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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #239

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

March 29, 2018 10:00 a.m.

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

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P R O C E E D I N G

CHAIRMAN CROSBY: Okay. I am calling to order public meeting 239, 239 of the Mass Gaming Commission, on Thursday, March 29th, 10:30 a.m. at our offices in Boston. We will start, as usual, with the approval of the minutes. And I will ask the treasurer in training to try it again.

COMMISSIONER CAMERON: Secretary in training.

CHAIRMAN CROSBY: I'm sorry, I did it again. Secretary in training. Sorry.

COMMISSIONER ZUNIGA: I'm still in training, too.

COMMISSIONER STEBBINS: Mr. Chair, I move the commission approve the minutes in the packet from the March 15, 2018 meeting as they appear, subject to correction for typographical errors, other nonmaterial matters.

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: What was the date you said?

1 COMMISSIONER CAMERON: Fifteenth.

2 COMMISSIONER STEBBINS: March 15th.

3 CHAIRMAN CROSBY: Any discussion?

4 COMMISSIONER ZUNIGA: You know, I
5 had a question, and I was trying to in -- on
6 page five of the minutes at around 12:30,
7 there's a paragraph that reads that Counsel
8 Stratton presented the progress of MGM on Elm
9 Street, on the project in Elm Street. Was
10 there a discussion at the time, of a drop
11 dead date; can someone remind me that was
12 part of a discussion?

13 MS. BLUE: I'd have to go back and
14 look at the transcript to see if that was --
15 that took place at that time.

16 COMMISSIONER ZUNIGA: I'd like to do
17 that. And if that was the case, maybe
18 include it in the minutes because that's a
19 very significant time frame.

20 MS. BLUE: Okay. Let me check on
21 that.

22 CHAIRMAN CROSBY: Anything else?

23 COMMISSIONER STEBBINS: I had --
24 Mr. Chairman, I had one note. Under the

1 10:04 general update, under number one it
2 says, "Construction commitments, as well as
3 transportation demand management commitments
4 of Ombudsman Ziemba and oversight manager,
5 Joe Delaney. I don't think they're their
6 commitments, but maybe as reported by. Kind
7 of just missing a piece. And then, on 11:45,
8 MGM was talking about their corner
9 development, which was where the old Dave's
10 Furniture store was. Maybe, we can identify
11 that as Union and Main so people have a sense
12 of where that is in the project.

13 MS. BLUE: Okay. We can do that.

14 CHAIRMAN CROSBY: Anything else?

15 All in favor with those notations. Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes
20 have it unanimously. I should have mentioned
21 at the outset, that there are only four
22 commissioners here today, as Commissioner
23 Macdonald's replacement, Ms. Eileen O'Brien,
24 has not been -- her term is not starting

1 until next week. She'll be joining us on
2 Monday. All right. Director Bedrosian.

3 MR. BEDROSIAN: Good morning,
4 Commissioners. Welcome to opening day.

5 CHAIRMAN CROSBY: Oh, yeah, that's
6 right.

7 MR. BEDROSIAN: I'd expect a win
8 this afternoon. Couple things I'd like to do
9 today. Introduce new staff first, tell you
10 about a visit to Springfield Mr. Ziemba and I
11 had, show you our critical path, timewise to
12 the MGM opening. And then, finally, just
13 make a brief comment about today's agenda.

14 So with that I'd like to introduce
15 new staff, who joined us, probably since the
16 last time I've introduced new staff, which
17 actually turns out to have been too long.
18 First, we have Cassandra Chung, who's a
19 licensing verification coordinator.
20 Cassandra, if you just raise your hand.

21 CHAIRMAN CROSBY: Stand up.

22 MR. BEDROSIAN: There she is. Thank
23 you.

24 CHAIRMAN CROSBY: Okay. Great.

1 MR. BEDROSIAN: Lisa Brookner, who's
2 a licensing intake officer. She started in
3 January. And I should have said Cassandra
4 started in November. Do we have -- did
5 Lisa -- we got her?

6 CHAIRMAN CROSBY: Yeah.

7 MR. BEDROSIAN: Great. Thank you.
8 Erica Lee Wiley, a paralegal in IEB started
9 in February. Erica. Great. Excellent. We
10 have Katherine Muxie-Hartigan of horsemen
11 counsel. Worked with Ms. Lillios. Started
12 in March. Katherine. Excellent. And,
13 finally, we have Lan Nguyen, who is a human
14 resource generalist, who will be working with
15 Trupti in HR. And she started in March, as
16 did Katherine. So welcome everyone.

17 CHAIRMAN CROSBY: Great. Welcome.

18 COMMISSIONER ZUNIGA: Welcome.

19 MR. BEDROSIAN: So I do want to tell
20 you about a visit Mr. Ziemba and I had to
21 Springfield on -- Tuesday, Joe?

22 MR. DELANEY: Yeah.

23 MR. BEDROSIAN: Tuesday. We went
24 out for Rising Springfield, which is an

1 annual presentation the mayor and Chief
2 Development Officer Kevin Kennedy do that
3 highlights what has been happening with
4 economic development in Springfield.

5 Interestingly -- and Commissioner
6 Stebbins probably knows this, they measure
7 their benchmark, their day zero is from when
8 the tornado came through and did the damage
9 in 2011. So from that point, they've been
10 measuring economic development and investment
11 in Springfield. And if you add up the
12 investment of MGM, a new transportation
13 center, the Chinese rail investment,
14 expansion of Big Y, public works projects,
15 school projects, health care projects,
16 they're now anticipating they have
17 \$3.7 billion worth of investment in
18 Springfield.

19 The other very interesting number,
20 is that when all the development is mature --
21 and I should also mention the Dr. Seuss
22 Museum, which is the only one and new in
23 Springfield, and, apparently, doing very well
24 in visits.

1 CHAIRMAN CROSBY: And railroad car
2 company --

3 MR. BEDROSIAN: Exactly, yeah.
4 Exactly. The other interesting fact, and
5 John'll correct me if I got it wrong, they're
6 anticipating, I think Kevin said 10 million
7 annual visitors to Springfield. Yeah, 10
8 million annual visitors to Springfield. I
9 forget what you do. That's like Springfield
10 itself visiting Springfield once a week, or
11 something. I didn't get that exactly right.
12 I'm sure Kevin would say what it is.

13 CHAIRMAN CROSBY: Do you have any
14 idea what that compares to; is it 10 million?
15 And what was it last year, for example?

16 MR. BEDROSIAN: I don't know. I
17 don't know. But it was an impressive number.
18 Secretary Ash was out there. It was a
19 well-attended event. Certainly, you know,
20 people are very happy with the way which
21 Springfield's heading. And, of course, they
22 gave out these Springfield City First bumper
23 stickers. I have a few. And they're free so
24 I can post those. So it was a -- John, I

1 don't know if you want to add anything about
2 that visit.

3 MR. ZIEMBA: No. It's -- I went
4 last year and it's -- what's pleasing is,
5 it's that the investment significantly
6 increases every single year. And that's a
7 trend that is going to be important, not only
8 for Springfield, but also for the success of
9 the MGM facility. So it's a trend we like,
10 and we hope it continues.

11 CHAIRMAN CROSBY: Yeah. We had a
12 meeting of the Gaming Policy Advisory
13 Committee yesterday and invited them to come
14 out to Springfield for our next meeting, out
15 there April 26th, I think.

16 MR. BEDROSIAN: Sixth. Correct.

17 CHAIRMAN CROSBY: And at least two
18 of them are going to come out to see the
19 product of our work, which will be great.

20 MR. BEDROSIAN: Right. So last
21 issue before my comments is the critical path
22 to MGM opening. It's formatted a little
23 different than the critical path you saw that
24 MGM presented, I think, at the last meeting.

1 This one, you can tell by -- and I hope it
2 shows up, the color code, which is the dark
3 blue are things we've completed, the lighter
4 blue are in progress, and the gray are to do.
5 Not surprisingly, as you go through -- and
6 this is a year chart, Q4 2017 to Q3 2018, the
7 end of which we are designating when the
8 casino opens. Not surprisingly, you see the
9 task get more as you go to the right and you
10 see -- and we don't actually have an end
11 point for the licensing because we know, both
12 anecdotally and from experience of other
13 folks, that licensing continues well past
14 opening, so that's an ongoing process.

15 This was -- senior staff helped me
16 put this together. And this is a high level.
17 Certainly, not everything we have to do. But
18 this is a high level. I feel comfortable
19 that we are -- we have our hands around what
20 need to be done, and we're prepared for what
21 need to be done. But if you have any
22 questions -- and I'm not telling you these
23 benchmarks are exactly to date, but they're
24 in the appropriate quarter, for sure.

1 CHAIRMAN CROSBY: Did we not vote on
2 the MGM final construction schedule?

3 MR. ZIEMBA: So we had anticipated
4 on doing that today, but we need a little
5 more work to prepare that for the commission.
6 It's likely at the next meeting.

7 CHAIRMAN CROSBY: Missed that by a
8 few dates.

9 MR. ZIEMBA: Right. Yeah.

10 MR. BEDROSIAN: Right, right. So
11 and this obviously -- this represents a lot
12 of work by staff, who's doing all these. All
13 -- you know, I try and do is hurt cats. So
14 any questions?

15 COMMISSIONER CAMERON: No.

16 MR. BEDROSIAN: Great. Thank you.
17 So I just do want to make a comment about
18 today's agenda. You'll notice there are a
19 number of items related to our Region A
20 licensee, Wynn Mass, LLC on today's agenda.
21 And I just want to be clear about something.

22 Our investigation on Wynn's license
23 continued suitability's ongoing. Staff is
24 working hard. Some of whom are currently in

1 Las Vegas. It's our hope to come to the
2 commission with findings no later than
3 summer. I'll caveat that right now. Having
4 said that, investigations are complex, and I
5 cannot guarantee a concrete time frame. In
6 the meantime we are cognizant that our
7 licensee continues to build and prepare for
8 opening of the Everett casino. Today, you'll
9 hear a quarterly report that is required by
10 statute and regulations. You will also hear
11 about plans for a gaming school and the start
12 of the licensee's workforce development
13 diversity plan.

14 In the long run, the gaming school
15 and implementation of a workforce and
16 diversity plan goals are contingent upon the
17 outcome of investigation and potential action
18 of this commission, which are in no way, no
19 way predetermined. And today's procedural
20 discussions should not be interpreted as a
21 prejudgement on the ongoing investigation.
22 We as staff acknowledge this creates an
23 awkward situation, but these matters, for
24 now, must continue on parallel tracks.

1 CHAIRMAN CROSBY: Thank you,
2 Director Bedrosian. I appreciate the fact
3 that you and your staff are walking this fine
4 line between proceeding as planned under the
5 law and under our regs, even while other
6 staff are investigating all of the relevant
7 facts surrounding the allegations against
8 Wynn and against Wynn Resorts, as well as
9 investigating the behavior of the board and
10 the senior management during the period of
11 time covered in the allegations.

12 I have said repeatedly, that, for
13 now, we must proceed with the Everett project
14 as planned, and to be thoughtfully mindful of
15 the thousands of people whose jobs may be
16 affected by these issues, and of the
17 long-term economic benefits envisioned by
18 this project.

19 But as a practical matter, as we
20 draw and you draw this fine line,
21 Wynn Resorts is proceeding with this project
22 on an at-risk basis. As you said, that is to
23 imply no suggestion of an outcome to our
24 investigation, or to our deliberations,

1 subsequently, but it merely states, clearly,
2 the reality of the present situation. We
3 appreciate the complications for you and for
4 you, but that's where we are at the moment.

5 MR. BEDROSIAN: So with that, I am
6 done. Thank you.

7 COMMISSIONER ZUNIGA: I have a
8 question for Director Bedrosian. Is there --
9 there's some reports about an investigation
10 that's being conducted by -- internally by
11 the company. Is there anything that you can
12 comment about, relative to that
13 investigation?

14 MR. BEDROSIAN: Other than, that we
15 are aware of that investigation. And, so
16 far, folks are being as cooperative as they
17 can within -- with the company.

18 CHAIRMAN CROSBY: Okay. So that is
19 the end of the administrative update. And we
20 are going to -- that concluded -- your
21 timeline was the MGM update, right?

22 MR. BEDROSIAN: Correct.

23 CHAIRMAN CROSBY: So there are
24 several items that are effectively lumped

1 together. Ombudsman Ziemba, Item 4, will be
2 the Wynn Boston quarterly report. And then,
3 with the same team at the table, our
4 executive our director of workforce and
5 supplier and diversity development,
6 Jill Griffin, will talk about the Wynn Boston
7 workforce development plan and the gaming
8 school update. So let's take these three in
9 a row, starting with Ombudsman Ziemba.

10 MR. ZIEMBA: Thank you,
11 Mr. Chairman, So I will let Bob DeSalvio
12 introduce his team for each of the various
13 aspects of the presentations. After the
14 quarterly report, which is the fourth quarter
15 of 2017 ending December 31st of 2017, I will
16 vacate my seat and have Jill join us up here.
17 But I'll turn it over to Bob for the fourth
18 quarter report.

19 MR. DESALVIO: Thank you, John, and
20 good morning, Commissions.

21 CHAIRMAN CROSBY: Good morning.

22 COMMISSIONER CAMERON: Good morning.

23 COMMISSIONER ZUNIGA: Good morning.

24 COMMISSIONER STEBBINS: Good

1 morning. I'd also like to start by
2 introducing a new team member.

3 Heather DeSanto is our new vice president of
4 human resources, joining the company just
5 recently. And I'm going to let -- as we move
6 forward and get into the workforce
7 development and diversity plan, Heather was
8 prepared to tell you about herself and give
9 you some background, which I think is very
10 relevant.

11 The other announcement I want to --
12 Peter Campot is out of town at the moment
13 today, so I'll be handling the construction
14 update, along with Jacqui for the first
15 portion. And I did want to bring up, I know
16 at a previous meeting we talked about getting
17 an updated tour to the site. I know recently
18 you've spent time out in Springfield, so I
19 want to put that back on the table for staff
20 and commissioners, if available. But so much
21 has gone on with the construction I think --
22 we talked around June as maybe being a good
23 time. When we get to June, we will have our
24 first sample rooms ready to be viewed. And I

1 think that would be a very important
2 milestone as part of the process, so I'll
3 leave that up to -- I'll work together with
4 the staff, see if we can organize and get
5 some additional construction tours out as
6 soon as possible.

7 CHAIRMAN CROSBY: Great.

8 MR. DESALVIO: As far as the update
9 goes, I'll start with what I call the major
10 milestones. And we've divided up our work
11 into, really, four different updates for you.
12 I'm here today, again, joined with Jacqui,
13 and we're probably going to split this --
14 Jacqui Krum, split this half and half.

15 As far as the construction
16 milestones, on our site work, our marine work
17 is -- as you can see, it's mentioned it's
18 96 percent complete. We're just about done.
19 That project has gone quite well. It was
20 difficult during the winter, as you can
21 imagine, with some of those storms that came
22 in, but the contractor has done a really good
23 job and they're just about wrapping it up.
24 As is our site utility work, nearly complete.

1 The EPS block, that is a fancy term
2 for the block that goes underneath the main
3 roadways in and out of the site. Obviously,
4 we then cap that and put pavement above it,
5 but that's an important part of the
6 component. It relates to the elevation of
7 the facility and our goal to address future
8 sea level rise and getting the access road.
9 As you recall, we got our access road up
10 about 13 feet above mean sea level, and the
11 base level of the podium, and including the
12 casino floor, is up about 25 feet above mean
13 sea level. So in order to build those roads
14 up, you've got to put a very significant,
15 sort of, block system that allows us to build
16 the roads on top of it.

17 I also wanted to report on the site
18 issues that we have already experienced. You
19 know, there were obviously four nor'easters
20 that hit. The first two were extremely
21 significant. And the first one, which was
22 right after New Years, was the worst because
23 it came at the very high, astronomical tides.

24 During that storm, it was the

1 highest recorded tides ever out by Logan and
2 in Boston Harbor. So it was a great test for
3 us. It was the equivalent of a 100-year
4 flood mark. I could report that the water
5 did not crest our new bulkhead, and the water
6 came up on the living shoreline and receded
7 back. We had no damage on the site
8 whatsoever. And the four-story garage below
9 the building had not a drop of water in it.

10 So in a sense, I actually feel very
11 good with those -- passing of those first two
12 storms. It was a tremendous test on our
13 plans for resiliency and sustainability. And
14 I think we did really well during those first
15 two tests. Always nice to get those tests
16 done before opening. So really good news
17 there.

18 Plant selection and purchasing. We
19 have already selected all of the species that
20 are going to be on site. As a matter of
21 fact, you will see work in April. We're
22 going to start with the hardscape and the
23 planting out on the site, so it's going to
24 start looking more like a completed site.

1 As far as the garage goes, as I
2 mentioned, the structure's a hundred percent
3 complete. We're currently working on fire
4 protection election and masonry, about 75
5 percent. The mechanical, electrical and
6 plumbing is about halfway done, along with
7 the spray insulation for fireproofing and the
8 painting of the garage. But it looks really
9 good in the garage.

10 On our next slide, we're talking
11 about the podium north. And that's what we
12 refer to as the central utility plant.
13 That's the northern most portion of the
14 facility. We are just about done with all
15 the plumbing, electrical, fire protection,
16 drywall, ceilings, and we're now working on
17 flooring. So looking really good there.

18 The podium, which contains the
19 gaming portion of the podium, the ceiling
20 framing, I'm going to show you some slides
21 shortly. We're about 80 percent complete.
22 The wall framing about 90 percent complete,
23 drywall about 15 percent. So we're starting
24 to work our way around, as we continue to do

1 the inspections with the local -- local
2 officials in Everett.

