 different, quick casual dining concepts.
7 So you can see the brands there. It's, you
8 know, the freshest salads and sandwiches at
9 the Hearth Grill, comfort diner food that
10 we all love that builds diner, Wicked
11 Noodle, Asian Noodle Bar. You can grab
12 some wine and cheese at Wine Bar, some
13 expresso and Gelato and then you'll have
14 your traditional Jack and Lobster Shack.

15 MR. MATHIS: Just call out on this
16 particular, if you go back one slide, just
17 remember this location. This is across
18 from the courthouse as well as our office
19 buildings right on State Street. So we
20 think of this amenity as support for the
21 downtown business lunch crowd and, again,
22 quick served. There will patio out in
23 lunch. There's going to be a great space,
24 and I think it's really something for the

1 locals as much as for our guests.

2 COMMISSIONER ZUNIGA: What are the
3 hours -- have you determined the hours of
4 operations of any of these places or are
5 you still intact?

6 MS. MOORE: Yes. Our operational
7 team and our vice president of food and
8 beverage are still confirming what those
9 hours of operation will be, but it will be
10 competitive and allow for, you know, a lot
11 of great opportunities downtown.

12 MR. MATHIS: And they can differ by
13 venue, so we'll report out on that but
14 we're working on that as we speak.

15 COMMISSIONER STEBBINS: Well, just
16 kudos to your team. Both of these
17 restaurant offers. You highlighted
18 seafood, and the MGM team came to the
19 recent seafood show in Boston and met a lot
20 of the local suppliers from New Bedford and
21 Gloucester and appreciate their efforts on
22 that.

23 MS. MOORE: There's a great article
24 in the Boston Times.

1 COMMISSIONER STEBBINS: It's very
2 attractive.

3 COMMISSIONER CAMERON: I think it's
4 noteworthy also what a shout-out you're
5 really giving to Springfield's history
6 whether in your carpet or your restaurant
7 names. I think that's really, you know,
8 noteworthy that you decided to really
9 incorporate that into your theme.

10 MR. MATHIS: Thank you.

11 MS. MOORE: That was incredibly
12 important to us. Moving on to Tap Sports
13 Bar. So Tap is one of our renowned sports
14 bar brand, and it's for the beer and
15 sports' enthusiasts. This has been a
16 highly successful venue in our MGM Grand
17 Las Vegas location, MGM Detroit, most
18 recently MGM National Harbor, and it will
19 be bigger and better here at Springfield
20 with the inclusion of the arcade and the
21 ten lane bowling alley. And the menu, as
22 you know, is really good, traditional bar
23 food and sports pub food.

24 We'll have some of its, you know,

1 famous Tap house burger menus but also have
2 a really Springfield inspired menu. So,
3 again, taking what we do best, which is
4 infusing kind of that Springfield heritage.
5 So really excited about this. It will open
6 up onto the plaza. It will also open an
7 outdoor patio which will continue to drive
8 that energy and excitement outside as well.

9 So moving on to, you know,
10 entertainment. So as Mike alluded to or
11 spoke to, entertainment is a fundamental
12 human need so we're constantly trying to
13 find ways to expand that entertainment
14 portfolio, and so excited to announce that
15 we're bringing Top Golf Swing Suites to MGM
16 Springfield. This is the first Top Golf in
17 the region. And this 2,800 square foot
18 space, we'll have three golf simulators.
19 And no longer is golf only for the warm
20 seasons. Now you can play it all yearlong.

21 It will have a beautiful bar and
22 lounge and just feel really incredibly
23 social space opening up onto the plaza. We
24 have a large partnership with MGM and Top

1 Golf, and we're just really excited to open
2 their second Swing suites location.

3 COMMISSIONER CAMERON: So you have
4 this in Las Vegas.

5 MS. MOORE: We do.

6 COMMISSIONER CAMERON: And it's very
7 successful, correct?

8 MS. MOORE: Yes, very successful.

9 COMMISSIONER CAMERON: Nice. I
10 thought that was an interesting addition,
11 and I know this -- I have used them. They
12 are pretty interesting. You really do feel
13 like you are playing the course.

14 CHAIRMAN CROSBY: Really.

15 COMMISSIONER CAMERON: Yes.

16 MS. MOORE: It's a very social
17 space, and we really feel it will drive
18 local and out-of-market visitation.

19 MR. MATHIS: It's great for novice
20 folks, too. I think it brings people to
21 the game for putting the ball outside.
22 It's a fun product.

23 MS. MOORE: Absolutely. So moving
24 on to the Armory and kind of outdoor

1 activation program. We're working
2 diligently on building out this calendar,
3 and we're excited to say that we have a
4 calendar pretty much finalized through the
5 first quarter of 2019. And, you know, at
6 the nexus of all this outdoor programming
7 on the plaza and Armory Square is the
8 Armory itself.

9 And, so, I'm excited to share with
10 you the experiences. We're looking at
11 building out. These are large scale
12 activations. So as we will have some
13 pop-up, we're really trying to find a merge
14 of experiences that we can build out in
15 this space. And you can see the list there
16 of all the things we will be doing, pop-up
17 nightclub, Halloween haunted Armory, comedy
18 club series, holiday marketplace. We'll do
19 retail bizarres and fairs.

20 COMMISSIONER CAMERON: I had a
21 question as to what beer yoga is.

22 MS. MOORE: It's exactly as it
23 sounds. It's rewarding you through yoga
24 with the beer.

1 COMMISSIONER CAMERON: So it makes
2 you looser so you can get into the pose.

3 MS. MOORE: That's exactly right.
4 Again, making it a little less intimidating
5 for those who might want to try yoga or
6 just need a little more motivation.

7 COMMISSIONER STEBBINS: I think I
8 might have done that by accident.

9 CHAIRMAN CROSBY: Mine's wine yoga.

10 MS. MOORE: And it's not actually
11 doing yoga and then enjoying a beer. You
12 actually enjoy it while you're doing the
13 poses. Very interesting.

14 COMMISSIONER STEBBINS: What's the
15 experience on the -- if you can shed a
16 little more light on it.

17 MS. MOORE: Sure. So this is
18 creating, you know, an entire experience
19 that speaks to what in life has to offer.
20 So sign-ups and education on benefits and
21 demos on how to use your M-Life rewards
22 program and all the incredible benefits you
23 get from it.

24 CHAIRMAN CROSBY: At this point

1 there's only one floor in here, right?

2 MS. MOORE: Right.

3 CHAIRMAN CROSBY: And what's the
4 square footage of that floor?

5 MR. MATHIS: It's about 4,500 net
6 so...

7 CHAIRMAN CROSBY: That includes the
8 tower, so it's contiguous -- the open --
9 the center -- the main space is contiguous
10 to the tower space? There's no doors
11 there.

12 MR. MATHIS: Yes, that's right. I
13 think we're going to have pictures later,
14 right, Brian?

15 MR. PACKER: Under the terrets are
16 included in that square footage.

17 MR. MATHIS: We've actually demoed
18 out the interior of the terrets as cool as
19 the terrets were just to make it more of an
20 open floor plan. So you wouldn't know that
21 from the outside looking in. It's such
22 tremendous space that at opening we want to
23 try multiple experiences in there and think
24 about it looking at like the holiday

1 marketplace or Halloween, haunted Armory,
2 bring different types of folks through
3 there. If it was a restaurant and
4 nightclub, you know, we wouldn't
5 necessarily get families to experience it.
6 So as we look for that long-term partner,
7 we thought let's experiment with as many
8 different things and get as many different
9 people in there, because it's really an
10 amazing building.

11 CHAIRMAN CROSBY: This is worth as
12 much as my idea about what to do with the
13 church. But it sort of intuitively feels
14 to me like if you could think of regular
15 rotating programming like this, that in the
16 long run if it works financially, it might
17 even be better to get more people, more
18 diversity rather than one fixed unit there.

19 MR. MATHIS: We agree. That's
20 something that we're going to see in terms
21 of what resonates -- what makes financial
22 sense of course, but what's the most
23 successful as we try different things in
24 there. There's different uses maybe

1 potentially throughout a day, maybe daytime
2 use, nighttime use. So we're going to
3 experiment with it.

4 COMMISSIONER ZUNIGA: Yes, seasonal.
5 Are you planning still on having the second
6 floor; wasn't there a second floor or is
7 that something that you'll determine as
8 some of this programming takes place?

9 MR. MATHIS: So what we've done is
10 through Brian's great work, is we've
11 provided an infrastructure to receive
12 future floors that included steel
13 infrastructure when we open the building up
14 to quote/unquote safe it up. So the
15 infrastructure is there for future floors.

16 And part of what we're going to do
17 at opening is also bring some of these
18 folks that we have been talking about on
19 the restaurant side and on the nightclub
20 side because, I think, it's hard to really
21 visualize how great that building is until
22 we've gotten it closed up. Right now it's
23 missing a roof. We've got a back column
24 taken out so that we can work inside.

1 So as often happens, some of the
2 best deals we'll cut will be for those that
3 are a little risk adverse and want to see
4 the full operation and see what the space
5 looks like fully enclosed. But, yes, we're
6 going to continue to look at that while we
7 do some rotating programming.

8 MS. MOORE: And what's really
9 exciting about this list that we're working
10 on with the exception of the M-Life rewards
11 experience center is every one of these
12 we're working with a local partner or local
13 business to help us stand up. So having
14 this diverse programming really allows us
15 to better stand up some of the small
16 businesses and local businesses in the
17 area.

18 So, finally, just wanted to provide
19 you with a summary of kind of what we
20 talked about. So you can see how the
21 collection of brands is really, really
22 taking shape, and we're just thrilled with
23 how it's coming together. More
24 announcements coming soon with beverage and

1 some additional retail announcements. But
2 as you can see, it's really coming together
3 nicely.

4 CHAIRMAN CROSBY: And the movie
5 theater is still hanging in the -- you
6 haven't announced that, right?

7 MR. MATHIS: No, we haven't
8 announced it yet. We've got an operator we
9 are working on in terms of construction
10 design, finalizing the paperwork but that
11 will be a future announcement we think
12 coming soon. So thank you, Sarah. I think
13 I'm going to keep Sarah around because we
14 want to close with an announcement, a
15 little teaser, especially since you
16 suffered through that hearing officer
17 subject. We feel like we owe you
18 something.

19 So on the next slide, I want to give
20 you an update on the corner development.
21 This is, in some ways, I go back to what
22 our original concept here was because as
23 you can see, it's a bit of an island and
24 preface where we're at with just calling

1 out that it is unique piece of real estate.

2 No offense to Dave's Furniture and
3 the owner of the Dave's Furniture, but I
4 think one of our initial thoughts was that
5 that is one of the corners of the site, and
6 we really should think about getting
7 control of it, and then that control became
8 let's program it and then it became part of
9 our plan in terms of square footage but has
10 proven to be a -- we think it's an
11 important piece of property. Because in
12 some ways if you come down Main Street,
13 which we don't expect a big portion of our
14 traffic to come down, but if you come down
15 Main Street, you know, that is one of the
16 first visual representations of the
17 project. So we want to be careful about
18 who goes there. That said, because it's
19 not contiguous, it's been a little bit of a
20 challenge in talking to different
21 operators.

22 So that's a little bit of a preface
23 on why it's lagged some of our other
24 development. The good news is that we are

1 in deep discussions with a national F&B
2 operator that is -- and, again, we want to
3 announce it properly, so I'm just going to
4 allude to it at this point. But it's a
5 great partner. And when I think about this
6 partner, I think about what it will do for
7 the downtown residents. Many of our
8 employees, especially our young
9 professionals, I'm happy to say are
10 choosing to live downtown. They are living
11 the work/live/play motto. They talk about
12 all the time how great it is to a
13 four-minute walk commute to work, to be
14 able to go to restaurants up and down Main
15 Street, to be able to go to shows. They
16 have cars, but they frankly rarely use
17 them.

18 So part of what we're trying to do
19 with that corner is to build some support
20 and infrastructure for them and amenities
21 for them, and that is what this operator
22 will do.

23 In terms of timing, we think that,
24 you know, we're probably 30 to 60 days away

1 from nailing down the paperwork on it, and
2 then quickly we would go into design and
3 construction. I think we will beat that
4 summer of '19 date that Joe referenced, but
5 we wanted to give ourselves a little bit of
6 time to back into that deadline.

7 You know, one of the other things
8 I'll say about just generally development
9 is, I think, we'll be as fully programmed
10 as many resorts are at opening. What I
11 talked to the city about and I think I
12 talked to you in the past about is, for
13 example, our host community agreement, our
14 commitments around a lot of these spaces,
15 retail and F&B, the commitment was to do a
16 shelf.

17 And when I talked to the mayor and
18 some of your staff about is what we often
19 see is at opening, and this is true with
20 National Harbor, is some of the real
21 exciting and some of the better partners
22 you get are day one at the grand opening
23 party when they can see the space. They
24 can see that it's a success. They can see

1 the adjacencies, who are the other tenants
2 in the neighborhood. You want to have a
3 couple of spaces potentially available,
4 because that's when you can strike some of
5 the better deals and attract some of the
6 better brands.

7 So this corner, although will be
8 slightly delayed, I think will be better
9 for because this is the type of partner --
10 we're getting more and more as people can
11 come and tour buildings versus a dirt lot.
12 We have seen that over the last couple of
13 months as these announcements come out, and
14 they can see that we're bringing it to the
15 resort versus, you know, a commitment that
16 will be something great.

17 So we're exciting about it. I'm
18 committed to bring this over the finish
19 line and looking forward to making the
20 announcement.

21 COMMISSIONER STEBBINS: Michael, is
22 the plan for the parking between the church
23 and the Dave's spot, is that programmed to
24 be used by the food establishment or by

1 Kringle or who kind of gets dibs on the
2 parking?

3 MR. MATHIS: So the way we're
4 thinking about that lot is basically 50
5 percent of the lot would service the
6 corner, and 50 percent would service the
7 Kringle and the plaza.

8 CHAIRMAN CROSBY: So you own that
9 lot.

10 MR. MATHIS: We do, yup.

11 COMMISSIONER STEBBINS: You
12 mentioned the white paper before. Is there
13 some of the results or findings that came
14 out of the white paper kind of adjusting
15 your business focus or who you chase after
16 based on that new information? We're in
17 2018. I think you referenced someplace
18 that consumer demands are probably
19 something else in 2012. Is that shift
20 still kind of ongoing?

21 MR. MATHIS: Yes. I think -- and
22 other folks on this panel can speak to it.
23 But a good example is one of the concepts
24 we have for the Armory is the comedy club.

1 Live comedy is something that came back in
2 the report as something that people missed.
3 And so, I think, it's to extent that we
4 have flex space where we've got the
5 flexibility to change programming, the
6 Armory is the one that we'll use to gauge
7 customer feedback. We'll get customer
8 feedback after they come to the property.

9 That's the white paper that talks
10 about nationally, internationally what
11 peoples' interests are. I think we're
12 going to start honing in on what is our New
13 England customer looking for, what is our
14 western Mass. customer looking for. So
15 we'll absolutely respond to the data. We
16 will continue to collect it.

17 CHAIRMAN CROSBY: It really is
18 interesting is the people who were 15 when
19 this process started are now 21. There's
20 almost a whole new cohort that's grown up
21 in a very dynamic time that can now access
22 your facilities that weren't even adults
23 when we started this process.

24 MR. STRATTON: If I could briefly,

1 Commissioner Stebbins, I think, you were
2 referring to some of the comments in the
3 letter around 2012 versus 2018 and, I
4 think, Top Golf is a perfect example of
5 exactly that. When in 2012 because, you
6 know, I was involved back then. I
7 remember, you know, I think it was more
8 traditional retailer focused, and you had
9 the Amazon effect. You have patrons
10 looking for a different kind of
11 experiential visits and Top Golf, which is
12 a large space, which we probably envisioned
13 previously having a few smaller retailers
14 is now being driven by that.

15 Those are the folks who are
16 interested and willing, frankly, to pay
17 some of the rents that we're driving at
18 this property versus your traditional
19 brick-and-mortar retailers, which are under
20 pressure from our line and changes the
21 market.

22 MR. MATHIS: Great comments, Seth.
23 So moving along. And the reason I chose
24 this sequence is right across the corner

1 from that corner development is the site of
2 our child care center. We previously
3 announced that we're partnering with Head
4 Start. This is Head Start with Chicopee
5 and Springfield. And it's a wonderful
6 organization in part because their members
7 are largely south end families. And I know
8 Commissioner Stebbins knows the program
9 well. But one of the things in our
10 conversation, we're going to have about 60
11 spots, I believe, for the day care center,
12 potentially additional shifts, so that
13 number may grow when we figure out what our
14 demand is.

15 But one of the great things about
16 Head Start is they have facilities around
17 the region, but they don't have anything
18 downtown. And there is a big part of their
19 membership that needs support downtown.
20 And what they were doing was putting south
21 end families on shuttles, which is
22 expensive, and busing them to other
23 facilities where we have the opportunity
24 here is to have families literally walk

1 their kids, they will be our employee in
2 those cases, walk their kids to the day
3 care center and walk to work and
4 potentially be able to check in on them at
5 lunch.

6 So it's really a win-win for us to
7 find a partner like this that has a
8 built-in need, especially when that's going
9 to work with our employee basis. So just
10 wanted to remind you what we are doing
11 there. Next slide --

12 CHAIRMAN CROSBY: South of Willow
13 Street is Main, right; that's at the
14 bottom, that's Main, right?

15 MR. MATHIS: South -- that's
16 correct, yes. If you look at the other
17 slide -- yes, that's north of Willow, isn't
18 it? If you're looking at --

19 COMMISSIONER STEBBINS: Main and
20 Willow run parallel.

21 CHAIRMAN CROSBY: Main and Willow
22 are parallel.

23 MR. MATHIS: Yes, that's right.
24 That's why I was getting confused. So

1 Union Street to the left of the first plan
2 intersects with Main Street, and bottom
3 left off the screen is where that Dave's
4 Furniture corner is. So this is
5 caddy-cornered to our site. And you can
6 see what's really amazing about this
7 building is the requirement and the statute
8 was gold lead. We're going to open up this
9 building platinum, and platinum is an
10 off-the-chart ambitious level of
11 sustainability.

12 This is Sarah's old world because
13 she was part of our sustainability,
14 corporate sustainability department
15 division but so excited. This is going to
16 be a world-class building for young kids
17 supporting families that are going to be
18 working in our facility. So that is coming
19 into shape. We've already broken ground
20 and far along on construction. It will be
21 available at our opening and not before.

22 I want to briefly talk about public
23 art. This is a little bit of the fun part
24 of the presentation, the pretty picture

1 part. We've commissioned with a -- one of
2 the elements that makes our property
3 unique, and we do this in all of our
4 facilities, is the strength of our public
5 art program and that starts with Jim
6 Murren, our chairman, who is a former art
7 major and really believes that creating
8 spaces and creating art is an important
9 part of the experience. We're committed to
10 public art in all our projects. We believe
11 it gives the opportunity to see things that
12 you may not otherwise get to see in your
13 normal day, and it invokes a conversation,
14 sparks curiosity and whimsy.

15 So we're happy to provide a glimpse
16 of what our program is starting to shape up
17 as, and this is only a glimpse, at MGM
18 Springfield. So this particular piece will
19 be in the Armory. It's Jeppe Hein. He is
20 a Danish sculpture, and this piece is
21 something we've commissioned to be
22 interactive and be both part and in
23 function.

24 CHAIRMAN CROSBY: It's in the

1 Armory?

2 MR. MATHIS: It would be out in the
3 plaza, out in the plaza. It's called a
4 "Bench of Expectation." The next piece is
5 from a woman named Viola Frey. It's called
6 "Fighting Men and the World." And there's
7 ceramic pieces. We have a piece of her's,
8 sculpture of her's in National Harbor and
9 it's the scale of this and the vibrancy of
10 the color is really phenomenal. So excited
11 to bring some really high-end art to some
12 of our public spaces. And this would be
13 down on the casino floor on one of the
14 large walls.

15 You remember we've got our high
16 limit bar, the Vault Prive. And the
17 concept there was to put photographs,
18 almost like a Peruvian dome, put
19 photographs to bring the space to life. So
20 what's great is we're -- next slide -- is
21 we're dipping into our collection. We've
22 got old meets new, which is a theme on our
23 project. So we've got a picture of Picasso
24 that will be on the wall as well as Paul

1 McCartney playing at the MGM Grand, which
2 we have in our inventory. So just to give
3 you a sense of how that space is going to
4 come to life.

5 CHAIRMAN CROSBY: Where is that in
6 your R&B chart, this map?

7 MR. MATHIS: In our F&B?

8 CHAIRMAN CROSBY: Yes, F&B, sorry.
9 Is it marked on that?

10 MR. MATHIS: Yes, we can direct you
11 to it.

12 CHAIRMAN CROSBY: I don't see it.

13 MR. MATHIS: I can direct you to it.
14 That space is in between -- if you go to
15 slide, Mike, if you go to slide 14, site
16 plan. I don't know if you can get us back
17 there.

18 CHAIRMAN CROSBY: Retail F&B slide.

19 MR. MATHIS: There it is. If you
20 look at the orange square in the middle of
21 the slide, and you work your way left --

22 COMMISSIONER ZUNIGA: The one
23 showing the screen.

24 MR. MATHIS: If you work your way

1 from the orange box in the middle, before
2 you get to the other orange, in between
3 there is an outline of a space to the left
4 of the orange square from -- the high-end
5 bar is in the middle of that plaza? The
6 orange square in the middle --

7 MR. PACKER: In the center of the
8 casino --

9 MR. MATHIS: No, no, I'm talking
10 about the orange square. There's a square
11 in the plaza.

12 MR. PACKER: In the plaza.

13 CHAIRMAN CROSBY: I see a
14 high-end --

15 MR. MATHIS: Can everybody confirm
16 that the boss is right on this one?

17 CHAIRMAN CROSBY: You know what they
18 say about a blind squirrel.

19 MR. MATHIS: The orange square, not
20 the orange rectangle. If you look at the
21 orange square and work your way left,
22 you'll see the outline high-limit area and
23 in the center of that, although it's not
24 color coded, is the high-limit bar.

1 COMMISSIONER ZUNIGA: Is there
2 access to the plaza from that hall space?

3 MR. MATHIS: Yes, the doors -- let
4 me go back to the controversial orange
5 square. If you work your way from the
6 orange square left, the main door goes into
7 the casino. There's a corridor.

8 COMMISSIONER STEBBINS: I'll take a
9 separate car.

10 MR. MATHIS: Let me get back on the
11 script. We are on -- Mike, we're on slide
12 24, yeah, great. We also have nationally
13 renowned artists represented here as well.
14 You know, the theme about the project,
15 whether it's F&B or R, it's local,
16 regional, national and the same follows on
17 the other program.

18 So, again, we have the luxury of
19 having our MGM Resorts corporate collection
20 that we can dip into, and we've got
21 lithographs from Jasper John as well as
22 Henry Moore. We've got Henry Moore's more
23 famous sculptures in a pocket park at City
24 Center. So we've been out there collecting

1 pieces and in this case to be used at some
2 of the properties.

3 The next one, I want to remind you
4 of a fun moment last time we were in
5 Springfield. This is when we did an
6 announcement around our partnership with
7 Springfield museums and the artifacts that
8 we're going to put into vitrines. And
9 moments before this picture was taken,
10 Marikate Murren manhandled one of their
11 pieces.

12 CHAIRMAN CROSBY: We remember it.

13 MR. MATHIS: Kay Simpson was
14 horrified by it. Brought her associate
15 with the white gloves to properly handle
16 the item. But we are in discussions about
17 getting those artifacts -- next slide --
18 placed in our hotel elevator vestibules.

19 So it's really going to be a fun
20 way, I think going back to your comment,
21 Commissioner Cameron, about really
22 celebrating Springfield and getting people
23 to think about different things they may do
24 when they are on our property, which will

1 include going out to the Springfield
2 museums and seeing more of these type of
3 items, so really excited about it. It's a
4 win-win. It fills space for us and give us
5 a chance to cross-market a great local
6 partner.

7 Lastly is I want to show an image of
8 what the back of the Armory is going to be
9 in terms of a painting, and we're
10 partnering with the most famous and most
11 prolific artist in downtown Springfield,
12 John Simpson. He does the murals that are
13 in and around Court Square. You can see
14 the "Wizard of Oz" stuff that he did behind
15 him. He's a fantastic person. We've met
16 him. He is Kay Simpson's husband. We met
17 him early on.

18 We're actually just completed an
19 agreement to put up scaffolding on the back
20 of the Armory, and this is his version of
21 the 16th chapel. He's going to paint this
22 Indian, historic logo on the back of the
23 Armory. It will be some 50 feet tall.
24 It's going to be a fun project. So this

1 is, again, a great collaboration with a
2 local artist.

3 CHAIRMAN CROSBY: Who is Kay
4 Simpson?

5 MR. MATHIS: Kay Simpson is the
6 president of the Springfield museums. She
7 was the woman in the photo.

8 COMMISSIONER ZUNIGA: I remember
9 Mr. Simpson testifying before us. Do you
10 remember?

11 CHAIRMAN CROSBY: I remember
12 Marikate, too.

13 MR. MATHIS: John has been a rabid
14 fan of our project and of the company. He
15 knocks on doors. He does as much as any
16 volunteer has done, so it was great to pay
17 him back with a commission like this.

18 COMMISSIONER STEBBINS: Mike, in
19 some of the earlier proposals, you talked
20 about soliciting that local public work to
21 make it available for sale for local
22 artists. Is that still kind of the plan?

23 MR. MATHIS: Yes. I think Sarah
24 described the art exhibitions that might be

1 in the Armory as well as with stuff you do
2 outdoors. We've had conversations.

3 MS. MOORE: We've identified
4 different art curators that are local that
5 will work with to stand up some of these
6 large-scaled artists whether on the plaza
7 or in the Armory.

8 MR. MATHIS: With that, I'm going to
9 hand it off to Alex.

10 MR. DIXON: We will provide a quick
11 update on a couple of the programmatic
12 updates that have taken place on the
13 property. I'll first start with the poker
14 room, and we will get into a little bit of
15 the underlying trends that are driving the
16 shift from slots to tables, but this
17 provided somewhat of a domino-effect that,
18 I think, yielded great benefits for our
19 Main Street.

20 So in short our poker room, as
21 originally constructed, we identified based
22 upon our lessons learned from National
23 Harbor that we can have a great experience,
24 and we needed more space. And so what that

1 triggered was the need to move Starbucks
2 from along the State Street to Main Street.
3 And, so, you see Starbucks there uniquely
4 positioned right next to our hotel lobby,
5 which is semi-logical as well to have your
6 coffee outlet at the base of your hotel
7 lobby.

8 But as you think about moving from
9 left to right along Main Street, what we've
10 done to help along with the renaissance of
11 Main Street, you move from left, you've got
12 the Focus Springfield building at the base
13 of 101 on to our now newly located salon
14 where we will be able to do many of the
15 services that our local clientele will have
16 great access to directly off of Main Street
17 to come in and get manicure, pedicure, hair
18 colors that are separate from the spa
19 services that will take place inside of our
20 hotel tower.