3 As far as the the podium on the
4 convention side of the space, we're about 70
5 percent done with the wall framing,
6 30 percent with plumbing, 20 percent with
7 electrical. The tower is going extremely
8 well. The curtain wall's up to 16, the
9 concrete is up to level 25 and has now become
10 very, very evident as you -- you know, as you
11 travel on 93, for example. You can see that
12 tower really sits nicely on the horizon.

13 The golden rooms, which are our
14 sample rooms, are about 15 percent complete.
15 And I mentioned those should be done in June.
16 Hopefully, timed with, maybe, your next
17 visit. And then, drywall we started up to
18 level 11 on the -- on the tower.

19 The next slide shows you some really
20 good process. You can see the curtain wall
21 system going up on the tower. You can see
22 out front in the foreground, the structure
23 for the porte cochere. You can see, already,
24 to the right of the porte cochere, you see

1 some trucks on what will be our future access
2 road. And that access road has already been
3 supported by the EPS blocking and some
4 grading, and some temporary pavement that's
5 down there to create access for us. So all
6 looking good there. The next slide shows you
7 the convention space in the foreground
8 leading back to the main podium --

9 CHAIRMAN CROSBY: Bob, excuse me,
10 when were these taken?

11 MR. DESALVIO: These are within,
12 probably, the last week or so. Yeah, last
13 snowstorm. Yeah, so these are very current.
14 You can see here, again, the convention
15 space, the podium and the tower. And then,
16 you can see in the -- towards the back, that
17 is the central utility plant section of the
18 building. We will have that central utility
19 plant up and running this summer, because we
20 need to start conditioning the space in order
21 to put in the final finishes inside the
22 building.

23 This is the shot -- the next shot
24 that shows the tower from right at the base

1 of the convention area. And to the right of
2 that would be the location of the harbor
3 walk. The next slide shows you this, is the
4 interior of the main lobby area inside the
5 front doors. And the curved -- the curved
6 wooden structures are going to wind up
7 housing the ficus trees in -- Ficus trees in
8 the center of the lobby with the skylit area,
9 so it's a beautiful space that's going to be
10 very welcoming as people come in through the
11 porte cochere.

12 The next shot shows you how advanced
13 we are on the casino floor. You can see
14 we're putting finished ceilings in, and you
15 can see we're marching around the perimeter
16 doing the framing and starting of the
17 drywall. You can see, also, the MEP already
18 up in the ceiling. We had a meeting a couple
19 weeks ago with SSI, who's doing the
20 surveillance system. So all of those systems
21 are going in as well. And so, we're pretty
22 far advanced, in terms of the casino floor.

23 The next slide, this shows you a
24 shot on the casino floor facing east, and

1 you're looking, basically, underneath what is
2 the elevated poker room above the main casino
3 floor. And, again, that gives you a good
4 shot of how far advanced the MEP systems are
5 on the casino floor.

6 And then, the next shot is kind of
7 an overview. So this would be -- this would
8 be if you were looking north from the -- on
9 top of the poker room area and looking across
10 to the elevated side on the other side, which
11 houses the high-limit gaming area, and out
12 towards the main lobby and arrival part of
13 the buildings. And, again, you can see here
14 how advanced these ceilings are inside the
15 facility.

16 The next slide shows you the curved
17 escalators that are part of the lobby. That
18 was a very interesting installation. As you
19 can imagine, the detail work that has to go
20 on when you're installing something as
21 complicated as curved escalators took quite a
22 bit of time, but that project is -- is nearly
23 complete, and we'll get ready to do the
24 finish work on those escalators.

1 The next slide shows you an
2 overview. And nice to see the harbor cleaned
3 up. I will tell you that, that project was
4 really interesting, in terms of putting in
5 the new fill. You know, we did two things.
6 We did a navigational dredge so that we would
7 be able to get the water shuttles up to the
8 front of the facility, but we also did a
9 remedial dredge to take out any of the
10 contaminants that had leached from the main
11 site and were now on the bottom of the harbor
12 bed.

13 So that -- the contaminated soil was
14 removed, and then we put in a new 18-inch cap
15 of clean sand, sanding material. And what's
16 amazing is, when we pulled out the old
17 contaminated dirt and soil that was there,
18 you put in the new sand, it actually changed
19 the coloration of the water. So I promise
20 you these were not touched up. This is
21 really great news because -- and we're
22 starting to see a lot more wildlife now
23 coming into the harbor, ever since the work
24 of the living shoreline and that remediation

1 work is drawing to a close.

2 Also, you'll notice on this slide,
3 we're advancing the finish of the roof above
4 the convention space. You can see there,
5 they're about 3/4 to 7/8ths done with that.
6 And then, we'll be also adding the solar
7 panels at a later date. We have -- a large
8 section of our roofing will be -- will have
9 solar panels on it. We have green roofs. As
10 you remember, we are LEED Gold, and, again,
11 sustainability was front and center, as we
12 think about our co gen and all the things
13 that we did, in order to make this building
14 environmentally sound.

15 As far as a project schedule goes,
16 I'm actually -- I am not going to take you
17 through the next three slides so let me give
18 you the highlights. We are currently on
19 time. We had put into the job 23 days worth
20 of bad weather. We've probably used about 13
21 of those days through the first two winters,
22 so we have a few left. Except next year,
23 very little work will have to be done outside
24 of the building. So I'm not anticipating

1 that we're going to have significant winter
2 delays, going into the final winter, that we
3 have to deal with. So we're very good from a
4 scheduling perspective.

5 The milestones coming up shortly,
6 are that we will finish the concrete
7 superstructure about the third week in April,
8 in the building. So that will mean that we
9 have reached the 27th floor. In May, we will
10 finish up the steel superstructure at the top
11 of the building. In July, we will finish up
12 the curtain wall system, so you'll see it
13 totally enclosed in glass. And in August, we
14 will probably begin really taking down the
15 tower cranes. And then, the tower at that
16 point will look almost complete to the eye.
17 So really, really good progress.

18 And, again, I have to compliment --
19 I really got to throw out some kudos here.
20 First of all, the Wynn design development
21 team, which is led by John Lattell and, of
22 course, Peter Campot and Chris -- Chris
23 Gordon, who's working on the offsite
24 infrastructure improvements. Our team has

1 done an amazing job. And, really, a lot of
2 kudos to Suffolk Construction. John Fish,
3 obviously, leading the charge. Rich
4 Michaels, who's really very, very strong, in
5 terms of on-site management, and
6 Jeff Weatherford. Between the Suffolk team
7 and our team, they've really collaborated
8 quite well.

9 I want to move next to the offsite
10 infrastructure improvements. As you know,
11 the work that we are doing outside of the
12 building and the gaming establishment are
13 just as important to the project as the work
14 inside of the building.

15 Just to refresh everyone's memory,
16 the main work that we're doing includes
17 Wellington Circle, it includes Sullivan
18 Square, Santilli Sweetser, and, of course,
19 we're rebuilding all of lower Broadway. That
20 work we've divided up into four packages, and
21 we've assigned them to, really, three
22 different companies. SPS has the Broadway
23 project, J Derenzo got Route 16, which is the
24 Mystic Valley Parkway, and then DW White got

1 the MBTA Station improvements and Sullivan
2 Square. All of those projects are underway.

3 We've had excellent working
4 relationships with the Boston transportation
5 department for the work -- the very critical
6 work we have to do in Sullivan Square. And
7 we just had a really good meeting with the
8 new general manager of the MBTA. Luis has
9 really done, I thought, a great job in his
10 first four months navigating those -- the
11 storms that we recently had. And his team
12 has been working tremendously with us, in
13 terms of getting improvements done to
14 Sullivan Square.

15 So right now, as far as the roadway
16 goes, we are all systems go. And we are
17 trying to get all of that work completed
18 during this calendar year. Some of the work
19 may slip into early 2019, but the goal is to
20 get it done long before the casino would
21 open.

22 COMMISSIONER STEBBINS: Robert, on
23 the -- Item No. 2 it says -- you talk about
24 the MBTA Station improvements and you say

1 parking lot improvements at?

2 MR. DESALVIO: At Sullivan Square.

3 COMMISSIONER STEBBINS: Okay.

4 MR. DESALVIO: There's going to
5 be -- actually, a project this summer. We're
6 working this out with the MBTA. We want to
7 try to, basically, do a complete resurfacing
8 of the lot in Sullivan Square. And we want
9 to try to do that timed with the lowest
10 possible commuter traffic. So we're looking
11 to hit that August, kind of, vacation window
12 because it will require shutting down, at
13 some point, that section, and doing some
14 work.

15 We've got to do new bus enclosures,
16 some roadwork in and around Sullivan Square,
17 and we're trying to time that so we do it
18 when you have the least amount of traffic
19 going through the station. But some really
20 good improvements for pedestrian access, ADA
21 access, a new routing system for the buses.
22 All designed with improvements in mind for,
23 not only the station, but the area
24 surrounding the station.

1 COMMISSIONER STEBBINS: Thank you.

2 MR. DESALVIO: At this point, I'm
3 going to turn it over to Jacqui for the
4 project diversity update.

5 MS. KRUM: Morning, Commissioners.

6 CHAIRMAN CROSBY: Good morning.

7 COMMISSIONER CAMERON: Good morning.

8 COMMISSIONER ZUNIGA: Good morning.

9 COMMISSIONER STEBBINS: Good
10 morning.

11 MS. KRUM: So the first, as you
12 know, our design phase of the project is
13 largely completed. At least, we hope it's
14 largely completed. And so, our goal for MBE
15 contracts was 7.9 percent. We have achieved
16 9 percent. For WBE contracts, 10 percent and
17 we achieved 7 percent. For VBE contracts,
18 our goal was 1 percent, and we achieved 6.6
19 percent.

20 For total contracts, our goal was
21 18.9 and we achieved 22.6 percent. For
22 contracts awarded to minority, women and
23 veteran business enterprises for the
24 construction phase, we had a goal of

1 5 percent for MBE and we achieved 5.6 to
2 date. Actually, these numbers are through
3 December 31, 2017.

4 CHAIRMAN CROSBY: That's to date.
5 There's a long way to go.

6 MS. KRUM: Correct.

7 MR. DESALVIO: Correct.

8 MS. KRUM: Yep. For women business
9 enterprises, our goal was 5.4 percent, and
10 we've achieved 9.6. For veteran business
11 enterprises, our goal was 1 percent and we've
12 achieved 2.6. And the total number of
13 contracts, our goal was 11.4 percent, and
14 we've achieved 16.3 percent.

15 In terms of the workforce
16 participation during the construction phase,
17 we had a goal for minority of 15.3 percent,
18 and we're currently at 25.5 percent. For
19 women, 6.9 was our goal, and we're at 7.1.
20 That's largely thanks to the work of
21 Jenny Peterson, sitting down the table from
22 me. And veterans, our goal was 3 percent,
23 and we are at 6.8 percent.

24 Just briefly our outreach efforts

1 during the last quarter of 2017, we've
2 obviously got a lot of events listed, but I
3 just want to highlight two. We had the
4 ribbon cutting for a scholar athletes what
5 they call, The Zone, at Everett High School.
6 It's a dedicated place in the high school,
7 where students can come before, during or
8 after school to receive tutoring, assistance
9 on college applications, and they're guided
10 by athletes, staff -- student athletes, staff
11 and volunteers.

12 The second item I want to talk about
13 is the Building Pathways preapprenticeship
14 program. During the last quarter we
15 invited -- and there's some photos of this
16 Jenny, if you just want to skip ahead. We
17 invited some of the participants in this
18 program, which is a gateway for Boston-area
19 residents, particularly in underserved
20 communities to access careers in the
21 construction industry. So we had an event at
22 the site where they can learn about the
23 different trades. And that concludes our
24 presentation.

1 CHAIRMAN CROSBY: Jacqui, these are
2 good as they always are. And John and
3 Jill Griffin, slides 24 through 27 would be
4 great to send out to the GPAC.

5 MR. ZIEMBA: Okay.

6 CHAIRMAN CROSBY: Because that came
7 up to me yesterday and we didn't quite have
8 the numbers at our fingertips, but those
9 three slides would be great to send.

10 MR. DESALVIO: So any questions on
11 the construction and quarterly update?

12 COMMISSIONER ZUNIGA: Yeah, I do
13 have a question. You had prior -- you had
14 reported prior that this project had been
15 financed in full from early on, early in the
16 project. Since then, there's been a major
17 settlement with the Okada litigation and a
18 number of other financing deals. Does any of
19 that affect the current state of the
20 financing for this project?

21 MR. DESALVIO: None whatsoever.

22 MS. KRUM: No. In fact, the reason
23 they did a lot of those financing
24 arrangements was to make sure that this

1 project was fully funded and no resources
2 that were previously devoted to this project
3 were used for that purpose.

4 CHAIRMAN CROSBY: Anybody else?

5 THE FLOOR: Yes.

6 COMMISSIONER ZUNIGA: We should note
7 that we're not taking questions,
8 Mr. Chairman.

9 CHAIRMAN CROSBY: Out in the
10 audience?

11 COMMISSIONER ZUNIGA: Out in the
12 audience.

13 CHAIRMAN CROSBY: Oh, sorry. I
14 meant from the commission. I didn't see that
15 a hand was raised. Sorry.

16 COMMISSIONER STEBBINS: Just one
17 note on the female construction workers. And
18 I know Jenny does a great job working with
19 our AOC team, but maybe on our next AOC
20 meeting, we can do a little more deep dive on
21 some of those numbers, what the projection is
22 for some of the trades you're going to be
23 using coming up.

24 MS. KRUM: Right.

1 MR. DESALVIO: Agree.

2 MS. KRUM: And as you know, as you
3 know, at this point in our construction phase
4 it's been more difficult to get female
5 workers onto the site. And we're hoping, as
6 we move into the building, that those numbers
7 will increase.

8 COMMISSIONER STEBBINS: Thank you.

9 CHAIRMAN CROSBY: I didn't see a
10 hand going up, but did we do -- if anybody
11 did want to comment or ask a question, we do
12 have on our website, MGC comments, which all
13 commissioners read all entries on, and which
14 will get -- generate a response, if it's
15 appropriate. And if it was a press hand up,
16 I believe the Wynn people will be available,
17 when we're finished with Section 5 on the
18 agenda. So -- and we'll be taking a break
19 where press could ask questions at that
20 point, if you all are willing. Okay. So
21 that's it, Ombudsman Ziemba, for that
22 portion?

23 MR. ZIEMBA: That's it.

24 CHAIRMAN CROSBY: Okay. So

1 Director Griffin.

2 MS. GRIFFIN: Good morning,
3 Commissioners.

4 MS. DESANTO: Good morning,
5 Commissioners.

6 MR. DESALVIO: Sorry, sorry, she's
7 the new one.

8 MS. KRUM: She's the new one.

9 COMMISSIONER ZUNIGA: Might need the
10 microphone.

11 MS. GRIFFIN: Good morning, Chairman
12 Crosby and Commissioners.

13 CHAIRMAN CROSBY: Good morning.

14 COMMISSIONER CAMERON: Good morning.

15 COMMISSIONER ZUNIGA: Good morning.

16 COMMISSIONER STEBBINS: Good
17 morning.

18 MS. GRIFFIN: I'm here to introduce
19 the Wynn Boston Harbor workforce development
20 and diversity plan. And I'll provide some
21 background and context, before I turn the
22 agenda over to our guests.

23 And for background, as part of the
24 effort to ensure that Massachusetts residents

1 benefit from the operational jobs created by
2 casino development in Massachusetts, the
3 legislature established requirements in the
4 Expanded Gaming Act that are licensees must
5 produce, for commission approval, an
6 affirmative action program for equal
7 opportunity. As referenced by Sections 18
8 and 21 of Chapter 23K and the Massachusetts
9 Gaming Commission agreement to award a
10 Category 1 license to Wynn, the affirmative
11 action program must describe how the licensee
12 will identify and market employment
13 opportunities to the under and unemployed
14 residents of the commonwealth, and to work
15 with the Massachusetts Department of Labor
16 and workforce development and related state
17 and local agencies to create this program.

18 Additionally, in the Category 1
19 gaming license to Wynn Mass, condition 14
20 requires the provision of a plan within 90
21 days of the commission's request. Wynn has
22 satisfied this commission with this plan
23 submission to you today well before the late
24 April deadline.

1 The license condition also requires
2 a robust public outreach component to
3 identify and market employment opportunities
4 to unemployed residents of Massachusetts. It
5 specifies that the workforce development plan
6 must incorporate an action program of equal
7 opportunity that guarantees to provide equal
8 employment opportunities to all employees
9 qualified for licensure, including persons
10 with disabilities, utilizing existing labor
11 force in the commonwealth, and they must
12 identify workforce training programs offered
13 by the gaming establishment, and methods for
14 assessing employment at a gaming
15 establishment.

16 The Gaming Act called out the
17 following priorities for inclusion of the
18 plan, establishing funding and maintaining
19 human resource hiring, access to promotional
20 opportunities, transparent career paths with
21 measurable criteria that lead to increased
22 responsibility and higher pay grades.
23 Employee access to additional resources,
24 including tuition reimbursement and stipends

1 to enable employees to acquire these advanced
2 -- advancement opportunities.

3 Finally, an important priority in
4 the gaming law is equity inclusion. As part
5 of this process, all gaming licensees are
6 required to set diversity hiring goals and
7 submit strategic plans for the inclusion of
8 minorities, women and veterans in the
9 workforce. The submission of the
10 Wynn Boston Harbor workforce development and
11 diversity plan is intended to satisfy all
12 these requirements.