21 But if you continue to make our way
22 down that Main Street corridor, you'll see
23 that you have the Cal Mare, which Sarah
24 spoke to earlier, another storefront of a

1 retail store that sell artisanal cheeses
2 and wine in a retail setting, moving onto
3 our steakhouse, then into a higher-end
4 retail component that we'll be announcing
5 at a later date anchored by Starbucks and
6 then our hotel lobby.

7 So as you think about the uses of
8 the ins and outs of the multiple day parts,
9 this has really come together to activate
10 this downtown Main Street corridor.

11 On the following slides, this really
12 just gives, again, some more prudence to
13 the notion that we're really seeing an
14 underlying shift in the reduction of slots
15 and an increase in table games. And in
16 many ways, we're doing what great
17 businesses do, and that's just meeting your
18 customer span.

19 And, so, this article in the
20 Washington Post said there's a 16 percent
21 reduction in the number of slot machines
22 following the opening of the five licensees
23 in the State of Maryland. What I think is
24 important for us to all remember is more

1 slots does not equal more revenue.

2 So in this case, revenue is up
3 within the State of Maryland. Personally,
4 I saw this firsthand in Baltimore. We
5 opened up with a competitor, a facility
6 where we reduced slots but we saw an
7 increase in revenue. National Harbor, same
8 deal, has opened up its doors. Once you
9 found out how the customers are interacting
10 with your facility, you adjust and make, in
11 this case, reductions to the slot floor and
12 increase them to the table games.

13 The underlying benefit there is that
14 with the reductions in slots move to
15 tables, that draws a demand for more
16 people. And, so, that's more table game
17 dealers, more supervisors, more folks who
18 are real-life and occupying the floor. We
19 think that's a great trend, and our floors
20 reflective of that.

21 To move on, this is also in line in
22 what's really driving this in many cases is
23 our millennials. And what's important for
24 us is that we're in tune, and we have a

1 product offering. And, so, this study and
2 is really kind of highlighting for
3 operators such as us to be able to say,
4 what are the things that people are really
5 looking for? And, generally, it's more
6 social interactions.

7 And, so, you see that in all of our
8 entertainment offerings whether it's Top
9 Golf or here on the gaming floor, which is
10 adding more interactive electronic table
11 games or real-life table games. And in
12 many cases, this means more space. People
13 need more space in order to do that.
14 You've got a fixed amount of space. The
15 amount of gaming floor space has not
16 changed from our original contemplation.
17 What we've done is just figure out how we
18 want to activate that space.

19 Just as a conclusion, what does this
20 mean? What this means is we increased the
21 number of poker tables, increased the
22 number of table games and really reduced
23 our pin slots on the floor. And, so, there
24 is a lot of move within, but what this kind

1 of results in is what the gaming position
2 count of 33/24, which has reduced the
3 number of gaming positions but what we
4 believe is going to increase the overall
5 revenues to us and overall tax revenue to
6 the Commonwealth.

7 So moving on into our PVTA
8 relationship. This has been a really
9 highlight of just my time in getting to
10 know Springfield and spending as much time
11 that we had with Cassandra and her team.
12 And, so, we are steadfast on working on
13 finalizing our MOU, which will take place
14 within the next 30 days.

15 But a couple of highlights that
16 we've already agreed to with the PVTA is
17 that we've agreed to provide free shuttle
18 service Wednesday through Sunday from ten
19 a.m. to ten p.m. And what I think is
20 important to note is the PVTA felt very
21 strongly about utilizing their zero
22 emission electric bus as opposed to their
23 existing trollies.

24 And, so, the trollies, to be quite

1 frank, from their perspective belong in a
2 museum and not necessary on the road. What
3 this does is reduces, again, the emission
4 and really from a safety perspective, it's
5 much easier getting onto these electric
6 buses. We can track them. The customers
7 understand and have the technology where
8 they can stand at the bus stop and see,
9 hey, the bus is five minutes out versus the
10 trolley. You're really just waiting until
11 that gets there.

12 We will be hitting all of the major
13 tourist and hospitality destinations, and
14 we'll be able to increase our service at
15 night when the round no longer goes to the
16 Basketball Hall of Fame or up to the Armory
17 and to the Quadrangle. We'll be having
18 more discussions about this as we go
19 through the PVRTA public hearing process.
20 As I'm learning, it's quite an ordeal to
21 really just roll out a new route.

22 But what this has done through this
23 is we've really worked close hand-in-hand
24 as it relates to how our employees will be

1 utilizing their services, not necessarily
2 this trolley, to make sure that we are
3 adjusting our starting schedules to reflect
4 the routes that do come. And there is more
5 to come on this, but we're great that we've
6 got the deal in principal and now we're
7 just fine-tuning the last piece of the MOU.

8 COMMISSIONER ZUNIGA: Alex, is
9 there -- do you have a sense that this will
10 be operational at opening or has that yet
11 --

12 MR. DIXON: Absolutely, absolutely.
13 So I think from a track mitigation
14 standpoint, on the day of our opening, not
15 so much. What I think is the following
16 weekend is, and as you can imagine, we're
17 contemplating some street closures, and so
18 we don't want to launch a shuttle and then
19 automatically have to stop.

20 But we're underway with -- Sarah's
21 team is well underway with the branding and
22 the wrapping and what we're going to call
23 them and how do we really activate the and
24 get the hospitality community excited.

1 Because this is a great resource that a
2 downtown shuttle that connects all of the
3 hotels with the local tourist destinations.

4 COMMISSIONER MACDONALD: Alex, does
5 the schedule of running on an hourly basis,
6 is that enough in your judgment to be able
7 to have a credible functioning shuttle
8 system?

9 MR. DIXON: Yes. So, I think, if
10 you think about the customer journey or the
11 intent of this is for a customer who is
12 visiting regionally or even locally to in
13 many ways who are coming to our facility
14 who then want to get out and go to one of
15 the local destinations, whether it's the
16 Hall of Fame. And, so, what people need is
17 certainty and that if they can walk out of
18 our facility at ten after the hour and know
19 that they can get on a shuttle to go to the
20 Hall of Fame, they can then count their,
21 excuse me, factor into their trip that
22 return trip over to our facility.

23 Lastly -- so the short answer to
24 your question is yes. The second piece of

1 that is in the evenings, we will actually
2 be able to increase our frequency, because
3 we'll be focusing really just up and down
4 Main Street. So it will increase to about
5 30 minutes in the later evening period in
6 the kind of five to ten o'clock time frame.
7 That's where you get your young
8 professionals who want to come from our
9 facility, maybe go to Worthington or go
10 from La Quinta Inn down to our facility.

11 But whenever we've had the
12 conversation about transportation within
13 downtown Springfield, we always come back
14 to it's very walkable. So all of the
15 locations where this shuttle will go, it's
16 really within a mile. And, so, many of
17 these locations are within seven to ten
18 minute walks of each other, and this is in
19 addition to.

20 And then, lastly, for many of these
21 guests, if they do want to come back, the
22 ability to catch an Uber, many different
23 modes of transportation are very helpful,
24 but it's something that we considered. It

1 is hourly during the day. It reduces at
2 night.

3 Separate, just lastly on this topic
4 is what else is contemplated within PVTA is
5 all of the para-transit services that will
6 be provided, and those will always be
7 provided. The sexy part is the new shuttle
8 that will be downtown and what it's being
9 called, but everything else is contemplated
10 within our commitments. We've been working
11 steadfast with PVTA, and that's what will
12 be included within the broader unit.

13 CHAIRMAN CROSBY: This is your TDM?

14 MR. DIXON: The TDM, yes. And
15 that -- what's interesting about that is we
16 will have our workforce manager who will be
17 doing all of our scheduling for our, you
18 know, what's called 2000-ish employees who
19 work more of a shift schedule. And this
20 person in this case, this gentleman, will
21 be playing a big role in managing that team
22 and process.

23 So moving on to the lottery. We've
24 also been working steadfast with them, and

1 we've long reached an agreement and the
2 equipment is well on its way, and it's
3 being installed as we build out our soft
4 floor.

5 So the highlight, we will have six
6 player activated terminals, which is the
7 vending light machine that you see on the
8 right and a much more well-appointed or
9 presented retail POS system in our sundry
10 store. But you will be able to buy the
11 scratch-offs in a retail store. You will
12 be able to redeem tickets at our cage. And
13 then, lastly, within our sports bar, we
14 will have both the ability to have
15 scratch-off purchase as well as playing
16 Keno in that outlet.

17 So Mike Lordon, who leads the sales
18 and implementation, he was the gentleman
19 who was deeply involved with Plainridge
20 Park, we've been in contact with him for
21 well over six or seven months. Great
22 progress, the machines are ordered and will
23 be on the floor here within the coming
24 months.

1 COMMISSIONER ZUNIGA: Is that flex
2 terminal customer or sales rep. operated?

3 MR. DIXON: That's a sales operator.
4 So we'll have one of our -- Sarah's retail
5 team members who will be dispensing those,
6 and we'll have some wall mounted that will
7 display that. And our relationship with
8 the lottery is not in here. These are the
9 physical things and more of the
10 construction, but there is a lot of other
11 dialogue that we are having with him about
12 how we can maximize lottery sales on site,
13 as well as provide as good a customer
14 service as possible.

15 The next two pages really just go
16 over the maps of where these are located.
17 I noted where they all are on the property.
18 But we're well represented, and they are
19 prominently displayed in some of the high
20 volume areas.

21 MR. STRATTON: Great. Thanks, Alex.
22 One of the fun things about being a lawyer
23 on the team is I get to present the boring
24 topics.

1 COMMISSIONER MACDONALD: Well,
2 before you start, Seth, how about some
3 compliments on the quality of the
4 discussion that we had about --

5 MR. STRATTON: I was just going to
6 say that I found it very, very interesting.
7 So I will touch on the gaming establishment
8 boundaries and updates there. If you see
9 side by side on this slide right here, this
10 is -- the one to the left is the current
11 gaming establishment boundary, and that's
12 based on what I'll call kind of a
13 affectionately call a cartoon of what we
14 presented several years ago. We have to
15 the right are the actual plan. That's what
16 Brian is building. And, so, one of the
17 things that we're looking to do now is add
18 some precision to the boundaries of our
19 gaming establishment based on the project
20 that we have here today.

21 So we have further conversations we
22 need to have with staff to ensure that
23 everyone is comfortable with these new
24 boundaries, but boundaries that this needs

1 to be updated. Here is our -- what we are
2 thinking in terms of our proposal to update
3 the gaming establishment boundaries. And
4 I'll touch on really briefly three items
5 that are somewhat different.

6 If you look at the footprint between
7 the two, they are generally the same. The
8 main difference here is relates to 101
9 State, the corner of State and Main. So
10 back in the earlier version back when we
11 proposed this, 101 State was going to be
12 functionally and physically part of the
13 project. So it would be connected to the
14 gaming floor. If you can read the fine
15 print, you'll see it says MGM offices in
16 there and then MGC offices are going to be
17 in part of that building. So it made sense
18 that that building, that footprint would be
19 included in the gaming establishment.

20 Now that 95 State, which we
21 previously were going to demolish, is
22 housing that MGM function as well as the
23 MGC offices and this building, 101 State,
24 will remain third-party commercial offices

1 and, eventually, you know, retail space on
2 the corner of State and Main. We feel that
3 it's appropriate to carve it out of the
4 gaming establishment boundary. And that,
5 you know, and that impacts police
6 jurisdiction. There are a few things that
7 impacts, but we think it makes a lot of
8 sense to do that.

9 The other two I would say more minor
10 modifications are that on the -- now it's
11 one plan. The current gaming establishment
12 boundary, you're seeing level one, but
13 there is also a level two on the bottom.
14 And the reason we had to do that was we
15 previously had residential units on Main
16 Street. Those were carved out of the
17 gaming establishment.

18 Right now we have been able to say
19 from the ground to the sky that that would
20 be the boundaries of the gaming
21 establishment, and we feel it's a little
22 easier for all of us to understand, for the
23 commission to understand that you just once
24 you meet the boundaries from the gaming

1 establishment.

2 And then the third piece, and I
3 think the most minor is, we are suggesting
4 that you see that little island of a
5 parking lot, which is a taxi queuing lot in
6 the first version, we're suggesting that
7 that need not be included in the gaming
8 establishment boundary, and it be better to
9 have one clean footprint.

10 Again, this is a proposal. We have
11 a meeting tomorrow with your staff. We
12 plan to go back and forth and make sure
13 that all are comfortable with that and the
14 timeline that we proposed is that in April
15 we be before the commission with that
16 proposed amendment to the license to
17 reflect the mutually retained gaming
18 establishment.

19 CHAIRMAN CROSBY: When you reprogram
20 the first floor of 101, you're imagining
21 that do be just related from the facility.
22 It's not -- like, you're not talking about
23 having another restaurant or something
24 there where people can get into the

1 gambling establishment?

2 MR. STRATTON: So, no, it's not
3 physically connected. You would have to go
4 outside and around. We are targeting that
5 current for the foreseeable future, and
6 I'll get to this in a moment. It will
7 continued to be focused. But, eventually
8 we, do envision a retail use there that
9 won't be tied in physically to what we're
10 calling the casino podium.

11 CHAIRMAN CROSBY: It seems like a
12 natural access point, you know, at some
13 point. I know you've got somebody in there
14 now. But when you permanently program
15 that, it just seems like sort of a natural
16 access point.

17 MR. STRATTON: You know, one of
18 the -- when we discussed this, one of the
19 things we thought of is, well, would we
20 have use where we want that use to be under
21 our gaming beverage license, for instance,
22 which would be one of the reasons. We
23 currently don't think that's the case. To
24 the extent that in the future we thought

1 that was necessary, we could always come
2 back and propose to the commission that we
3 amend our boundaries for use such as that.

4 COMMISSIONER ZUNIGA: You're also
5 not foreseeing any other access on upper
6 floors, right? That's a standalone
7 building at this point.

8 MR. STRATTON: Correct. So that's
9 the natural segway into the next topic,
10 which is really how we are going to use 101
11 State. We spoke about, we just got into it
12 briefly, but Focus Springfield we've worked
13 with them. There was some concern from the
14 city and Focus Springfield, which is
15 important programming for the community,
16 that they were concerned about the
17 transition to finding new space. So we've
18 agreed to an extension to their lease.

19 So they will have at least
20 through -- well, the lease was extended to
21 September of 2019. There's a mutual early
22 termination, right, within an increased
23 termination payment effective November 2018
24 to the extent that either party felt that

1 an earlier transition was appropriate that
2 would be compensated accordingly, and there
3 is no dispositions in there.

4 We are parallel path exploring
5 opportunities for what makes sense for a
6 future use of that site. Floors two
7 through eight are, other than floor seven,
8 which is where Brian and his team work, are
9 generally leased to third parties, law
10 firms, a few government agencies, an
11 insurance company, and those are under
12 leases. We will continue to have that
13 building house commercial tenants.

14 As tenancies renew, we will likely
15 take the opportunity to renovate space
16 because some of it is dated. And as we are
17 transitioning from old tenant to new
18 tenant, I would say we have a stagger into
19 your renovation of some of those tenant
20 spaces.

21 And then Leed, we initially
22 contemplated back in 2012/2013 when 95
23 State was going to be demolished, 101 State
24 would house the MGM offices that Leed

1 requirements would apply to this building
2 because we would -- because we would be
3 essentially gutting it and renovating it.
4 We did exactly that at 95 State. We will
5 be satisfying the Leed requirements at 95
6 State. I think some of you have seen it
7 already. It's a beautiful, beautiful
8 building and we believe that those
9 commitments are satisfied in the 95 State
10 and, therefore, we wouldn't apply the 101
11 State, which is remaining now intact.

12 Moving on to one of the --

13 COMMISSIONER ZUNIGA: Before you do
14 that, Seth, do you have a sense or is it
15 too early to speculate whether you might be
16 in a position to sell this building in the
17 future?

18 MR. STRATTON: That is -- there
19 hadn't been any affirmative or direct
20 discussions on that, but that is one of the
21 benefits of carving out of the gaming
22 establishment is it would be -- it would be
23 able to sell it without having it come back
24 and say let's carve it out. Because as

1 you're aware, it is within the gaming
2 establishment that it has to be owned by
3 the licensee. But for the foreseeable
4 future, we intend to own and operate that
5 building.

6 One of mine and John Ziemba's
7 favorite topics out of this whole project
8 is the dynamic sign that we have. So just
9 an overview of, you know, and we've had
10 some healthy discussions on this on how the
11 sign, which is represented in this photo to
12 what it's intended to look like and below
13 it the current status of the structure, how
14 that sign is permitted and jurisdictional
15 issues around that.

16 So because it is an on-site sign
17 that is not advertising is affixed to our
18 building and not advertising third-party
19 advertisements, we believe it's considered
20 an on-site sign exempt from the outdoor
21 advertising board within MassDOT, within
22 their jurisdiction that's applicable to
23 billboards, and that it is within the
24 jurisdiction of the city.

1 The city council has approved this
2 sign with a condition that we submit a
3 report to a transportation professional on
4 safety standards prior to issuance of the
5 permit. We hired BHB, a well-known
6 engineering and consulting company to
7 prepare that study, which was prepared and
8 submitted to the city. We have the next
9 steps with respect to that sign that we
10 need to complete the infrastructure. We
11 need the issuance of the sign permit from
12 the city, which is underway. And then we
13 expect that you'll see the structure is in
14 place be digital signage will be placed
15 early in the summer.

16 The programming, we are still in the
17 process of determining what's going to go
18 on the sign, how it's going to be
19 programmed. And then once the sign is
20 operational and programmed, the city has
21 retained jurisdiction under their site plan
22 approval to review and apply any additional
23 conditions that they view are required for
24 that sign.

1 COMMISSIONER CAMERON: I had a
2 question here, Seth. You know, I think
3 this could be a real safety issue, frankly.
4 And I read the study, but the study is not
5 site specific. It really just talks about
6 other places, and it talks about industry
7 standard, state standard, but it really
8 doesn't get into this location. And I'm
9 really concerned it's right there, the sign
10 is right there, very large, and I really am
11 worried about distracted drivers.

12 And you haven't made a commitment,
13 even though there's an issue with who
14 regulates this, you haven't made a
15 condition to use industry standards here;
16 is that correct?

17 MR. STRATTON: There is no expressed
18 condition to use industry standards. I
19 think what -- I'm not sure what the -- one
20 of the challenges that we've confronted is
21 that this is unique.

22 COMMISSIONER CAMERON: Unique
23 meaning a little bit of a loophole?

24 MR. STRATTON: No. Unique in that

1 there aren't, at least certainly in
2 Massachusetts, there are not a lot of
3 signs. Like, they're very prevalent in
4 other jurisdictions, for instance, Nevada.
5 But, I think, Commissioner Cameron, to
6 address your point, one of the reasons it's
7 not -- the study was not institute to signs
8 is that the sign is not operational yet.
9 It's not -- we hadn't yet determined the
10 programming, and I think that is the exact
11 reason why the City of Springfield retained
12 the jurisdiction under the approval to
13 further review the sign once it's
14 operational and impose any further
15 conditions to the extent that there's any
16 safety concerns.

17 COMMISSIONER CAMERON: That may be
18 too late as far as I'm concerned. I have
19 to tell you, there are a couple in
20 Massachusetts and they do follow industry
21 standards. So I'm concerned that you
22 opened this without following industry
23 standards. There's a major crash. I know
24 how important your opening is to you, which

1 is why you postponed your project.

2 So I just had concerns that after
3 the fact it may be too late, you know, when
4 there really is an industry standard for a
5 reason. I know there were issues in
6 Atlantic City with those signs when they
7 became digital, but they also -- they do
8 follow the industry standard. The eight
9 second rule, in particular, is what I am
10 concerned about. You can't change that
11 display for eight seconds and that's
12 because drivers going by can see it, and
13 it's not constantly changing where they are
14 taking their eyes off the road.

15 MR. STRATTON: Right. But on the
16 point of too late, I respectfully don't
17 think it will be too late, because what
18 we're talking about is once it's
19 operational. We're talking about having a
20 sign up in June and July. We figure out
21 the programming, and we will be able to
22 work with the city. If once we have the
23 programming and it's functional, it can be
24 reviewed prior to -- we are not talking

1 about six months after opening.

2 The conditions could be imposed to
3 the extent that once we see it working and
4 we see traffic going by, it's quickly
5 studying and there's a determination that
6 there were safety issues. There's nothing
7 different we have to do to the sign. It's
8 simply programming, right. The sign
9 itself, the physical structure and the
10 technology is all the same. It's what the
11 content is, which is, as I'm understanding
12 your concern, the real concern is how the
13 content is displayed.

14 COMMISSIONER CAMERON: And the
15 frequency. That's the reason for that
16 industry standard. That eight seconds is,
17 I think, is really important and I just
18 hate to be in a position where this creates
19 a problem. And then after the fact we say,
20 oh, we should have used industry standards
21 here.

22 MR. STRATTON: I understand it. And
23 one of the points that I think would be
24 part of that, part of that further review

1 that isn't immediately apparent to these
2 images is that typically in a typical
3 billboard sign highway facing, it is
4 perpendicular to the highway so that the
5 drivers are seeing it as they go by. This
6 is parallel to the highway.

7 So it's not -- when you're driving
8 by on the highway and you see us on the
9 right but it's not directly within your
10 line of sight, which a billboard generally
11 is designed to be. This is off to the
12 side. So, I think, part of the discussions
13 once it's operational are does that impact
14 --

15 COMMISSIONER CAMERON: This is very
16 similar to the one in Boston that the study
17 mentions it's not facing. It's this way,
18 so you really have to turn your head a
19 little bit.

20 CHAIRMAN CROSBY: The WGBH?

21 COMMISSIONER CAMERON: Yes. So,
22 anyway, I really do have a concern about
23 this. I just wanted you to know, and we
24 will be paying attention to this one.

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MR. STRATTON: Okay, thank you.

COMMISSIONER MACDONALD: Just for the record, although after Monday it won't make any difference, I share Commissioner Cameron's concern on the record. I had personal experiences in the early days of the WGBH sign going up of feeling significantly distracted, because I was looking closely at the sign as I was driving 65-miles an hour, just for the record.

COMMISSIONER ZUNIGA: And it's a vision to be digital, I suppose. That's part of the whole and changing rather randomly.

MR. STRATTON: It is intended to be digital and how the animation of the frequency that's -- those are all the variables that programming really determines it. I think that's what we'll have to look at as it becomes operational.

CHAIRMAN CROSBY: Seth, in the rendering, there are big visuals to the left and the right of the M-Life screen.

1 Are those -- those aren't live, are they?

2 MR. STRATTON: No, those are backlit
3 by the signs.

4 MR. MATHIS: If I can, I sense the
5 concern over this issue and, you know,
6 there's a balance, right. The point of
7 signs and billboards is to attract peoples'
8 attention. So if you skew too far, there
9 would be no billboards. There would be no
10 signs along the road.

11 One of the things I did is I went
12 back to Las Vegas, and maybe some of this
13 isn't about what industry standards means,
14 but some of you have visited our
15 facilities. The Bellagio fountains go off
16 every 30 minutes and by design that's
17 certainly distracting, you know. We have
18 tens of millions of trips on I-15, which is
19 on the back side of -- in addition to the
20 strip, of course you've got I-15, which is
21 a highway, and then there is dynamic
22 digital signs all along the back of those
23 resorts.

24 So, I think, part of this is I've

1 never heard, and I think part of the
2 challenge is proving a negative, we've
3 never -- I think our industry corporate can
4 speak to this, there is no data that says
5 any of those signage -- any of that dynamic
6 signage has caused any vehicular safety
7 issues. If they did, they would likely be
8 down because we have tens of millions of
9 people visiting.

10 COMMISSIONER MACDONALD: Mike,
11 that's not accurate because the report, as
12 I read it, said that some say yes, some say
13 no. And that as a matter of statistical
14 significance, one cannot say confidently
15 that one way or the other. So it's not
16 that there's no data there. It's just not
17 to a level of statistical significance, and
18 I would defer to Commissioner Zuniga to
19 describe what --

20 COMMISSIONER ZUNIGA: You nailed it.
21 It could be due by chance, or it could be
22 due for the reason that we state, which is
23 --

24 COMMISSIONER CAMERON: I am just not

1 persuaded by Las Vegas, to be honest with
2 you. We're Massachusetts and, you know, we
3 take all of these concerns seriously. So
4 I'm just, you know -- you're right there.
5 The placement of these signs are right
6 there, and people are passing there at a
7 high rate of speed. So I just have
8 concerns when, you know, the industry
9 standards are there for a legitimate reason
10 and eight seconds is, I think, you know,
11 has been studied and was used throughout
12 the country.

13 MR. STRATTON: Understood, thank
14 you. On to market rate residential.

15 CHAIRMAN CROSBY: Mr. Mathis has
16 been there quietly.

17 MR. MATHIS: I just point out
18 there's no dynamic signage on that.

19 CHAIRMAN CROSBY: Not yet.

20 MR. STRATTON: So, I think, everyone
21 is generally familiar with the history here
22 but I'll remind very high level. We
23 originally planned to have 54 market-rate
24 residential units on site. When we

1 redesigned our project to bring the hotel
2 to the Main Street, we had to find a new
3 home for our market-rate residential units.

4 We started diligently searching for
5 those within downtown Springfield, ended up
6 acquiring one building, one 95 State Street
7 from the city and started doing initial
8 work there. We were in discussions with a
9 developer with respect to some additional
10 units that the builder had a commitment
11 down the street.

12 As we updated the city on those
13 efforts, they essentially, you know,
14 respectfully requested that we slow down
15 and hold off, because this iconic building
16 in Court Square that has been -- that
17 numerous studies has said is critical to be
18 redeveloped in the downtown, which is owned
19 by the city, has always been a challenge to
20 get a redevelopment project going there
21 largely because of the cost of doing so.
22 And without some third party willing to
23 pump a bunch of money into it because
24 they're obligated to, it probably would

1 never happen.

2 So that's where we came into play is
3 that essentially fund the gap in the
4 redevelopment of this building, which I
5 think everyone at MGM and the city
6 acknowledge would be great for city, the
7 downtown, the community and for our project
8 if this currently vacant and blighted
9 building that is in the heart of the city
10 were to be redeveloped.

11 So we're happy to engage in those
12 discussions. The complicating factor is
13 that they're really discussions between the
14 City of Springfield, who owns the building,
15 the preferred developer, which the city has
16 identified, which is the Opal Group, and
17 they are working to get Winn developed down
18 in Boston.

19 So it's a complicated project that
20 requires getting a lot of grant funding,
21 historic and new market tax credits as well
22 as some private funding and our
23 contribution, and there is historic
24 buildings in the mix, so it's complex. We

1 have gotten updates from the city that it
2 continues to move along while perhaps not
3 as quickly as we would like.

4 As prior developers, we acknowledge
5 that when you're a municipality, you've got
6 a lot of moving pieces and it is
7 challenging to move these projects quickly.
8 But there has been an RFD for a project
9 manager that has been out. I know there
10 have been responses and parties interviewed
11 and so we've gotten -- it's not at a stage
12 where we're confident that we'd like to be
13 able to say, here's the written agreement,
14 let's cut the check, when is the deadline,
15 when is it going to be open, we're not at
16 that stage yet.

17 But, I think, one of the things that
18 we talked about with staff, we understand
19 that the commission's desire in having this
20 timely completed. We want it timely
21 completed. So we suggested basically a
22 timeline where -- sorry, one more piece is
23 that the host community agreement has been
24 amended to allow additional time for this

1 commitment until March 2020.

2 In our discussions with staff, they
3 expressed a view of the staff and the
4 commission, well, you can't wait until the
5 March 2020 to decide because then it will
6 be several years after that. So we're
7 proposing that by March of 2019 that should
8 be ample time for the city to work out
9 these complexities and have a go, no-go
10 date. And if we don't have that definitive
11 go ahead, then we would -- that would
12 provide us ample time to continue with the
13 development at that other location,
14 including the building that we currently
15 own. So we're happy to report quarterly on
16 the progress as that project develops.

17 COMMISSIONER STEBBINS: Seth, I
18 mean, I understand the 2020 date in the
19 host community agreement. But right now it
20 would be that you'd have to be doing
21 demolition work and construction. You're
22 two years out. You could not complete this
23 project by that date in the host community
24 agreement.

1 MR. STRATTON: Yes, that's probably
2 true.

3 COMMISSIONER STEBBINS: And, listen,
4 I've been around this project. I've seen
5 this project, and there is no easy solution
6 or else the 20 years it sat vacant already
7 somebody would have figured out a solution.
8 And I respect the suggestion by staff about
9 the date 2019. Lots of moving pieces here.
10 But you seem to suggest that conversations
11 are going on between the city, the
12 preferred developer and Winn, W-I-N-N. But
13 you seem to suggest you're not at the table
14 as part of these conversations.

15 MR. MATHIS: Seth, let me tackle
16 that one. So, one, I think I want to make
17 really clear, MGM is not trying to offload
18 skate any of our responsibilities here.
19 Just to give context, we went from -- the
20 plan was to build a residential component
21 that we would have owned, would have had an
22 asset, and that we would have had a return
23 on. And the conversation has morphed into
24 second to Union Station, this is the

1 biggest priority for the mayor and the
2 chief development officer and all the
3 stakeholders. And we quoted it again in
4 the ULI report and it talks about the
5 square.

6 So I don't there is any controversy
7 I don't sense among any of the stakeholders
8 about the importance of this project,
9 congressman Neil included, who has
10 obviously gotten a lot of investment,
11 personal investment in the future of the
12 downtown. And, I think, the question is:
13 How long are we collectively going to give
14 for this development?

15 And what we've been told because of
16 the complexity of this project is how
17 important this \$11 million is, and this
18 \$11 million is a donation. We will not
19 make a return on it. And our commitment is
20 that if this is a priority, we can turn on
21 the square and catalyze further ancillary
22 development around that corner. We're
23 willing to make a \$11 million gift and,
24 frankly, it's a good investment for the

1 neighborhood.

2 But, I think, the issue is how long
3 are we collectively going to give for this
4 to happen? We're ready to do our original
5 commitment, which is to build a book of an
6 asset and a book of business is not core,
7 and it wouldn't be as transformative as
8 this would be.

9 So we will be as patient -- our
10 commitment is we're standing by with our
11 commitment, and we're going to be as
12 patient as, frankly, the city we thought in
13 the first instance is patient enough,
14 because this is a once in a lifetime
15 opportunity. If the Commission has a
16 shorter time frame than the city does, then
17 I think we just need to have a conversation
18 about that.

19 But we're really -- we're sitting
20 there waiting to be engaged with our
21 commitment. We are in conversations. We
22 talked about how we can use that parking
23 garage to help -- because what -- our 54
24 market-rate apartments is the commitment.

1 What this building represents is 60 units.
2 It's commercial space as well as ground
3 level F&B and retail. So it's really --
4 it's become something more than what my
5 original commitment was, and that's why
6 we're happy to be an important piece of it.

7 CHAIRMAN CROSBY: How many units
8 would be in there?

9 MR. MATHIS: 60.

10 CHAIRMAN CROSBY: 60, not market
11 rate.

12 MR. MATHIS: I think it's 48 market
13 rate and 12 workforce. So that's part of
14 the tax abatement money that they have to
15 try to access. In terms of our
16 conversations, we are in active
17 conversations. I spoke to Kevin Kennedy
18 yesterday. He talked about in terms of
19 your timeline, Commissioner Stebbins, he
20 talked about they have quotes for abatement
21 that are underway. Some of that lead time
22 work is what it takes to stay on schedule.

23 I'm not committing that March 2020
24 is we're going to hit it. Because you're

1 right, the time frame is getting tight but
2 work is going underway. And, I think, they
3 found a nice savings even on the abatement
4 side, which is shrinking the funding gap
5 which is making the project more viable.

6 So the city is frustrated with us.
7 I know you are, and we are as well. But we
8 really believe it's worth continuing to
9 fight to get this project done. Because if
10 we take our \$11 million and go build that
11 other complex, you know, at best that's 11
12 more million-dollars that aren't available
13 to make this thing happen.

14 COMMISSIONER STEBBINS: And, again,
15 and I think that, you know, Kevin Kennedy
16 was -- Kevin has been around a lot of these
17 deals over the years. And certainly the
18 last time we spoke with him was an exciting
19 development certainly having W-I-N-N, Winn,
20 at the table who has done a number of other
21 projects in Springfield. I am also
22 remembering Commissioner Zuniga's question
23 is, at what point do you hop off the glass?

24 And there's going to be some

1 decisions, not just us, but the City of
2 Springfield is going to have make towards
3 that, towards changing those community
4 agreements, et cetera. I would just
5 suggest that in the intervening time period
6 between as we sit here today and the
7 March 2019 recommendation we revisit this
8 issue that anything material that comes up
9 that says this is a no go, let's not find
10 ourselves waiting until March of 2019 to
11 have that new conversation and a new plan
12 and a new idea.

13 Because certainly your investment in
14 downtown, your investment in the market
15 rate component, I think, was very
16 attractive to the city when they were
17 looking at the applications for gaming
18 licenses. It's certainly attractive, I
19 think, to the commission when we considered
20 your license application.

21 So, again, I don't think anybody up
22 here is looking at this as an easy deal to
23 get done but, you know, you guys, again, I
24 don't know the scope of the project. But

1 let's say you are somewhere 15 to
2 20 percent part of making this project
3 happen, you know, having you at the table
4 and having you in this conversation.

5 But, again, as often as we can get
6 updated is great. But if there becomes
7 that milestone moment before March of 2019
8 where the project as it exists would be
9 great to have that conversation sooner
10 rather than later.

11 COMMISSIONER ZUNIGA: Can I ask, who
12 would you say is the owner of this project?
13 I know there is multiple parties, and there
14 is a reliance here on tax credits. But in
15 my mind, whenever there's a funding gap,
16 the owner either covers it or not. I don't
17 know how much of a funding gap there may be
18 again because of the market -- whatever the
19 market of tax credits may be doing. So who
20 would you say is the owner?

21 MR. STRATTON: I can address that.
22 So the City of Springfield owns it in terms
23 of -- and so, I think, owner I would say
24 the way you're suggesting it is the City of

1 Springfield.

2 CHAIRMAN CROSBY: And would continue
3 to be under the deal?

4 MR. STRATTON: Correct, yes. But
5 there is a group that is the preferred
6 developer who has had a successful RFP with
7 the city who would be, I guess, the
8 functional business owner who would build
9 it, run it and essentially have the upside
10 on the success of it, so it's unique in
11 that respect. So, I think, economically
12 the preferred developer would be the owner.
13 Legally the city is the owner.

14 COMMISSIONER ZUNIGA: But the
15 preferred developer is not bearing any risk
16 for any of this going, right; they have
17 sunk a lot of money into this?

18 MR. STRATTON: The developer has
19 sunk money into it in terms of largely
20 professional fees and the planning costs in
21 that regard. Because it's a -- I don't
22 think there's purchase consideration for
23 the building. It's the development
24 obligation that are costs associated with

1 that that the preferred developer is
2 putting into as well as fundings and the
3 cost of the construction is my
4 understanding.

5 MR. MATHIS: Commissioner Zuniga, I
6 thing they're guaranteeing the commercial
7 rents to make the project viable. So I
8 really believe the significant buying in on
9 all the parties.

10 COMMISSIONER ZUNIGA: Who is
11 guaranteeing the commercial rates?

12 MR. MATHIS: Opal, master developer,
13 is based on our conversations could be at
14 the table is making a commitment on what
15 the commercial rents would be to help fund
16 the project, and then we will be
17 responsible for delivering on those whether
18 we sell leases or their own occupancy to
19 deliver on those rents. There's a
20 guaranteed portion of this as well as some
21 of the initial capital. It's one of these
22 complex projects that has to come together
23 with multiple pieces but there is -- in my
24 view, there's significant equity that is

1 being contributed by all parties.

2 COMMISSIONER ZUNIGA: Couldn't -- I
3 mean, I don't want to speculate too much
4 and not let you have run your business.
5 But couldn't you make it an asset by
6 changing some of the formula here? And the
7 donation that you might be thinking, well,
8 our donation is capped and I could
9 understand that. But if you were all of a
10 sudden, you know, at least part owner could
11 benefit at the upside, that will be a
12 different calculation.

13 MR. MATHIS: One of the significant
14 challenges there is that there is a large
15 amount of historic tax credits that the
16 developers are bringing to the table that
17 we don't have, because you need to collect
18 those over time. Also, I think under the
19 gaming act, as you know, as a licensee, we
20 are not eligible for a lot of those grant
21 dollars.

22 So, you know, our 11 million-dollar
23 donation is really sort of the last piece
24 that brings -- this is not a project that

1 is feasible if you just look at the market
2 rate significance demolition, you know,
3 refurbishing of that building. So you need --
4 in addition to our 11 million-dollar gift,
5 you need the grants, sort of tax credits
6 that the developers are bringing to the
7 project.

8 CHAIRMAN CROSBY: I was pursuing
9 some of the same thinking. Are you sort of
10 agnostic as to whether you do an
11 11 million-dollar gift or are you the
12 developer on an alternative site or would
13 just assume do the 11 million-dollar gift
14 and be done with it?

15 MR. MATHIS: I think financially we
16 may be agnostic. Because in one case, we'd
17 be spending more but we'd be generating a
18 return and have an asset. But I think from
19 a master developer standpoint, we're
20 absolutely in favor of this development.
21 We think it does the most -- is the most
22 transformative impact for the neighborhood
23 we are immediately in.

24 CHAIRMAN CROSBY: Well, I told

1 everybody that. I think it's a consensus
2 that I've loved this since the beginning,
3 and I think it would great if it worked.
4 And although I've repeatedly said, you
5 can't go on about this forever. If this
6 thing actually has a better than 50/50
7 chance of coming to fruition, I think
8 patience is in the long run worth it. And
9 that's why I told the rest of them how long
10 is the long run.

11 And if you don't really want to be
12 in the housing business and you're willing
13 to put up 11 million bucks for somebody, if
14 new construction to the nearest 50,000,
15 what are market-rate units cost per unit
16 more or less? I know you had some crazy
17 number in your original projections that
18 was totally nonfeasible. But you must by
19 know more or less what does it cost to
20 build a market-rate unit per unit.

21 MR. MATHIS: You know, I'm not
22 trying to avoid the answer. It's more than
23 11 million certainly but really the range
24 depends on the real estate that we select,

1 you know, if we potentially join a venture
2 with another operator because even at 195
3 State Street, I believe we have figured out
4 it would be 30 units. So we'd have to go
5 find, you know, delta, which would be
6 another 24 based on the original
7 commitment.

8 So, really, the ranges vary and also
9 backs us to, you know, what is the type of
10 unit that we're going to build in terms of
11 finishes, and that's driven by what kind of
12 rents we're going to ask for. So it's --
13 but I don't want to suggest it's not more
14 than 11 million. It will be more than
15 11 million but we have an asset and a
16 revenue stream, which is why financially --

17 CHAIRMAN CROSBY: What I was sort of
18 getting at was, you know, 11 million is
19 \$204,000 per unit. You can't build it for
20 that, and you certainly can't rehab it for
21 that. But that makes an awfully attractive
22 deal for somebody else. If you just assume
23 give your 11 million out and be done with
24 it, then it makes an incredibly attractive

1 deal for some developer to, you know, to
2 spend half -- if it's 400,000, 350, 425 to
3 build the units on a whole, it makes it a
4 incredibly good deal.

5 And if this thing isn't going to --
6 if sometime we run out of patience, it
7 seems to me maybe it's worth even, maybe
8 you're doing this already, but maybe having
9 a plan B so that if we get to March, if we
10 go along with this March 2019 thing, that
11 you're not starting de novo, you know.
12 You've got a plan B in place where you're
13 saying -- as you're seeing the months
14 coming, you're saying -- I mean, you have
15 to decide if you want to be a developer or
16 you just want to get it over with. But you
17 could be cooking up a plan B. That would
18 shorten the time frame.

19 MR. MATHIS: We've have had other
20 conversations parallel about what timing
21 might be. so happy to -- we will continue
22 to have those conversations, because we
23 want to keep those options available, and
24 there is some pressure on some of those

1 plan B owners. You know, how long am I
2 going to keep our real estate and interest
3 alive? So we're feeling that pressure as
4 well.

5 But to be clear, that \$11 million is
6 specific to this building because how
7 transformative we believe it would be for
8 our neighborhood and the city. I don't
9 know that we'd have the same appetite for
10 another building.

11 CHAIRMAN CROSBY: I understand that.

12 MR. MATHIS: But point taken.

13 CHAIRMAN CROSBY: It's enough money
14 to maybe make it 6 million some other place
15 and be done it. But it's still a great
16 deal for some developer, and all you're
17 just buying your way out of a problem and
18 try not to think about it.

19 MR. MATHIS: Agreed.

20 COMMISSIONER STEBBINS: If this is
21 in the form of a grant, who does the grant
22 go to; does it go to the City of
23 Springfield or RSA?

24 MR. STRATTON: Yes, the City of

1 Springfield through the RSA is what it
2 comes through. Great, next slide. This
3 will be really brief, monitoring up our
4 other commitments that John in his letter
5 asked for an update on our employment
6 spending and regional marketing efforts.
7 We have obligations with respect to all of
8 those, some more -- some of the deadlines
9 and plans others through participation and
10 various activities in conjunction with the
11 commission.

12 So we continue to regulate,
13 participate in the monthly AOC meetings on
14 the construction side with respect to our
15 constructive workforce and spending
16 commitments. We continue to do our
17 quarterly reporting to the commission.
18 Jill will be here very shortly on those
19 commitments.

20 With respect to the affirmative
21 marketing plan for the unemployed, which is
22 a requirement under our license, that was
23 presented initially in March of 2017. And
24 then based on some feedback and requests

1 from the Commission, Marikate Murren
2 prepared an update and presentation in
3 October of 2017 and, I believe, satisfied
4 all requirements with respect to that plan.

5 We continue to participate in a
6 relatively new effort, which has been
7 helpful we believe for us and the community
8 in conjunction with Commissioner Stebbins
9 and Jill Griffin, the vender advisory team
10 meetings, which not only our local team but
11 our corporate procurement team has been
12 actively participating in.

13 We have on here local vender
14 identification plan submitted by
15 March 15th. I just checked my e-mail to
16 make sure that Brian Geary actually sent it
17 in and he did about 45 minutes ago, so we
18 have submitted our local vender
19 identification plan to Jill Griffin as of
20 today. And Sarah and her team are already
21 working on a regional marketing plan with a
22 targeted deadline of May to present that to
23 the commission. Questions?

24 CHAIRMAN CROSBY: Before we go to

1 Brian, we need to make a decision here.
2 It's quarter past one. We can take --
3 originally we had thought we were going to
4 start you pretty much at the beginning, and
5 we were going to go through you and then go
6 to lunch, and then come back and finish up.
7 But you're here from far away. Would you
8 be interested in talking a half hour break
9 and then finishing up or would you rather
10 power through?

11 MR. MATHIS: We can stay. I don't
12 want to hold you up, because there's a
13 significant number of slides left, so
14 either way. We're good either way.

15 COMMISSIONER CAMERON: So another
16 hour do you think you have?

17 MR. STRATTON: I don't think we will
18 take the full hour. It's kind of an
19 accelerated version because of all that
20 we've talked about, so I think we'll
21 probably need 30 minutes max.

22 CHAIRMAN CROSBY: So if you're okay
23 with taking a lunch break, I just assume
24 take a lunch break if it's okay. I want to

1 be respectful of your time. But I think if
2 you're okay with it, we'll take a lunch.
3 Let's take a fast half hour and come back
4 at a quarter of two. See you then, thanks.

5 MR. MATHIS: You got it.

6
7 (A recess was taken)

8
9 CHAIRMAN CROSBY: Okay. We were to
10 Brian Packer. Welcome back. How was your
11 lunch?

12 MR. PACKER: It was great. It was
13 fast. So I'm going to run through first
14 some of the housekeeping on some of our
15 FEIR, MEPA related items, kind of bring you
16 up to speed where we're at since notice of
17 project change.

18 So one of the first items related to
19 that is the parking management during
20 construction. We've spoken about this a
21 few times over the last couple of years
22 when would the garage be ready for parking.
23 That's kind of probative to where else the
24 construction parking and the public. And I

1 know there was some early commitments that
2 talked about potentially getting some folks
3 in the neighborhood parking in the garage
4 early.

5 Unfortunately, after the design
6 developed, the elevators that service the
7 garage dump into the middle of the casino.
8 So functionally here between now and
9 opening, that doesn't really work to have
10 public in the garage and get an elevator
11 that goes down to the casino. So between
12 now and opening, we're going to function
13 with construction parking and some of
14 Mike's early employees will be in that
15 garage.

16 We also have an obligation according
17 to different entities over time about
18 parking, so construction management plan
19 with the city. I believe we've had five of
20 those over time. We talked about the
21 different stages of parking. Once the site
22 was cleared, obviously early on we could
23 park off right on the site and then that
24 changed over time. We were able to utilize

1 some existing downtown garages.

2 We also had an obligation to meet
3 with MassDOT every two weeks generally.
4 Our team, MassDOT's team, some surrounding
5 communities all go to a joint meeting, and
6 that's where we talked about these types of
7 issues.

8 So we also had some abutter
9 communications and obligations as related
10 to say the trial court. We're working with
11 them to subsidize their parking and a local
12 garage until we open. So we'll continue to
13 do so but just kind of an update on from
14 what, you know, some of those early
15 obligations were in 2012,'13 and kind of
16 how they have worked out over time.

17 CHAIRMAN CROSBY: If the
18 construction workers and your employees can
19 use the steps, why not let other people use
20 it? I don't particularly care one way or
21 the other what you do with this. But if
22 you're paying money to the courts for
23 subsidized parking, why not let them
24 walk --

1 MR. PACKER: I think it's a
2 different situation. You're talking about
3 putting public into the building and the,
4 you know, the accessibility requirements
5 you have from ADA different standards to a
6 temporary construction, certificate of
7 occupancy for workers, you know, no
8 different than, hey, if on the site, you
9 know, you tour the job early on where
10 there's just metal, deck and steel, you
11 would just utilize say scaffolding stairs
12 for the construction workers.

13 So there's a different burden there
14 to me that, you know, when you have a cover
15 in a facility, it needs to be ready for the
16 public, and the garage just isn't there
17 yet.

18 CHAIRMAN CROSBY: Okay.

19 MR. DIXON: It's also important to
20 note that all of our operations team is on
21 the first floor, so that even that team
22 doesn't have to face the steps. It's only
23 construction workers who are above the
24 first floor of the garage.

1 MR. PACKER: Okay, next slide. And
2 so Joe Delaney and I often talk about, hey,
3 where are we at with kind of where we were
4 back with the notice of project change time
5 frame. And, in general, if you take this
6 chart and there aren't totals because we
7 were asked to kind of report on parking
8 spaces and square footage, so the units
9 don't really make sense if you add them up.
10 The big picture here is we're a hair. Just
11 if utilize the outdoor terraces, all the
12 food and beverage that we talked about over
13 time, you're about a little bit over 7,000,
14 8,000 square feet up, and that's on an
15 original number of about 766,000.

16 So you're within one percent.
17 You're one percent up of where we were at
18 the notice of project change at the end of
19 2014. So we're pretty close here in terms
20 of what we had come back and reported after
21 the tower shift. So all of this is
22 extremely close to what we promised we
23 would deliver on.

24 Next slide. So here on greenhouse

1 gases, kind of another benchmark that, you
2 know, the last time this input was looked
3 at, I believe, was 2013. And in this
4 current model, there's 25 different inputs
5 that go into your greenhouse gas
6 calculations. Some of the inputs, for
7 example, did you have a high al-beta roof?
8 Do you have a high performance building
9 envelope? Do you have increased air
10 filtration? Do you have an energy
11 management system?

12 So we hire consultants to say, hey,
13 look at our original proposals. That was
14 around the 22 percent reduction and are
15 current. And with our current look at
16 this, which is literally done about three
17 or four weeks ago, we anticipate that we
18 are going to be five percent improvement
19 over that 2013 target. So this is all
20 tracking for, you know, mainly MEP type
21 coordination items with designers. But on
22 the greenhouse gas emission reduction, we
23 look to fall in with what our commitments
24 were there as well.

1 CHAIRMAN CROSBY: Brian, what's the
2 baseline here, 22 percent reduction of
3 greenhouse gas emissions from what?

4 MR. PACKER: So it's a national
5 standards. It's basically a specification
6 type of standard, and that's the baseline.
7 And then from that baseline kind of
8 specification, they go up or down in the
9 model. So you basically have a baseline
10 that your MEP consultants can model against
11 and say, hey, this is a typical scenario of
12 how you're doing better.

13 CHAIRMAN CROSBY: So it's not
14 against what was in the space before. It's
15 against some other --

16 MR. PACKER: It's against an ASHRAE
17 standard, that's correct. So storm water
18 and management, this ties into some of the
19 prep Joe Delaney gave you earlier on the
20 greenhouse or the green roof. And early on
21 in the project, one of the items we were
22 asked to look at and anticipated
23 approximately about 2.2-acres of green roof
24 and we say, hey, why is that important?

1 And it all filters into your storm water
2 management for the site how water is going
3 to filter back down into the storm system.

4 And DPE standards require that
5 basically if you take the boundary of our
6 site, we can increase storm water back into
7 the system. So you need to figure out
8 creative ways of holding that water and
9 releasing it over time. Green roofs help
10 you do that.

11 The original project when we first
12 took the site over, the site only had point
13 32 acres of pervious surface. So this
14 slide kind of shows you kind where those
15 areas were. There's basically a sea of
16 asphalt. You were all out there.

17 If we go to the next slide, in
18 comparison you can see in orange what we
19 currently have for pervious and the
20 pervious surfaces today are improved up to
21 1.26 acres. That does not include Divinci
22 Park. When you add in Divinci Park about
23 .83 acres, you have approximately two acres
24 now of pervious surface. So the original

1 commitment with the 2.2 acres of green
2 roof, while that has been diminished, we do
3 still have some green roof which you see
4 around the pool area, the convention. Roof
5 decks. We also have more pervious around
6 down the ground level.

7 To try to mitigate that reduction in
8 green roof, we've also done some other
9 things. So the majority of the storm water
10 is now directed into a 70,000 basic gallon
11 holding tank underground. It's between the
12 church and Dave's Furniture under the
13 parking lot, which we spoke about earlier.
14 So with the storm water management, green
15 roof, you're getting to the same place just
16 a different way.

17 On PB and solar readiness, Joe also
18 briefed you a little bit earlier on our --
19 some of our commitments regarding solar.
20 And with solar, there has been some changes
21 to the Commonwealth level with the new
22 smart program. Essentially, there is
23 incentive blocks that have opened up early
24 this year for applicants such as MGM where

1 we can apply for the incentives. Now, to
2 go and apply, you have to do some
3 preparation.

4 So we have been working actively
5 through Todd, the Grass Group, to get an
6 application in for hopefully what is the
7 first incentive law that was released early
8 this year. What we're actively working on
9 is an interconnected agreement with
10 Eversource, site control document or letter
11 of intent with a vender that will help us
12 get the solar on the roof as well as the
13 permits for construction.

14 So when you have this full packet
15 together, we're almost through the
16 Eversource phase. You can go and submit
17 for the incentive credits.

18 Once that takes place and we think,
19 hey, that's early summer this year when we
20 put it in, you are looking at -- if the
21 credits are approved and determined
22 economically feasible, we will commence
23 kind of ordering the steel and late this
24 year so that steel could start going up

1 beginning of next year would be the
2 schedule. All of this is kind of dependent
3 upon, A, you get the packet in and you get
4 approved for incentive. But we're working
5 on all steps to make that application
6 happen.

7 CHAIRMAN CROSBY: Do you lose --
8 your equivalent of a roof on the deck.
9 It's a deck, right? It's not a roof.

10 MR. PACKER: Yes. If you go to the
11 next slide actually, this is an exactly --
12 this kind of gives you an idea of how we
13 look. You will have some gas that dries
14 out. The image would get reworked for
15 probably the outer parameter, but it gives
16 you an idea of more of a trellis like solar
17 power system that would be on top of the
18 garage. The garage has been built to
19 support this. There's actually, if you go
20 up there today, there's pedestals that you
21 can then mount to it, attach to it that
22 would support this system.

23 CHAIRMAN CROSBY: But that's over an
24 outdoor parking area.

1 MR. PACKER: Yes.

2 CHAIRMAN CROSBY: So you're going to
3 lose that parking area during the
4 construction period pretty much.

5 MR. PACKER: You would have to --
6 yes. At certain stages of the
7 construction, you would lose portions of
8 parking. Once it's complete obviously all
9 the parking is available. And that's kind
10 of when we start looking at timelines, the
11 earliest you could start is probably be
12 September kind of coincides with opening.
13 So we shifted that because of that issue.

14 CHAIRMAN CROSBY: Right.

15 COMMISSIONER ZUNIGA: Brian, can you
16 speak a little bit more about the economics
17 being confirmed?

18 MR. PACKER: Yes. I think the
19 economics for us is what is economically
20 feasible, right? And essentially at the
21 end of day, if you're getting -- you're
22 able to get a power for less than what it
23 would cost you from Eversource directly, I
24 think that's kind of the determination of

1 what we would consider feasible. And,
2 obviously, looking at this with our team,
3 if we were in that first incentive bracket,
4 high chance that it would be feasible.

5 COMMISSIONER ZUNIGA: But you are
6 not or you are no longer in that first
7 incentive bracket?

8 MR. PACKER: We have to get those
9 three items together to submit, and then
10 you're competing against other people in
11 that incentive block.