13 With that background, let me remind
14 you that no vote on this plan is expected
15 today. In fact, this is the beginning of a
16 lengthy and transparent process to publicly
17 vet the plan. As with our other licensees,
18 the commission will post this plan for public
19 comment, and broadly distribute the plan and
20 suggest potential revisions to our licensees.

21 As we have in the past, we will
22 distribute the plan to the governor skills
23 cabinet senior staff for feedback, community
24 colleges, gaming school partners, regional

1 employment boards, career centers and other
2 stakeholder groups, including the community.
3 I know that Wynn has also been seeking
4 feedback from their community partners, as
5 well.

6 So I estimate we would bring the
7 plan back to you for a vote in early to mid
8 May. And unless you have questions, I'll
9 turn the mic back over to our licensees.

10 CHAIRMAN CROSBY: Anybody? Okay,
11 now give it a shot.

12 MS. DESANTO: Again, good morning,
13 Commissioners.

14 CHAIRMAN CROSBY: Good morning.

15 COMMISSIONER CAMERON: Good morning.

16 COMMISSIONER ZUNIGA: Good morning.

17 COMMISSIONER STEBBINS: Good
18 morning.

19 MS. DESANTO: I'm Heather DeSanto,
20 vice president of human resources. And by
21 way of background, I have nearly 20 years of
22 HR experience. I was actually born and
23 raised in California. I spent over 10 years
24 in Las Vegas, and, most recently, eight years

1 overseas in Singapore. I've worked for
2 large-scale hotels, casinos the entire time.
3 And you know, I'd like to say that I'm a
4 perfect example of the hospitality industry
5 creating career paths for individuals.

6 I started off as an assistant to the
7 vice president of human resources and I've
8 worked my way up over the past 15, 20 years.
9 So with that, thank you, again, for your
10 time.

11 CHAIRMAN CROSBY: Just let me --

12 MS. DESANTO: Yes.

13 CHAIRMAN CROSBY: Where were you
14 working in Singapore?

15 MS. DESANTO: I was working at
16 Marina Bay Sands.

17 CHAIRMAN CROSBY: And how did you
18 happen to come from Singapore to Boston?

19 MS. DESANTO: I was actually working
20 for The Venetian and The Palazzo in Las
21 Vegas, and there was a transfer opportunity,
22 so I was a part of the preopening team, and I
23 actually worked closely with the casino
24 regulatory authority of Singapore, because we

1 have thousands of licensed employees in
2 Singapore.

3 CHAIRMAN CROSBY: Good.

4 MS. DESANTO: Thank you. All right.
5 Well, what I'm going to do is, I'm going to
6 turn over the first part of the workforce
7 development and diversity plan to
8 Jenny Peterson, our director of employment.

9 MS. PETERSON: Thank you. Good
10 morning, Commissioners. It's really great to
11 be here to present, as Jill mentioned, with
12 the first draft and iteration of our
13 workforce development and diversity plan.

14 To start off, I'd like to kind of
15 share the four overarching objectives that
16 guided this plan. And what we'll talk about
17 is a lot of tactics and strategies that are
18 behind each of these objectives.

19 So first, we know we need to raise
20 awareness. Let the community -- the local
21 and diverse community know who we are as an
22 employer, what these opportunities are, how
23 they can prepare, and how they can eventually
24 apply for and access our careers.

1 Second -- our second objective is to
2 prepare career seekers. We're very fortunate
3 that we are over a year away from opening, so
4 people have some time to get ready to explore
5 the jobs, to get some additional training and
6 education, if it's needed, and really be in a
7 great place to come work with us when the
8 hiring begins.

9 Third, to recruit and hire a
10 qualified local and diverse workforce. We
11 know that hiring the right people from the
12 very beginning is absolutely critical to our
13 success.

14 And, finally, once we have people on
15 board, we want to develop and retain them.
16 Create a place where they can grow and learn
17 and advance in their careers, just as Heather
18 has done, and as I've been very fortunate to
19 grow with the company the last four years.

20 High-level timeline for these
21 objectives, I think that's helpful for
22 understanding where we are in the process.
23 Raising awareness, we've been talking about
24 these careers since I started with Wynn four

1 years ago. So we've been out there getting
2 the word out. Really, that effort to raise
3 awareness will pick up even more this year,
4 as we prepare for that mass hiring early next
5 year.

6 Preparing career seekers, you know,
7 we're building relationships with local
8 educational partners now. And in May we will
9 be launching SkillSmart, which I know you're
10 familiar with. We'll talk a little bit more
11 about that, but that will, kind of, launch
12 that part of the workforce development plan.
13 Recruiting and hiring already underway in a
14 small way. We're slowly adding people to our
15 team. And that will really start to pick up
16 the end of this year and early next year with
17 the mass hiring.

18 And, finally, develop and retain,
19 again, already underway, but a lot of that
20 work will come into full swing early next
21 year, as many more team members join us.

22 So moving on to raising awareness.
23 I'd like to, kind of, recap on some of our
24 commitments, you know, our first commitment

1 and preference for hiring is to our host
2 community of Everett. And we have made the
3 additional commitments to our surrounding
4 communities, our neighboring communities,
5 Suffolk Downs employees and is noted -- and
6 as is noted in our license communities that
7 fall within 30 minutes of Everett. So our
8 outreach and recruitment efforts will focus
9 in these communities. And we'll get to our
10 specific diversity goals.

11 CHAIRMAN CROSBY: Is there a -- you
12 don't have in your host community agreement
13 even a best-efforts target number do you, or
14 do you?

15 MS. PETERSON: We do not. It is a
16 preference. So first preference for Everett
17 residents.

18 COMMISSIONER STEBBINS: But you do
19 point out that you plan to hold hiring events
20 in each of those communities --

21 MS. PETERSON: Yes.

22 COMMISSIONER STEBBINS: -- as part
23 of the host and surrounding community events?

24 MS. PETERSON: And we've -- you

1 know, as we're talking about all these things
2 like outreach, career fairs, branding, all of
3 those things are really going to be focused
4 in our host and surrounding communities and
5 among diverse populations within those
6 communities. So we'll keep reiterating that
7 as we go along, but just wanted to put that
8 out there.

9 Before we get to our diversity
10 goals, I wanted to provide a little bit of
11 context on how we thought about these goals,
12 and how we thought about what the right goals
13 would be. We looked first at -- looked at
14 the map and saw, okay, we're based here in
15 Everett and we know we'd like to hire first
16 and foremost from our host and surrounding
17 communities. We have 4500 individuals to
18 bring on board, which is a very large number.

19 We're in an environment of low
20 unemployment, and we have a lot of skills
21 we're looking for. So it made sense to us
22 that, in addition to our immediate
23 communities, we would be looking a bit
24 outside. So we kind of looked on the map and

1 put this 35-mile radius in place. So we've
2 reviewed demographics based on, kind of, this
3 catchment area, if you will. And it's out to
4 set diversity goals that are reflective of
5 the demographics in this region.

6 COMMISSIONER STEBBINS: Jenny, can I
7 stop you for a second?

8 MS. PETERSON: Sure.

9 COMMISSIONER STEBBINS: Can you go
10 back to this live previous to the radius map.
11 And, again, we can kind of address this,
12 since this is really our first look at it,
13 but you talk about 75 percent of the team
14 within 30 minutes of Everett. Obviously,
15 that 30 minutes can depend on the time of day
16 and whether you're trying to get through
17 Sullivan Square or not. But -- so you have
18 that, you, you know, buttress it with the --
19 you know, the 35-mile radius, so it's -- we
20 kind of move through this discussion process
21 and kind of give some clarity to that
22 75 percent.

23 MS. PETERSON: Yes. So it's
24 interesting you brought that up. We've had

1 that same conversation internally. The 30
2 minutes -- this is actually language directly
3 from our license so we wanted to honor that
4 but there's -- you know, we're very well
5 aware that the 30 minutes can be a huge
6 range, in terms of miles. So we'll be
7 looking internally to look at exactly what
8 means and where we're drawing that 75 percent
9 boundary. But, again, I would just come back
10 to it's, first and foremost, focusing on the
11 population within the host and surrounding
12 communities.

13 COMMISSIONER STEBBINS: Okay. Thank
14 you.

15 MS. PETERSON: So just the, you
16 know, demographic data. We wanted to look at
17 what the unemployment rates are and then what
18 demographics look like in the counties that
19 fall within this 35-mile radius, the counties
20 that encompass our host, surrounding and
21 neighboring communities, and what the
22 demographics of our host and surrounding
23 communities look like.

24 So low unemployment rate across the

1 board, about a 28.4 percent minority --
2 minorities in the counties within 35-miles,
3 around 35 percent when you look at counties
4 that encompass our host surrounding and
5 neighboring communities. And then, of
6 course, our host and surrounding communities
7 themselves, very diverse 48.8 percent
8 minority.

9 You know, we look at these numbers
10 and we also layer on top of that the number
11 of applicants we would expect to receive to
12 get to our 4500 employees. We have several
13 people on our team who have done these big
14 openings before. And based on their
15 experiences, we think we could be seeing, you
16 know, 80,000, maybe even more applications to
17 get to -- to get to those 4500 positions.

18 Looking at veterans. So 5.7 percent
19 of the population has a veteran status. And
20 a bit less than half of that are veterans of
21 more recent conflicts that are active in the
22 workforce.

23 Before I dive in and talk about
24 these specific goals, I thought it's helpful

1 to talk about how we think more generally
2 about diversity as a company and why it's
3 important to our business. We will be
4 hosting guests from all over the world,
5 people from different cultures, who speak
6 different languages, and bring different
7 ideas to our property. And having a
8 workforce that reflects the diverse cultures
9 and languages and ideas that our guests will
10 bring is critical for us to create the best
11 possible experience for our guests. So
12 regardless of what the numbers, are, that is
13 what is really driving us, is creating a
14 workforce that can create that experience.
15 So we have --

16 COMMISSIONER CAMERON: Can I make a
17 comment, Jenny?

18 MS. PETERSON: Yep.

19 COMMISSIONER CAMERON: I see all
20 your numbers and your goals. The one thing I
21 haven't heard, and I think it's really
22 important, is diversity at all levels to see
23 those numbers, where you are at the very top,
24 executive leadership, as well as throughout

1 the organization, for two reasons.

2 One is, folks at the lower level can
3 look and see others that look like them and
4 aspire to that, and, frankly, a company
5 that's diverse at the top makes much better
6 decisions. So I just think in all of your
7 planning that's something we will be looking
8 at, as well.

9 MS. PETERSON: Absolutely. We
10 are -- we've been looking at that internally,
11 and we certainly want to make, you know, we
12 want to ensure that we are diverse across the
13 organization, across departments, and
14 across -- you know, across levels within the
15 organization, and create opportunities for
16 people to grow into those roles.

17 So we've set the following goals:
18 50 percent for women, minorities 35 percent,
19 which we feel is reflective of our broader
20 community, and also reflects the preference
21 that we have for our host and surrounding
22 communities, and a 3 percent goal for
23 veterans.

24 COMMISSIONER STEBBINS: Jenny, the

1 3 percent goal for veterans, you know, the
2 previous slide -- obviously, making some
3 assumptions here, some of those folks might
4 not be interested being part of the workforce
5 at their age but -- what was the number that
6 you used to extract the 3 percent, because
7 you do say this is reflecting the portion of
8 the veterans in the commonwealth, who are in
9 the workforce.

10 MS. PETERSON: Sure. We looked
11 at --

12 COMMISSIONER STEBBINS: And it's a
13 question you can come back to us with.

14 MS. PETERSON: Sure. You know, we
15 looked at this 5.7 percent and thought, okay,
16 you know, if we took half that and, you know,
17 also reflected the fact that we -- you know,
18 we see the incredible skill set that veterans
19 bring, so that will be a target demographic
20 for us, in terms of folks that will join our
21 workforce. They've got incredible skill sets
22 that can be -- from their time in service
23 that can be used across the organization. So
24 probably the 3 percent is a little bit --

1 potentially, a little bit more than what we
2 would see of veterans in the population that
3 are looking, but I think that's reflective of
4 our commitment.

5 COMMISSIONER STEBBINS: Okay. Thank
6 you.

7 THE FLOOR: I understand it's an
8 investigation, but it's still going on?

9 CHAIRMAN CROSBY: Sorry, sir. We
10 don't take comments spontaneously in our
11 session. Thank you.

12 MS. PETERSON: I won't go into
13 detail on the next two slides, but, you know,
14 one of the key parts of raising awareness is
15 letting people know what all of these
16 opportunities are. We've been talking about
17 these over 4,000 jobs for years now, so
18 getting into some of the details. And this
19 provides a high-level overview by department.
20 In bold, are our positions where we will be
21 hiring 10 or more individuals, and bold with
22 a star indicates over a hundred individuals.
23 So it gives you a sense for the breadth of
24 the opportunities. Timeline. Also,

1 critical --

2 CHAIRMAN CROSBY: One sec, Jen.
3 Just to reiterate, I think, you know, these
4 slides, too, will be useful to send out to
5 GPAC. Not necessarily all the raising
6 awareness stuff, but these data points.
7 Sorry.

8 MS. PETERSON: No problem. We want
9 to get this information out there. Timeline,
10 also really important. I think it's -- for
11 helping people understand when the positions
12 will be available so they can plan their
13 careers and their education, and any skills
14 training they'd like to do. So this gives a
15 month-by-month snapshot, June of this year
16 through opening. As you can see, we will be
17 adding about a hundred individuals to our
18 team through the end of this year, and then
19 the mass hiring really begins early next
20 year.

21 I won't highlight everything in the
22 outreach section, but I did want to touch on
23 a few of the high points. One is our talent
24 network. You've probably heard about this,

1 if you've been to any of our community
2 outreach events or job fairs. This is a
3 great platform we've had in place for the --
4 over three years. And it's a very quick way
5 for interested candidates to get their
6 information to us. They just put in name,
7 e-mail address and a zip code, and what
8 they're interested in, and they're
9 automatically notified when we have new
10 positions posted. And I checked the numbers
11 and have been amazed to see that over the
12 last four years in Wynn Boston Harbor talent
13 network, we have close to 8500 of people who
14 have signed up as the result of us getting
15 the word out about this. So we've already
16 got a great base of individuals that are --
17 that are interested in us.

18 So while we'll certainly have
19 digital and online tools for streamlining the
20 application process, we realize that nothing
21 can replace in-person, community-based
22 support. And we sought to create a network
23 of community-based locations, where
24 individuals can receive support for

1 navigating all of our online tools, getting
2 general information, getting advice. It's
3 really started with the career centers, which
4 serve the unemployed and underemployed
5 individuals, as well as people who are fully
6 employed and might be looking for something
7 new.

8 We've been working with the career
9 centers for the last three or four years. We
10 started working with them on the construction
11 jobs and helping people access the union so
12 we could have a local and diverse workforce
13 on our construction site. And now, that
14 relationship has evolved to -- the discussion
15 is now about our operations jobs. So the
16 career centers, and then local
17 community-based organizations that also have
18 a physical place and provide career support.
19 So, again, we want to create as broad a
20 network as possible.

21 In addition to the community
22 partners, we will have our own physical
23 locations where people can come and get
24 support. We'll have the Wynn Boston Harbor

1 career center, located in Medford at our
2 office. So that's accessible by the Orange
3 line, plenty of parking. And we'll also be
4 opening a satellite career center at Everett
5 city hall. So we'll be there a few days a
6 week. We think that's a great place for
7 people to come and visit us.

8 We will be -- in terms of the
9 community pubs that we'll be working with, we
10 will provide their staff training and
11 materials, and make sure that they know how
12 to answer questions about jobs, they know how
13 to use our online tools and help their
14 community members use those tools.

15 A bit about outreach. Career fairs,
16 this will be -- this is something we've been
17 doing. We've got two different career fairs
18 going on this afternoon. One is the El Mundo
19 Latino career fair, and the other one will be
20 at Roxbury Community College, at their spring
21 career day. So we'll continue to partner
22 with community organizations and schools on
23 their career fairs, and we'll be hosting our
24 own career fairs when we get closer to the

1 mass hiring.

2 Update meetings with community
3 leadership, I'll talk about this in just a
4 minute, but we certainly, you know, know the
5 importance of working with our community
6 partners to engage with the local and diverse
7 workforce.

8 And then, social and traditional
9 media. We'll be launching a campaign
10 dedicated to the careers and the employment
11 opportunities, you know, the objective of
12 ensuring that local people, diverse
13 populations, the unemployed and underemployed
14 know about us, know what these careers are
15 and know how to access them and how to
16 prepare. And there will be a focus on making
17 that media campaign multilingual so that it's
18 accessible to as many people as possible.

19 So community leadership update
20 meetings, this is something that has kind of
21 grown organically over the last few years,
22 and we've now formalized. We've had some
23 community leaders that -- for example, the
24 career centers, we have, sort of, set up

1 regular check-in meetings with them to --
2 where we would gather representatives from
3 all the career centers and other local
4 organizations that help people get jobs. And
5 we've initially been talking about
6 construction careers and decided to evolve
7 that into a more formalized, regular
8 quarterly meetings, where we bring leaders
9 from the community together for, you know, a
10 small group discussion, answer questions
11 about the jobs, train them on our tools, and
12 ask -- give them what they need to help get
13 the word out within their communities.

14 So we've got five of these regular
15 update meetings up and running. Hispanic
16 community led by the Hispanic American
17 Institute. The Urban League is our supporter
18 and convener for updates within the black and
19 African-American community, Asian American
20 Civic Association, and James Chan of the
21 Asian community, and the Metro North Regional
22 Employment Board on the -- for the local
23 community career advisers.