12 COMMISSIONER ZUNIGA: And when is
13 that determination; when is that
14 competition determination?

15 MR. PACKER: I asked about a
16 timeline. I want to say it's in for the
17 smart program how long. Not really a set
18 timeline that I could get back out of the
19 team. It's longer than a couple of weeks.
20 I know that, but they were trying to nail
21 it down for me. I said, is it a
22 three-month process, five-month process?
23 And they said maybe two to three months,
24 but they really don't have a lot of

1 precedence here. So it was hard for them
2 to give me something you could count on in
3 terms of that time frame. For us we're
4 almost through Eversource.

5 We have a vender that we have been
6 talking to for the last six months working
7 through MGM drawings. That LOI is pretty
8 close. Once I get the drawings, I'd have
9 to permit it. So we're still a few months
10 ways from having the full package together.
11 But Eversource is probably the biggest
12 piece, and we're very close to the end of
13 that process that took up a lot of time.
14 Because we couldn't really talk to
15 Eversource about the solar until we got
16 past the main power for the main project,
17 right? And so we needed to direct
18 resources of everybody that Eversource is
19 helping us to deal with we need to get the
20 basics on and then we come and talk about
21 solar, so that's where we're at.

22 So this touches on, I won't go
23 through every item on this sheet, but this
24 touches on a little bit of the Section 61

1 findings and some of the lists that are in
2 there, especially related to public transit
3 and transportation demand management. And
4 some of the language didn't really set or
5 set goals similar to say Leed where maybe
6 it's an item that has to -- we're still
7 doing it, but the logic of it happens right
8 around opening or right after opening, and
9 then there's other things that are clearly
10 before opening.

11 So Joe and I spent a lot of time
12 going through these items to try to
13 determine what's a fair assessment of what
14 can happen immediately after opening or
15 it's 90 days after opening. An example
16 would be we had obligations to have lunch
17 and learns about bike programs or ride
18 share. Obviously that's an item that's
19 after. And right now might be labeled as
20 something such as during construction and
21 at opening and after opening.

22 So here we're just trying to clarify
23 and get some direction around, hey, these
24 are the items on these sheets that I know I

1 can get done prior to opening. It's about,
2 you know, crosswalks and commitments with
3 PVRTA that Alex talked about. And then
4 there is a second list that we're dedicated
5 to work with staff on and come back to you
6 in the next 90 days and, say, here's our
7 plan for right at opening or after to deal
8 with these other items. But those are a
9 little more subjective. They may depend on
10 hiring an employee who actually has to put
11 the programs together.

12 So we're committed to come back and
13 report on those other more operational type
14 items. Not wait until opening and then
15 come back to report to you, but show you we
16 at least have a plan here in the next 90
17 days before we get to opening. But this
18 has been, you know, a good amount of back
19 and forth on trying to decide, A, what's
20 fair to say yes, absolutely at opening or,
21 B, it's going to happen shortly after
22 opening.

23 The overall project schedule here,
24 you know, we provide monthly updates to the

1 team on staff and obviously Joe tours the
2 site fairly often. And, so, I just tried
3 to grab, you know, early on in the project,
4 we talked about, hey, this is more like 18
5 separate mini projects than one big
6 project. So here we just give you a sense
7 of where some of these milestones are
8 hitting from now through opening.

9 I have a different kind of goal or
10 target date than say Mike might, because I
11 have to turn the keys over. He has to get
12 his staff up. They need some burning time,
13 different things. So for me, a lot of
14 these are construction milestones or
15 construction targets that really the first
16 two here, you will hear a little bit about
17 this in the quarterly report, parking
18 garage and 95 State Street both have
19 received TCOs from the City of Springfield.
20 So the majority of your approvals and
21 building inspections and everything are
22 completed in these structures.

23 Then we go on shortly here in the
24 spring, central utility plant early April,

1 the central electrical facility in June.
2 Then we get into commission gaming
3 equipment, working with your staff to do
4 so, IT systems. And then the end of July
5 and early August really for construction is
6 a big time frame. We are turning over the
7 day care to Head Start. Day after we turn
8 it over, they have some operational items
9 they have to come in and do before they can
10 have kids in the building, but that will be
11 the end of July. We have the tenant fit
12 out, the church. We have to turn that over
13 to the tenant before we can open.

14 The podium hotel, TCO, that's really
15 my target every day and it's all about, you
16 know, 8/6 and that's what Tishman is, you
17 know, honed in on right now. The Armory,
18 entertainment block will trail slightly
19 after that 8/6 date obviously just because
20 of the structural edits that we have to
21 deal with in the Armory, and then obviously
22 the cinema has a late start. All
23 anticipated to be ready before the public
24 enters the site.

1 So this kind of gives a broad
2 overview of a lot of the things we've been
3 pretty consistent on in terms of timing,
4 Dave's, residential and 101, Mike briefed
5 you on earlier. This is the state of where
6 we're at from a schedule standpoint.

7 And Leed this, again, is a little
8 bit of a housekeeping. We have a Leed
9 commitment. We're going to still live up
10 to that commitment, but currently some of
11 the documents talk about having that
12 commitment, your certification in place
13 before opening. And it's likely these will
14 come after opening, especially when it
15 relates to the child care center.

16 Because we not only have the Leed
17 platinum obligation there, which will
18 happen shortly after we turn over the day
19 care by the end of the year, but you have a
20 net zero certification, which actually goes
21 for a whole year past opening because
22 you're required to prove out your design
23 criteria that, you know, you do have a net
24 zero footprint here. And that that period

1 could start when you want it to start, but
2 you're probably going to have Head Start in
3 and operating for a few months to make sure
4 your criteria is getting that and then
5 start tracking it for a whole year.

6 So day care platinum a little bit
7 more complicated than some of other the
8 areas. But on track we talk about this
9 every week with Todd and his team in terms
10 of where we're at with the goal and then
11 platinum. And are there any questions?
12 I'm going to move on to the quarterly. But
13 are there any questions on any of that
14 subject? No, okay.

15 So the quarterly towards the end of
16 last year -- I did this last time. It was
17 kind of interesting. One quarter a year
18 ago last quarter, this is what the site
19 looked like and then fast-forward a year
20 and you're pretty much build-out with all
21 of your structures. So a lot of work by
22 everyone to get where we are at here today,
23 and a lot to do with the next eight months
24 after this quarter ends. Next slide.

1 For me this quarter was all about
2 two things, the garage getting turned over,
3 getting the construction workers out of the
4 city garages and onto the site and then the
5 next slide. And opening 95 to get Mike and
6 Seth and everybody in their offices. 95
7 was basically a full interior gut and HVAC
8 systems, everything were reworked from
9 scratch. 95 ties into central plant.
10 That's part of 95 being treated as part of
11 the podium, and just a great space.
12 Saunders did a great job working with
13 trying to making it feel local, regional,
14 materials, great color pallet and everybody
15 seems to be really thrilled with it thus
16 far. It's really a new standard for back
17 of house and our company.

18 On the hotel exterior, we started
19 peeling down some scaffolding in different
20 areas. So you're starting to get a sense
21 of the detail of the Main Street facade and
22 brick work that we have been putting in
23 that you haven't been able to see, because
24 it's been hidden behind the scaffolding and

1 the covering we had to keep the heat in.
2 And so over the next month or two, you will
3 also see that scaffolding continue to peel
4 off as you go down Main Street.

5 The hotel interiors, a lot of rooms
6 are drywalled, getting taped at this point.
7 And if you fast-forward to where we're at
8 today, some of these rooms are basically
9 finished. They have carpet and flooring
10 and tile in the bathroom. So next quarter
11 you'll see much improvement in the hotel
12 interiors.

13 And then you see some changes,
14 especially down by the entertainment block
15 of MGM Way, Armory. The picture on the
16 left is MGM Way right outside just a hair
17 down from the marketplace where the old
18 kind of porte-cochere was, which is now the
19 new bus dropoff area. As we left this
20 morning, we're just starting to regrade in
21 there, paved and get MGM Way really shaping
22 up.

23 On the right back of Armory you can
24 see what we call the zipper wall. It's

1 kind of the area where we enter into the
2 back of the Armory for demolition, and it's
3 been a real interesting and kind of complex
4 coordination effort of how do we demo safe
5 or how does the new foundations go in
6 around the old foundations.

7 The Armory at certain places, the
8 wall is 3-foot thick. And if you can
9 imagine some of the fieldstone and
10 different things that that sits on, we have
11 been dealing with a lot of those kind of
12 field factors as we're pouring the new
13 foundation to hold the steel which will be
14 the skeleton inside this open space to
15 support the roof.

16 So we're making a lot of progress on
17 the Armory. The early childhood center,
18 the framing is up. In this quarter, the
19 roof is now up if you're out there today,
20 and we're excited to be doing business here
21 with DA Sullivan, a local contractor who is
22 building the day care center for us.

23 COMMISSIONER CAMERON: Brian, does
24 some of this late winter weather hurt these

1 projects that are still being built?

2 MR. PACKER: Yes. I'd say where it
3 hurts us is, for instance, take the day it
4 snowed this week, H cars are frame and
5 drywall. A lot of their workers come out
6 of Rhode Island. And so for that day, you
7 just don't have framers. You may have a
8 few, but you don't have the full crew. So
9 you build it in the schedule for things
10 like this, but it does affect you. And we
11 try to make it up on Saturdays, which we're
12 making up some work on ten-hour shifts.
13 But we're hoping here as we get towards
14 April we can turn the corner.

15 The other piece obviously, kind of
16 goes without saying, but any of the work
17 that is still related to the scaffolding
18 being up, some of the ceilings, some of the
19 masonry work is all temperature dependent.
20 And until it gets warmer, sometimes you
21 can't hit that as hard as you'd like.

22 COMMISSIONER MACDONALD: Brian, what
23 about that prior slide of the Armory, is
24 this a view of the interior of the Armory?

1 MR. PACKER: The photographer is
2 standing probably on the edge of what I
3 would call the ice rink and the outside
4 marketplace and looking through the back
5 wall into the interior.

6 COMMISSIONER MACDONALD: So this is
7 a view into the interior of the Armory
8 space.

9 MR. PACKER: Yes. Where the
10 scaffolding is is the exterior wall, then
11 you see the hole or the zipper wall where
12 that hole is, that is to the interior. You
13 can see the interior terret there. Some of
14 that eventually gets demoed out. The
15 terret stays at the top. But on the
16 inside, some of that will get removed to
17 open it up even more.

18 COMMISSIONER MACDONALD: Very
19 dramatic space.

20 MR. PACKER: It will be. And I
21 think part of some of the conversation
22 earlier about, hey, can you add a second
23 floor, we do have all that built in. But,
24 I think, when people go in there and see

1 this space that's created, it might be a
2 shame to put a full second floor. Maybe
3 it's a partial to keep that kind of -- you
4 know, that space you created now open.

5 CHAIRMAN CROSBY: This is where the
6 Indian motorcycle mural is going to go?

7 MR. PACKER: That's correct. And
8 generally we give you a quick design
9 update. No real surprises here. Just some
10 modifications to the fit-out packages over
11 time. You're picking up a lot of these
12 announcements that Sarah talked about.
13 You're picking up design related to adding
14 these into programming. Obviously the
15 Armory the fit-out package and some of the
16 church packages have also been issued.

17 CHAIRMAN CROSBY: Are you
18 landscaping Divinci Park?

19 MR. PACKER: Yes, full brand-new
20 soup-to-nuts landscape program. That's
21 actually where all the construction
22 trailers are. Almost the whole lot is
23 filled with construction trailers. So
24 we're going to start pulling those out of

1 there and getting them to work on Divinci.
2 The schedule, we kind of covered that here
3 earlier. We did provide the three month of
4 updates that we usually provide. Next.
5 I'll turn it over to Courtney here on the
6 budget.

7 COMMISSIONER CAMERON: Thank you,
8 Brian. Really looks very impressive and so
9 many moving pieces, so I know it's
10 challenging for you.

11 MS. WENLEDER: Thanks, Brian. Good
12 afternoon. I'll be brief. I'm going to
13 review the project spend to date. We have
14 incurred 597 million in project costs for
15 the fourth quarter of 2017 not including
16 capitalized interest and land. This
17 represents roughly 62 percent of the total
18 estimated project spend. Total project
19 spend increased 101.7 million or
20 20.5 percent for the last quarter. Total
21 capital cost increased 94.4 million, which
22 is a 27.4 percent increase. 90 million of
23 that increase was for construction and
24 design work, which Brian just covered.

1 Preopening increased 7.3 million,
2 which is 11 percent increase over the prior
3 quarter. Payroll grew 38 percent, and we
4 added 22 positions in the quarter, which is
5 about a 90 percent increase. Gaming
6 assessment and community payments were 3.7
7 million. This included a \$1 million
8 payment to the City of Springfield for
9 public safety grants. Other increases
10 included marketing, outside services and
11 professional fees. Any questions?

12 COMMISSIONER ZUNIGA: Yes, I have a
13 question. Is the figure here, Courtney, on
14 the contingency remaining, is that on
15 committed or on spent?

16 MR. PACKER: So definitely on spent.
17 You will see a probably an update here
18 shortly that I'm going to brief corporate
19 on where we talked about before about six
20 and a half of that cut being earmarked by
21 construction as some exposures. So we
22 haven't tapped into it yet in terms of
23 we're not over our base budget spend, but
24 it's at least anticipated at this point

1 that 6.5 of that is somewhat spoken for.

2 CHAIRMAN CROSBY: So there's a
3 30 million contingency still standing?

4 MR. PACKER: Less the 6.5 that I was
5 just talking about. The 6.5 has to get
6 formalized and commitments. It usually
7 takes two or three months to catch up.

8 And I'll cover diversity. So we
9 always look at kind of trending and how are
10 we doing just against based commitments to
11 a venture to kind of make sure we're ahead
12 of where payments land at the end of the
13 project. So here on WBE, the project
14 target of 10 percent, current commitments
15 are 21.1. MBE, target of 5 percent. We're
16 at 7.7 percent and VBE a target of
17 2 percent, and we're at 6.3 percent. And
18 you can see from the company count, we're
19 getting fairly close. We're not quite
20 there but getting close to 150.

21 COMMISSIONER MACDONALD: That's
22 incredibly impressive. I've said this
23 before but you have been able to sustain
24 these levels of performance is really

1 remarkable.

2 MR. PACKER: Thank you.

3 COMMISSIONER CAMERON: I agree.
4 Really impressive numbers and serious
5 money. These are not small projects.

6 MR. PACKER: And if you go to the
7 next slide, you start to see the catch-up
8 of payments against commitments. And, you
9 know, we are in excess now of 100
10 million-dollars at the door paid. I think
11 it was probably two meetings ago I was here
12 talking about 100 million-dollars
13 committed. So we're making good progress
14 in the payments, you know, trailing now and
15 hopefully at the end of the job fully
16 sinking the commitments.

17 Next slide. Then our workforce
18 stats, just to remind everybody, this is
19 where we're tracking workforce hours by
20 each hour worked per individual on the
21 site. So for women, we had a target of
22 6.9 percent and the current project to date
23 is 8.87 percent. I just looked at the
24 numbers that we're about to publish here

1 next week and this is end of quarter,
2 right, so two more months later we're
3 already -- and I think we're within
4 .01 percent of that number on the women.
5 So it's still trending right around that
6 8.8. Minority at 15.3, current project to
7 date is 21.7 and veteran at 8 percent.
8 We're at 10.1.

9 These are probably the hardest to
10 achieve and the ones that you absolutely
11 have to stay on top of daily and get
12 reports from, you know. I was actually
13 joking with our superintendent the other
14 day. We had a safety standdown for the
15 whole job. It's something we typically do
16 every now and then. We just make sure
17 everybody's minds on safety.

18 We had a picture of the whole --
19 everybody on the job site in one room and I
20 told Randy, I said, should I hand that to
21 Ed so he can count how many women are in
22 the picture? And Randy every day he's on
23 top of it. So we had a joke about that.
24 So it's really something that unless the

1 superintendents are involved because
2 they're the ones helping pull folks out in
3 the hall, it doesn't get executed. So next
4 slide. So I'll turn it back over to Mike.

5 MR. MATHIS: Thanks, Brian. Great
6 update as usual. I think I'm just supposed
7 to have a title slide. I'm not sure. But
8 in any event, if you wouldn't mind -- we're
9 going to ask you to go back. Would you
10 mind going back to that F&B plan, the one
11 with the square in the middle.

12 CHAIRMAN CROSBY: You just want to
13 look at it for a while.

14 MR. MATHIS: It was slide 15.

15 THE FLOOR: I don't have a number
16 here.

17 MR. MATHIS: Gotcha. That's good.
18 So four hours and 21 minutes later is the
19 big payoff. I'm going to hand it over to
20 Sarah to give you an update on yet another
21 announcement and partnership that we are
22 able to talk about.

23 MS. MOORE: Yeah, we thought we'd
24 close it out with some exciting news. We

1 just issued a press release minutes ago
2 outlining our collaboration with Indian
3 Motorcycle. So we will be opening the
4 first ever of its kind Indian Motorcycle
5 apparel boutique in men's and women's at
6 MGM Springfield. And this anchor retail
7 tenant will sit right on the corner of
8 Union next to Top Golf and kind of flagship
9 it against Kringle. And, so, we've been
10 working on this for a long time, and we're
11 really excited to bring Indian back to
12 Springfield.

13 COMMISSIONER STEBBINS: That's
14 really cool.

15 CHAIRMAN CROSBY: Do they have
16 retail product already; they just don't
17 have a store?

18 MS. MOORE: That's correct. So it's
19 part of their Indian Motorcycle 1901
20 collection, and this will be the first time
21 they will have a full storefront selling
22 this collection. It will be creating new
23 products specifically for this partnership.

24 CHAIRMAN CROSBY: Great.

1 COMMISSIONER ZUNIGA: Remind me,
2 aren't there local ties between Indian
3 Motorcycle?

4 MS. MOORE: Yes, Indian Motorcycle
5 was actually established in Springfield.
6 The first ones were manufactured in the
7 beginning of 1901. That's the namesake of
8 the collection and eventually with the
9 Springfield history moved out to
10 Springfield and so we're really, really
11 excited to bring it back.

12 COMMISSIONER STEBBINS: There's a
13 huge collection up at the Quadrangle of all
14 the different variations of Indian
15 Motorcycles over the years. It's really
16 cool. My grandfather used to ride one.

17 COMMISSIONER CAMERON: Is that
18 right?

19 CHAIRMAN CROSBY: You should open it
20 up with the movie.

21 COMMISSIONER ZUNIGA: Is that --

22 CHAIRMAN CROSBY: Indian -- what's
23 it called; is it just Indian about the
24 Indian motorcycle?

1 COMMISSIONER CAMERON: I don't know
2 the movie either.

3 CHAIRMAN CROSBY: Maybe I just made
4 that up.

5 MR. MATHIS: I'm just going to add,
6 we're going to release future renderings of
7 the space. You saw some of what we did for
8 Top Golf, for example. More will come with
9 Indian, but there's a physical connection
10 between the Indian space and the Top Golf
11 space. So in certain circumstances, we're
12 going to rent that space out for groups to
13 do events back and forth. No offense to
14 Commission Cameron, I sort of think of it
15 as a giant man cave although women will be
16 welcome.

17 COMMISSIONER CAMERON: Happy to hear
18 it.

19 MR. MATHIS: So it will be a fun
20 space.

21 COMMISSIONER ZUNIGA: So Indian is
22 next to Top Golf on the rendering to the
23 left?

24 CHAIRMAN CROSBY: To the right.

1 COMMISSIONER ZUNIGA: To the right
2 of the corner, right. That's right.

3 MR. MATHIS: And it'll be the end
4 cap of that retail space.

5 CHAIRMAN CROSBY: "The Worlds
6 Fastest Indian" it's called, 2005, Anthony
7 Hopkins.

8 COMMISSIONER CAMERON: Anthony
9 Hopkins. Great, great news,
10 congratulations.

11 CHAIRMAN CROSBY: Congratulations.
12 It's great, exciting stuff.

13 MR. MATHIS: See you in Springfield
14 for a future meeting and show off the
15 place. Thank you.

16 COMMISSIONER STEBBINS: Thank you.

17 COMMISSIONER CAMERON: Thanks.

18 MR. ZIEMBA: Thank you,
19 Commissioners. To conclude this part of
20 the presentation several hours later, we
21 have one more item. Up for consideration
22 is some questions regarding the Community
23 Mitigation Fund, specifically gaming school
24 scholarships. There is some detail

1 included in your packet regarding the
2 timing of this.

3 As you know, the mitigation fund
4 review team is well underway to reviewing
5 all of the applications. We have set a
6 goal to be -- to provide recommendations to
7 the commission well before the beginning of
8 the next fiscal year, so that means well
9 before July 1st of this year. But there is
10 one item that specifically we thought we
11 should bring to your attention today well
12 in advance of that just because of the
13 timetable of what's happening with our
14 current gaming schools.

15 COMMISSIONER MACDONALD: Is that one
16 item the fact that this memorandum is
17 directed to Chairman Crosby, Commissioners
18 Cameron, McHugh, Stebbins and Zuniga? I'm
19 not even out and my predecessor has taken
20 my place.

21 MR. ZIEMBA: Pardon me, this was
22 rapidly constructed during a big snowstorm
23 at my house without the capable assistance
24 of Mary Thurlow, so please excuse me for

1 any errors.

2 COMMISSIONER MACDONALD: One more
3 reflection of independence on the merits.

4 COMMISSIONER STEBBINS: Got the
5 first letter right.

6 MR. ZIEMBA: So in regard to the
7 timetable, so this question, we did receive
8 a couple of applications regarding gaming
9 school scholarships, one in the east and
10 one in the west from the applicant of
11 Holyoke Community College, Springfield
12 Technical Community College and the
13 Springfield Public School systems.

14 The joint applicants, as I'll refer
15 to them, have asked for a wavier of our
16 timetable for review of their workforce
17 pilot program because they would like to
18 have some aspects of it well in place well
19 before the beginning of the new fiscal year
20 obviously, because we're in the middle of
21 significant hiring rounds for MGM
22 Springfield. But what we're putting before
23 you today is not even the whole request
24 from the joint applicants. It is just one

1 aspect of their application, notably the
2 gaming school scholarships.

3 So we've included the timetable in
4 this memo. As was referenced earlier, the
5 first consideration of the gaming schools
6 are well underway. They began, I believe,
7 by February 26th. And the way that the --
8 I'll let Jill talk about this, because it's
9 much more her domain than mine. But as I
10 understand it, with the gaming schools,
11 there is some intro classes, the so-called
12 one on one classes and then you move on to
13 the next stage of classes.

14 The next round of first stage
15 classes, such as blackjack one, will begin
16 on May 7th. But the round of the second
17 stage classes for the first cohort begin on
18 April 9th. We discussed whether or not if
19 the commission were to make a decision
20 today would we be able to create a
21 scholarship program that would be able to
22 be in place prior to that April 9th
23 deadline, and the representative said that
24 it is possible that they could do it. They

1 have experience in setting up scholarship
2 programs, but it is certainly more likely
3 that it would be in place by that May 7th
4 deadline should the commission so decide.

5 I give this all as an intro, because
6 obviously the review team hasn't finished
7 its work, hasn't really even substantially
8 gotten into some of its usual work where we
9 sit down with the applicants, ask their
10 questions, we provide them an opportunity
11 to provide written responses. But we
12 didn't want that sort of a process to get
13 in the way of what might be a need for a
14 decision earlier.

15 But in terms of an absolute
16 imperative that you decide today on
17 scholarships, I don't think that we could
18 both say that it is absolutely imperative
19 but we wanted to make sure that it's up for
20 your consideration today. So with that,
21 I'll turn it over to Jill.

22 MS. GRIFFIN: So, Commissioners, MGM
23 plans to hire 450 table games dealers and
24 about 80 poker dealers in early summer, and

1 that's what we are talking about is
2 ensuring that folks who are underemployed
3 and unemployed really have access to those
4 great jobs.

5 So the community college, I think
6 you heard earlier, has the capacity to take
7 in a lot more students and we want to make
8 sure that we're really maximizing that
9 opportunity. So, I think, John explained
10 it really well the different levels of the
11 classes.

12 CHAIRMAN CROSBY: So let me make
13 sure I get it. So the candidate pays for
14 the first two classes, the one on one. And
15 then if they get through those, then they
16 can apply to MGM to go into their training
17 program, and there is no more cost to them.
18 So we're just talking about the cost of
19 those first two classes. You have to take
20 at least those first two classes.

21 MS. GRIFFIN: So in order to be
22 eligible for an audition to potentially
23 become a dealer, you need to take the two
24 classes.

1 CHAIRMAN CROSBY: And that's the
2 ones they have to pay for. That's what
3 we're talking about.

4 MS. GRIFFIN: That's right. And
5 once you're an employee of MGM, there is
6 additional training that you can take
7 advantage of.

8 CHAIRMAN CROSBY: At no cost.

9 MS. GRIFFIN: Right, at no cost. So
10 the issue before you really is should the
11 Community Mitigation Fund fund these
12 scholarships. I just wanted to add that
13 this is something that the foundations of
14 the community colleges are also looking
15 into and have indicated that they will
16 offer additional scholarship funds as well.

17 CHAIRMAN CROSBY: Additional, you
18 mean even if we do it, they'll do it as
19 well?

20 MS. GRIFFIN: Right.

21 CHAIRMAN CROSBY: So are we just
22 talking about Holyoke now or are you
23 talking about Region A, too?

24 MR. ZIEMBA: So we're talking about

1 Holyoke, but your decision on Holyoke would
2 have implications from a policy perspective
3 on the other applications, so that's why we
4 included it. But if you make any decision,
5 we wouldn't recommend that you make the
6 decision regarding the other application in
7 Region A until the time that we provide
8 that information.

9 COMMISSIONER ZUNIGA: Let me just
10 say what's envisioned in terms of
11 structure; is the scholarship envisioned to
12 be essentially that doesn't have to be paid
13 back whether the person makes it through or
14 even gets that audition; is that sort of
15 what is being envisioned here?

16 MS. GRIFFIN: That's right. The
17 scholarship would be a grant to an
18 individual. The exact parameters haven't
19 been developed yet but would be drawn upon
20 the community colleges, you know, vast
21 experience in administering financial aid.
22 MGM has committed after an individual has
23 been employed for a year that they would, I
24 guess, pay back -- pay the individual back

1 for the funds, so that's something --

2 COMMISSIONER ZUNIGA: For which
3 funds, yeah, for which funds, the one the
4 intro classes or the ones that they have to
5 contribute as part of their own training?
6 There's Alex.

7 MR. DIXON: Sorry just to step in.
8 So the tuition reimbursement is for
9 students who have already enrolled in the
10 school and paid let's say the \$400 to take
11 one of these courses. What we committed to
12 is that for people that come out of their
13 own pocket, if they're successful and pass
14 the audition, become an employee, stay with
15 us for a year, they would be reimbursed
16 that \$400.