24 As an aside, Wynn has become a

1 formal member of the Metro North Regional
2 Employment Board. So we are employer
3 representing the hospitality industry. And
4 that's been a great partnership for us to be
5 a part of. And, finally, the veteran
6 community is convened by the DAV and the
7 director of veteran services for the city of
8 Everett.

9 And just, you know, again, the
10 purpose is to inform these leaders and also
11 to set up, you know, referral pipelines.
12 We've had several instances where we've had
13 these update meetings and we said, hey, we're
14 looking for PC techs or recruiters, and we've
15 received referrals, and that's resulted in
16 some successes.

17 All right. So our second objective,
18 to prepare career seekers. The one thing
19 we're really excited about is putting the
20 SkillSmart web platform in place. I won't go
21 into too much detail, because I know you know
22 about this from out in Springfield. We're
23 really excited to get SkillSmart up and
24 running. That'll be a way for career seekers

1 to explore all of our positions, look at the
2 skills needed for those positions and connect
3 with educational resources. We're working
4 with SkillSmart now, and look to have that
5 launched this May.

6 We know that we're bringing a new
7 skill set to eastern Massachusetts with table
8 games positions and surveillance, and a lot
9 of the roles within the casino. We will be
10 forming a partnership with the Cambridge
11 College, to run the greater Boston gaming
12 career institute. They'll be speaking after
13 this so I'll let them talk about that.

14 But I did want to mention that we
15 will be fully funding 50 scholarships for the
16 gaming career institute to help individuals
17 prepare for careers with us. These
18 opportunities will focus on individuals that
19 are unemployed and underemployed, and we'll
20 provide opportunities for residents of
21 Everett, the surrounding communities,
22 veterans, minorities, women, all individuals
23 who are in need of financial support to
24 complete these classes and apply for a job

1 with us.

2 We're here in our region with
3 absolutely incredible educational resources,
4 and this slide is just a snapshot of a few of
5 the educational partners that we're working
6 with. Of course, the community colleges and
7 some of the local schools that have strong
8 hospitality programs, and then other more
9 specific training resources. I want to
10 reiterate that this is not a exhaustive list.
11 This is a very preliminary list. There are a
12 lot more educational partners that we are
13 working with and will work with. And in our
14 next version of the plan, we will be
15 providing a more complete list of all those
16 resources.

17 All right. So moving on to
18 recruiting and hiring. I wanted -- there's a
19 lot of -- a lot that goes into how we
20 actually get resumés in, make selections, and
21 wanted to touch on a few of the highlights.
22 First, our applicant tracking system, this is
23 really a way for us to manage the massive
24 volume that will be -- of applications that

1 we'll be receiving to fill 4500 positions.
2 Allows us to quickly follow up with
3 candidates and ensure that they have a great
4 -- a great experience, and also allows us to
5 track the demographics of who is applying for
6 our jobs. So we'll be able to see if, for
7 some reason, in certain positions we are not
8 getting local or diverse candidates and we'll
9 be able to remedy the situation.

10 Inclusive job descriptions and job
11 requirements, we recently went through an
12 exercise to create job descriptions for all
13 of our positions, so over 450 job
14 descriptions. And we took a close look at
15 each of those and made sure that we weren't
16 putting in place any requirements that
17 weren't absolutely necessary.

18 So in many cases, we've removed
19 requirements for a bachelor's degree, and for
20 several of our positions removed the
21 requirement for a high school degree or
22 equivalent GED. We want to make sure that
23 individuals have a chance to join us. Once
24 they do -- Heather will talk a little bit

1 more about this, but we'll actually allow
2 people to access GED training and -- you
3 know, if they join us without that and want
4 to be able to advance.

5 Career fairs, we talked about panel
6 interviews. This is a way for us to meet and
7 interview a lot of people at once. So if we
8 are hiring for cooks or servers, it just
9 basically gives people a chance, in a group
10 setting, to come in and meet the hiring
11 manager and have a quick interview, which we
12 think is important for getting as many
13 applicants as possible some form of interview
14 with us so they can -- they can meet us.

15 And, finally, a training for our
16 hiring managers. We have trained all of our
17 hiring managers in behavioral interviewing,
18 which -- which helps our hiring managers
19 refine their skills in how to talk with
20 candidates, get, kind of, situation-based
21 responses, and also see where skills and
22 experiences might match up in a way that
23 wouldn't be obvious on a resumé and you might
24 not be able to pull out in a more traditional

1 way. And we're also going to make sure that
2 we have diversity and inclusion training for
3 all of our hiring managers and anyone who
4 will be interviewing.

5 COMMISSIONER STEBBINS: Jenny, is
6 there a -- is there a component of
7 on-boarding in the recruitment and hiring
8 phase? Obviously, we know when the industry
9 turnover is big in the first year. What
10 point is the on-boarding, get used to the
11 position, the hours, et cetera take place, is
12 that in the recruit and hire phase?

13 MS. PETERSON: That's part of -- we
14 might -- I call it recruiting hire and bleeds
15 over into develop and retain. So we have a
16 formal on-boarding process right now.
17 Actually, everybody is going out to Las Vegas
18 so they can see what the property is and what
19 -- you know, what it is that they are going
20 to be a part of building. And we'll be
21 transitioning that here, as soon as we have
22 more spaces available in our own -- our own
23 building. But, certainly, kind of just the
24 general orientation in on-boarding, and then

1 making sure that people have an excellent
2 first week, first month they get the training
3 they need, the mentorship they need to stick
4 with us.

5 MS. KRUM: It's actually a
6 formalized, two-day orientation program that
7 happens in Las Vegas, and it will replicate
8 here, where the -- every new hire goes
9 through it. And they go through the entire
10 building. They learn about the entire
11 building, they learn about all the different
12 departments, as well as some training and
13 other components, too.

14 COMMISSIONER STEBBINS: Thank you.

15 MS. PETERSON: We can include more
16 information on that. We'll turn it over to
17 Heather.

18 MS. DESANTO: Okay. Great. So
19 objective four is to develop and retain our
20 team members. As part of Wynn Boston
21 Harbor's employee value proposition, which is
22 really what's in it for the candidate, for
23 the employee, we want to ensure that we
24 create an environment where they can progress

1 professionally, and we want them to thrive.
2 We want to take both a comprehensive and
3 proactive approach in developing and
4 retaining our team members. We will have
5 pulse surveys, team member engagement
6 surveys. We'll probably even have an
7 on-boarding survey to measure the on-boarding
8 process. But we want to make sure that we
9 have a competitive pay and benefits package,
10 as well as opportunities for career
11 advancement. And we want to extend the same
12 level of service to our team members that we
13 extend to our guests.

14 So with that, as part of our
15 comprehensive pay and benefits package, we
16 have six weeks of paid paternal leave. This
17 was something that was announced fairly new.
18 We have tuition reimbursement. We'll have
19 negotiated childcare discounts with
20 convenient access.

21 We hope to remove some of the
22 barriers for single parents, working parents,
23 individuals who work shift, so that they can
24 work full time and seek the childcare

1 services they require. We'll focus on
2 preventive care, on-site screening, wellness
3 programs. The employee dining room will have
4 healthy options for food so we can ensure our
5 team members are taking good care of
6 themselves with regard to meal selection. So
7 these are just examples. Of course, we have
8 the medical, the dental, vision, prescription
9 drug, all the other core benefits that come
10 with the package.

11 In addition to benefits and
12 compensation, Career Pathways are very
13 important. It's important that we be
14 transparent with our team members. We
15 believe that, if they have the right
16 attitude, the right aptitude, that they can
17 be trained in any position or role that they
18 desire, so long as they're really passionate
19 about what it is that they do.

20 One thing that I'm very proud of is
21 that we'll have a training manager in every
22 operational department. This is so the
23 employees, the team members can receive
24 on-the-job training and help them accelerate

1 the career path.

2 So when you look at the slide on
3 Career Pathways, table games, you can join as
4 a dealer and, you know, depending on your
5 performance, depending on your skill set you
6 can progress fairly quickly through shift
7 manager, manager, director. I'd like to
8 think of this as an accelerated career path.
9 Typically, you would find that directors of
10 table games have 15 years or more experience.
11 So, you know, through all our training and
12 on-the-job training and mentorship we can
13 accelerate these career pathways for team
14 members.

15 Another example is in food and
16 beverage. We have an example within
17 culinary, where you can join as a cook and
18 within, you know, eight to 10 years, again
19 depending on your performance, you could be
20 an executive chef. So these are
21 opportunities -- just, you know, a few of
22 hundreds of opportunities that exist within
23 the integrative resort.

24 Examples I've seen are starting off

1 in legal and moving to table games and slots.
2 So it's not just about career pathways within
3 one function or field, or department. You
4 can join, you know, HR, and you can move over
5 to legal or compliance, you can move over to
6 slots or table games. So these are just
7 examples of the opportunities that exist.

8 As I mentioned, training and
9 education we'll be offering a wide array of
10 training and on-the-job education. And we
11 have several courses, programs. The ones to
12 point out, we have a citizenship program
13 where, currently, in Las Vegas we're offering
14 five classes to team members at no cost. We
15 prepare them for the U.S. naturalization
16 process and citizenship test. They are
17 eligible to receive a check at the end of the
18 completion of those courses to help with the
19 application fees.

20 And as you can see by the list, we
21 have performance management, change
22 management, active listening. And I'm happy
23 to share that we actually have someone
24 joining us from the company as an internal --

1 as a transfer, who's worked for Wynn for many
2 years. He'll be our director of learning and
3 advancement so he'll be joining in May. His
4 name is Martin.

5 All right. Another very unique
6 program to Wynn is the story-telling program.
7 And it celebrates and recognizes, on a daily
8 basis, the successes of our team members. We
9 have what's called preshift briefing. So
10 before the shift starts, the managers will
11 gather the team members together, and they
12 will share stories or examples of exceptional
13 guest service.

14 And the reason it's so successful
15 is, it is about peer recognition. So it
16 might be that I witnessed something that
17 Jenny had done, or someone else in a
18 different department. It's about public
19 recognition so it really improves or boosts
20 morale, team member engagement.

21 And the story here is about Javier,
22 he's working in food and beverage outlet, the
23 guest says, I have sore feet, my feet are
24 tired. He reaches out to his manager and

1 arranged for slippers to be brought to the
2 guest. So this story was shared publicly at
3 all the preshift briefings across the entire
4 resort in Las Vegas.

5 And the second story is really about
6 team member providing exceptional service to
7 another team member. Someone -- I believe it
8 was employee relations, had a malfunction
9 with her uniform and required a safety pin,
10 so the seamstress, or the uniform control
11 manager, went above and beyond and actually
12 fixed that uniform for her, rather than just
13 using a safety clip. So this is really
14 the -- at the core of the Wynn culture, and
15 we look forward to bringing this to Wynn
16 Boston Harbor.

17 I will say, in closing, that we very
18 much look forward to hiring, you know, over
19 4,000 individuals. And we do recognize that
20 the success of Wynn Boston Harbor depends on
21 hiring a local and diverse workforce. And we
22 realize that they'll bring to the table a
23 broad range of talent. And we want to offer,
24 again, that exceptional service to not only

1 our guests but to our team members. We want
2 to be an employer of choice.

3 So I'd like to thank our many
4 community partners, our educators, the -- you
5 know, government agencies, and of course the
6 commission, and we look forward to working
7 together. Thank you.

8 CHAIRMAN CROSBY: Questions? This
9 is -- this is stating the obvious, but since
10 it maybe isn't as obvious since you didn't
11 state it. But I would think, in this kind of
12 material, you would want to make sexual
13 harassment training and a bullet-proof
14 complaint processing plan a major part of
15 your presentation. You know, for reasons
16 presumably not having anything to do with
17 you, the Wynn culture you're referring to has
18 some shadows cast on it. And I would think
19 that would be something that's very important
20 for you to push proactively, boldly, honestly
21 and aggressively.

22 MS. DESANTO: Yes. Actually, Jacqui
23 and I are working on that. And the company
24 does offer compliance training, sexual

1 harassment training, harassment in general.
2 And we'll look at not only policies,
3 procedures, but also the ethics hotline, as
4 well as team member handbook, et cetera, so
5 it will be embedded within the organization.

6 MS. KRUM: As you can appreciate, at
7 this current time we're going through an
8 extensive process of looking at all those
9 policies and procedures, both on the
10 corporation level as well as here. And so,
11 we will certainly be providing you with more
12 information as we move forward.

13 CHAIRMAN CROSBY: Yeah, that would
14 be great. As soon as you can. Anybody else?
15 All right. Thank you.

16 MR. DESALVIO: Thank you.

17 COMMISSIONER ZUNIGA: Thank you.

18 COMMISSIONER CAMERON: Thank you.

19 MR. DESALVIO: Thanks,
20 Commissioners.

21 CHAIRMAN CROSBY: Next up.

22 MS. GRIFFIN: If I could invite
23 Philip Page and Mark Rotundo from
24 Cambridge College.

1 Commissioners, I'd like to
2 introduce -- to my right is Philip Page, vice
3 president of strategic partnerships of
4 Cambridge College, and Mark Rotundo, vice
5 president of innovation and strategic
6 initiatives at Cambridge College.

7 Wynn Boston Harbor has indicated
8 that they plan to hire over 4,000
9 individuals, including, approximately, 900
10 dealers and additional surveillance
11 positions. And Cambridge College is vital to
12 ensuring that we have a trained local
13 workforce.

14 MR. PAGE: Thank you, Jill. Good
15 morning, Commissioners.

16 CHAIRMAN CROSBY: Good morning.

17 COMMISSIONER CAMERON: Good morning.

18 COMMISSIONER ZUNIGA: Good morning.

19 COMMISSIONER STEBBINS: Good
20 morning.

21 MR. PAGE: We are excited and
22 welcome this opportunity to both present and
23 participate in this initiative. We
24 understand and recognize the significance of

1 this for the commonwealth. And, in
2 particular, for employment opportunities for
3 communities that we have held near and dear
4 to our hearts as an institution for the 45
5 years we've been in existence.

6 I'm going to walk through an
7 introduction of Cambridge College, to give
8 you a sense of who we are as an institution,
9 touch on the basis for partnership that we've
10 engaged now with Wynn, give a brief sense of
11 the concepts around the gaming career
12 institute, and then follow that with an
13 understanding of what the next steps are for
14 the institution.

15 So with regards to Cambridge
16 College -- Cambridge College is being led
17 currently, or since 2011, by President
18 Deborah C. Jackson. She came to the
19 institution from a nonacademic background,
20 but has had a long-standing experience as a
21 CEO and an executive in Massachusetts and in
22 Boston, and is well recognized in many
23 communities as one of the leading executives
24 in greater Boston.

1 We are private, nonprofit,
2 nationally-accredited institution with a
3 public mission. Over 45 years of providing
4 accessible and affordable education to
5 underrepresented individuals and communities.
6 We're an institution with a historically
7 diverse student body, reflecting our primary
8 market and community base, which is drawn
9 almost extensively from the Roxbury,
10 Dorchester, Mattapan community. And I will
11 also point out, that within the organization,
12 within the institution itself, we have an
13 amazingly diverse staff and leadership that's
14 reflective of the student population that we
15 serve.

16 We have an array of academic
17 programs, all of which are designed in a way
18 to underscore access, based on what our
19 mission is all about, and a broad array of
20 programs that really match our students'
21 abilities to be a part of the growing
22 Massachusetts economy. We do workforce
23 development programs that will be targeted
24 for specific experiences. We have a range of

1 undergraduate programs, graduate programs.
2 We do NC offerings that you come to the
3 campus for, we do online programs and a
4 combination of the two. We have year-round
5 operations, which gives our students an
6 opportunity to be a part of the institution
7 at any point in time that they have
8 availability, which includes weekdays, nights
9 and weekends.

10 In the fall of 2017, Cambridge
11 College, which, as you can imagine with that
12 name, Cambridge College was based in
13 Cambridge, we made a strategic move to Boston
14 and to put part in Charlestown. We
15 consolidated all of our operations and made
16 the decision based on a couple of very key
17 factors.

18 One, the access from Sullivan
19 station, the Orange line, which is a direct
20 connection to the communities that we serve.
21 Two, ample parking that provided an
22 opportunity for those coming from work at the
23 end of the day to have ease of access to our
24 campus. And three, the idea that all of the

1 functions of Cambridge College could be
2 combined into one facility, which made it
3 that much more effective for us to manage
4 through all of the needs that our very
5 distinct demographic needed from an education
6 standpoint.

7 In academic year 2017, we enrolled
8 3,529 students. The average age of our
9 students is 36. Over 70 percent are eligible
10 for financial aid, which is indicative of the
11 status that they are coming to us with, and
12 the significance of what we provide them as
13 an opportunity for advancement in their
14 careers and life-sustaining capabilities.

15 We have more than 36,000 alumni, and
16 with significant roots in greater Boston as I
17 shared, with the majority coming from the
18 greater Boston area, and staying after
19 graduation to be part of those communities
20 with the new experiences and knowledge that
21 they have.

22 In addition to the Boston location,
23 we have a Lawrence site, we have a
24 Springfield site, we have a site in

1 California, Rancho Cucamonga, and we have a
2 site in San Juan Puerto Rico. All of which
3 operate with the same premise, that we are
4 serving a population that have had limited
5 ability to access higher education, making it
6 easier for them to do so in a very flexible
7 and accommodating way. Over 70 percent of
8 our students are women, and over 56 percent
9 of our students minorities.

10 This next slide is, really, to
11 underscore the commitment that the college
12 has to diversity, quality programs and the
13 ability to serve targeted audiences
14 successfully. We're listed as one of the
15 best schools for Latinos, by Latino Leader's
16 Magazine. We're recognized as a
17 Hispanic-serving institution. We're
18 recognized by the Boston Business Journal as
19 one of the largest MBA programs in
20 Massachusetts. We have one of the top five
21 business schools for African-Americans. We're
22 ranked seventh for most ethnically-diverse
23 colleges in America, and we've been
24 officially designated as a military-friendly

1 school for the past five years.

2 COMMISSIONER CAMERON: Could you --
3 I would assume military-friendly means online
4 classes. What else does that designate? I'm
5 just not familiar with the term.

6 MR. ROTUNDO: Good morning,
7 Commissioners.

8 COMMISSIONER CAMERON: Good morning.

9 MR. ROTUNDO: There are several
10 factors. One includes that we have a
11 dedicated veterans' coordinator who works
12 with our veterans. We have a designated
13 certifying officer for various post-911
14 benefits, and we also participate in the DOD
15 memorandas of understanding, and so we have
16 tuition discounting for our veteran students.
17 So it's a combination of those factors that
18 are considered, when looking at that
19 designation.

20 COMMISSIONER CAMERON: Great. Thank
21 you.

22 MR. PAGE: So as the vice president
23 of strategic partnerships, one of the things
24 that's very important in any relationship

1 that the college engages in when approached,
2 is that the organization -- we consider the
3 alignment to the college's mission is
4 paramount to any kind of relationship that we
5 form. And so, we are excited about what is
6 transpiring in our conversations and in the
7 development of this relationship with Wynn,
8 because the core principles of that
9 relationship mirror the true mission of the
10 college.

11 There's a commitment to diversity,
12 access and affordability in alignment to that
13 mission. So the ideas that -- and
14 information that's been shared already by the
15 diversity of the talent pool that's being
16 sought out, serving underrepresented
17 populations, very consistent to the history
18 of Cambridge College.

19 The notion that these careers have
20 outcomes that are targeted, and also with the
21 opportunity for advancement, that is again
22 building on the foundation of Cambridge
23 College's goals as an academic institution.
24 The notion that those experiences that come

1 through early training can actually be
2 additive over time so that you can go from
3 the lower-level workforce to achieve a
4 bachelor's degree, ultimately, a master's
5 degree, all of which combining to give you
6 opportunities to advance and grow within your
7 position, that's also a function of what we
8 see as important for the constituents that we
9 serve. Absolutely, the shared commitment to
10 communities of greater Boston, and a
11 dedication to ensuring positive, economic
12 impact for the region. That's what
13 developing the talent that's here translates
14 to at the end of the day, that they have an
15 opportunity to really deliver back to the --
16 to the commonwealth.

17 So with regards to the greater
18 Boston gaming career institute concept, there
19 are several things that, again, in alignment
20 with the decision-making on the part of Wynn
21 that works well for us, the college is
22 strategically located in close proximity to
23 the Wynn Boston Harbor in Charlestown. We're
24 just down the street. We have dedicated

1 space to house and deliver the training
2 program. Our model of accessibility for our
3 programs can be translated into what we
4 deliver as a -- for the career institute
5 concept, making it accessible for days,
6 nights, weekends and with modules that are
7 reasonable for individuals to access and
8 participate in.

9 As one of the lowest-priced colleges
10 in Massachusetts, the consistency we have,
11 with the notion that affordability is
12 paramount for everyone to have access and
13 opportunity, will also be layered into the
14 concept for the career institute.

15 The commitment to partner with
16 community-based organizations and other
17 community colleges ensures that we have
18 access to that diversity and local pipelines,
19 and we will absolutely continue that process.

20 The notion of faculty being
21 important, as you can see by the slides I
22 shared earlier about the quality of the
23 education at Cambridge College, this is
24 important in this instance too. So faculty

1 with gaming and surveillance expertise, that
2 has to be part of the equation.

3 We're also committed to ensuring
4 rigorous gaming instruction. And that
5 includes all of the aspects of not just the
6 experience at the tables, but how do you
7 manage yourself in that environment, as well.

8 With regards to the location, just
9 wanted to make sure that it was clear, the
10 Hood Park site is a campus that is going
11 through a transformation at this point.
12 Cambridge College, in moving to that site
13 became an anchor tenant. We invested quite a
14 bit to pull all of our facilities together
15 under one -- under one location. And within
16 that, we have the distinction of having one
17 area that we felt was perfect for the
18 alignment with the goals of the gaming career
19 concept.

20 At 510 Rutherford Avenue, we have a
21 space that is more than ample, in terms of
22 what it can provide for flexibility of layout
23 for the configuration of the gaming school,
24 and being a real anchor within the site as a

1 destination for students who are coming.

2 With that, I want to pass the
3 discussion on next steps to my partner,
4 Mark Rotundo.

5 MR. ROTUNDO: Again, Commissioners,
6 thank you. We have provided some
7 information. We have already signed an
8 agreement with Wynn, outlining the specific
9 services that we will be working on together.
10 We will initiate --

11 CHAIRMAN CROSBY: Excuse me. When
12 you say "specific services," do you mean the
13 courses that you're going to be offering.
14 What do you mean by that?

15 MR. ROTUNDO: So there are things in
16 there that talk about the procurement of the
17 curriculum, it talks about the procurement of
18 the games themselves, the equipment. So
19 those pieces that we need to put together for
20 the gaming school application, we've outlined
21 that within the agreement between us and
22 Wynn.

23 CHAIRMAN CROSBY: So what are the
24 program content areas that your programming

1 will cover?

2 MR. ROTUNDO: So we will cover the
3 gaming -- table games, which will be poker,
4 blackjack, so forth, and then surveillance,
5 also.

6 CHAIRMAN CROSBY: Okay. So it's a
7 counterpart to -- it's a mirror,
8 functionally, to the one that we just opened
9 in Springfield, it's only the table games
10 training?

11 MR. ROTUNDO: That is correct.

12 CHAIRMAN CROSBY: Okay.

13 COMMISSIONER CAMERON: And
14 surveillance.

15 MR. ROTUNDO: And, also,
16 surveillance.

17 CHAIRMAN CROSBY: And surveillance.

18 MR. ROTUNDO: Correct. We will
19 initiate the gaming school license. We will
20 work with the folks at the gaming commission
21 to do that. We will pursue funding options
22 for scholarships and student engagement.
23 It's core to our current practice and our
24 business. We will establish -- or we will

1 continue to establish relationships with our
2 community-based organizations to recruit a
3 diverse student body. We will continue to
4 develop our collaborations with education and
5 training providers, such as Bunker Hill,
6 Roxbury Community College, Everett High
7 School, the Boston PIC, all of whom we've met
8 with and discussed this with and Metro North
9 Regional Employment Board and other workforce
10 development boards.

11 You'll see in your packet, we
12 supported the application, recently, of the
13 Boston PIC. And then, our expectation, our
14 hope, is that should we -- should we navigate
15 through the process of getting the license to
16 operate the career institute, we would like
17 to begin to operate beginning in the summer
18 of 2018.

19 CHAIRMAN CROSBY: Questions?

20 COMMISSIONER STEBBINS: First of
21 all, thank you. Very encouraged by the work
22 your campus out in Springfield is doing in
23 partnership with MGM on a very innovative
24 apprenticeship program.

1 As the chairman pointed out,
2 obviously, we have a gaming school that has
3 been licensed out in Springfield. One of the
4 concerns that was actually brought to our
5 attention in our last meeting was with
6 respect to people being able to afford the
7 courses. And, obviously, Wynn has pointed
8 out that they plan to support some
9 scholarships.

10 Knowing that we have an interest in
11 seeing underemployed or unemployed people
12 have access to some of these careers, have
13 you started to delve into those details about
14 cost for classes and affordability, and some
15 of those issues that we saw, kind of, happen
16 out in Springfield? We're obviously mindful
17 of the impact that they might have -- those
18 same issues might have in the Boston area.

19 MR. PAGE: I'll start and probably
20 have Mark follow on what would I -- what I
21 share. We have looked at the price point.
22 And we started, initially, by looking
23 strategically at it from a business
24 standpoint. You know, what would it take to

1 run the school? How could we manage from a
2 business standpoint? Following that, we
3 looked at what the market was demanding, in
4 terms of what was happening in Springfield
5 with the gaming program that's currently
6 being delivered out there, as well as what's
7 happening in Bristol.

8 We came up with a price point that
9 we felt was reasonable, in terms of it's --
10 you know, where it would be attractive to the
11 larger section of the population.

12 Competitive in the sense that it was lower
13 than what was being charged in Bristol, and
14 just a little bit more than what was being
15 charged in Springfield. And, at this point,
16 we are still exploring that. We're still
17 working with Wynn and trying to understand
18 the market better so that we can -- we can
19 arrive at a number that we think will be most
20 attractive and appropriate for the audiences
21 that we will -- will be trying to have access
22 to it.

23 I will point out that it's not --
24 we're not a stranger to that situation,

1 because of the nature of Cambridge College in
2 and of itself. We know, that in serving
3 underserved and underrepresented populations
4 for the 45 years we've been in existence, you
5 have to be creative around what is the
6 financial model and how do people access
7 education.

8 And so, we will bring that to bear
9 in our conversations with Wynn, and
10 internally within the college itself, to try
11 to create a price point that is truly
12 accessible for the greater majority of folks
13 that we hope to come to the college.

14 COMMISSIONER STEBBINS: Is there
15 a -- just for my clarification -- obviously,
16 you need to get the school license from the
17 gaming commission. If you're a public
18 college or university you get it through the
19 board of higher ed., you get the curriculum
20 approved. Are there simpler steps that
21 Cambridge College needs to undertake to have
22 review of the curriculum and...

23 MR. ROTUNDO: So Cambridge College,
24 our charter is given to us, or controlled by

1 the Department of Higher Education, so they
2 will be part of that conversation. We will
3 want to work with workforce development
4 boards, and so the college has put programs
5 through the workforce development board so
6 individuals can have individual training
7 dollars applied to programs that we offer.

8 You reference the programs in
9 Springfield. Those are some programs we
10 offer at our alcohol and drug counseling
11 programs. We offered through that. So we
12 expect that process and that regulatory
13 process, they will want to see and review
14 this curriculum, as well as the commission.

15 COMMISSIONER STEBBINS: Great.

16 Thank you.

17 CHAIRMAN CROSBY: Others?

18 COMMISSIONER CAMERON: It's an
19 impressive program. I see all the reasons --
20 it's nice to hear more about the college and
21 your goals, and your mission. And it seems
22 like a really good fit for the needs, as well
23 as for those folks who really need the jobs.

24 CHAIRMAN CROSBY: I was going to ask

1 the same questions about the price point. So
2 it sounds like, bottom line, you don't have
3 the point price points yet, right, you're
4 working on it still?

5 MR. PAGE: That's correct. We want
6 to make sure that the price point that we
7 ultimately land on is -- it's absolutely
8 appropriate.

9 CHAIRMAN CROSBY: Okay. I just
10 would second what Commissioner Stebbins was
11 saying. We want to see those as soon as
12 possible. Those are really important. We've
13 learned that even a very modest price point
14 can be a substantial discouragement to a lot
15 of people we're trying to reach. You know
16 this from your work.

17 But does Cambridge College have
18 scholarship funds itself? It says you're
19 looking for funds. Do you have scholarship
20 funds, yourself, that you could apply to
21 this, if need be?

22 MR. ROTUNDO: So we're investigating
23 that right now. For this particular program,
24 because of the newness of this -- and just to

1 give the commission some framework, we began
2 these conversations with Wynn, probably,
3 sometime in early November. So we're
4 beginning that process.

5 We have begun to speak with our
6 chief financial officer. One of the things
7 that we do offer students is tuition payment
8 plans. And so, we're looking to see how this
9 would be something that students might be
10 able to access.

11 The partnership agreement with Wynn,
12 with the 50 scholarships, will go a long way
13 to getting affordability. The PIC
14 application with 30 to 35 scholarships. And
15 what we will do is look at foundations and so
16 forth, as we do for our other students in our
17 credit-bearing programs, to see if they can
18 access scholarships and community dollars.

19 CHAIRMAN CROSBY: Anything else,
20 anybody?

21 COMMISSIONER ZUNIGA: Well, I just
22 wanted to mention, as part of this whole
23 section of the report, that while I agree
24 that there's a awkward situation because we

1 need to remain in parallel with this -- with
2 the local effort, as well as the
3 investigation, I see it as a very good sign
4 that, locally, here, things seem to be
5 progressing really well, in terms of
6 partnerships like this, or the budget, or the
7 comment about financing. So I think the flip
8 side would be, if the project were to slow
9 down or financing were to become an issue,
10 the situation would be that much more awkward
11 so I think it's positive.

12 CHAIRMAN CROSBY: Great. Anything
13 else, Director Griffin?

14 MS. GRIFFIN: Thank you,
15 Commissioners.

16 CHAIRMAN CROSBY: Okay. Thank you.

17 COMMISSIONER CAMERON: Thank you.

18 COMMISSIONER ZUNIGA: Thank you.

19 CHAIRMAN CROSBY: It's now a little
20 past 12. We're going to take a break. Why
21 don't we reconvene at one. Take a lunch
22 break, do whatever else we need to do with
23 the press and then finish up at one o'clock.
24 Okay. We are temporarily adjourned.

1 (A recess was taken)

2

3 CHAIRMAN CROSBY: All right. We're
4 going to -- I hate to interrupt this
5 conversation because it's very interesting.
6 But we are reconvening public meeting No. 239
7 on March 29th at about one. And we are at
8 Item No. 6, legal division, General Counsel
9 Blue.

10 MS. BLUE: Good afternoon,
11 Commissioners. We have a number of
12 regulations before you today. We have folks
13 from the legal department, with our
14 colleagues from the IEB, to talk about them.
15 The first one we're bringing to you is the
16 internal controls. These are internal
17 controls for table games. This is your first
18 look at them. We want to begin the
19 promulgation process. So I have Carrie
20 Torrisi from my department here, along with
21 Director Band and Mr. Cain to talk to you
22 about that.

23 MS. TORRISI: Good afternoon,
24 Mr. Chairman and Commissioners.

1 CHAIRMAN CROSBY: Good morning.

2 COMMISSIONER CAMERON: Good
3 afternoon.

4 COMMISSIONER ZUNIGA: Good
5 afternoon.

6 COMMISSIONER STEBBINS: Good
7 afternoon.

8 MS. TORRISI: So this is the third
9 and final piece of the table game regs that
10 we've brought to you. You already
11 promulgated the rules of the game reg and the
12 table game equipment reg. And now, we'll
13 seek approval to move forward with these --
14 the set of internal control regs that relate
15 to table games.

16 So in your packet you have the
17 following: you have 138.23, which requires a
18 system of internal system controls related to
19 table game drop boxes, including
20 specifications for physical characteristics,
21 a chain of command for handling those boxes
22 and storage.

23 138.32 requires internal control
24 procedures related to the transport of those

1 drop boxes from the tables to the count room.

2 138.29 requires a system of internal
3 controls related to their responsibilities
4 and functions of the main bank, marker bank,
5 kiosk bank and the chip bank. You'll see in
6 your packet that we've also made a small
7 change to 138.24, which governs internal
8 controls related to the cage, just to tie
9 these two sections together because they
10 relate to similar material.

11 138.31 requires internal control
12 procedures for accepting cash and coupons at
13 gaming tables. We've made one small change
14 to the version that you have in your packet,
15 and I've left that for you at your seats. We
16 removed Section E, which dealt with
17 promotional slot play and was placed in that
18 section in error. That material is already
19 covered by the existing 138.13, which governs
20 internal controls for promotional credits.

21 138.35 requires internal control
22 procedures related to opening and closing a
23 table during a gaming day, as well as
24 specifications related to table inventory

1 slips and chip reserve compartments.

2 138.36 requires internal control
3 procedures to include a verification process
4 for the table inventory at the start of each
5 day.

6 138.64 requires internal control
7 procedures governing bills and credits.

8 And 138.71 requires internal control
9 procedures governing table game tournaments.

10 We've also drafted 138.57, governing
11 internal control procedures required for slot
12 tournaments as a companion regulation to the
13 table game tournament reg. Those were both
14 -- tournaments were previously covered under
15 our Rules of the Game Reg as 147.05. But as
16 part of this review, we realized that that
17 was really more appropriate in an internal
18 control reg so we're just moving that from
19 147 over to 138.

20 So do you have any questions related
21 to these draft regulations...

22 CHAIRMAN CROSBY: Anybody?

23 COMMISSIONER ZUNIGA: So 57 is slot
24 machine tournaments?

1 MS. TORRISI: Yes.

2 COMMISSIONER ZUNIGA: And tell me
3 again, what we did we do, because we used to
4 have these already, right?

5 MS. TORRISI: So the tournament info
6 was in 147, in the Rules of the Game reg. It
7 was just in one piece covering table game and
8 slot tournaments, but we've moved it over to
9 internal controls, and we have a separate
10 table game section and slot section, because
11 that's the general layout of the internal
12 control reg.

13 CHAIRMAN CROSBY: Anybody else?
14 Commissioner Stebbins, you look like you have
15 a question. No? You have a motion?

16 COMMISSIONER STEBBINS: I have a
17 motion.

18 CHAIRMAN CROSBY: Okay.

19 COMMISSIONER ZUNIGA: I actually --
20 I have a question on timing. Most of the
21 regs, of course, that we've done in 138 is
22 promulgating a minimum set of standards where
23 they are supposed to submit a detailed plan.
24 How is that timing going to work for MGM in

1 this promulgation. Having seen them, have
2 you seen some of what they have before?