17 In this case there are some people,
18 and Jill can allude to this, that even the
19 upfront working capital of putting up that
20 \$400 is a barrier. And, so, this
21 scholarship would prevent that \$400 for
22 taking that course in the first place.
23 That if they had the desire to go to school
24 five days a week, four hours a day for 12

1 weeks, you know, they could gainfully
2 become employed. In that case, they would
3 not need a tuition reimbursement because
4 they did not, in fact, have an outlay of
5 cash.

6 COMMISSIONER ZUNIGA: What about --
7 what if the fee structure of the program in
8 which we front the money and they
9 eventually get hired and stay for a year,
10 could some of that repayment come back to
11 the Community Mitigation Fund; in other
12 words, could we structure it as a loan
13 rather than a grant for those people who
14 can --

15 CHAIRMAN CROSBY: So you would
16 create a revolving funding.

17 COMMISSIONER ZUNIGA: That's what I
18 would like to explore.

19 MR. DIXON: That's entirely, you
20 know, I think a discretion of the
21 commission. I think the upfront money is
22 what just from being out in the street, for
23 lack of a better word, is preventing some
24 people from doing that. I think -- and,

1 so, this money could come back to the
2 commission. It could go to the schools as
3 well. But, yes, I think the commission,
4 it's at your discretion about how this
5 would be structured.

6 CHAIRMAN CROSBY: Well, we wouldn't
7 just willing force it on you to pay
8 additional subsidies. But if you're saying
9 that's something you would consider, you
10 know, you pay back to the student if they
11 paid it and you would also pay back to the
12 scholarship fund, if that's helpful.

13 COMMISSIONER CAMERON: I had a
14 question. So the application says it may
15 be a barrier. But, I think, what I'm
16 hearing is you have evidence that this is a
17 barrier. It's not a maybe anymore.

18 MR. DIXON: It is. It's tough. I
19 mean, look, there is no study. We haven't
20 sent out a survey, but you sit down, in
21 this case, with people at community events,
22 and it is. Like you disperse that pan and
23 say, hey, that's \$400. I'm willing to
24 commit the time. But it's not a certainty

1 that I get a job. Just some people don't
2 have the cash flow, and I can attest to
3 this. It's tough. That's a big commitment
4 without having a guarantee of a job that
5 your first paycheck really won't be until
6 this fall.

7 I mean, if you think about it,
8 you're asking to put out \$400 today in the
9 hopes you pass the audition. You pass
10 drug, background, all those different
11 things, you come on board with us, you work
12 about two weeks, then you get your first
13 paycheck. It's a long time when people
14 are -- because some people are living check
15 to check. This could be a life-changing
16 opportunity for them.

17 COMMISSIONER MACDONALD: It seems
18 what we're being asked to do here is
19 advance the vote by the commission on the
20 recommendation on an application that have
21 been made to the mitigation committee,
22 right? My question is: If we approve
23 this, are we, in effect, prejudging the
24 matter and excluding the opportunity of

1 others who are competing for the same block
2 of funds?

3 MS. GRIFFIN: So we have one joint
4 application in western Mass. There's
5 several applicants who came together this
6 year for a joint application, so I don't
7 that's an issue in western Massachusetts.

8 CHAIRMAN CROSBY: There's only one
9 application for this one.

10 COMMISSIONER MACDONALD: I'm just
11 wondering if -- so it's not -- we're not
12 excluding -- by doing this, we are not
13 excluding the opportunity to another
14 applicant for a fair hearing --

15 MS. GRIFFIN: No.

16 COMMISSIONER MACDONALD: -- for
17 their workforce development.

18 MR. ZIEMBA: That's exactly, which
19 is one of the reasons we decided if we make
20 a decision regarding scholarships today, we
21 ask that you not make any decision
22 regarding the eastern Mass. region.

23 CHAIRMAN CROSBY: I feel strongly
24 about that because the eastern Mass. price,

1 if I'm getting it right, is 1,100. They
2 haven't figured out a way to create an
3 accessible program in Region A yet, and I
4 would be interested in -- I'm
5 pre-committing that we are going to pay
6 1,100 bucks when it's only 400 in western
7 Mass. So this is not a principle -- if we
8 do it, this is not a generalized principle.

9 COMMISSIONER ZUNIGA: Is the request
10 that the Community Mitigation Fund fund the
11 entirety of this 400 or is it envisioned
12 that there could be a split of some sort
13 according to documented let's say.

14 COMMISSIONER STEBBINS: From, and
15 Alex will chime in I'm sure. I've had a
16 conversation with Marikate that there is
17 some expectation that a student hopefully
18 has some skin in the game regardless what
19 that may be. I think, I certainly think
20 the colleges are well-positioned because
21 they assess financial need for any number
22 of their tuition programs throughout the
23 year, that there is some expectation they
24 can go through, look at each student

1 individually and help determine what that
2 need is. And that would certainly be, you
3 know, if we were to approve this, you know,
4 they should use all methods that they
5 currently use to assess a candidate's
6 suitability to get all of it, part of it
7 or, you know, whatever out of this pot of
8 money.

9 MR. DIXON: One thing in terms of on
10 this concept of skin in the game, for
11 someone who is either underemployed or out
12 of work, you know, the mere fact of going
13 to school for four hours a day as opposed
14 to going getting a different either
15 part-time job or paying for child care,
16 paying for -- you know, we don't provide
17 parking because our garage is not open is
18 one of these other components. We're in
19 the middle of a downtown and folks need to
20 find parking in downtown, is that there is
21 either some cost or opportunity cost that
22 these folks are giving up.

23 And so not at all to suggest to have
24 someone pay something is something that

1 could be considered, but I do think it's a
2 big commitment. If you're not in the
3 mindset of going to school, just a mere
4 fact of going, spending that time, getting
5 childcare, getting transportation and
6 opportunity costs and not going someplace
7 else can be meaningful.

8 So we think in the order of
9 magnitude of meaningfully changing the
10 lives of one to two hundred people within a
11 defined period of time frame before this
12 May or potentially April course. There is
13 some action that we could do very soon that
14 could literally for generations unlock a
15 wealth potential for folks.

16 So it is entirely in your discretion
17 of how or if you do act, I think the
18 message we're delivering to the residents
19 of Springfield specifically is the time is
20 now to get on board, and right now is the
21 time that if you want to be working when we
22 open our doors and you want to get access
23 to one of these opportunities that has the
24 highest pay range on the floor with little

1 to no educational background required, this
2 May opportunity is great for you.

3 CHAIRMAN CROSBY: Is there any
4 reason to think that the work-ready
5 wouldn't come back for the second and third
6 tranches if we did 100 students or whatever
7 it is now, 60,000 for April if you could
8 get it or May if you couldn't? It might
9 very well come back again, right? This
10 wouldn't be limited just in this first
11 period.

12 MS. GRIFFIN: So there are
13 potentially other sources of funding,
14 Economic Development Fund and there may be
15 others through the host community
16 agreement.

17 COMMISSIONER ZUNIGA: All dealers
18 are going to be gaming employees, right?

19 MR. DIXON: Right.

20 COMMISSIONER ZUNIGA: Wouldn't you
21 say that the background check or the
22 licensing will take place in this
23 environment?

24 MR. DIXON: So in this case, once

1 students -- because it's important to note
2 that they are students at a community
3 college, the minute we, as the employer,
4 say we would hold auditions, they pass that
5 audition, they would then apply and then
6 they would go through our normal background
7 check. And in this case because they are
8 gaming licensees, they will then be going
9 through your licensing process.

10 COMMISSIONER ZUNIGA: After they
11 pass it.

12 MR. DIXON: After they pass it.

13 COMMISSIONER ZUNIGA: Is this
14 conceivable that we could fund through this
15 process some scholarship to somebody who
16 eventually doesn't make it as part of the
17 even the licensing process that we
18 ourselves administer?

19 MS. GRIFFIN: Well, the community
20 college does an initial CORI screening.
21 So, I think, that's your hesitation. But
22 they are anticipating, I think, that 85
23 percent of the individuals would make it
24 through to the end of the training.

1 COMMISSIONER CAMERON: Are they
2 clearly -- is someone clearly articulating
3 what the licensing process is and what they
4 would need to -- you know, what it needs to
5 look like for them to be successful,
6 meaning the drug screen, the background
7 piece with CORI and other factors; is that
8 being clearly -- before someone takes that
9 course or that information is being relayed
10 to them?

11 MS. GRIFFIN: So the information is
12 in the printed material, and it's also
13 provided one on one when you meet with the
14 applicant's verbally.

15 COMMISSIONER CAMERON: One on one,
16 okay, excellent.

17 COMMISSIONER ZUNIGA: What was that
18 85 percent figure estimated from or how is
19 that rather estimated from?

20 MS. GRIFFIN: It was in their
21 original application.

22 COMMISSIONER ZUNIGA: So the
23 community colleges --

24 CHAIRMAN CROSBY: Outcomes.

1 COMMISSIONER CAMERON: I assume it
2 comes from other jurisdictions that have
3 done this, correct?

4 CHAIRMAN CROSBY: Maybe that's
5 not -- the 85 percent, sorry.

6 MS. GRIFFIN: It would be 80 percent
7 that complete the training.

8 CHAIRMAN CROSBY: Yes, it's not 85.
9 It's 80. It is in that paragraph. It's
10 the next section.

11 COMMISSIONER ZUNIGA: And the
12 dropoff is due mostly to a number of
13 things, people think twice, they wait too
14 long or they failed a background check?

15 MR. DIXON: No. They would not have
16 taken a background check at that point.
17 It's a college course. So as you start
18 college course and there is some attrition
19 where they don't come, they have childcare
20 issues and someone says, hey, I didn't
21 really envision standing for four hours a
22 day and my back hurts, and I don't think I
23 could have a career in this.

24 So to that, there's any number of

1 factors that from the time someone starts
2 to the end of that course that are not
3 starting and that is typical fall off.
4 I've seen that in Baltimore, National
5 Harbor and other places.

6 COMMISSIONER CAMERON: About
7 80 percent.

8 MR. DIXON: Yeah, and you hope it's
9 only that.

10 COMMISSIONER CAMERON: I was going
11 to say, that's a high number to be
12 successful.

13 MR. DIXON: You hope it's only that,
14 but what we see -- the quality we see is
15 great. We just need more volume.

16 COMMISSIONER ZUNIGA: And at least
17 in concept, the 20 percent is a good price
18 to pay for the ability to make an effect on
19 the 80 percent, which does make it clear.
20 But there still will be some dropoff
21 because of the background check; is that
22 fair?

23 MR. DIXON: Yes.

24 COMMISSIONER ZUNIGA: And that's the

1 piece that I would like to brainstorm
2 depending on here or now as to whether
3 there is anything we could do to, you know,
4 put resources where we think are going to
5 be more impactful.

6 CHAIRMAN CROSBY: Seems like this is
7 the critical point, you know. This is the
8 critical intake where people either do it
9 or don't, can or cannot. They have to get
10 into a place where we would put the 60,000
11 that would have the same kind of impact on.
12 It's just there's going to be some
13 confusion on the impact.

14 MS. GRIFFIN: Commissioner Zuniga,
15 the community colleges do perform an
16 initial CORI screening as they do in say
17 nursing students, you know, so they have
18 some idea on whether or not an individual
19 will run into issues. Now, they can't deny
20 enrollment but they can inform the student
21 that this will be an issue later on.

22 MR. DIXON: And, I think, it's
23 important to note that someone who for
24 whatever reason may not, let's say, pass or

1 may not be able to achieve a gaming license
2 because we have a number of positions that
3 are traditional just kind of hospitality,
4 let's say someone who may be working in the
5 facility's capacity outside cleaning up,
6 somehow getting them access to higher
7 education, getting them used to -- getting
8 them involved in the workforce. Because of
9 our licensing structure, someone who may
10 not have -- who could pass a background
11 check but not pass let's say a gaming
12 license, there are still opportunities
13 here.

14 And that was one of the benefits to
15 say someone who is clean enough to work but
16 may not have everything together to be able
17 to obtain a gaming licensees, there's a
18 category of employees that says, hey, look
19 you can't get that one. Let's get your
20 stuff together over the course of the next
21 five years. Let's get back in school. Now
22 you can go from let's say an entry minimum,
23 entry level role to kind of get going
24 through. So getting people into the

1 funnel, as long as they can pass the
2 background check for us, is a benefit.

3 CHAIRMAN CROSBY: I'm sort of
4 hearing a sense of support. I'm thinking
5 why wait. I mean, if there's any chance,
6 it's relatively small money in the context
7 of the community mitigation allocation. It
8 seems like high impact, very valuable money
9 right to the core of what we're trying to
10 do. Why wait? Let's do it and see if we
11 can get it to the April 7th cohort.

12 COMMISSIONER STEBBINS: I would
13 agree. The big question, though, was part
14 of Jill and John's memo was, should we be
15 providing funding for scholarships? In a
16 sense, you look at what we had funded
17 already in the workforce development.
18 We're funding slots for people to get in an
19 A and B program or a high set program.
20 This is an extension of that under kind of
21 the different definition.

22 I would support, and maybe there's
23 some follow-up work staff needs to have
24 with the folks at MCCTI to address kind of

1 what's the initial screening process,
2 making sure the individual is aware of what
3 the licensing requirements are, so minimize
4 the loss of candidates once they come into
5 the programming.

6 I would also think it would be
7 helpful either for MCCTI or somebody to
8 have conversations with host and
9 surrounding communities to see what
10 additional funds might be able to be
11 leveraged, look at the workforce training
12 fund. If at some point they are a
13 successful candidate, get to that interview
14 and there would be training assistance
15 available to get them through the remaining
16 classes.

17 And I'd entertain even some thought
18 or conversation around once the person is
19 employed, I think, similar to Alex's point
20 about MGM offering a tuition reimbursement,
21 if somebody came through in this program,
22 would there be the possibility of once
23 they're hired doing some type of small
24 payroll deduction that go back into a

1 scholarship fund to help the next
2 generation of students come along. I don't
3 think we're worried about getting repaid
4 \$60,000 out of a multimillion.

5 CHAIRMAN CROSBY: No. I think
6 60,000 ought to go back into the
7 scholarship fund. I like this. I tried to
8 work on this when I was at A and F. You're
9 talking people whose marginal income is
10 tiny, so you can't take out much. But the
11 principle of giving a even a dollar a week
12 back to you're paying it forward kind of
13 thing. It's a little complicated. It's a
14 great principle. I like it a lot.

15 But I think what we're talking about
16 definitely in the first instance here now
17 is do the 60,000 as described here, try to
18 get it in the first cohort, if possible.
19 And MGM has said if the program is
20 successful, one of the scholarship students
21 gets through and works a year that they
22 would reimburse the scholarship fund for
23 that 400 bucks, not through the student.

24 MR. DIXON: To be clear, I think

1 this is for the students who have already
2 come out-of-pocket to date, because you've
3 got folks who are enrolled in the school to
4 date or who are thinking about coming to
5 enrolling in school. If they get gainful
6 employment, stay with us, we would
7 reimburse that individual to this fund.
8 Not to parse but it's just to this fund. I
9 think there's a source and potential use of
10 these funds on that notion that this is for
11 the person who has come out of their own
12 pocket, we want to make sure that --

13 CHAIRMAN CROSBY: I misunderstood.
14 What I was saying was my understanding if
15 you pay 400 bucks, you get through the
16 program, you work for a year, you get your
17 400 bucks back. That's great. What I was
18 saying, and it sounds like you weren't
19 agreeing with this was, if a scholarship
20 fund pays your 400 bucks, you're
21 successful, you go through the program, you
22 work for a year and then MGM would pay back
23 the scholarship fund.

24 MR. DIXON: No. I just want to make

1 sure I clarify that.

2 COMMISSIONER CAMERON: I think this
3 is a good way to use the money. There is a
4 need. You've articulated it. You've seen
5 it firsthand. That's what mitigation is
6 for. You know, and also the fact that I
7 like the one on one, letting people know
8 this is what will be required. So they
9 have that information before they enroll.
10 So those two things are very persuasive to
11 me.

12 COMMISSIONER STEBBINS: And, I
13 think, we have the opportunity with MCCTI
14 that we will be able to track success. We
15 will be able to track the student that
16 comes in the door that gets the assistance
17 and where they wind up hopefully at the end
18 of the process.

19 CHAIRMAN CROSBY: Want to make a
20 motion?

21 COMMISSIONER STEBBINS: Sure.

22 MR. ZIEMBA: Commissioners, if I
23 could just request, so this was a waiver
24 request. We have a waiver standard in our

1 guidelines. I can read that to you. I
2 think it's pretty easy waiver standard to
3 understand, and this would be applicable to
4 this motion, I think, that's coming up.

5 So pursuant to the guidelines, the
6 commission may in its discretion waive a
7 grant of variance from any provision or
8 required contained in these guidelines, not
9 specifically required by law, where the
10 commission finds that, one, granting the
11 waiver or variance is consistent with the
12 purposes of M.G.L Chapter 23K; two,
13 granting the waiver or variance will not
14 interfere with the ability of the
15 commission to fulfill its duties; three,
16 granting the waiver or variance will not
17 adversely affect the public interest and
18 not granting the waiver or variance will
19 cause a substantial hardship to the
20 community governmental entity or person
21 requesting the waiver or variance.

22 CHAIRMAN CROSBY: So we're voting to
23 have the waiver, A; and, B, to accept the
24 application.

1 MR. ZIEMBA: Yes, to award.

2 CHAIRMAN CROSBY: To award that
3 funding.

4 MR. ZIEMBA: Do you want me to read
5 those beforehand one at a time?

6 CHAIRMAN CROSBY: No, I think we've
7 got it. Go ahead.

8 COMMISSIONER STEBBINS: You know,
9 Catherine gives it all laid out to us.

10 MR. ZIEMBA: I didn't even get the
11 correct commissioner. I have it right
12 here.

13 MS. BLUE: I think you can move to
14 approve the -- you can move that what's
15 been provided meets the conditions of the
16 waiver that you move to approve the waiver.

17 COMMISSIONER STEBBINS: Mr. Chairman,
18 I would move that the Commission
19 acknowledge the conditions of a waiver
20 request and feel that the request before us
21 meets those criteria, and that the
22 Commission approve the requested \$60,000
23 for MCCTI as outlined in the packet.

24 CHAIRMAN CROSBY: We're voting to

1 approve the waiver and make a --

2 MS. BLUE: It's easier if you do it
3 separately. So, first, just move that the
4 waiver conditions are met and vote on that
5 and approve the waiver, and then you can
6 approve the funds.

7 COMMISSIONER STEBBINS: I'll
8 withdraw my motion and start with a new
9 motion. Mr. Chairman, I move that the
10 Commission agree that the application
11 before us meets the conditions for a waiver
12 request.

13 COMMISSIONER CAMERON: Second.

14 CHAIRMAN CROSBY: Anymore
15 discussion? All in favor? Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes
21 have that one unanimously.

22 COMMISSIONER STEBBINS: Mr. Chairman,
23 subsequent to that, I move that the
24 Commission approve the request from MCCTI

1 for \$60,000 for scholarships to the gaming
2 school as outlined in the packet.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER MACDONALD: Second.

5 CHAIRMAN CROSBY: Further
6 discussion? All in favor? Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER MACDONALD: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 CHAIRMAN CROSBY: The ayes have it
12 unanimously.

13 COMMISSIONER CAMERON: Thanks,
14 everyone.

15 CHAIRMAN CROSBY: Thank you.

16 MR. DIXON: Thank you.

17 MR. ZIEMBA: That concludes my
18 report.

19 CHAIRMAN CROSBY: So then we're
20 going to go to the racing division. Let's
21 take a two-minute break.

22

23 (A recess was taken)

24

1 CHAIRMAN CROSBY: So we are at Item
2 No. 5, Dr. Lightbown.

3 MS. LIGHTBOWN: Good afternoon,
4 Commissioners. Today we have before us a
5 pension plan that the Harness Horseman's
6 Association of New England is developing.
7 It's part of the gaming legislation Chapter
8 23K, Section 60 of the Race Horse
9 Development Fund. Four percent of that
10 money is to be set aside for funding a
11 health and pension benefit program for
12 members of the horseman's groups under the
13 rules and eligibility requirements that are
14 approved by the commission.

15 Today we're not asking for a vote.
16 We're asking just to give you information.
17 We have several different people here who
18 will be able to explain the program in more
19 detail, and then you can ask questions.
20 And if you have different things that you
21 want the staff to look into, questions to
22 answer after the meeting, we can look into
23 that and come back at a later date to have
24 it approved.

1 So today I have with me Alice
2 Szpila. She's the treasurer of the Harness
3 Association of New England. She's been a
4 long time horseman in Massachusetts,
5 trainer, owner. She is the one who is
6 taking the responsibility to developing the
7 plan. Next to her we have Jeanne Bakker,
8 who is the counsel for HHHNE. She's
9 developed these programs for numerous
10 horseman's associations throughout the
11 country. And next to her we have Normand
12 Fluet, who is the financial adviser for
13 Ameriprise Financial.

14 MR. FLUET: Good afternoon.

15 COMMISSIONER MACDONALD: Good
16 afternoon.

17 COMMISSIONER STEBBINS: Good
18 afternoon.

19 MS. LIGHTBOWN: And now I'll turn it
20 over to Alice.

21 MS. SZPILA: So, excuse me, I'm a
22 little nervous. I've never done this
23 before. A little background about me. Out
24 of high school, went to college. Got a job

1 at a farm, had thoroughbreds, also had
2 standardbreds on it. Wanted to take care
3 of horses and exercise them. Four years,
4 five years later, I met my now husband in
5 '82. He was a standardbred person, and
6 we've been together ever since. I earn my
7 living only through what we get from the
8 horses, the training, the racing horses.
9 We don't have any other jobs.

10 The Race Horse Development Fund was
11 put forth and I watched it grow, but I
12 didn't watch any plan come forward. So I
13 made an appointment with the present board
14 to appear before them and tell them that
15 I've raced in California. I've raced in
16 Illinois. I've raced in all numerous
17 states and spent about four or five years
18 living in New York. We closed our farm up.
19 We had a big farm in Plainville. Closed it
20 up to live in New York while the Rocky Road
21 race was happening here, and I got
22 introduced to pension plans, retirement
23 saving plans throughout the country.

24 So I went to the then board and said

1 I had some ideas I wanted to pitch it and
2 see what they thought. They told me why
3 don't I run to be on the board and maybe
4 take it over, because it wasn't going
5 anywhere. And, so, I did that. I did get
6 elected, and they asked me to take it on.

7 So we formed a committee. They gave
8 me the term chair, and I took it on. What
9 I did was I thought the best way was I
10 thought no need to reinvent the wheel. Go
11 to these other racetracks that have these
12 plans and see what they did, see how they
13 did it and see their errors and see if I
14 could learn from everything that they've
15 done because they had been doing it for so
16 many years.

17 I was told it will take about two
18 and a half years to put this plan together.
19 So then I started to realize, wow, I might
20 have bit off more than I can chew. This
21 looks like it's going to be really big, and
22 it was really big but I was really
23 dedicated several reasons.

24 There's many coworkers, colleagues,

1 however you want to word it, follow
2 horsemen and women, and this is all they do
3 for a living, and they have nothing to fall
4 back on. So I really wanted it done right,
5 and I wanted to pick at all these plans and
6 come up with a plan that was kind of
7 industry standards but tailored to
8 Massachusetts. And I wanted to bring on
9 something special to the table in that I
10 wanted to make it a little bit more of an
11 incentive for Massachusetts residents so
12 that it might even bring people into
13 Massachusetts wanting to move in here.
14 Because not only can you race and have
15 great racing, you have this plan that could
16 be worked on. And if you're a Mass.
17 resident, you get the benefit versus a
18 non-Mass. resident.

19 So the first thing I did was went to
20 these people, how, who did you go to? How
21 did you start writing this up? They all
22 gave me one name. They said Attorney
23 Jeanne Bakker. She's the woman who is
24 hands down the one you want to work on this

1 plan. And I said, who are your
2 investments? Who are the people? They
3 said, we went with Ameriprise. More
4 specifically we went with Normand Fluet. I
5 said geez, I recognize that name. His dad
6 was in racing. And sure enough, the Fluet
7 family very influential in the racing
8 world. My understanding is that Normand
9 didn't continue with the wheelbarrow where
10 his brothers did. And, so, I put them
11 together, asked them to work with me and
12 help me work on this.

13 It has been a project. It took so
14 many hours, more hours than I ever knew.
15 Sometimes two and 3:00 in the morning I'd
16 look at it, because that's where I got
17 quiet time and I could really read. And we
18 had conference calls, and I would go back
19 to other people, other groups and ask them
20 explain why did you make this change? What
21 happened? What did you see? Who made you
22 have to go back for amendments? Because I
23 want to do it right. I don't want to have
24 to go back for an amendment for a year or

1 two. So what you have in the packet before
2 you is what we've come up with.

3 MR. FLUET: You didn't seem nervous
4 at.

5 CHAIRMAN CROSBY: You didn't seem
6 nervous at all. I'm very impressed.

7 MS. SZPILA: I'm very passionate
8 about it. I know it in my sleep inside and
9 out. I have surgery coming up on my
10 shoulder, so I wanted to get in here and
11 talk about it. I didn't want anybody else
12 to talk about it, because I know it so
13 well. And the whole time I was doing it
14 I'd see Alex, I'd say, Alex, I got to this
15 stage. I hit a roadblock. She'd say,
16 okay, just keep me informed. And I'd just
17 keep telling her all year long until I
18 finally got to the point where we made a
19 meeting, and I explained it to her. She
20 said okay. Then our next step is we'll go
21 before the commission and let them see what
22 you put together.

23 So with that, I'd like to turn it
24 over to Attorney Bakker so if you have

1 questions, there above my paygrade.

2 MS. BAKKER: Good afternoon,
3 Commissioners. I'm honored to be here
4 before you, thank you. So what Alice is
5 asking you to do today is to basically
6 describe the design features of the plan,
7 the participation, benefit accrual,
8 investing requirements, the concept of
9 qualified starts under the plan, which is
10 the management standard for these types of
11 plans for determining primarily benefit
12 accrual but also participation invested.

13 COMMISSIONER MACDONALD: Excuse me,
14 Attorney Bakker, before you do that, could
15 you just give us a benefit of a summary of
16 your background?

17 MS. BAKKER: Of course. I am --
18 I've been in practice since 1990. I'm
19 admitted to practice in the State of Texas,
20 the District of Columbia, Pennsylvania and
21 Delaware. I currently -- I was in private
22 practice in Philadelphia for about 18
23 years, and I actually now work in-house
24 counsel for BNY Mellon. But I have a

1 number of clients that I really enjoyed
2 working with during my years in private
3 practice. Those are all my race track
4 clients, which are totally my favorite
5 clients. And BMI Mellon finally permitted
6 me to maintain those client relationships
7 while I'm working in-house.

8 COMMISSIONER MACDONALD: Do you have
9 a particular specialty in the benefit?

10 MS. BAKKER: And that's how I got
11 into -- my first client was -- my first
12 race track client was actually South
13 Muriel, the executive director of the
14 Delaware Standardbred Owners Association.
15 It's a similar type of standardbred
16 association for the owners, drivers and
17 trainers who race at Doberdance in
18 Delaware.