3 MR. BAND: In some of their regs
4 I've already received their submissions
5 covering -- a lot of these regs are regs that
6 we've already approved. We will give them
7 the draft regs to develop that. If there
8 ends up being changes, they will make
9 adjustments to their submissions,
10 accordingly. But it seems like everything's
11 working pretty well.

12 COMMISSIONER ZUNIGA: Ideally, do
13 you have a sense as to when would you need to
14 see their draft or final draft of their --

15 MR. BAND: It's ongoing. But I
16 think by the end of May we should have, you
17 know, everything, at least the majority of
18 the stuff. There might be one or two items
19 pending.

20 COMMISSIONER ZUNIGA: Right. Okay.

21 COMMISSIONER STEBBINS: I did have a
22 quick question. 138.23's referring to drop
23 boxes. Looking at it, it's more of an
24 equipment issue, for most part. Is there

1 anything that deviates that would change up
2 whatever MGM is buying is pretty
3 industry-specific?

4 MR. CAIN: No. This is just a
5 standard with what drop boxes have been for a
6 long time. We would just want to make sure
7 that it's a secure box and that it's going to
8 snapshot when you pull it off the table.
9 Standard things that have been used
10 throughout the industry for years.

11 COMMISSIONER STEBBINS: Okay.

12 MS. TORRISI: So you also have small
13 business impact statements in your packet for
14 138 and also for 147.05. We would just want
15 to approve those first, right?

16 MS. BLUE: We have a separate set of
17 motions for 138, and then a separate one for
18 147. So if you're ready to have us start the
19 process, we can start with the motion for 138
20 first.

21 COMMISSIONER STEBBINS: Mr. Chair, I
22 move that the commission approve the small
23 business impact statement -- or the
24 amendments to 205 CMR 138, Uniform Standards

1 of Accounting Procedures and Internal
2 Controls, as included in the packet.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER ZUNIGA: Second.

5 CHAIRMAN CROSBY: Discussion? All
6 in favor? Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 CHAIRMAN CROSBY: Opposed? The ayes
11 have it unanimously.

12 COMMISSIONER STEBBINS: Mr.

13 Chairman, I'd also move that the commission
14 approve the version of the amendments to 205
15 CMR 138, Uniform Standards of Accounting
16 Procedures and Internal Controls, as included
17 in the packet and authorize the staff to take
18 all steps necessary to begin the regulation
19 promulgation process.

20 COMMISSIONER CAMERON: Second.

21 CHAIRMAN CROSBY: Discussion? All
22 in favor? Aye.

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 CHAIRMAN CROSBY: Opposed? The ayes
3 have it unanimously.

4 COMMISSIONER CAMERON: 147.

5 MS. BLUE: That would be the next
6 one. This is a little different for us
7 because we're asking you to approve the
8 removal of a section. I don't think we've
9 asked you to do that before, even though
10 we've moved it to another place, so that's
11 what we're doing with 147.

12 COMMISSIONER CAMERON: So Mr. Chair,
13 I move that the commission approve the small
14 business impact statement for the amendments
15 to 205 CMR 147.05, Gaming Tournaments, as
16 included in the packet.

17 CHAIRMAN CROSBY: Second?

18 COMMISSIONER ZUNIGA: Second.

19 CHAIRMAN CROSBY: Any discussion?
20 All in favor? Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

1 have it unanimously.

2 COMMISSIONER CAMERON: And I further
3 move that the commission approve the version
4 of the amendments in 205 CMR 147.05, Gaming
5 Tournaments, as included in the packet, and
6 authorize the staff to take all steps
7 necessary to begin the regulation
8 promulgation process.

9 COMMISSIONER STEBBINS: Second.

10 CHAIRMAN CROSBY: Any discussion?

11 All in favor? Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 CHAIRMAN CROSBY: Opposed? The ayes
16 have it unanimously. You pitched a shutout,
17 Carrie. You pitched a shutout.

18 COMMISSIONER CAMERON: Good team.

19 CHAIRMAN CROSBY: Okay. Next up is
20 Section B.

21 MS. BLUE: The next reg is 139.04.
22 This is the computation of gross gaming
23 revenue treatment of the complimentary
24 vigorish. We've brought this to you before.

1 We had a good discussion on it. We've gone
2 back and done some more work on it. So we
3 have, in addition to our first presenters, we
4 have CFAO Lennon to talk about this reg, as
5 well.

6 MR. LENNON: Good afternoon,
7 Commissioners.

8 CHAIRMAN CROSBY: Good afternoon.

9 COMMISSIONER CAMERON: Good
10 afternoon.

11 COMMISSIONER ZUNIGA: Good
12 afternoon.

13 COMMISSIONER STEBBINS: Good
14 afternoon.

15 MR. LENNON: I'm joined by a few
16 member of the IEB, as well, to talk about the
17 update to 139.04, and then I think we'll do
18 140.02, as well. So they're two separate
19 sections.

20 The first one, 139.04, has to do
21 with our regular reports that the commission
22 has to receive. And that had -- currently,
23 we're asking for a side by side by side
24 report, which basically lines up the

1 commission's metered gross gaming revenue,
2 the gross gaming revenue after the drop, and
3 then our central management systems metered
4 gross gaming revenue to see if there are any
5 discrepancies and try and figure out where
6 those come across. Right now, we're doing
7 that in a very manual format.

8 We've worked with our first licensee
9 to develop this, and the language in there
10 asked for cash instead of drop, and we got a
11 cash count, which is useless because it
12 doesn't take the tickets in, it doesn't take
13 the ticket expense out, doesn't take hand
14 paid, it doesn't take the drop process into
15 consideration, so we have to go back and
16 change this. And then, based on the ELI
17 standards that we approved, the licensee
18 doesn't have to pay for the change in the
19 report because it becomes part of the
20 jurisdictional requirements. So in order for
21 us to avoid getting our licensee to billed
22 for building the wrong report, we have to
23 update this, this reg.

24 COMMISSIONER CAMERON: So the reg

1 wasn't clear to the licensee?

2 MR. LENNON: It was not clear -- it
3 was not clear to the developers. They took a
4 very literal reading of it, a cash read. How
5 much was sitting there in the drop box just
6 in cash and bills, versus taking into
7 consideration the whole drop process, which
8 starts with cash and tickets, then subtracts
9 out cash, and subtracts out tickets,
10 subtracts out hand pays. So what we're
11 looking for is the actual end of the drop
12 gross gaming revenue calculation compared to
13 the metered gross gaming calculation, and
14 then compared to our metered gross gaming
15 calculation.

16 COMMISSIONER ZUNIGA: Something that
17 is useful, yeah.

18 MR. LENNON: Yeah. And that clears
19 up the language here.

20 CHAIRMAN CROSBY: Okay. Motion?

21 COMMISSIONER ZUNIGA: Yes. I'll
22 move that the commission approve -- do we
23 have a small business impact statement, as
24 well?

1 MS. LIGHTBOWN: Yes. Both on this
2 page.

3 MS. BLUE: We do for this. And I
4 think, in the motion that I drafted, we would
5 need to add the reference to 140.02 I don't
6 know that I put that in your motion, as well.
7 We have two different regs to amend here.

8 MR. LENNON: Yes. I can move on to
9 140.02 now, or we could do 139.04.

10 COMMISSIONER ZUNIGA: Got it.

11 MS. BLUE: We could probably do them
12 together since they are connected. So why
13 don't we let Derek present on 140.02 and then
14 when you make your motion we'll put them in
15 together.

16 COMMISSIONER ZUNIGA: Got it.

17 MR. LENNON: So 140.02, is a
18 discussion I think we had about a month ago
19 here, regarding the complimentary vigorish
20 form. And the IEB had come back and reported
21 on how it may alter the rules -- may alter
22 the payouts of the game. We had
23 recommended -- some of us had recommended
24 that, while it's a valuable business tool for

1 the casinos, we don't necessarily agree that
2 it should be taken out of the gross gaming
3 revenue calculation. And at that point, we
4 didn't have a lot of information.

5 Since working with the MGM shared
6 financial services group and looking at their
7 audit paperwork, I can tell you that right
8 now the operations in Illinois, Nevada,
9 Mississippi, New Jersey, Michigan, in
10 Maryland, Nevada and Mississippi do not
11 include it in the calculation, the rest do.
12 We did some research on Pennsylvania, Ohio,
13 Connecticut and Rhode Island, and none of
14 those jurisdictions allow it to be excluded.
15 So while we wouldn't be the only outlier, we
16 would be in the minority, if we allowed the
17 reg to stand as it is, rather than the
18 redraft. I think that's one of the things
19 you wanted us to look at, what do other
20 jurisdictions do.

21 COMMISSIONER ZUNIGA: And by
22 "minority," you mean, Nevada and Mississippi
23 only?

24 MR. LENNON: And we would be

1 joined -- we would be joining them.

2 COMMISSIONER ZUNIGA: But what
3 you're proposing is that we join everyone
4 else, and make sure that if they comp the
5 vig it's not --

6 MR. LENNON: It's not excluded --

7 COMMISSIONER ZUNIGA: It's not
8 excluded from the gross gaming revenue.

9 MR. LENNON: Yes.

10 COMMISSIONER CAMERON: And you see
11 other reasons, other than other jurisdictions
12 for that change, correct?

13 MR. LENNON: Correct. So the last
14 time we talked about it, the IEB brought up a
15 lot of good examples of how it would change
16 the way the game plays, change the payout.
17 And my personal opinion was we shouldn't be
18 comping their advertising and promotional
19 budget, which is basically what you're doing.
20 You're taking what would have been part of a
21 tax off of that expense side and letting them
22 put it towards another area.

23 COMMISSIONER ZUNIGA: And they could
24 still comp, you know, whatever play --

1 MR. LENNON: They can still comp,
2 but they own a hundred percent of it. They
3 own a hundred percent of that decision versus
4 75 percent of it.

5 CHAIRMAN CROSBY: Right.

6 COMMISSIONER ZUNIGA: Well, I'm all
7 for it. So I can move that the commission
8 approve the small business impact statement
9 for the amendments to 205 CMR 147.05. and
10 140.02.

11 MS. BLUE: No, that one we already
12 did. It's 139.04 and 140.02. We did 147.

13 COMMISSIONER ZUNIGA: Sorry. I'll
14 withdraw that motion and make it again. I
15 move that the commission approve the small
16 business impact statement and -- for the
17 amendments to 205 CMR 139.04 and 140.02. And
18 that is the update of -- to the computation
19 of gross gaming revenues and the treatment to
20 the complementary vigorish as included in the
21 packet.

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Discussion? All
24 in favor? Aye.

1 COMMISSIONER STEBBINS: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously.

6 COMMISSIONER ZUNIGA: I further move
7 that the commission approve the version of
8 the amendments to 205 CMR 139.04 and 140.02.
9 That would be the update to computation of
10 gross gaming revenue and the treatment of the
11 complimentary vigorish, as included in the
12 packet, and authorize staff to take all steps
13 necessary to begin the regulation
14 promulgation process.

15 COMMISSIONER CAMERON: Second.

16 CHAIRMAN CROSBY: Discussion?

17 COMMISSIONER ZUNIGA: Did we hear
18 any more from licensees on this topic?

19 MR. LENNON: We have not.

20 COMMISSIONER ZUNIGA: We have not.

21 MR. LENNON: No public comment.

22 COMMISSIONER ZUNIGA: No public
23 comment opportunity to do that, as part of
24 this process?

1 MR. LENNON: Correct.

2 CHAIRMAN CROSBY: But this is final
3 quoting, right; this is moving into formal
4 promulgation?

5 MS. BLUE: This begins the process
6 so there will be time for comments.

7 CHAIRMAN CROSBY: Right. And
8 there's already been time.

9 MR. LENNON: Yep.

10 CHAIRMAN CROSBY: Any discussion,
11 further discussion? All in favor? Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 CHAIRMAN CROSBY: Opposed? The ayes
16 have it unanimously.

17 MR. LENNON: Thank you.

18 COMMISSIONER CAMERON: Thank you.

19 CHAIRMAN CROSBY: Thank you. Next
20 is --

21 MS. BLUE: So the next regulation is
22 205 CMR 136 and 138.12. This is the
23 regulation that you had a public hearing on
24 this morning. This is the final version. We

1 have an amended small business impact
2 statement and a final regulation. This is
3 where we've conformed the times in the sale
4 of alcohol beverages to what the statute
5 requires. So if you approve this today,
6 we'll finalize the promulgation process and
7 we'll just get this done.

8 COMMISSIONER CAMERON: So,
9 Mr. Chair, I move that the commission approve
10 the amended small business impact statement
11 for 205 CMR 136 and 138.12, Sale and
12 Distribution of Alcoholic Beverages at the
13 Gaming Establishments, included in the
14 packet.

15 COMMISSIONER STEBBINS: Second.

16 CHAIRMAN CROSBY: Further
17 discussion? All in favor? Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 CHAIRMAN CROSBY: Opposed? The ayes
22 have it unanimously.

23 COMMISSIONER CAMERON: And I further
24 move that the commission approve the version

1 of the 205 CMR 136 and 138.12, Sale and
2 Distribution of Alcoholic Beverages at Gaming
3 Establishments as well as -- included in the
4 packet and authorize the staff to take all
5 necessary steps to finalize the regulation
6 promulgation process.

7 COMMISSIONER STEBBINS: Second.

8 CHAIRMAN CROSBY: Discussion? All
9 in favor? Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: Opposed? The ayes
14 have it unanimously.

15 MS. BLUE: That's all we have for
16 today.

17 CHAIRMAN CROSBY: All right.

18 COMMISSIONER CAMERON: Thank you.

19 CHAIRMAN CROSBY: Now, we have
20 Counsel Lillios from the IEB.

21 MS. LILLIOS: Good afternoon,
22 Commissioners.

23 CHAIRMAN CROSBY: Good afternoon.

24 MS. LILLIOS: Good afternoon. I

1 have the suitability of an MGM qualifier for
2 your consideration this afternoon.

3 Mr. Michael Stratton is the senior
4 vice president of marketing for MGM Resorts
5 Regional Operations LLC. And I will provide
6 a summary of the background investigation
7 that was conducted by Trooper Kevin Murphy
8 and financial investigator, Paul Eldridge.

9 Mr. Stratton joined MGM in April of
10 2017 as the senior VP of marketing for the
11 MGM Resorts affiliate, MGM regional
12 operations. He has submitted all of the
13 required forms and answered requests for --
14 provided requests for updated information.
15 He was interviewed in person here at our
16 Boston office, and he was cooperative and
17 forthcoming in all respects.

18 In keeping with all of the
19 suitability investigations that we conduct,
20 we verified his identity, confirmed his
21 financial stability and integrity, reviewed
22 litigation history, and searched his criminal
23 history.

24 Mr. Stratton has been in the gaming

1 industry since 2001. He started his career
2 in the gaming field at then-Harrah's
3 Entertainment, where he worked as a strategic
4 planning and analysis manager. He then went
5 to Harrah's southern California, where he
6 worked in three positions. First, as a slot
7 product manager, then as assistant director
8 for marketing, and then as a VP of marketing.

9 After Harrah's, he went to the Horse
10 Shoe Casino in Indiana for three years as the
11 VP of marketing. And next, he returned to
12 Caesar's, which had acquired Harrah's, for
13 six years. First, as a regional VP of VIP
14 marketing, and then as regional VP of
15 marketing. From that position, he was
16 offered the job as senior VP of marketing for
17 MGM Resorts regional operations.

18 He's responsible for overseeing the
19 marketing for MGM's regional businesses,
20 which will include MGM Springfield, the
21 Borgatta in Atlantic City, National Harbor,
22 Gold Strike in Beau Rivage in Mississippi and
23 MGM Detroit. He graduated with a bachelor's
24 in science from the University of Tennessee,

1 which is his home state. He's currently
2 licensed in a number of jurisdictions, or has
3 expired licenses in a number of
4 jurisdictions, including Mississippi,
5 Maryland, New Jersey, Missouri and Indiana.
6 All of those jurisdictions were contacted.
7 No derogatory information surfaced.

8 He has demonstrated to the IEB, by
9 clear and convincing evidence, that he is
10 suitable and the IEB recommends that the
11 commission vote to find him suitable as a
12 qualifier for MGM Springfield.

13 COMMISSIONER CAMERON: Very clean
14 report.

15 CHAIRMAN CROSBY: Anybody else? Do
16 I have a motion.

17 COMMISSIONER CAMERON: Yep.
18 Mr. Chair, I move that this commission
19 approve the license of the qualifier, Michael
20 Stratton, who is the senior vice president of
21 the marketing at MGM Resorts -- at MGM
22 Resorts Regional Operations LLC.

23 COMMISSIONER STEBBINS: Second.

24 CHAIRMAN CROSBY: Further

1 discussion? All in favor? Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously.

7 MS. LILLIOS: Thank you very much.

8 CHAIRMAN CROSBY: Thank you.

9 COMMISSIONER CAMERON: Thank you.

10 MR. BEDROSIAN: So, Mr. Chairman, I
11 have good news and bad news. The good news
12 is, we're way ahead of schedule. The bad
13 news is, we're way ahead of schedule. I
14 think there were some stakeholders related to
15 number eight, who we informed, based on our
16 misinterpretation of how long things would
17 take us, that they come not even potentially
18 until about 2:45. So the good news is, we
19 could jump ahead to Item No. 9, which is
20 Commissioner's Updates and has another
21 section underneath it. I don't know how long
22 that'll take us. Admittedly, hopefully, not
23 until 2:45 but if it does, it does, but we
24 should maybe take that up and see where we

1 are.

2 CHAIRMAN CROSBY: That sounds good
3 to me. So Item No. 9 is the performance
4 review of the executive director. We've all
5 had a chance to read this consolidated
6 report, having each of us submitted our own
7 individual comments, and having had Director
8 Bedrosian's senior staff, his direct reports
9 also submit comments. Does anybody want to
10 lead off with characterization of our --

11 COMMISSIONER CAMERON: Do we want to
12 take a category, or no, just an overall
13 assessment; do we need to go through the
14 categories?

15 CHAIRMAN CROSBY: I'm comfortable
16 with overall but --

17 COMMISSIONER CAMERON: Sure. Well,
18 I think -- I'll speak for myself, but I just,
19 you know, think that the executive director
20 is doing -- is doing an excellent job. Not
21 easy to communicate up as well as down.

22 Really, some of the things I think
23 are important is, kind of, the morale
24 building, the e-mails that go out to staff to

1 let them know what's going on, to let them
2 feel included, to include those folks out at
3 Plainridge who work 24/7. Always -- I know
4 as someone who did that work, it's always
5 nice to be recognized when you're working a
6 midnight shift. So I think those things are
7 really important. Certainly, not everyone's,
8 you know, going to be -- going to be overall
9 ecstatic but we're getting larger as an
10 organization.

11 You know, and I think, you know, the
12 relationships -- and I use that word with the
13 licensees is important. It's not a
14 relationship as much as it is an
15 understanding of what our expectations are
16 and a -- an ability to listen to what some of
17 their concerns are. I think that's another
18 area that Executive Director Bedrosian does
19 very, very well.

20 CHAIRMAN CROSBY: Anybody else?

21 COMMISSIONER ZUNIGA: Well, let me
22 just say, there's so many positives, and a
23 lot of that is already reflected in the
24 evaluation. I think there's great skills. A

1 lot that you bring, and you have brought a
2 lot of -- that you've ridden -- you rode a
3 very steep learning curve in this short
4 tenure, now going on two years. And that's
5 really important and significant, coming from
6 a very relevant background not to this
7 commission but new to gaming. And that's
8 really positive. A lot of what Commissioner
9 Cameron was saying. Building relationships
10 is really positive.

11 You're in the unique position of
12 dealing with a unique body as a report, in
13 this context and to five people. And then,
14 leading the agency administratively as that
15 one person. So that's a -- that'll continue
16 to be a role to be thought through and
17 examined, as we kind of evolve as an agency,
18 and as we try to always try that balance that
19 is always challenging. The luxury that we
20 have here at the commission, bringing
21 different perspectives and different
22 priorities, is one that you have to really
23 manage and try to strike constantly, in many
24 ways.

1 And some of the comments that I read
2 from -- from some of the directors begin to
3 speak a little bit to that, how I believe
4 challenging it can be trying to strike the
5 balances in, you know, looking more
6 favorably, or more less-demanding, if you
7 will, in one situation or another. I think
8 that will be here with us because that's --
9 you know, for awhile. I might argue, you
10 know, permanently, but it's something that we
11 need to continue to pay attention. If
12 there's any kind of biases that we all bring
13 because of the position that you're in, it's
14 especially important to, kind of, pay
15 attention to those.

16 So how we -- how you involve your
17 leadership team, how those decisions are
18 made -- you know, those administrative
19 decisions are made or brought to us for
20 policy decisions will continue to be that
21 challenging.

22 I think, overall it's really
23 positive. It's great that we have now
24 included this aspect of the review. And I

1 think it should be taken as a very positive
2 that we first have it, and we have it
3 candidly and we could, you know, just pay
4 attention to it.

5 CHAIRMAN CROSBY: Anybody else?

6 COMMISSIONER STEBBINS: Yeah. I
7 would just only add to this, you know, I've
8 been impressed with the executive director's
9 performance. I think -- you know, when you
10 came in you weren't landing right on top of
11 an open process. but you've had this
12 opportunity to build a relationship with our
13 existing licensee. You've had a chance to,
14 you know, work with your team to prepare for
15 the opening that is in front of us in
16 September. And I think to that degree, you
17 get points for starting that process and
18 initiating that process as early as we can.
19 I mean, we're obviously still going through
20 it. At the same time, you're managing an
21 organization by virtue of all the
22 introductions so we continue to grow and
23 we're picking up the pace.

24 That said, and Commissioner Zuniga

1 touched on it, you're also responsible to
2 five individual bosses. And each of us comes
3 to this job with different experience,
4 different background, different interests,
5 and, yet, I have always found you willing to
6 address all of those interests, questions
7 that we raise with, you know, a really -- an
8 open mind to all of it.

9 You know, you obviously come with a
10 great deal of background and experience from
11 your legal work, from your investigatory
12 work, but at the same time you've developed
13 the nuances of the finances. You've
14 developed an interest in, you know, the
15 economic development and workforce issue.
16 So, you know, kind of building at your team
17 and building out your interests, as well as,
18 I think, appropriately working with five
19 bosses I think you continue to excel at.

20 You know, I think -- and this isn't
21 necessarily discussion about your
22 performance, but I think as we go forward I
23 would like to see us as a commission tackle
24 your performance, review in a little bit more

1 timely fashion. I definitely -- when I'm
2 doing these, I always try to relate actual,
3 factual anecdotes, and if we let too much
4 time go by it make that a little bit
5 challenging.

6 But overall, again, I think you've
7 done a great job of hiring a good team around
8 you. And, again, I think paying a fair
9 amount of respect and prioritization to all
10 the individual directors in their areas -- in
11 their areas of work. And I think that's not
12 easy, and that's a credit to your
13 performance.

14 CHAIRMAN CROSBY: I would pretty
15 much second all of that. We've all discussed
16 this. It's kind of a weird and awkward
17 situation to have a performance review in a
18 public setting. It's got to be one of the
19 strangest parts of the applications of the
20 Open Meeting Law. And it's hard not to,
21 because of that, to make this into just a
22 happy talk session.

23 And having said that, however, I'm
24 going to read one summary comment, because I

1 know the person who wrote this particular
2 comment quite well. "The ED has done well in
3 assuming a strong leadership role, which
4 includes an unexpected sensitivity to staff
5 morale and is esprit de corps. He's done a
6 very good job of taking the reins of the
7 organization and becoming the executive
8 director.

9 And that is my summary thoughts, Ed,
10 in the extreme. There are tucked gently
11 tucked into the public document some
12 constructive suggestions having to do with
13 the -- balancing the interest of the
14 different departments, having to do with what
15 we've all mentioned, this issue of balancing
16 the commissioner's role versus the staff's
17 role and the tensions that are inherent in
18 that.

19 And a few other little nuggets are
20 stuck away in there, and it's important to
21 pay attention to them. But were this public
22 or private, I'd be saying the same thing,
23 which is, on balance, you know, you've done a
24 terrific job. And I think we all feel

1 fortunate to have you here.

2 MR. BEDROSIAN: Thank you. Look,
3 public evaluation process, yes, it's awkward,
4 so we've done a couple of awkward things
5 today. But having said that, I appreciate
6 and recognize that, you know, one of the core
7 values here is as we've talked about, is
8 transparency. You know, whether it's our
9 decision-making process. You know, we harken
10 back to my process of being hired. That was
11 a public event, also.

12 I particularly want to thank staff.
13 Whatever success I may have is -- I attribute
14 to the great staff, many of whom have been
15 hired either by you all, or by my
16 predecessor. You know, people with
17 expertises that I don't think I quite
18 appreciated takes some time to be around
19 these people, because they don't pound their
20 own chest. They're quietly very successful
21 in their own right so -- so that helps any
22 leader in any organization.

23 Having said that, I'm not perfect.
24 You know, I take to heart and appreciate a

1 360 evaluation, where people above, below and
2 around you are commenting on your successes.
3 And maybe not so much because it makes you
4 think of how, you know, you're perceived by
5 other people. And maybe you don't always
6 view it that way yourself and it helps to get
7 a little bit of a reality check. And I think
8 that's good for anyone.

9 So I'm going to take those nuggets,
10 Mr. Chair, as you say to heart, and try to
11 improve on that aspect of what I might need
12 to improve on. But I consider myself very
13 fortunate to be in this position, you know,
14 working for this body. You know,
15 Janice Reilly coming in said, you know,
16 something's going to happen, it's not going
17 to be a smooth -- smooth ride, or something
18 like that. I'm like, oh, come on, we're just
19 opening some casinos. Well, she was right.

20 COMMISSIONER CAMERON: Janice said
21 that?

22 MR. BEDROSIAN: But having said
23 that, you know, there are challenges to this
24 job. It's an important job and I'm very

1 fortunate to have it so thank you.

2 CHAIRMAN CROSBY: Great.

3 COMMISSIONER ZUNIGA: Thank you.

4 COMMISSIONER CAMERON: Thank you.

5 CHAIRMAN CROSBY: Okay.

6 MS. BLUE: So just before you move
7 off that topic, what you did last year at
8 this point in time, was you decided whether
9 you wanted the executive director to receive
10 an increase in compensation commensurate with
11 what was done for the rest of the staff, and
12 then to let the HR department implement that.

13 So that's a decision you can make
14 now, you can make later. However you want to
15 do it. But that's -- in fairness, we've
16 gone -- taken the staff through that process,
17 and it's important to take the executive
18 director through, as well.

19 MR. BEDROSIAN: And so you just
20 know, commissioner -- rest of the staff, I
21 think, was at 2 percent, 2 percent in the
22 budget, a 2 percent raise.

23 CHAIRMAN CROSBY: And this would be
24 retroactive to the time of the performance

1 review -- or should have --

2 MS. BLUE: To the last -- to the
3 last time he had his compensation reviewed.
4 I can't remember, off the top of my head, how
5 big a period that is. But from the last
6 time, yes. Staff we do every year. We're a
7 little bit more timely with staff.

8 CHAIRMAN CROSBY: Thoughts?

9 COMMISSIONER CAMERON: Yeah. I
10 certainly think it's deserved, the
11 appropriate -- the compensation that the
12 other staff members received.

13 MR. BEDROSIAN: And I'm sorry, let
14 me just be clear. I'm sorry to interrupt
15 you. It's not a 2 percent raise. It was a
16 2 percent merit adjustment. So for my level.
17 For some people below a certain threshold it
18 was a raise. So for people above a certain
19 threshold, which I would be above, it was a
20 merit adjustment. So it would not be a
21 permanent adjustment to salary.

22 CHAIRMAN CROSBY: It would not be a
23 permanent?

24 MR. BEDROSIAN: It would not be a

1 permanent adjustment to salary.

2 MS. BLUE: No. For people over a
3 certain level, it was a lump sum payment. So
4 it didn't -- it's not added on to the base
5 pay and then increases every year.
6 Basically, just a merit adjustment.

7 CHAIRMAN CROSBY: And why -- why did
8 you do that? That was your decision. That
9 --

10 MR. BEDROSIAN: It was my decision.
11 It had to do with, you know, a permanent
12 scale of salaries potentially going up. We
13 are still -- not that I -- let me be clear,
14 not that I wouldn't love to give everyone a
15 flatout raise, you know, but we are still --
16 we'll always be under certain budget
17 pressures, I think. And if we want to be
18 responsible to those budget concerns -- you
19 know, when we're up and operational, things
20 may be slightly different.

21 But it's -- we -- especially, at
22 this time I think, when Commissioner Zuniga
23 and I were looking at this situation, which
24 our budget was increasing because we had to

1 have necessary preparation for opening these
2 casinos, but at the same time, you know,
3 there was no revenue coming in from the
4 Category 1 casino. So we're trying to find
5 that balance. Maybe that will change in the
6 future. We were trying to be respectful
7 of -- it might be a little symbolic, but we
8 thought it mattered.

9 COMMISSIONER ZUNIGA: Yeah, I think
10 it does. And I think there's a couple of
11 components to be uniform with what we've
12 already implemented with the rest of the
13 staff is very valuable. But, also, just
14 looking around at other agencies there's
15 important benchmarks for us to consider. And
16 that's a context that's -- that's part of the
17 equation here.

18 Commissioners, for example, have not
19 had their own salaries adjusted because the
20 state has had a bit of a wait approach in the
21 past couple of years. And that's an
22 important part the context, I might argue, so
23 I would fully endorse the approach to be
24 consistent with the rest of the staff. And

1 just let HR, you know, implement it in a
2 similar way.

3 CHAIRMAN CROSBY: I would, too. I
4 assume we need a vote on this, right?

5 COMMISSIONER ZUNIGA: I'd be happy
6 to move that the commission accept the
7 performance review here as part of the
8 packet. And as a result, direct the human
9 resources department to increase the salary
10 of Dr. Bedrosian in a manner that is
11 consistent with the increases that we have
12 implemented for the rest of the staff, as
13 part of this performance review process.

14 COMMISSIONER CAMERON: Second.

15 CHAIRMAN CROSBY: Further
16 discussion? All in favor? Aye.

17 COMMISSIONER STEBBINS: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 CHAIRMAN CROSBY: Opposed? The ayes
21 have it unanimously. Do we have everybody
22 here from the -- Director Lightbown.

23 MS. LIGHTBOWN: Good afternoon,
24 Commissioners.

1 CHAIRMAN CROSBY: Good afternoon.

2 COMMISSIONER CAMERON: Good
3 afternoon.

4 COMMISSIONER ZUNIGA: Good
5 afternoon.

6 COMMISSIONER STEBBINS: Good
7 afternoon.

8 MS. LIGHTBOWN: We're going to take
9 things a little bit out of order today.
10 We're waiting for some folks to get here,
11 since, pleasantly, we're, running ahead for
12 once. First of all, Steve O'Toole regrets he
13 couldn't be here today, but he's busy getting
14 the track ready. And he's basically got a
15 standard operating procedure of getting his
16 racing officials and essential personnel
17 approved by the commission.

18 CHAIRMAN CROSBY: So this is Item 8E
19 you're looking at?

20 MS. LIGHTBOWN: Yeah, this is Item
21 E, sorry. Most of these people are still in
22 the process of getting their licenses.
23 They'll have their first qualifiers next
24 Tuesday so they'll all be in for that. So

1 I'm asking for you to recommend them pending
2 the satisfactory completion of their
3 licensing and their background checks by the
4 state police. And, again, these are --
5 they're all returning folks. They've been
6 with Plainridge last year, if not longer than
7 that.

8 COMMISSIONER CAMERON: And you can
9 attest for their -- that they're all doing a
10 fine job?

11 MS. LIGHTBOWN: Right. Exactly.

12 COMMISSIONER CAMERON: Great.

13 CHAIRMAN CROSBY: Every single one
14 of these are returning?

15 MS. LIGHTBOWN: Yes.

16 COMMISSIONER CAMERON: So Mr. Chair,
17 I would move that we approve the request of
18 Plainridge Park Casino to approve their
19 March 22, 2018 list of key operating
20 personnel and racing officials, pending
21 satisfactory completion of licensure by the
22 Massachusetts Gaming Commission racing
23 division, and satisfactory completion of
24 their background checks by the Massachusetts

1 State Police.

2 COMMISSIONER STEBBINS: Second.

3 CHAIRMAN CROSBY: Further
4 discussion? All in favor? Aye.

5 COMMISSIONER STEBBINS: Aye.

6 COMMISSIONER CAMERON: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 CHAIRMAN CROSBY: Opposed? The ayes
9 have it unanimously.

10 MS. LIGHTBOWN: The next item, we'll
11 skip to Item D, the Harness Horsemen's
12 Association of New England, their pension
13 plan. This was brought before you a couple
14 of weeks ago, and we had a two-week period
15 waiting for any responses. The gaming
16 commission did not receive any comments. The
17 Harness Horsemen's Association did get one
18 response that was signed by two or three
19 different people that's in your packet. And
20 then the harness horsemen responded to them
21 with their concerns.

22 As you know, in any organization,
23 and when you're trying to set parameters on
24 what the, you know, different stakeholders

1 would receive, there might be some
2 differences of opinion, but I think it was
3 clear from the hearing that we had that they
4 have put a lot of thought and time into this.
5 So my recommendation is that we go ahead and
6 approve their pension -- the parts of their
7 pension plan that they've presented. And,
8 again, that's part of the Racehorse
9 Development Fund wording that it has to be
10 approved by the commission.

11 COMMISSIONER CAMERON: Yeah. I was
12 impressed with the research, with the plan.
13 It's really a good-news story that they're
14 able to now provide this pension plan for the
15 horsemen. And, you know, the thoughtful
16 letter that they did in response to the
17 letter raising some concerns, I thought, was
18 excellent. Really, point by point, taking
19 the time to explain how they made the
20 decision. I just think this has been handled
21 very appropriately.

22 COMMISSIONER STEBBINS: I would
23 agree. And I think, as I stated at the last
24 meeting, I like the fact they've built in

1 some added incentives for Massachusetts
2 residents, too, to really benefit.

3 I was wondering if it would be
4 possible, since this is new and this is just
5 ramping up, if we could find some time either
6 at a six-month period, a year period to, kind
7 of, come back and give us a status report as
8 to how the program is going.

9 MS. LIGHTBOWN: I think that's a
10 good idea. And they may have some -- after
11 it's been implemented, they may come up with
12 some changes that they may want to make. As
13 with anything, you try to think of all the
14 things ahead of time, but once it goes into
15 effect and they see how it works for the
16 year, they may actually want to change a few
17 things and bring it back anyway, so I think
18 it's a good idea.