19 So my primary area of practice while
20 in private practice was ERISA or people on
21 qualified pension plans, 401K plans
22 designed those plans and advising plan
23 sponsor employers on the administration,
24 new clients and operation of their plans.

1 South Muriel was referred to me, because
2 I'm a benefit's lawyer. He wanted to put
3 in place a retirement savings plan for the
4 trainers and drivers of his association. I
5 never even heard of such a thing at that
6 time --

7 COMMISSIONER MACDONALD: I think
8 that's enough.

9 MS. BAKKER: Okay. But as a result
10 of that, I studied every plan in the
11 country and know people, how they work
12 these days. With that, I will tell you
13 about the design features at this point.

14 So as Dr. Lightbown, if I'm
15 pronouncing that correctly, mentioned a
16 moment ago, this plan is a picture of
17 Massachusetts State Law. It was as a
18 result of the legislature putting in place
19 and establishing the Massachusetts Race
20 Horse Development Fund, which is the source
21 of contributions to this plan and also
22 funds the benefits for members of the
23 association.

24 So as a result of that legislation,

1 the association through the efforts of Alex
2 took to establish the retirement savings
3 plan for the benefit of its member who are
4 trainers and drivers. They appointed the
5 committee to develop the design of the
6 plan. My job as counsel to the association
7 was not to design the plan but to advise
8 the committee on their design decisions in
9 terms of what are the participation
10 requirements of this plan going to be?
11 What are the benefit accrual requirements
12 going to be?

13 Those are designed decisions that
14 were ultimately made by the committee that
15 helped within that process. The committee
16 also under the terms of the plan document
17 is those individuals appointed by the
18 trustees of the association who are given
19 responsibility once the plan is approved by
20 the commission to administer the plan, to
21 develop the rules and procedures, for
22 managing the plan, rules around vesting,
23 rules around good standing, rules around
24 what constitutes total disability, et

1 cetera. So the committee will continue to
2 have administration responsibility for the
3 plan going forward.

4 COMMISSIONER ZUNIGA: Who do you
5 envision or does the committee envision to
6 be those trustees, similar members of the
7 board?

8 MS. SZPILA: Every year the board
9 will vote on it, because we have elections.
10 So we may lose people that are already on
11 the committee to an election, but I don't
12 think there is anything outside our ability
13 to take people in on the committee. They
14 don't have to be on the board.

15 MS. BAKKER: They do not.

16 MS. SZPILA: Right. So if they are
17 a really big asset to the committee, we can
18 ask them, even though they may get
19 reelected, to continue to help us with
20 that.

21 COMMISSIONER ZUNIGA: But do you
22 have, in other words, trustees from outside
23 of the board of the association function or
24 be part of the trustee structure; is that

1 typically done or is that envisioned to be
2 mostly board members of the association,
3 the trustees?

4 MS. BAKKER: There's no usual way
5 that's done. Sometimes it's off. In a
6 couple of plans that I can think of, it's
7 always members of the board who serve on
8 that committee. Oftentimes it's not,
9 because the board will look for someone who
10 has particular experience or expertise in
11 administering the plan. It's really a
12 decision that's taken by each board
13 individually.

14 COMMISSIONER ZUNIGA: And that's not
15 being decided here.

16 MS. SZPILA: Right now we currently
17 have a chair. We have two owners, which
18 are people who only own the horse. They
19 never drive or train it. We have a
20 driver/trainer. He does both. He can do
21 both. He's licensed to drive and train,
22 and we have one trainer that's on the
23 committee.

24 COMMISSIONER ZUNIGA: And by the

1 committee, we both mean the same thing, the
2 trustees.

3 CHAIRMAN CROSBY: They'll become
4 trustees.

5 MS. BAKKER: No. By trustees I mean
6 the board of trustees of the association
7 and the board of trustees of the
8 association appoints the members of the
9 committee who are responsible for
10 administering the plan. The members of the
11 committee may also be members of the board
12 of trustees, but they don't have to be.

13 COMMISSIONER ZUNIGA: Has that
14 happened; has the board of trustees --

15 MS. BAKKER: Yes, currently
16 constituted the committee.

17 CHAIRMAN CROSBY: Are the committee
18 members paid?

19 MS. SZPILA: No, it's volunteer; is
20 that correct?

21 MS. BAKKER: Yes.

22 MS. SZPILA: Being on the board when
23 you get elected, there's no paid position.
24 That's why that I said it's above my

1 paygrade. There's no pay.

2 CHAIRMAN CROSBY: Sometimes some of
3 these -- there's a problematic when some of
4 these bodies of pension funds, managers of
5 pension funds do get paid which creates a
6 problem. But if they are not being paid,
7 then that solves that problem.

8 MS. SZPILA: No, no.

9 CHAIRMAN CROSBY: There could be a
10 potential self-dealing to raise your own
11 pay.

12 MS. SZPILA: I was very
13 conscientious of the money being used
14 strictly for the retirement savings plan,
15 but I also know that within the law they
16 all wanted to make sure you included
17 something for owners, you know. I wanted
18 to look at it as objectively as possible.

19 So pension -- retirement savings
20 plan aren't for owners. They are for
21 trainers and drivers. Owners invest in the
22 product, the horse. The trainers, the
23 drivers and the workers are the product.
24 So they are the ones looking for the

1 pension, retirement savings plan.

2 So for owners, I reached outside the
3 box and I'm looking at different kind of
4 insurances for those that have farms and
5 can give them a liability through HHR,
6 through the Harness Horseman's
7 International. They also have health fund
8 that -- I know I'm getting offtrack.

9 CHAIRMAN CROSBY: But that doesn't
10 have anything to do with the Race Horse
11 Development Fund.

12 MS. SZPILA: No, no. Yes, it does.
13 Because that money would come out of the
14 development fund if I find something that
15 is constructive for owners based on the way
16 it was written if you want something for
17 the owners, trainers and drivers.

18 COMMISSIONER CAMERON: Out of the
19 four percent.

20 MS. SZPILA: Yes.

21 COMMISSIONER ZUNIGA: And that was
22 going to be my question. So out of the
23 four percent that goes to the
24 standardbreds, how much is in addition to

1 go to the pension plan roughly speaking?

2 MS. SZPILA: Right now the money
3 that was in there when I first came on
4 board, the money was just sitting in an
5 account. So when I came on board, the
6 previous board had voted to do a
7 retroactive compensation -- contribution.
8 So they had voted to go back four years.

9 So what I did is I took the money at
10 the end of 2017 and I allocated 100,000 for
11 each year, for '13, '14, '15, '16 and '17
12 and I'm envisioning being able to do that
13 each year going forward. And if there is
14 more, I'll put more into it reserving only
15 enough for administrative properties, not
16 for any other.

17 COMMISSIONER ZUNIGA: But the four
18 percent can contribute to a number of
19 different things, health and safety as well
20 as pension.

21 MS. SZPILA: Right. We don't have
22 any health and safety programs.

23 MR. FLUET: I think he wants to know
24 you're planning on doing 100,000 a year.

1 MS. SZPILA: Yes.

2 CHAIRMAN CROSBY: Is that the entire
3 four percent?

4 MS. SZPILA: No, it's not.

5 CHAIRMAN CROSBY: So the other money
6 is --

7 MS. SZPILA: It's so close, though.
8 Just a little bit is reserved. I don't
9 know the total administrative costs yet,
10 because this is the first time for us. So
11 I've asked of other people, other plans
12 what they have spent and kind of held back
13 about 50,000 for the first time putting it
14 in.

15 COMMISSIONER ZUNIGA: Roughly the
16 idea is that the four percent would go to
17 the pension.

18 MS. SZPILA: Right.

19 COMMISSIONER ZUNIGA: You're being
20 cautious about --

21 MS. SZPILA: Yes, I am.

22 COMMISSIONER ZUNIGA: Unforeseen but
23 it's not other problems.

24 MS. SZPILA: Buying in four percent

1 right now is what they call HHI, Harness
2 Horseman's International third-party
3 liability, which covers owners, trainers
4 and drivers if a horse gets loose and
5 damages their property. I had made a phone
6 call when I first got on and asked a
7 question we don't have a driver's fund like
8 they have jockey things, so I can't work
9 with something I don't have. And I was
10 told you don't have to work with something
11 you don't have. You don't have it, you
12 don't have it. But I was given Harness
13 Horseman's International when I came on
14 board were coming out of that four percent
15 and that is, like I said, a benefit to
16 trainers, drivers and owners.

17 CHAIRMAN CROSBY: And that will
18 continue.

19 MS. SZPILA: Yes.

20 CHAIRMAN CROSBY: So between those
21 two -- between the pension fund and this
22 insurance policy, it essentially uses up
23 the entire four percent each year.

24 MS. SZPILA: That's my goal, yes, to

1 put it all that way, yes.

2 MS. BAKKER: So to continue
3 describing the plan, the plan itself is
4 designed as an individual account plan.
5 The assets of the plan are commingled for
6 investment purposes. That individual
7 bookkeeping, notation of the accounts will
8 be established for each participant, and
9 those accounts may represent each
10 participant's interest in the plan and that
11 interest grows over time with annual
12 contributions to the plan and investment
13 gains and losses and any other forfeitures
14 that they may occur over time.

15 So the association members who are
16 eligible to participate in the plan are
17 drivers, trainers, and members of the board
18 of trustees of the association. So before
19 I go on to describe the primary features of
20 the plan, I want to pause here and explain
21 how a retirement savings plan for a
22 horseman's association is different from a
23 traditional pension plan or a traditional
24 401K plan that you may be familiar with.

1 In a traditional pension plan,
2 participants accrue benefits based on years
3 of service. Their benefits may be
4 calculated using some formula that focuses
5 on average pay or something like that. For
6 the traditional 401K plan, contributions
7 are made to the plan as a percentage of
8 compensation, and that's how the account
9 grows.

10 The driver participation benefit
11 accrual and investing in a race track plan
12 doesn't have any of those concepts that you
13 might be familiar with. Driver is the
14 concept of qualified starts. A qualified
15 start is -- refers to a parimutuel race
16 that is listed in the daily racing program
17 each day at a race track, and each race in
18 the daily program has listed a designated
19 driver and a designated trainer for that
20 race.

21 So a qualified start refers to a
22 race where the designated trainer or driver
23 completes the race, and that qualified
24 start gets put in that person's tally.

1 Participants earn benefits under the plan
2 based on the number of qualified starts
3 over the course of the racing season.

4 So just to give you some context, a
5 typical race day at Alice's race track has
6 eight races. Each race has eight horses.
7 So you get 64 horses racing per day. Each
8 horse a driver and a trainer. So that
9 means that there is a potential of 128
10 possible qualified starts each race day of
11 the racing season.

12 So back to the plan. As I
13 mentioned, qualified starts is the driver.
14 So for participation, the participation
15 requirements for drivers and trainers is
16 that each driver has to complete -- they
17 both have to complete a minimum number of
18 qualified starts per month each month of
19 the racing season. Drivers have to
20 complete four qualified starts a month in
21 each of the seven months with the racing
22 season, and trainers have to complete two.

23 And the purpose of that requirement
24 is to keep the drivers and trainers at the

1 race track and not going off to some other
2 state to race. The idea is, you know, this
3 is Massachusetts money. We want our people
4 staying here. We want to keep them racing.
5 It's good for the association. It's good
6 for the race track. It's good for the
7 community. So that's what that requirement
8 is really about.

9 Board members are also eligible to
10 participate, but they have their own
11 participation requirements. I neglected to
12 mention one requirement that applies to all
13 three, drivers, trainers and board members.
14 In order to stay with the plan, they must
15 always remain a member of the association
16 in good standing, which means they have
17 their dues paid and are following the rules
18 and regulations of the association and of
19 the race track.

20 Board member can only participate in
21 the plan if they are also an active driver
22 or trainer participating in honest racing
23 at the race track. It is possible, for
24 example, that you would have a retired

1 driver or trainer or owner who is, you
2 know, very interested in harness racing and
3 like to contribute by being on the board.
4 And if this person gets elected, if they
5 are not actively participating in harness
6 racing, they're not eligible to participate
7 in the plan. It's only those board members
8 who are actively participating you have
9 that opportunity.

10 CHAIRMAN CROSBY: Is actively
11 participating defined by something like
12 qualified starts?

13 MS. BAKKER: Yes.

14 CHAIRMAN CROSBY: So if you're an
15 owner, how do you -- owners aren't eligible
16 at all.

17 MS. BAKKER: Owners are not
18 eligible.

19 CHAIRMAN CROSBY: Even if they are
20 active track. So, anyway, cut this is only
21 drivers and trainers.

22 MS. BAKKER: Drivers and trainers,
23 that's correct.

24 CHAIRMAN CROSBY: Some might be --

1 MS. BAKKER: Some might be on the
2 board. And in that distinction of board
3 members becomes apparent and I describe
4 that I'm about to how benefits are accrued
5 under the plan. So the plan describes
6 benefit accrual by reference to the concept
7 of points. Participants earn the right to
8 receive an annual contribution to their
9 account based on whether they earn a four
10 point or a portion of a point during the
11 racing season. Participants earn a point
12 or a portion of a point based on the number
13 of qualified starts during the racing
14 season.

15 So, for example, a Massachusetts
16 resident can earn a full point by
17 completing 120 qualified starts during the
18 racing season. If you earn 40 qualified
19 starts, you get a quarter point, 80
20 qualified starts gets you a half point and
21 120 qualified starts gets you three
22 quarters of a point. The most you can earn
23 in any racing season is a single point.
24 The same regimen applies to

1 non-Massachusetts residents, but they have
2 higher qualified start requirements because
3 the plan is designed to favor Massachusetts
4 residents.

5 Board members do not have a
6 qualified start requirement. They earn a
7 full point if they serve a full year, a
8 full year of service on the board of
9 trustees. If a board member quits in June
10 or July or whenever or midyear for whatever
11 reason or held reason, they don't want to
12 be on the board or whatever, they do not
13 earn anything for the year. You have to
14 get a full year to get a full point.

15 COMMISSIONER MACDONALD: Excuse me,
16 are these trustees of the Horseman's
17 Association?

18 MS. BAKKER: That's correct, yes.
19 When I say board member, I use that word
20 interchangeably with trustee. But the
21 exception to the full year one point rule
22 is that if a board member does quit a year,
23 there is a vacancy on the board, and that
24 vacancy can be filled by the remaining

1 members of the board appointing someone to
2 fill that vacancy.

3 That appointed board member could
4 earn a partial point for that year based on
5 whatever his length of service is. So if a
6 board member quits six months in, someone
7 gets appointed to complete that six months,
8 that appointed board member would get a
9 half point. So that is how that works.

10 So at the end of each racing season,
11 the U.S. Trotting Association, which is
12 responsible for printing the daily racing
13 booklets and responsible for keeping track
14 of the qualified start data, the U.S.
15 Trotting Association provides that data to
16 the committee of the association for their
17 use in tallying up points for the plan.

18 The U.S. Trotting Association has
19 provided the committee, I think, roughly
20 about two weeks ago the 2017 qualified
21 start data. So the committee has that data
22 for last year. The committee has not yet
23 done its analysis to see which of its
24 members have met the participation

1 requirements, earned all or portion of a
2 point. They will undertake that effort
3 once the commission has approved the plan
4 as it's currently designed.

5 The plan is intended to be effective
6 for the 2017 racing year. But as Alice
7 mentioned earlier, there was a decision
8 that was taken a number of years ago to
9 provide for retroactive contributions for
10 prior years as a way to reward those
11 horsemen who have been in the business
12 racing in the race track in the several
13 years before the plan was established.

14 So retroactive contributions will be
15 made for members who meet the participation
16 and qualified start requirements for 2013,
17 '14, '15 and '16, and the qualified start
18 requirement for those retroactive
19 contributions is at a reduced level. It's
20 not at the high numbers that I was just
21 describing.

22 So then the next piece is vesting.
23 The plan is a five-year vesting
24 requirement, and the vesting starts as of

1 2017. So any participants that are awarded
2 contributions retroactively for 2013 and
3 2016, vesting for those start in 2017 going
4 forward five years. To earn a year of
5 vesting service, drivers and trainers have
6 to satisfy three requirements. They have
7 to be a member of the association in good
8 standing. They have to satisfy the minimum
9 qualified start requirements for
10 participation, four qualified starts per
11 month for drivers, two qualified starts a
12 month for trainers. And they have to
13 complete a minimum number of qualified
14 starts to earn a quarter point. If they do
15 that, they get a year vested in service.
16 If they do that five years in a row, they
17 are 100 percent vested in the amount that
18 has been allocated to their account in the
19 plan.

20 There are four exceptions to the
21 vesting requirements. Participants who are
22 already age 65 when the plan becomes
23 effective will automatically become vested.
24 Participants who attain age 65 before they

1 satisfy the five-year requirement, say
2 three years in they turn 65, they then
3 become 100 percent vested in their account.

4 Participants who become totally
5 disabled before satisfying the five-year
6 requirement will become vested when they
7 become totally disabled. There are rules
8 around what it means to be totally disabled
9 in the plan, and ultimately that is a
10 decision that is within the discretion of
11 the committee.

12 And the fourth exception is for
13 participants who are injured as a result of
14 participating in harness racing, say their
15 horse turns over and their shoulder injury
16 and they cannot satisfy the qualified start
17 requirements for vesting, they are allowed
18 a break in vesting service while they
19 recover from their injury, and that
20 basically won't be held against them in
21 terms of meeting the vesting requirement.

22 COMMISSIONER ZUNIGA: But then the
23 five years has to be continuous if there is
24 a break in service for any other reason --

1 MS. BAKKER: Then their amounts are
2 forfeited.

3 COMMISSIONER ZUNIGA: They are
4 forfeited.

5 MS. BAKKER: Everything that has
6 been contributed to their account is
7 forfeited if they have a break in service.

8 MS. SZPILA: If I could, when we
9 were in New York, they had started a plan,
10 again, along this line. So my husband was
11 over 65. He immediately became vested, and
12 he was accruing money in his plan every
13 year getting points for his drives. I also
14 was receiving points for being the trainer,
15 so I was accruing.

16 We were there three years, and we
17 moved back home to our farm in
18 Massachusetts. Well, his points, his money
19 and his plan stayed because he was over 65.
20 I, unless I went back and met the
21 requirements of their plan, lost my points.
22 They were forfeited and reinvested into the
23 plan for the other members to tally up
24 between them.

1 MS. BAKKER: The five-year vested
2 requirement is industry standard for these
3 types of plans. And the idea is to keep
4 people racing at the race tracks in
5 Massachusetts.

6 COMMISSIONER CAMERON: Is the
7 information being reported to the U.S.
8 Trotting, is that typically accurate so you
9 don't have a lot of disputes -- with
10 trainers or drivers saying, hey, I should
11 have gotten a whole point and I didn't; is
12 there a mechanism to challenge -- do you
13 know what I'm saying?

14 MS. SZPILA: Absolutely. They're
15 supposed to be the Google of information.
16 There are other venues that I could have
17 used, and I found those venues would have
18 errors in them where as I haven't found yet
19 an error with the USTA. The closest error
20 I had was a junior and a senior, they were
21 transpose but the numbers were. They just
22 had transposed junior to the seniors as one
23 person so...

24 COMMISSIONER CAMERON: So if someone

1 were to come to you and say, hey, this is
2 not accurate, you have a way of checking.

3 MS. SZPILA: I tell them we've got
4 to go to the USTA and verify what mistake
5 they believe -- present to them what
6 mistake there is they believe and see if we
7 can figure it out and can we correct it and
8 any errors can be corrected.

9 COMMISSIONER ZUNIGA: Excuse me,
10 just a minute. I need to excuse myself. I
11 have a prior commitment. I find this very
12 educational, and I look forward to hearing
13 more about it through the transcript and
14 what comes after.

15 MS. SZPILA: Thank you for your
16 time.

17 CHAIRMAN CROSBY: Are you really
18 going to read the transcript?

19 MS. BAKKER: I was so close to the
20 end. Have a good day. So the plan
21 provides three types of benefits. It
22 provides for a normal retirement benefit
23 that is payable to each participant at age
24 65. It provides for a preretirement death

1 benefit in the event that a participant
2 dies before receiving his benefit. His
3 spouse or designated beneficiary will get
4 what was his in their plan, and it also
5 provides for a total disability benefit. A
6 participant that becomes totally disabled
7 and no longer is able to race, the
8 participant then receives their benefit.

9 Each of those three types of
10 benefits can be paid out in two forms,
11 either as a lump sum or if they have at
12 least \$20,000 in their account, they can
13 choose to have it paid out in the form of
14 an annuity. The plan does provide for a
15 formal claim's procedure where the crux
16 sort of step-by-step process for how
17 participants make an application to the
18 committee for a distribution of their
19 benefit under the plan.

20 If for any reason that claim is
21 denied by the committee, the claim's
22 procedure also has a formal step-by-step
23 appeals process. So there is recourse for
24 the participants in the claims review

1 process. And, ultimately, decisions with
2 respect to claims falls to the committee
3 and the committee does have full discretion
4 in interpreting the plan and making these
5 decisions. And the final thing, which is a
6 segway to Normand.

7 MS. SZPILA: One other thing, you
8 can only collect under one title, driver or
9 trainer.

10 MS. BAKKER: Thank you, Alice. So
11 it is sometimes the case that participants
12 can be listed in a racing program for one
13 race as a driver and for another race as a
14 trainer.

15 MR. FLUET: Or in the same race.

16 MS. BAKKER: Or in the same race as
17 the driver and trainer for a particular
18 race -- for a particular course and for a
19 particular race. Participants can only
20 earn points in one or the other designated
21 category. At the end of the day, all the
22 points will be tallied and the
23 participant -- whatever sum of qualified
24 starts is most beneficial to the

1 participants, whether it's driver or
2 trainer, that's the qualified starts they
3 will get. They just can't get both.

4 CHAIRMAN CROSBY: Great. Do you
5 have a question in the back? We don't
6 usually take questions but --

7 THE FLOOR: I have a question about
8 the point structure that's confused --

9 CHAIRMAN CROSBY: You can talk to
10 them on the side. You won't take up our
11 time here. Thank you.

12 MS. BAKKER: So the final piece to
13 mention is the investment of the assets
14 that are held in the investment account for
15 the plan. The committee ultimately has
16 fiduciary responsibility for overseeing the
17 investments. The committee has hired a
18 professional investment adviser, Mr.
19 Normand Fluet, to advise them with respect
20 to the investment of the plan assets, and
21 the plan specifically provides that
22 investment money is going to be a very
23 conservative portfolio.

24 COMMISSIONER MACDONALD: So, Ms.

1 Bakker, before Mr. Fluet speaks, is the
2 structure of plan with the qualified starts
3 and the points, is this a structure that is
4 familiar to you from other states and
5 other, you know, horseman's associations?

6 MS. BAKKER: It is very familiar to
7 me. This is the fourth plan that I've
8 worked on that has a very similar
9 structure. The others are in Delaware, New
10 York and Pennsylvania.

11 COMMISSIONER CAMERON: Do the other
12 plans have this Massachusetts kind of a
13 little bit of a leg up because you live
14 here in Massachusetts?

15 MS. BAKKER: They do not.

16 COMMISSIONER CAMERON: They do not,
17 okay.

18 MS. BAKKER: This plan is unique in
19 that regard.

20 COMMISSIONER CAMERON: And your
21 thoughts about that, it makes sense for --

22 MS. BAKKER: I think -- it's a
23 design decision taken by the committee. It
24 doesn't trouble me from a legal

1 perspective, because the money is satisfied
2 by the Massachusetts legislature from
3 Massachusetts Horseman's Association and
4 their members.

5 COMMISSIONER CAMERON: Thank you.

6 CHAIRMAN CROSBY: Can people
7 contribute to the plan? There is no tax
8 benefits. This is where you like you can
9 contribute on a pretax base or anything
10 like that.

11 MS. BAKKER: The plan does not have
12 a feature that allows for participates to
13 put their own money into the plan. It
14 is -- the legal structure when you read
15 through the plan, you will see there's a
16 paragraph in here that says, this plan is
17 unfunded. That is a legal term of art that
18 prevents the participants from having to
19 immediately pay taxes on the amounts that
20 are contributed on their behalf. It's a
21 term of art that basically enables money to
22 be set aside with no current tax
23 consequences. You will have to pay taxes
24 when they get their money at the end of the

1 day but --

2 CHAIRMAN CROSBY: They'll take the
3 taxes on the principle and the gain, right,
4 and whatever the earnings.

5 MS. BAKKER: That is correct. There
6 will be no favorable tax income when they
7 receive their money, which is different
8 than a 401K plan. But this type of plan is
9 not subject to ERISA, so it doesn't get
10 that special treatment.

11 COMMISSIONER CAMERON: Thank you.

12 MS. BAKKER: My pleasure.

13 CHAIRMAN CROSBY: Mr. Ameriprise.

14 MR. FLUET: Yes. Hi, I'm Normand
15 Fluet, financial adviser with Ameriprise.
16 A little background for me. As Alice said,
17 my whole family was in the horse business.
18 My father started in Montreal with his
19 father, my mother here in Buffalo area New
20 York with her mother and father, so we're
21 pretty passionate about doing these types
22 of things.

23 I started with Ameriprise in 2000.
24 Shortly thereafter in 2002, I was

1 headhunted, I guess, by a bank and I went
2 and managed a bank for a few years. Came
3 back to Ameriprise in 2010, and here I am.

4 My role really is the investment
5 manager. I've met with Alice and Bob, the
6 two current authorized signers. We
7 reviewed an investment policy statement,
8 which basically outlines the risk
9 tolerance, S&L allocation, investment
10 selection criteria, servicing schedule,
11 rebalancing, things like that.

12 I cannot make any changes as Jeanne
13 said that the committee ultimately makes
14 the investment decision. It's my job to
15 put things in front of them that are
16 appropriate for the plan.

17 CHAIRMAN CROSBY: So when you take
18 your money out you -- I guess if you have
19 ten points, you just see what's the total
20 cumulative number of points in the plan and
21 then you take ten over that, you get ten
22 over whatever the total number is, that's
23 your share?

24 MR. FLUET: I would love to speak to

1 that, but I'm not an attorney. I don't
2 want anything to sound like I'm an acting
3 like an attorney or a tax adviser. But I
4 work with the third-party administrator
5 closely with the other plan. By the way,
6 I'm also an adviser to another plan almost
7 identical to this. The way that that
8 process works is Alice obtains the
9 qualified start numbers from the USTA,
10 right, the acronym was right?

11 MS. SZPILA: Yes, United States
12 Trotting Association.

13 MR. FLUET: She compiles them,
14 figures out, you know, were they better off
15 with a trainer, were they driver, sends
16 them to the third-party administrator who
17 then gets the investment statement, the
18 annual statement from me and prepares
19 participant statements -- I believe you
20 have a sample of one -- prepares a
21 participant statement that they'll actually
22 receive.

23 That process in a normal year takes
24 a long time. Usually participants don't

1 see that statement until June or July.
2 With this plan, I foresee it taking longer
3 than that because we are doing retroactive.
4 The commissioner is going to go all the way
5 back to 2013 to figure all this out.

6 When there's a claim, which I think
7 was the question, the participant fills out
8 the appropriate form whether it's normal
9 retirement, disability or death and submits
10 it to the third-party administrator which
11 turns around and writes me a letter
12 instructing me to pay the money, but I
13 don't pay it then. I create a form that
14 the authorized signers signed to authorize
15 me to send the money, and that's how that
16 process works.

17 CHAIRMAN CROSBY: But as you
18 calculate the amount is what I'm getting
19 to, the numerator is your number of points,
20 the denominator is the total number of
21 points in the program; how do you figure
22 how much your shares in points are worth
23 when you make the withdrawal?

24 MR. FLUET: Based off the annual

1 statement. So if I have ten points in the
2 plan, and there is \$100 in there -- you
3 maybe can do it. That's why there is a
4 third-party administrator. But basically
5 it's your share.

6 CHAIRMAN CROSBY: But it's point
7 versus points, right? It's your points
8 versus the total number of points in the
9 pool.

10 MS. SZPILA: Your percentage.

11 CHAIRMAN CROSBY: So to make it
12 simple, if there were 500 points in the
13 pool and \$500,000, then each point is worth
14 \$1,000. So if you had 10 points, you would
15 have 10 over 500, which is 10,000.

16 MS. BAKKER: Well, if I could just
17 clarify. Your description is correct that
18 if there are 10 points that are earned in a
19 given year and there is \$100,000, then that
20 \$100,000 would be allocated to each
21 participant that had a single point. So
22 the \$100,000 would be divided by 10, and
23 each of those participants would get a
24 point.

1 CHAIRMAN CROSBY: That's the
2 contribution.

3 MS. BAKKER: That's the
4 contribution. And then that point goes
5 away. It's not taken into account the next
6 year. What's taken into account the next
7 year is what point or portion of a point
8 the participant earns during the next
9 racing season.

10 CHAIRMAN CROSBY: But that's for the
11 contribution. I'm talking about the
12 withdrawal. When you withdraw, you're
13 done, you're retired. How do you translate
14 your -- how do you figure out how much you
15 get?

16 MS. BAKKER: Well, every year in
17 addition to contributions, the third-party
18 administrator will take the statement, the
19 investment statement that Normand will
20 provide to third-party administrator and
21 determine what the net, loss or gain is for
22 the year. And then every year that amount
23 gets allocated to the participant's
24 account. So every year the participant's

1 account grows by the amount of contribution
2 that he earns that year plus the amount of
3 the investment gain or loss that is earned
4 by whatever he had in the account already.

5 So in year one participant gets
6 \$20,000. That \$20,000 gets put into his
7 account and invested over the course of
8 year two. In year two, that participant
9 earns another full point and gets another
10 \$20,000. So in year two, he gets another
11 \$20,000 plus the investment gain or loss
12 that was earned in the first \$20,000.

13 So he has \$40,000 plus invested gain
14 or loss from the first year, and it keeps
15 building that way.

16 MS. SZPILA: And recorded on a
17 statement every year. They get a statement
18 every year.

19 CHAIRMAN CROSBY: So you're tracking
20 -- the third-party administrator is
21 tracking each individual's account year by
22 year.

23 MS. BAKKER: Exactly.

24 CHAIRMAN CROSBY: That's not what I

1 was saying.

2 COMMISSIONER MACDONALD: Who is the
3 third-party administrator, that's Cherry
4 Becker; is that --

5 MR. FLUET: That's correct. But one
6 quick thing that was missed out there is
7 forfeitures, too.

8 CHAIRMAN CROSBY: Right, right.

9 MS. SZPILA: And they have a
10 statement every year that shows them
11 exactly where they stand, their total. If
12 they have any questions, they can bring it
13 forward and we go to the third-party
14 administrator and say participant is
15 questioning this. Can you work with them
16 and break it out and see if there is an
17 error?

18 CHAIRMAN CROSBY: Yup, I got it.

19 MR. FLUET: And, yes, Commissioners,
20 it's that Cherry Becker company is a
21 third-party administrator. And she also
22 the specific representative, Cheryl
23 Passier, does this for at least three other
24 tracks. So kind of have like a track dream

1 team here.

2 COMMISSIONER MACDONALD: So the
3 Becker is not you.

4 MS. BAKKER: No.

5 COMMISSIONER MACDONALD: I thought
6 you were the Becker.

7 MR. FLUET: Her name is Cherry
8 Passire who works for that --

9 COMMISSIONER MACDONALD: For Cherry
10 Becker.

11 MS. SZPILA: Like I said, I didn't
12 try to reinvent the wheel here. I just
13 went with a template that was already
14 existing and tried to model it towards
15 Massachusetts.

16 CHAIRMAN CROSBY: It sounds great.
17 Sounds like a really cool plan. You've
18 really done a lot of work on it.

19 MS. SZPILA: I did, yes. Thank you
20 very much.

21 MR. FLUET: And we're still working
22 on it. It's going to take a while to
23 generate statements before we can take any
24 distribution requests. If something

1 happens to somebody as far as death or
2 disability, I'm sure we'll be able to go
3 back and do a retro. But until we know
4 what each participant is owed, that's going
5 to take time.

6 MS. SZPILA: I know people are
7 anxious. People have been at me the second
8 day I was on the job, where's my money, how
9 much, what do I got coming? I hear that
10 almost once a week from people and it's
11 very hard when I tell them, listen, I had
12 things and hurdles I had to accomplish to
13 get to where I am. They turned it into a
14 you're blowing me off. You're not giving
15 me straight answers. No, I have not. I
16 did the best I could.

17 COMMISSIONER CAMERON: Can I speak
18 to that? I think the Harness Horseman
19 Association should give credit to you
20 frankly. You ran for the board, then you
21 took on this project. You found the
22 experts to assist you. You paid attention
23 to every single issue. I think your blood,
24 sweat and tears are apparent in this whole

1 endeavor. So, I think, they should be very
2 grateful since the board before you joined
3 was not willing to do this.

4 So it's really -- I think it's
5 pretty amazing that you did this at this
6 level of sophistication, and you put an
7 expert team together. That's really
8 apparent to us.

9 MS. SZPILA: It's a great sacrifice
10 to me. 36 years I almost got divorced.

11 CHAIRMAN CROSBY: This letter from
12 Mr. Krikorian, I assume that's the kind of
13 thing that --

14 MS. SZPILA: I try to keep a thick
15 skin but that hurt.

16 COMMISSIONER MACDONALD: You
17 mentioned the investment objective or
18 obstruction was conservative. You
19 described it as conservative. Could I ask,
20 could you put more substance to that?

21 MR. FLUET: We're shooting for an
22 average rate of return three to six
23 percent. We have ranges obviously, but
24 it's not conservative. It's conservative

1 to moderate conservative. We're not too
2 conservative where you are not going to
3 earn anything, but the average allocation
4 would be about 60 percent fixed income, 35
5 to 40 percent equities but we do filter in
6 some alternatives there as well,
7 alternative strategies.

8 As far as investment selection, we
9 use the best star, four or five star
10 rating. Ameriprise has what they called
11 the starting point fund list, which is the
12 way that they screw up funds. We're not
13 allowed to anything risky, even if it's a
14 risky portfolio, you can't do penny stacks
15 and things like that. So, you know, mildly
16 conservative.

17 COMMISSIONER STEBBINS: I like the
18 idea of the Massachusetts piece,
19 Massachusetts incentive.

20 COMMISSIONER CAMERON: I do, too.

21 COMMISSIONER STEBBINS: Differential
22 as resident.

23 MS. SZPILA: Year after year I want
24 to keep people coming to the track. I want

1 to see our days increased. I don't want to
2 see them decreased, because I want to have
3 that much of a population that is in demand
4 for racing.

5 COMMISSIONER STEBBINS: I think
6 there's a direct translation in looking at
7 racing days and a number of races that
8 there's a shift.

9 COMMISSIONER CAMERON: This is
10 really a good, new story. This is a real
11 benefit, which is what the legislation was
12 intended to do.

13 CHAIRMAN CROSBY: Well, I don't want
14 to ignore this letter from Mr. Krikorian.
15 I mean, he wrote it in good faith to us. I
16 don't know everything about it. As I'm
17 seeing it, he's raising two different
18 issues. One is he is saying there's never
19 been an accounting of the money of the
20 fund, which I don't know whether that's
21 true or not, but that would be pretty easy
22 to demonstrate. Somebody know where is --
23 it's somewhere. Somebody knows how much is
24 in there.

1 MS. SZPILA: When I was hired as a
2 director, they asked me to run for
3 treasurer. I took on the responsibility as
4 treasurer. I opened up the taxes and
5 looked through everything and found that
6 the taxes that were filed did not report
7 the Mass. Gaming Commission money, the fund
8 money. It was sitting in an account, but
9 it wasn't reported on the taxes. I found
10 very poor bookkeeping, and I went at it
11 full-fledge.

12 And that's part of the thing that
13 took me so long is, how do I go put a
14 retirement plan together and approach
15 investment people when I don't even have it
16 being reported on the taxes? So I went to
17 the previous treasurer and asked him to
18 amend the taxes, to sign the amended taxes
19 that I did. So I amended the taxes to
20 reflect the money. So I feel a, prior to
21 my coming on board, people fell short and
22 were taking care of our money.

23 CHAIRMAN CROSBY: Well, that sounds
24 like a reasonable -- I mean, that was a big

1 problem. It's great that you came on board
2 to fix it, and the association shouldn't
3 have let that happen for obvious reasons.
4 But at this point, you do know how much is
5 in the fund.

6 MS. SZPILA: Yes, we do.

7 MR. FLUET: Are we talking about the
8 fund or the retirement savings plan?

9 MS. SZPILA: They're talking about
10 the fund.

11 CHAIRMAN CROSBY: This one they're
12 talking about the fund. We're talking
13 about the wherever the four percent goes
14 every month, I think they were asking --

15 MS. SZPILA: 650,000 has been slated
16 for the plan.

17 CHAIRMAN CROSBY: For the plan, but
18 the other money --

19 MS. SZPILA: There is another
20 155,000 sitting in there to be put towards
21 this year. And if it goes to 250,000, I'll
22 put in as much I can leaving out the
23 administrative costs and HHI costs.

24 CHAIRMAN CROSBY: The first question

1 in here is what is in the fund is the
2 question that easily can be answered.

3 MS. SZPILA: If anybody ever asked
4 me, I could have told them.

5 CHAIRMAN CROSBY: The second one is
6 really a process question. They're
7 suggesting -- this person is suggesting
8 that the membership should have a say in
9 advance of the adoption of this thing,
10 which I gather the board had made a
11 decision. That's a decision for the board
12 to make, what process. You could have
13 submitted this to either a hearing of the
14 members if you wanted to or conversation,
15 or you could have submitted it to a vote,
16 or you could just say the board gets to say
17 this is the way we're doing it.

18 So, I guess, on the second problem,
19 Mr. Krikorian should take it up with the
20 board, you know, that it's not -- the board
21 hasn't done anything out of the ordinary by
22 empowering you to sign a process or a plan
23 which the board will then accept, right?

24 MS. SZPILA: Yes.

1 COMMISSIONER CAMERON: I can't
2 imagine after the presentation you gave
3 that the board would be unhappy with the
4 process.

5 MS. SZPILA: The board is elected by
6 the membership, and then we have
7 committees, and the committees have their
8 due diligence, have fiduciary
9 responsibility to the membership and we put
10 this together. Now, because I was
11 receiving a lot of questions, what is going
12 on, what do you need to know, I did have a
13 bulletin put out in midterm right around
14 October giving them at least let me know if
15 you did at least this much, you're going to
16 be in the plan.

17 How many people are going to be
18 involved is way too early for me to tell,
19 and I'm still working on that part now and
20 there is a lot of backwork to do it. But
21 I'm kind of hesitant to go too much forward
22 until I have a warm reception to the whole
23 idea.

24 CHAIRMAN CROSBY: I think you got

1 that.

2 COMMISSIONER MACDONALD: I would
3 join in with the warm reception, but we do
4 have before us this letter that has been
5 submitted to us. I would think it would be
6 appropriate for us to ask you as a
7 representative of the board to respond to
8 the letter formally.

9 MS. SZPILA: I received a call at
10 7:30 in the morning from Mr. Krikorian.

11 COMMISSIONER MACDONALD: Today?

12 MS. SZPILA: No, prior to that
13 letter. I tried to explain to him what I
14 was doing. After I got off the phone with
15 him, I made a call to the USTA because I
16 was having trouble getting information from
17 them. It was right at Christmastime, New
18 Years and people were sick. There was one
19 thing after another. He took that as me
20 stall-walling him. I was just a
21 third-party recipient waiting on
22 information.

23 I got ahold of a woman and I said to
24 her, listen, you have to put me up the

1 ladder here. I've got a member who is
2 really upset. He is going to go over your
3 head. He's getting really upset. She put
4 me up the ladder. She said, I'll get you a
5 response. I then called him back and I'm
6 calling you back, because I did get the
7 information, and I'll be working on it.
8 Next thing the letter came forward, and I
9 didn't know how else I was to respond.

10 MS. LIGHTBOWN: One thing if I could
11 add, one of the ideas -- one of the reasons
12 why we went this way is now the plan that
13 they have is public information on our
14 website, and Alice is also planning to put
15 it out through HAA and the Harness
16 Horseman's Association either as an e-mail
17 blast or on their website so all their
18 members can see it.

19 And, certainly, as the game
20 commissioning, I think all of our
21 constituents know now that they can send in
22 comments to either directly through the MGC
23 comments or most of them have my e-mail
24 now. They can send it to me or Catherine

1 Blue, they've got her's. So between now
2 and whenever it comes back for a vote,
3 people are more than welcome to send in
4 their comments.

5 CHAIRMAN CROSBY: And what's the
6 process now? This is sort of an initial
7 information session. This is also getting
8 not all -- do you have the starts tallied
9 up now?

10 MS. SZPILA: No, I don't. The final
11 information became available to me a couple
12 of weeks ago.

13 CHAIRMAN CROSBY: So it's going to
14 be a little while before you tell people
15 how much they have.

16 MS. SZPILA: Yes.

17 CHAIRMAN CROSBY: But at least the
18 process is available.

19 MS. SZPILA: Any person who looks at
20 the same packet that was presented to you
21 will be able to sit down and go right back
22 through their starts, go look at how many
23 times they raced in '13, '14, '15, '16.
24 They'll automatically know how many points

1 they accrued. What the value to those
2 points are I can't tell you at this moment.

3 CHAIRMAN CROSBY: But that's what
4 they want to know.

5 MS. SZPILA: Yes, that's what they
6 want to know. Again, when I first went to
7 do this, I was told two and a half years it
8 took for Dober to set their plan up and I
9 started working. I made a first
10 presentation to the board before I became
11 elected, and I started in February and that
12 was last year. And here we are March, a
13 year later.

14 CHAIRMAN CROSBY: Great.

15 MR. FLUET: Excuse me, real quick, I
16 worked very closely with Alice in September
17 2016, I think, we started working on this
18 plan. I think, and I don't want to speak
19 for you, there was some confusion with that
20 letter of what is the fund and what is the
21 RXP, you know, what are they asking for the
22 value of? Because the retirement savings
23 plan wasn't funded until right after
24 January? Was it before January 1st? Very

1 recently, so the person wanted to know
2 that. I don't know. So, I think, just the
3 verbiage in that letter there might be
4 confusion, correct me if I'm wrong.

5 COMMISSIONER CAMERON: Well, I think
6 the board members, the association members
7 should be cognizance of the fact that you
8 are doing this single handily without being
9 compensated. This is really impressive.

10 CHAIRMAN CROSBY: And this whole
11 megillah is now available publically.

12 MS. SZPILA: I had processes of
13 going, and you're the next one.

14 CHAIRMAN CROSBY: So what's process
15 from here on out?

16 MS. SZPILA: You need to approve it
17 so I can keep moving forward.

18 CHAIRMAN CROSBY: She said we're not
19 voting today.

20 MS. BLUE: No. We're not going to
21 ask you to approve it today. We're going
22 to let them go back and continue their
23 work. When they come back and tell us
24 where they are in the process, we'll bring

1 it before you again along with any comments
2 or questions that people have. We just
3 wanted you to see it now, and give you the
4 opportunity to even read the documents with
5 the presentation in mind. So maybe it will
6 be a month. Maybe it will be a little
7 more, but it will be coming back before
8 you.

9 MS. SZPILA: And that way if
10 somebody has some comments, I will listen
11 to what anybody has to say because I know
12 this thing.

13 COMMISSIONER CAMERON: You hired the
14 experts. It's first-grade work product. I
15 think if you're looking for confirmation
16 from us, I think you did a superb job with
17 this project.

18 MS. SZPILA: Thank you very much.

19 COMMISSIONER MACDONALD: I just
20 encourage Alex and Alice to between now and
21 next time that this comes up on our agenda
22 to encourage people who have an interest in
23 this to submit their comments through the
24 MGC portal.

1 MS. LIGHTBOWN: Thank you.

2 COMMISSIONER CAMERON: Thank you for
3 coming in to explain it. That's really
4 helpful.

5 COMMISSIONER STEBBINS: Thank you
6 for your patience.

7 MS. BAKKER: Thank you. It's my
8 pleasure to be here. Thank you so much.

9 CHAIRMAN CROSBY: Okay, Jill.

10 MS. GRIFFIN: So, Commissioners, I
11 have a very brief but important update on
12 things that are going on in the Workforce,
13 Supplier and Diversity Development. First,
14 I just wanted to make sure you were aware
15 of a purchasing fair that is going on in
16 the eastern part of our state.

17 Thursday, March 22nd, Wynn Boston
18 Harbor is sponsoring a vender fair and they
19 have put out information to their host and
20 surrounding community venders, also to
21 minority women and veteran-owned business.
22 It's going to be held at Anthony's of
23 Malden, and I'm told they have 300 people
24 already who have RSVP'd. And just one

1 point to note, they were very specific
2 about the purchasing areas for this
3 particular fair and they're asking -- they
4 are interested in keeping it limited to
5 those areas, and they'll have subsequent
6 fairs.

7 COMMISSIONER STEBBINS: Jill, we
8 have -- we have the new regional contact at
9 MOB. You can cross them off to make sure
10 this gets over to him in case there are
11 additional folks he wants to encourage to
12 register the product.

13 MS. GRIFFIN: I believe we have sent
14 this out to our vender advisory team of
15 which he is now a member, so he should be
16 aware of that. And the next I wanted to
17 make you all aware of a funding
18 opportunity. We have posted an RFR on our
19 website, and we are taking questions on
20 that RFR.

21 Our bidder's conference was canceled
22 due to the weather recently, but we will
23 take questions online. The deadline is
24 March 26th, and the focus is on promoting

1 awareness of job opportunities and
2 assisting job candidates, especially those
3 who are unemployed or underemployed connect
4 with the casino during operations. Also,
5 interested in strategies for maximizing
6 contracting opportunity for venders and
7 suppliers for that same diversity and
8 equity focus.

9 This grant application varies from
10 the Community Mitigation Fund, which you
11 heard from earlier. That fund is directed
12 and only government entities are eligible.
13 This funding is really open, and it's
14 directed towards nonprofit grassroots
15 organizations and coalitions who have, I
16 guess, deep roots in the community and can
17 potentially impact the licensee's diversity
18 goals.

19 COMMISSIONER MACDONALD: What is the
20 funding source on this; does it come from
21 one of the statutory funds?

22 MS. GRIFFIN: No. This is built in
23 the workforce, supplier and diversity
24 budget.

1 COMMISSIONER MACDONALD: So it comes
2 from your line item.

3 MS. GRIFFIN: That's right. So this
4 fiscal year, there are 75,000 that will be
5 put out for potential funding. So it is a
6 smaller fund with potential regranting of
7 those funds in the next fiscal year.

8 COMMISSIONER STEBBINS: I think this
9 is good work. And I think as we look at
10 what organizations might be the recipients
11 of money, obviously the big change that we
12 have gone through with taking hundreds of
13 service employment positions out of the
14 registration requirement, and that's a huge
15 change.

16 And, I think, there is kind of an
17 urgency that we work closely with whoever
18 the grant recipients are to understand that
19 as they are out talking to individuals in
20 the respective communities that they
21 reference to understand that kind of
22 monumental change that we've moved forward
23 with.

24 MS. GRIFFIN: Absolutely.

1 CHAIRMAN CROSBY: This is something
2 that we did for the Plainville area, wasn't
3 it?

4 MS. GRIFFIN: Right.

5 CHAIRMAN CROSBY: And it didn't
6 really work.

7 MS. GRIFFIN: We had one experience
8 with the Plainville area that had some
9 challenges, and I do think in the end it
10 worked. Maybe it took a little bit longer
11 than we had hoped. And then we also had
12 subsequent grant opportunities that were
13 kind of open statewide as this one is, and
14 we've actually had some great success
15 stories.

16 CHAIRMAN CROSBY: Where they
17 actually played in a significant role in
18 engining up either vender or employee
19 candidates?

20 MS. GRIFFIN: Yes. For example, the
21 Center for Woman Enterprise produced a
22 video regarding how to become a supplier.
23 That's linked to our website and also to
24 other websites. It's about half an hour in

1 length, but it's a really good source of
2 information. In Springfield, there were
3 several successful grant recipients.

4 CHAIRMAN CROSBY: There were.

5 MS. GRIFFIN: And in eastern Mass.
6 the Hispanic American Chamber Institute
7 regularly meets Wynn Resorts and has
8 successfully connected them with specific
9 vendors.

10 CHAIRMAN CROSBY: Good.

11 MS. GRIFFIN: And I'll just add that
12 we do have an internal review committee,
13 Commissioner Stebbins, myself and Crystal
14 Howard and we also invited Trupti Banda,
15 our director of HR to join us.

16 CHAIRMAN CROSBY: Great, thank you.

17 COMMISSIONER CAMERON: Thank you
18 very much.

19 CHAIRMAN CROSBY: Let's take a quick
20 break, and then we're going to reconvene de
21 novo versus --

22 MS. BLUE: I think maybe if we can
23 do the easy reg. underneath it first, and
24 then we can do it.

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(A recess was taken)

CHAIRMAN CROSBY: Who's up first? I thought we were close to a motion.

MS. BLUE: So I think if we first do the amendment to 205 CMR 146.23. This is just an addition of a description of a particular type of table that's going on the table games -- table games equipment reg., which we didn't include it in the first list of table games equipment we promulgated. So we're just asking you to allow us to make this amendment and start the promulgation process. It's pretty simple. So if we could take that first, that would be good.

COMMISSIONER MACDONALD: I move that the Commission approve the Small Business Impact Statement of 205 CMR 146.23 as included in the packet.

COMMISSIONER STEBBINS: Second.

CHAIRMAN CROSBY: Further discussion? All in favor? Aye.

COMMISSIONER CAMERON: Aye.

1 COMMISSIONER MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 CHAIRMAN CROSBY: The ayes have it
4 unaniously. Commissioner Zuniga is not
5 present.

6 COMMISSIONER MACDONALD: And I
7 further move that the Commission approve
8 the amendments to 205 CMR 146.23 as
9 included in the packet and authorize the
10 staff to take the next steps necessary to
11 file the regulation with the Secretary of
12 the Commonwealth to proceed with the
13 regulation promulgation process.

14 COMMISSIONER STEBBINS: Second.

15 CHAIRMAN CROSBY: Further
16 discussion? All in favor? Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER MACDONALD: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 CHAIRMAN CROSBY: The ayes have it
21 4/0.

22 MS. BLUE: I think from our
23 discussion this morning, the second issue
24 that the commission wanted to talk to was

1 to paragraph 12, paragraph 11, 12 and 13,
2 which is on pages 13 and 14. This is the
3 standard of review for the commission when
4 the commission is hearing a matter that has
5 been before the hearing officer. So this
6 is your more traditional appeal function.

7 CHAIRMAN CROSBY: Which page is it,
8 Catherine?

9 MS. BLUE: On page 13. We start on
10 there's paragraph 11. It's new paragraph
11 11 and then new paragraph 12, and then goes
12 over to 14 for new paragraph 13. I guess,
13 the way I would describe this is I view
14 this as a codification as you have been
15 doing since the first time you did an
16 appeal from a hearing officer decision.

17 I know that I have been in most of
18 those sessions, and my advice to you always
19 was that you conduct a de novo review. You
20 can affirm, you can deny, you can remand to
21 the hearing officer. You can affirm in
22 part or deny in part so long as what you do
23 is supported by substantial evidence in the
24 record that is before you.

1 And, I think, if you remember, when
2 you have a commission appeal, basically
3 you're making a decision on a written
4 record. You're not taking testimony. You
5 do give deference to the credibility
6 determinations of the hearing officer, but
7 you're not taking additional live testimony
8 at that point.

9 I think with the discussion I heard
10 this morning that there was some concern
11 perhaps about that standard of review, and
12 what we are basically asking you to do is
13 determine whether you're comfortable with
14 the standard. I am a little concerned,
15 because I thought what I heard this morning
16 was that if you had agreed that the hearing
17 officer was to follow a substantial
18 evidence standard with deference to the
19 original decision-maker that I thought I
20 heard it said that that you would not be
21 able to do a de novo review at this point.
22 And, so, that may be the distinction. I
23 can only tell you this is the advice I've
24 always given you in every commission of

1 you.

2 CHAIRMAN CROSBY: We should, I
3 think, conduct this discussion with making
4 sure we're on the same page about where we
5 have the first discussion. And, I think,
6 that where we ended up to put it in simple
7 terms is that the four of us, Commissioner
8 Zuniga disagreed, felt that the amended IEB
9 position, if you will, with that clause put
10 back in like Lloyd suggested that, in other
11 words, we were coming down on the side that
12 the investigator's judgment about
13 substantial evidence will be followed by
14 the hearing officer so long as the hearing
15 officer believes that there is, in fact,
16 substantial evidence. So that's the
17 baseline. So then we come to this section.
18 You did say something that sounded like --

19 MS. LILLIOS: I did say that, I
20 think, there is some tension in the term
21 "de novo" with substantial evidence. But,
22 I think, I am getting too much in the weeds
23 but I agree with standard that you have
24 been applying. In reality, I really don't

1 think there is a disagreement.

2 CHAIRMAN CROSBY: On the application
3 of our standard.

4 MS. LILLIOS: On your standard.

5 COMMISSIONER MACDONALD: Why would
6 we not, though, want to have substantial
7 evidence scope of review standard at the
8 commission level as well?

9 MS. BLUE: You do, but you don't
10 have deference to the hearing officer's
11 decision.

12 COMMISSIONER MACDONALD: Why would
13 we not want that? Provided that at the
14 conclusion of the record as a whole by the
15 commission convince the commission that on
16 the record before the hearing officer that
17 he had substantial evidence to support his
18 decision, why wouldn't that be sufficient?

19 MS. BLUE: Well, I think, that's a
20 standard you could use if you wanted. I
21 would say when the commission originally
22 went through these regulations, there was a
23 determination that the commission would
24 conduct a new review of the evidence in the

1 record and make its own decisions and its
2 own findings.

3 That provided some oversight of what
4 the hearing officer was doing. It allowed
5 the commission to perhaps make policy
6 decisions in those final decisions. So
7 while this looks like it's sort of new and,
8 in essence, it really is only codifying
9 what the commission has done from before,
10 the commission can certainly change that
11 standard if they like now. But, I think,
12 the idea was that the commission was going
13 to take a fresh look at what came before
14 the hearing officer.

15 COMMISSIONER MACDONALD: But the
16 existing regulation under 012, now 11,
17 which is crossed out, "The Commission shall
18 determine whether the decision of the
19 hearing officer is supported by substantial
20 evidence incorporate with decisions in
21 Massachusetts court," et cetera, et cetera.
22 That is a classic formulation of a more
23 limited scope of review than suggested by
24 the phrase "de novo."

1 COMMISSIONER CAMERON: It's in
2 there.

3 CHAIRMAN CROSBY: But it went on to
4 say -- but old 13 -- how would we reconcile
5 this? The old 13 went on to say, "The
6 Commission may affirm the decision, vacate
7 the decision, modify a decision or remand
8 the matter."

9 COMMISSIONER MACDONALD: Yes, but I
10 think --

11 CHAIRMAN CROSBY: And it's not
12 limited to the evidence cited by the
13 hearing officer in support of the hearing
14 officer's decision. How do with reconcile
15 those two?

16 MS. BLUE: So as we talked, as we've
17 gone through this, this draft is a product
18 of differing thoughts and trying to
19 compromise in different places. There is a
20 tension between those two paragraphs.
21 There definitely is. My suggestion is that
22 we take the original standard that the
23 commission has used up until now, which
24 means we'd take some language out of 12 and

1 we would leave the language in 13. We have
2 always told you you've done a de novo
3 review. But as staff as discussed it, the
4 language that's added in red to 12 probably
5 conflicts more with 13. And, I guess, my
6 preference would be to take the red
7 language out of 12, leave the de novo
8 words, and then leave 13 as it is drafted
9 now.

10 CHAIRMAN CROSBY: I just want to
11 make sure I'm getting this get. So Lloyd
12 is right, that what we had been doing in
13 the past is not really consistent with the
14 way 12 was once written -- is written
15 presently.

16 MS. BLUE: That's correct.

17 CHAIRMAN CROSBY: So you're right.
18 We have been doing it differently from what
19 that paragraph suggested. We have been
20 doing it with what the old paragraph 14
21 suggested, which was really not consistent
22 with the old paragraph 12. So now we go to
23 what -- so that's the background. The
24 question is: Do we want to keep doing it

1 that way or not?

2 MS. BLUE: That's exactly the issue,
3 and I think that's the point Commissioner
4 Macdonald was starting to make.

5 COMMISSIONER CAMERON: Is that what
6 you were trying to say?

7 COMMISSIONER MACDONALD: Yes. And
8 I'll say, and I am not going to be here to
9 apply it, but if this were up for a vote
10 today, I'd be in favor of clarifying this
11 language in order to make it explicit that
12 the commission scope of review on the
13 complete record coming from the hearing
14 officer's decision would be the substantial
15 evidence review. And that if after our
16 consideration, commission's consideration
17 of that full record, it was satisfied that
18 the hearing officer had substantial
19 evidence in support of his or her decision
20 that we would affirm -- that the commission
21 would affirm.

22 CHAIRMAN CROSBY: Right. So you're
23 suggesting that we reverse what we had been
24 doing to a different standard.

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COMMISSIONER MACDONALD: Yes.

MS. BLUE: And what you want to think about is you think about that standard, which is certainly a standard you can apply, is that you give deference to the original staff decision, for lack of a better term, and the hearing officer is obligated to defer to that, and then you're obligated to defer to the hearing officer. Then it's likely that initial staff decision is the staff decision. You kind of -- you're deferring to the initial decision all the way through the process, and that is a way to do that. You can do it that way.

COMMISSIONER MACDONALD: I don't see it that way, because the hearing officer level is a completely -- it's a fresh look at the evidence. The hearing officer is not limited to the evidence that the IEB may have taken into account. The hearing officer, given our seeming four to one preference, would be obliged to affirm the IEB if on that expanded record the hearing

1 officer concluded that there was
2 substantial evidence to support the IEB's
3 conclusion. But I don't think that's a
4 rubber stamp. Certainly it's my experience
5 it's not a rubber stamp.

6 MS. BLUE: I mean, from a practical
7 perspective, the records are not usually
8 expanded. There's an opportunity for new
9 evidence, and the hearing evidence takes
10 it. But, you know, again, the staff level
11 action is well thought out and well
12 investigated and, generally, the evidence
13 that goes in is predominantly whatever the
14 staff puts forth. And that is the standard
15 we have agreed on the hearing officer. So
16 we just want to think about whether -- what
17 the path is going all the way through and
18 what that gives the commission the ability
19 to do at your level, at the appeal level.

20 CHAIRMAN CROSBY: It feels to me
21 like when it comes to us, the IEB is not
22 the commission. The IEB was the IEB, what
23 racing investigators. And the decision
24 that would go to the courts eventually, if

1 there were a court appeal, needs to be the
2 commission's decision and we -- it seems to
3 me because policies is made particularly
4 these early years where everybody is
5 floundering around trying to figure out how
6 do with need to apply all these rules and
7 regs., that giving the commission the
8 ability to take a de novo, a totally fresh
9 look and contradict if it so chooses,
10 notwithstanding substantial evidence, the
11 hearing officer is the right way to go.
12 That is sort of the final -- both, you
13 know, a little bit of possible catching of
14 an injustice that somehow get screwed up
15 there in the process, A; or, B, simply
16 wanting to establish a new standard, new
17 principles, new applications of the law to
18 certain sets of facts. So I would want the
19 commission to be the determiner of the
20 status that's going to go to the courts,
21 not something that is sort of by --

22 COMMISSIONER CAMERON: Even in both
23 cases there was substantial evidence, you
24 think it would be okay to go in a different

1 direction, I think, is what I'm hearing.

2 CHAIRMAN CROSBY: Right.

3 COMMISSIONER CAMERON: I didn't
4 think that's how we were operating before.
5 I think what we did before is in some
6 limited cases decide that there really
7 wasn't substantial evidence, not that we're
8 going in a new direction.

9 MS. BLUE: You did that.

10 CHAIRMAN CROSBY: We did both.

11 MS. BLUE: You did both really. I
12 mean, in some cases, you determined there
13 wasn't substantial evidence and you
14 overruled, the hearing officer overturned
15 that.

16 CHAIRMAN CROSBY: We thought some of
17 the racing rules were misapplied, and some
18 of the definitions were unclear.

19 COMMISSIONER CAMERON: That speaks
20 to substantial evidence.

21 COMMISSIONER MACDONALD: Well,
22 actually, that speaks to the law. Your
23 conclusion was that the regulations which
24 were not compliant, that's a legal

1 judgment.

2 MS. BLUE: And sometimes what you
3 did was you changed, I guess, for lack of a
4 better word, the sanctions. So, for
5 example, the hearing officer had
6 substantial evidence to impose a sanction
7 of three years. When it got to you, you
8 looked at the record. You found that there
9 was substantial evidence for a sanction,
10 but not a sanction of that time. So there
11 has been a couple of that have been like
12 what we call time-served from three years
13 to two.

14 So you have done a little bit of
15 both over time, but you have been very free
16 in looking at the entire record and making
17 some decisions about how you felt about
18 that, what the hearing officer did, you
19 looked at the law, you looked at the facts,
20 you looked at the evidence, so you've done
21 what I think we would call a de novo
22 review.

23 COMMISSIONER CAMERON: Do you have
24 something to add to that?

1 MS. LILLIOS: I did think that under
2 the existing reg. that you were operating
3 on a substantial evidence standard and that
4 you had to affirm the hearing officer if
5 you found that he had substantial evidence.
6 I've only had one matter go to you. That's
7 how I briefed that matter in my section on
8 standard of review. That's what I thought.

9 I did by way of example -- this may
10 be helpful -- to take the case of the
11 person who left children in the car, okay.
12 The person left children in the car.
13 There's a bunch of facts associated with
14 that. The hearing officer said that was --
15 no. The hearing officer reversed the IEB
16 putting that person on the exclusion list
17 on a legal basis.

18 At the time we couldn't have
19 appealed that to you. But say now we can,
20 say the IEB appealed that case to you. And
21 just for purposes of argument, say you
22 looked at that the case. You looked at
23 what the hearing officer said. The hearing
24 officer in this opinion put all the facts

1 in there, a couple of kids in the car, 90
2 minutes, car running, busy parking lot,
3 blah, blah, blah, hearing officer said that
4 was enough to put the person on the
5 exclusion list.

6 You could look at all of those facts
7 and you could say that's a lot of evidence
8 IEB, hearing officer, we get it. You
9 weren't off the rails to think that person
10 should go on the exclusion list. But for
11 our purposes you would say, we, as the
12 commission, do not consider that
13 substantial enough evidence. And then in
14 your opinion, you would give further
15 guidance, like you ended up doing in a reg.
16 change. But, you know, all that evidence
17 we don't think you're crazy IEB or hearing
18 officer but not substantial enough in this
19 circumstance.

20 So, I think, you have a lot of
21 discretion in weighing -- you're the
22 ultimate arbiters on what is substantial or
23 not, and you will probably exercise that
24 weight exercise more freely than the

1 hearing officer would because you're the
2 commissioner, I mean, commissioners and
3 you're the ultimate arbiters.

4 So, anyway, I thought that was an
5 important point to illustrate. That
6 illustrates the substantial evidence
7 standard but would clearly show how you're
8 bound to the standard, but you're really
9 not bound to the ultimate definition of
10 what is substantial in any given
11 circumstance. You figure that out in the
12 end.

13 CHAIRMAN CROSBY: That's really
14 saying that we have the de novo right
15 whether it's given to us or not.

16 MS. LILLIOS: And that's why I said

17 --

18 COMMISSIONER CAMERON: We're going
19 into semantics.

20 MS. LILLIOS: -- I do find a tension
21 in that term "de novo" and "substantial
22 evidence." There is legally a tension.
23 The reason I said I'm not sure it matters
24 is because you do have that broad ability

1 to be the ultimate arbiters on what amounts
2 to substantial evidence.

3 CHAIRMAN CROSBY: Right, right.

4 COMMISSIONER MACDONALD: I don't
5 think I disagree with. But from the
6 perspective of a reviewing court, if the
7 commission's decision did go up that was
8 subject to an appeal, you know, on the
9 record the reviewing judge would be asking
10 whether or not there was substantial --
11 whether at the hearing officer level there
12 was substantial evidence established. And
13 if the commission went in the opposite
14 direction finding that there wasn't
15 substantial evidence, the reviewing court
16 would reverse the commission.

17 So, I think, it is a standard of
18 substance. There's a perspective on this
19 which is not substantive. It's practical.
20 And that is that if I would think as
21 reasonable to expect there's going to be an
22 increasing number of these appeals as we
23 get -- Catherine is shaking her head.

24 MS. BLUE: I don't think we know

1 that. We've had that conversation a lot.
2 I think that the vast majority -- racing
3 appeals have come down because of the
4 better judge's training, and we have had
5 better actually racing participant
6 training, so I think everybody knows the
7 rules better. You know, the majority of
8 the cases we have had on the gaming side
9 have been registrations that have been
10 revoked, and we've now changed the law so
11 we will have fewer registrants.

12 So I'm not sure that we will have
13 more cases. I know we said that for a
14 number of years, because that's what we
15 were told and that's we expected. But I
16 don't know really that that will be the
17 case.

18 COMMISSIONER MACDONALD: We're going
19 to have two billion and two and a half
20 billion-dollar casinos operating in
21 addition to us what has been a small
22 Plainridge casino. It jus seems to me it's
23 likely there's going to be significantly
24 more business. In any event, the

1 perspective that I would -- it would be
2 very personal, because I was a judge. I'm
3 concerned about how this would burden the
4 commission by having such a wide open
5 standard review of it being de novo.

6 These aren't easy cases to decide.
7 And if the scope of the standard -- the
8 scope of review is the substantial evidence
9 standard, that is simply something that's
10 much easier quicker to address than a de
11 novo review of all the pluses and minuses
12 presented by the record.

13 I do note that in the existing
14 regulation, and it's not being suggested to
15 be changed, that the commission may in
16 whole or in part affirm the decision of the
17 hearing officer, reverse the decision,
18 modify the decision, et cetera, et cetera.

19 So let's say the commission came to
20 a conclusion and thought the hearing
21 officers -- that the IEB's and the hearing
22 officers sanctions was disproportionate,
23 the existing language allows the commission
24 to ratchet that back.

1 COMMISSIONER CAMERON: Yes. I
2 somehow I feel like we're into semantics
3 when we're really kind of agreeing. And
4 with the substantial evidence, we do have
5 the ability to really to look at everything
6 and make our own decisions. And I'm
7 persuaded by Commissioner Macdonald's
8 orderly, thoughtful thoughts on this matter
9 and then how it would go to the next level
10 in court. I think that's an important
11 piece. His experience with that is --

12 MS. BLUE: I'm not sure that is
13 exactly the case. I mean, as Commissioner
14 Macdonald points out, there is a tension
15 between what is in the packet now. And I
16 would just say that, as I understand the
17 standard, both the one that we apply to the
18 hearing officer, which we're going to
19 redraft, and the one Commissioner Macdonald
20 suggests, when that comes to you, you're
21 not looking -- you're reading the record.
22 You definitely are reading the record.

23 But the only question before the
24 commission at that point is not necessarily

1 what the facts are but did the hearing
2 officer have substantial evidence. That's
3 the only question you answer. If your
4 answer is yes, then you have to affirm it.
5 That's different than what you've done
6 lately where you go through the records,
7 you look at all the facts, you look at the
8 law, you decide, you know, you have to
9 accept their credibility determination, but
10 you also make a determination on what the
11 evidence how it's weighed. You reweigh
12 that evidence to see if you get to
13 substantial evidence.

14 So it's slightly different.
15 Commissioner Macdonald is correct. It's
16 much easier for the commission because you
17 will have -- the only question you will ask
18 yourself at any appeal is, was the hearing
19 officer's decision supported by substantial
20 evidence?

21 COMMISSIONER MACDONALD: And apply
22 the law.

23 MS. BLUE: And apply the law, and
24 then you're done. So you're not going

1 through it as you have in the past. You do
2 a very deep dive into the record and the
3 briefs.

4 COMMISSIONER CAMERON: But the deep
5 dive is to determine if there is
6 substantial evidence.

7 MS. BLUE: You won't need to do that
8 deep of a dive if you follow the same
9 standard that you're applying to the
10 hearing officer. That's what a court would
11 do. They read it, and they look at it.
12 But the benefit of the doubt goes to the
13 hearing officer as long as there is enough
14 reasonable evidence to support his
15 decision. It is much simpler. I will tell
16 you that --

17 CHAIRMAN CROSBY: I agree it's
18 simpler. If I heard you right, did you say
19 you're comfortable with 13 as written?
20 Because if you are, I agree with you.

21 COMMISSIONER MACDONALD: Let me get
22 back to 13. Yes, I'm -- the answer to the
23 question is, yes, I am comfortable with 13.
24 But I'm comfortable with 13 in combination

1 with revising this to restore the language
2 with regard to "The Commission shall
3 determine whether the decision of the
4 hearing officer is supported by substantial
5 evidence" and I would also suggest that the
6 reference in the green number paragraph 12
7 to de novo review should be deleted and
8 state only that "the findings made by the
9 hearing officer regarding the credibility
10 of witnesses shall be entitled to
11 substantial deference" and keep the final
12 two sentences.

13 CHAIRMAN CROSBY: I don't see how
14 you can reconcile 12 if you put that -- one
15 says if there is substantial evidence you
16 would affirm, and one says you can affirm
17 whatever you want. You mean take in new
18 evidence that the hearing officer never
19 even heard of?

20 MS. BLUE: No. At your level, you
21 couldn't take in new evidence. You can ask
22 for oral arguments, but there is no new
23 evidence.

24 MS. LILLIOS: But you can rely on

1 evidence that's in the record even if it
2 wasn't important to the hearing officer.

3 CHAIRMAN CROSBY: It's not limited
4 to evidence cited.

5 MS. BLUE: Yes, cited or relied
6 upon.

7 CHAIRMAN CROSBY: You don't get new
8 evidence.

9 MS. BLUE: No. But you can make a
10 decision based on evidence under 13 that
11 the hearing officer took in but didn't rely
12 on to make their decision. And now that I
13 think about it, you have done that in the
14 past.

15 CHAIRMAN CROSBY: Right. I guess,
16 so reading these together -- if reading
17 these together, if there is, as he's
18 suggesting, if there's substantial
19 evidence, we can look at -- we can do a
20 whole bunch of stuff, including give more
21 credit to evidence that the hearing officer
22 didn't pay attention to. But if there is
23 substantial evidence and support the
24 hearing officer's decision, we have no

1 choice but to affirm.

2 MS. BLUE: With the change --

3 COMMISSIONER MACDONALD: With the
4 violation.

5 MS. BLUE: If we made the changes in
6 paragraph 12 that Commissioner Macdonald
7 has suggested.

8 CHAIRMAN CROSBY: Is there any best
9 practice? I mean, how do commissions --
10 other commissions work in the Commonwealth;
11 do they --

12 MS. BLUE: So that's what Deputy
13 General Counsel Grossman discussed this
14 morning, which is it goes a lot of
15 different ways. There are some -- what we
16 did was a search of regulations and talked
17 about substantial evidence. Some
18 commissions don't mention the standard at
19 all. And so they, you know, they use --
20 what they do in their minds, because I
21 think it's human nature, is you use
22 substantial evidence. You just haven't
23 really qualified it in your regs. Some
24 have entirely different standards that they

1 believe makes sense under their law. Some
2 have a substantial evidence standard like
3 we're talking about.

4 So what we have believed in the
5 legal department is you have the ability as
6 long as we're talking about an intra-agency
7 decision process, which is the hearing
8 officer and the commission, to create the
9 standard that works best for the
10 commission. Once you get to court, there's
11 case law on the standard. So the court
12 can't make up the standard.

13 CHAIRMAN CROSBY: Well, I don't have
14 a really strong feeling about this to tell
15 you the truth. Because in practical
16 applications is going to be very, very
17 slight in differences. Where as I said if
18 there hypothetically two reasonable
19 interpretations of the same set of facts,
20 which can happen, I think, I would give
21 deference to the IEB. That's where I came
22 down on that side. Because why not?

23 I mean, but in this case, if there
24 are two reasonable discussions, if the

1 hearing officer interprets a set of facts
2 one way, which is reasonable and counts as
3 substantial evidence, but a five member
4 commission by a majority saw it a different
5 way, then I would rather have the
6 commission have the right to do that.

7 COMMISSIONER CAMERON: But don't we
8 have that ability with 13?

9 CHAIRMAN CROSBY: Not the way that
10 it's packaged.

11 COMMISSIONER MACDONALD: The way
12 that I had suggested the answer would be --
13 can I suggest something? And that is
14 Commissioner Zuniga was the descending and
15 with me departing the commission as of
16 Monday, I would suggest, unless there's a
17 particular reason to decide the second
18 matter today that it be deferred to --

19 CHAIRMAN CROSBY: I was going to let
20 --

21 COMMISSIONER MACDONALD: I don't
22 think it's fair to continue without
23 Commissioner Zuniga, not to mention my
24 robust replacement.

1 CHAIRMAN CROSBY: We wouldn't do
2 that. I was letting the conversation ripen
3 a little bit, but I think we're about
4 there. Do you want to put in your two
5 cent's worth before we --

6 COMMISSIONER STEBBINS: I'm happy
7 with that suggestion.

8 CHAIRMAN CROSBY: So, I think, this
9 is going to be close call. We'll figure it
10 out. So the process you envisioned not
11 having votes today anyway, right? No, you
12 were.

13 MS. BLUE: No, we would. What I
14 think we would do if we're going to defer
15 it so that Commissioner Zuniga can weigh
16 in, we will redraft the hearing officer's
17 standard so you can see it to make sure it
18 comports with what you decided today. We
19 can have a further discussion on these
20 sections. We won't touch some, but we can
21 pick up on the discussion on these sections
22 and then you can vote on the whole package,
23 and then we can start the promulgation
24 process. We haven't started the

1 promulgation process yet.

2 CHAIRMAN CROSBY: The irony is that
3 I requested that the attorney general not
4 leave us with four members next week so we
5 wouldn't have, among other things, so we
6 wouldn't have a tie. But we will deal with
7 that, okay.

8 So the only other item is
9 commissioner comments. And Mike Mathis
10 sort of proceeded, and there's no audience
11 here now except for the thousands that are
12 watching us but just while in an official,
13 maybe we can find an unofficial way to do
14 it, but while we're in a official capacity,
15 I just want to extend my regret that we are
16 losing Commissioner Macdonald.

17 He's been an acquaintance for many
18 years and has now become a friend. I like
19 this seat having a good judicial seat. I
20 think the contribution of judicial
21 experience and judicial temperament is
22 great, and I think Commissioner Macdonald
23 has picked that up from Jim McHugh and has
24 brought that swank.

1 I've admired your humility as you've
2 gone through the learning curve, you know,
3 ask silly questions about things you hadn't
4 heard about before. I will miss the
5 helpfulness and thoroughness and integrity
6 of your work, and I'm sorry to see you go
7 and appreciate what you've done for us.

8 COMMISSIONER CAMERON: If I could
9 add to that and agree with that and I'd
10 just like to say I have been so very
11 impressed with your public service as a
12 prosecutor, a judge and then a
13 commissioner. I just have great admiration
14 for all of those roles. They're so
15 important to our society, frankly, and the
16 fact that you at one time in your career
17 took on all three of those roles I've
18 always found just so impressive and serving
19 with you, you know, your wisdom, your
20 experience helped us tremendously and your
21 very thoughtful dialogue I always found to
22 be really helpful in what we did, and I
23 thank you and certainly wish you well.

24 COMMISSIONER MACDONALD: Thank you.

1 CHAIRMAN CROSBY: We postponed the
2 rest of the de novo versus whatever until
3 we get with you next week, and we are now
4 at commissioner's comments, which happen to
5 be about Commission Macdonald.

6 COMMISSIONER STEBBINS: I was going
7 to highlight my visit to the month fish,
8 but I won't. I'll turn my comments to
9 Commissioner Macdonald. Enjoyed the
10 opportunity to work with him, and I think
11 to Commissioner Cameron's point, gain an
12 appreciation for the distinguished public
13 service career he has had at this point and
14 certainly valued, not having a law degree,
15 listening to those who do have a law degree
16 and follows his experience on the bench as
17 we have gone through a number of our
18 proceedings certainly will miss that input
19 from him.

20 And, also, we'll miss his informal
21 role on the commission as the de facto
22 voice of southeastern Massachusetts making
23 sure that all of us were aware that there
24 is a region of the Commonwealth that is, to

1 this point, now received the benefit of
2 expanded gaming as had originally, I think,
3 thought of in the statute.

4 But he consistently reminds me that
5 there are opportunities for parts of
6 southeastern Mass. and beyond that still
7 have an opportunity to benefit from the
8 facilities that we have licensed to date.
9 So we will certainly miss his passion on
10 that subject. I'm sure he's only a phone
11 call away if we start to forget it.

12 COMMISSIONER MACDONALD: I was going
13 to say I was actually intending to say a
14 number of things today kind of draw on the
15 last two and a half years, but I developed
16 a sense when I was a trial lawyer of
17 evaluating the receptivity of my audience,
18 whether jury or judge, as to whether I
19 should continue to talk or not continue to
20 talk and I see glazed eyes here, and I know
21 that I'm kind of glazed as well.

22 So what I will do is put in writing
23 what I was thinking of saying, because I
24 would like to do it just because it's an

1 opportunity to try to put in some
2 perspective a couple of issues. But the
3 one thing I will say, which I was going to
4 say before, but this is just a snippet and
5 that is that I want to recall what I wrote
6 to everybody on the commission 13 days ago
7 when I was informed that formally that my
8 term would be ending on Monday when I said
9 that the past two and a half years have
10 been amongst the most challenging and
11 rewarding of my, and I had a parenthesis,
12 rather, closed parenthesis, long
13 professional career.

14 I will always be deeply grateful to
15 you four for having -- and the staff for
16 having welcomed me and made allowance for
17 me as I was called upon to fill the shoes
18 of one whose shoes would be impossible to
19 fill. And that said, Judge Jim McHugh. I
20 said from day one to anybody who would
21 listen that I am no Jim McHugh, and I'm
22 not.

23 But I want to thank you all, the
24 staff and the four of you, in particular,

1 for treating me like I actually was capable
2 of stepping in the shoes of Jim McHugh. I
3 will be putting something in writing and
4 just know how deeply appreciative I've been
5 for the opportunity to have been part of
6 this wonderful organization.

7 CHAIRMAN CROSBY: Thank you very
8 much.

9 COMMISSIONER CAMERON: Thank you.

10 COMMISSIONER ZUNIGA: Thank you.

11 CHAIRMAN CROSBY: Do we have a
12 motion to adjourn?

13 COMMISSIONER CAMERON: So moved.

14 CHAIRMAN CROSBY: Second?

15 COMMISSIONER ZUNIGA: Second.

16 CHAIRMAN CROSBY: All those in
17 favor? Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: The ayes have it
23 unanimously. Thank you.

24 (Meeting adjourned at 4:47 p.m.)

1 MASSACHUSETTS GAMING COMMISSION STAFF:

2 Catherine Blue, General Counsel

3 Edward Bedrosian, Executive Director

4 Todd Grossman, Deputy General Counsel

5 Loretta Lillios, Staff Counsel

6 Michael Sangalang, Digital Communications

7 Coordinator

8 Jill Griffin, Director of Workforce, Supplier and

9 Diversity Development

10 John Ziemba, Ombudsman

11 Joseph Delaney, Project Manager

12 Alexandria Lightbown, Director of Chief

13 Veterinarian

14 MGM SPRINGFIELD:

15 Mike Mathis, President/CEO

16 Seth Stratton, General Counsel, MGM Springfield

17 Sarah Moore, Vice President of Marketing,

18 Advertising and Retail

19 Alex Dixon, General Manager

20 Brian Packer, Vice President, Construction/

21 Development

22 Courtney Wenleder, Vice President of Finance/Chief

23 Financial Officer

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APPEARANCES (Continued):

GUEST SPEAKERS:

Alice Szpila, Treasurer of Horseman's Association
of New England

Normand Fluet, Jr., Financial Adviser

Jeanne Bakker, Esq., Harness Horseman's
Association of New England

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COMMONWEALTH OF MASSACHUSETTS

I, KRISTEN M. EDWARDS, COURT REPORTER,
do hereby certify that the foregoing is a true and
accurate transcription of my stenographic notes,
to the best of my knowledge and ability.

WITNESS MY HAND, this 21st day of
March, 2018.

Kristen M. Edwards