19 COMMISSIONER STEBBINS: I think it'd
20 behoove us to kind of keep an eye on it. We
21 want it to be successful.

22 COMMISSIONER ZUNIGA: I actually
23 think that's an excellent idea. And I have a
24 similar requirement or ask of this, as part

1 of the reporting. And, by the way, I should
2 back up. I think this is a great plan. It's
3 very well thought through, and, ultimately, I
4 favor it. But if we could make a requirement
5 that somehow they provide a yearly update or
6 education to their membership that's really
7 proactive, in terms of communicating what
8 their benefits are. Because there's here an
9 incentive by those that remain to gain from
10 people leading the system, if somebody
11 leaves, stops racing, et cetera, whatever
12 they accrue comes back to the rest of the
13 membership, which is fine, it's what's done
14 in other states, and it's very appropriate
15 from a, sort of, financing standpoint. I
16 want to add the requirement that they, at
17 least yearly, or some other period of time,
18 educate the membership relative to those --
19 those things, those benefits that accrue, or
20 when, you know, the points, you know, make a
21 difference after investing time and all of
22 those things.

23 MS. LIGHTBOWN: Part of the plan is
24 to give each person that's in the plan a

1 statement every year. So, you know, at the
2 end of this year they'll get together their
3 number of points and present it to each
4 person to show 'em, and also for the person
5 to look at it, verify that those are the
6 number -- you know, points that they feel
7 they should have so if there's any
8 discrepancies they can take care of it. So,
9 you know, automatically they'll get their
10 statement every year that'll remind them.
11 And then, it's certainly good to remind them
12 in general.

13 COMMISSIONER ZUNIGA: Right.

14 MS. LIGHTBOWN: And any new members
15 that might come in with the new plan that
16 they like.

17 COMMISSIONER ZUNIGA: But if there's
18 an embedded notion of a -- you know, periodic
19 education process, whether it's an annual
20 meeting or in addition to the statements,
21 which are very important. But we know what
22 happens, certainly, you get used to receiving
23 statements, you know, and people don't pay
24 attention. If it was a proactive effort,

1 doesn't have to be all the time, I would be
2 very comfortable given, you know --

3 MS. LIGHTBOWN: I'm sure they'd be
4 amenable to doing that.

5 COMMISSIONER ZUNIGA: Great.

6 CHAIRMAN CROSBY: Yeah, good idea.
7 I guess we need a vote on this one, too,
8 commissioner of horseracing?

9 MS. LIGHTBOWN: Yep.

10 COMMISSIONER CAMERON: Yep. So
11 Mr. Chair, I move that the commission approve
12 the rule of an eligibility requirement to the
13 Harness Horsemen's Association of New England
14 pension plan as presented to the commission
15 on March 15, 2018.

16 CHAIRMAN CROSBY: Second?

17 COMMISSIONER ZUNIGA: Second.

18 CHAIRMAN CROSBY: Further
19 discussion? All in favor? Aye.

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER CAMERON: Aye.

22 COMMISSIONER ZUNIGA: Aye.

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

1 MS. LIGHTBOWN: Then, I think we can
2 go ahead and skip to Item B, Suffolk Downs
3 request to amend their racing dates.
4 Schedule of racing, the racing agenda now, if
5 you'd like.

6 COMMISSIONER CAMERON: You want to
7 go to A?

8 MS. LIGHTBOWN: Yeah, we can go to
9 A. So in front of you for Item A, Suffolk
10 Downs Racecourse purse request, there's a
11 letter from Suffolk Downs requesting that all
12 of the money that's was scheduled for
13 thoroughbred racing purses be delivered into
14 the account, instead of just -- what we do
15 now is, during the racing season Chip Tuttle
16 will tell me what they're anticipating they
17 need for a particular weekend and we'll put
18 that money into the account. Last year, I
19 think we did the first two weekends in one
20 bunch. And then, at the end of the year, at
21 the end of their races we save a little bit
22 back so at the very end we can get it right
23 down to the penny and -- so we're not asking
24 for anything back at the end of season.

1 C. Regulations do allow for the
2 commission to give a smaller amount of money.
3 And I think, at this point, I'll turn it over
4 to Catherine Blue to discuss some of the
5 different legal issues and the regulatory
6 issues.

7 MS. BLUE: So we have two letters in
8 the packet. One is the request from
9 Suffolk Downs, and then we have a letter from
10 the attorney for the NEHBPA, requesting the
11 entire balance of the thoroughbred portion of
12 the purse account. And as is pointed out in
13 the attorney's letter, the statute does, in
14 fact, say that this money will be deposited
15 weekly into a purse account held by the track
16 for the benefit of the horsemen, and that's
17 an interest-bearing account.

18 However, that does not take into
19 account our regulations, 205 CMR 149, which
20 gives the commission the ability to award, in
21 its sole discretion, less than the full
22 amount. And the reason for that is that,
23 obviously, when this was passed, back when
24 the racehorse development fund legislation

1 was passed in 2011, we had two tracks in the
2 commonwealth that raced between 60 and 80
3 days, maybe more.

4 They did not, at the time I don't
5 believe, hit the hundred-day requirement to
6 simulcast, but they got the legislature to
7 sign off each year on a lower number of days.
8 So when the legislature was looking at purse
9 monies, that's what they anticipated. I
10 don't think they ever anticipated a situation
11 where there would be six days of racing. So
12 just ballpark numbers, we're talking about,
13 approximately, 42 races in a meet, as opposed
14 to what you looked at for the harness horse
15 racing meet this year of about 1200. There
16 just isn't the need, particularly, for the
17 level of purse money that's been in the
18 account.

19 So you have the ability under the
20 regulation to do that. That regulation also
21 goes on to give you the ability in the event
22 a track closes or a new track opens to escrow
23 that money, if you're requested to do so, or
24 to transfer it to a new track, if the track

1 should open. So I would say that I think
2 you're well within your rights to award a
3 lesser amount than a full amount that is in
4 the account.

5 To address a little bit the issue of
6 whether it's an interest-bearing account, it
7 is correct that the horsemen's account at the
8 track has to be interest-bearing. The
9 commonwealth account, you as the commission
10 are the trustee for the funds in this
11 account. Those accounts at the treasurer
12 level are invested in accounts that may have
13 interest on them. The commonwealth, in its
14 discretion, takes the interest off of all the
15 accounts that are trust accounts and that
16 goes back to the commonwealth.

17 So I think that you are within your
18 rights to continue to do what you have done
19 in prior years for the thoroughbreds and
20 award an amount that's appropriate to the
21 number of races involved.

22 COMMISSIONER ZUNIGA: Yeah, I wanted
23 to talk to a couple of those points, because
24 I think you mentioned the regulation and

1 that's very important. But I actually --
2 going back to the statute and the letter from
3 Mr. Raphael, where he only mentions one piece
4 of the section relevant to the deposit,
5 there's an -- there's two very important
6 provisos in the same statutory language. And
7 that is -- give me a second. Provided that
8 those funds be combined with --

9 MS. BLUE: Oh, with existing purse
10 monies.

11 COMMISSIONER ZUNIGA: With existing
12 purse monies, and provided that they're
13 consistent with the purse agreement. So in
14 this case, is there a purse agreement for --
15 for the -- for future years, for all these
16 monies that you request.

17 COMMISSIONER CAMERON: This year.

18 COMMISSIONER ZUNIGA: No. I'm
19 talking about, the request seems to be for
20 the whole amount. Is there a purse agreement
21 beyond this year?

22 MR. TUTTLE: No. There's a purse
23 agreement for 2018, which includes this
24 provision that we request all of the

1 available thoroughbred funds.

2 COMMISSIONER ZUNIGA: But you're not
3 going to use them. When are you going to
4 race?

5 MR. TUTTLE: I would say that we
6 plan to use them. And if we -- if we don't,
7 then, you know, certainly we could send them
8 back to the commission.

9 COMMISSIONER ZUNIGA: Is that
10 planning the purse agreement?

11 MR. TUTTLE: The current purse
12 agreement is for six days for this year. So
13 we would not -- if the total amount is
14 12 million, we do not plan to pay 12 million
15 over six days. We do plan to pay daily
16 purses consistent -- maybe a little bit
17 higher, but consistent with what we have the
18 last several years, of about 500,000 a day.

19 COMMISSIONER ZUNIGA: So it's fair
20 to say that you don't have a plan to use the
21 rest of the money.

22 MR. TUTTLE: Well, in November we
23 did announce our plan to move forward with
24 the New England thoroughbred -- the New

1 England HBPA and the Massachusetts
2 Thoroughbred Breeder's Association on a plan
3 to develop a new racing facility in the
4 commonwealth.

5 We've been working against that
6 since the end of last year, and have looked
7 at several properties. And we are seeking
8 legislative conditions similar to the bill
9 that the commission filed that would allow
10 money from the Racehorse Development Fund to
11 be used for operating expenses and capital
12 improvements as part of that.

13 So to -- I'll let the horsemen speak
14 for themselves here. But as the entity
15 requesting the money, there were grave
16 concerns last year, when there were
17 legislative attempts to sweep the fund. And
18 the horsemen, the breeders and us together
19 thought it would be prudent to make the
20 request to drawdown the thoroughbred portion
21 of the fund so that we are holding it on
22 behalf of future purse expenses, as opposed
23 to it dangling out there where some corners
24 of the legislature may try to take it and use

1 it for other purposes.

2 COMMISSIONER ZUNIGA: Yeah, but
3 that's not a purse agreement. That's a plan.

4 MR. TUTTLE: Well, it's both,
5 actually. I mean, our purse agreement for
6 2017 -- for 2018 has a provision, an
7 amendment that we put in earlier this year,
8 that we request all of the thoroughbred
9 funding available.

10 COMMISSIONER ZUNIGA: And where are
11 you going race for that type of thoroughbred
12 following?

13 MR. TUTTLE: We're working on that
14 part of it.

15 COMMISSIONER ZUNIGA: Okay. So it's
16 still a plan?

17 MR. TUTTLE: Yeah.

18 COMMISSIONER ZUNIGA: Okay. There's
19 another piece that I also want to talk about,
20 which you alluded to, and that's the
21 interest-bearing notion. And there's two
22 pieces of the statute here that are also
23 relevant.

24 The section that creates the

1 Racehorse Development Fund speaks to the fact
2 that there shall be established and set up on
3 the books of the commonwealth, the racehorse
4 development fund. So as far as it goes, it's
5 the commonwealth's money, because it sits
6 that that money gets deposited from the
7 Category 2 assessment for taxes.

8 At that point, it's the
9 commonwealth's money. It is for the benefit
10 of the -- for the benefit of the horsemen,
11 provided that there's a purse agreement and
12 there's an understanding that there's going
13 to be a certain number of races following
14 days but -- over the following years. But
15 currently, that figure, whatever it is,
16 12 million, I believe rounding up, is in the
17 books of the commonwealth and it's the
18 commonwealth's fund. It is also generating
19 interest for the commonwealth, which is the
20 case for any other agency with public monies.
21 The treasurer sweeps, it's called, all of
22 those accounts overnight, invests all of
23 those monies for all of the agencies and gets
24 significantly competitive rates, overnight

1 rates, in terms of interest-bearing.

2 There's one element that I hadn't
3 thought of because there's a conflicting
4 section where the -- the statute talks about
5 interest that belongs to the Racehorse
6 Development Fund can also be credited to the
7 Racehorse Development Fund, but that's a
8 discussion that we would have to talk to, you
9 know, the comptroller and the treasurer. I
10 don't think it's going to -- it's going to
11 change.

12 So I did what to dispel the notion
13 that this is money that is the horsemen's
14 money, because while it sits at the Racehorse
15 Development Fund it's the commonwealth's fund
16 or monies.

17 So it is very possible, and it would
18 be their prerogative for them to scoop. They
19 would have to go through the legislative
20 process, and we've seen, we're aware of
21 efforts that have failed to -- to scoop that
22 up. And it would be up to them to figure out
23 what do they want to benefit.

24 We've maintained, now for a number

1 of months, and we filed this legislation --
2 what is it going on three years now or --

3 MS. BLUE: Two years.

4 COMMISSIONER ZUNIGA: Two years?

5 MS. BLUE: Two years.

6 COMMISSIONER ZUNIGA: That we felt
7 could really help the thoroughbred industry,
8 if that was implemented. Monies available
9 from the fund could be help -- could go along
10 way towards being able to be used in ways
11 that would be helpful. But, at this point,
12 it would be, you know, really inappropriate
13 of us to deposit these funds, given that
14 there is no certainty that there will be
15 Suffolk Downs operating next year.

16 By your own accounts, you are saying
17 that you are closing that track. And while
18 you have other important plans about
19 elsewhere, there's anything but just plans.

20 MR. TUTTLE: We certainly don't --
21 yeah, I'm completely in agreement with you,
22 Commissioner, that we don't have any plans to
23 disburse the funds into purses in 2018,
24 though, there is the chance that we could

1 decide to race more days this year and come
2 back to you with a supplemental request for
3 dates.

4 I would defer to others on the
5 reading of the statute. You know, we believe
6 that the statute is pretty clear on this.
7 The commission is seeming to take a different
8 point of view. I'll defer to my attorneys on
9 that, and then the HBPA.

10 COMMISSIONER ZUNIGA: Yeah, no.
11 I -- well, do you want to speak to that, Mr
12 --

13 MR. BARNETT: Just a couple of
14 points, because I don't think that I agree
15 with all of your views on the reading of the
16 statute, including the provisos. And I
17 just --

18 COMMISSIONER ZUNIGA: But you agree
19 that we're the trustees of the money and we
20 get to make the decision.

21 MR. BARNETT: I agree that you're
22 the trustees of the money. But I also think
23 the statute is pretty clear that it's
24 supposed to be deposited weekly into the

1 purse account of the licensee.

2 So one of the statutory
3 interpretation issues that I think we
4 disagree on is whether the money should be in
5 the Racehorse Development Fund, or should be
6 in the purse account of the licensee. And I
7 believe you may have been conflating the two
8 in your comments earlier. Maybe not, but the
9 statute's pretty clear, that it's supposed to
10 be deposited weekly.

11 It comes in, yes, from the --
12 currently from Category 2 licensee into the
13 Racehorse Development Fund. But it's only
14 there for a very brief period of time before
15 the statute says it must be donated -- or
16 deposited into the licensee's purse account.
17 And it's the purse account where the interest
18 is accrued, and the interest has to go back
19 into the purse account. Different from the
20 Racehorse Development Fund.

21 COMMISSIONER ZUNIGA: But wouldn't
22 you think it would be irresponsible for us to
23 deposit it to the licensee's purse account,
24 knowing full well that there might not be a

1 licensee next year?

2 MR. BARNETT: No.

3 COMMISSIONER ZUNIGA: You don't
4 think that would be irresponsible?

5 MR. BARNETT: I don't. Obviously,
6 it's your judgment to make how to proceed.
7 And I think, in the first instance you're
8 obligated to follow the statute.

9 And before I lose track of it, I
10 think the proviso that relates to the purse
11 agreements doesn't require that there be a
12 purse agreement in effect for all future uses
13 of Racehorse Development Fund money. I think
14 the point there is that the Racehorse
15 Development Fund purse funds are in
16 supplement to other purse funds that are
17 provided for in the purse agreements.

18 The money is -- has statutory
19 purposes. I think Suffolk Downs has shown,
20 over time, that it is a careful steward of
21 the Racehorse Development Fund monies only
22 for approved statutory purposes, and there's
23 no reason to think that it would be any
24 different going forward. And there is no

1 security for these funds, which are by and
2 for the future of the horsemen, staying in
3 the Racehorse Development Fund, given the
4 increased legislative attention to them.

5 COMMISSIONER ZUNIGA: Well, there's
6 another section of the statute that speaks
7 very clear, in my view, of us having to
8 follow the rules and regulations of the
9 comptroller. And I happen to believe that,
10 if we were to do this - but we could always
11 ask the comptroller - to do this with this
12 conflicting interpretation, if you will, of
13 the statutory sections, that they would
14 simply not let us do it. Plain and simple.

15 I think there's enough uncertainty
16 about all of this, that for us to make a move
17 like this would be, I don't know, just
18 inappropriate. This is how I feel. We could
19 always, you know, ask the comptroller, and
20 I'm going to guess that they were very --
21 they would very quickly agree with us staying
22 on the safe side and keeping the money where
23 it currently sits, rather than make such a --
24 such a move.

1 MR. TUTTLE: Commissioner, I would
2 just add, that while we are working toward
3 the development of a new racing facility and
4 hope to have more concrete plans to share
5 with the commission in the near future, as we
6 look toward that -- that development, the
7 idea that we would already have \$8 million in
8 a purse account available to us is a very
9 important step in assuring that that
10 development would go forward.

11 COMMISSIONER ZUNIGA: Sure.

12 MR. TUTTLE: And not that it
13 wouldn't continue to be, potentially, in the
14 Racehorse Development Fund, but that we would
15 actually have it in the purse account.
16 That's an important distinction, due to what
17 we've all mentioned and what which saw, some
18 legislative attempts to take the money out of
19 the fund. Right. So it's part of our larger
20 partnership with the horsemen and the
21 breeders to try to ensure the future of
22 racing.

23 COMMISSIONER ZUNIGA: I just don't
24 see it that way. You know, reasonable people

1 candies agree. I think, if you have a plan,
2 if you can back in the near future, however
3 far or near that may be with something that
4 is a lot more tangible, we would entertain
5 it, we would look at it, we could make the
6 disbursement however impartial or in total at
7 that time. But -- and we've been at this for
8 awhile. These plans have been in the works
9 for, now, a few -- more than a few months,
10 let's just say. More than a couple of years.
11 The notion of, you know, a track somewhere
12 and another track or a --

13 MR. TUTTLE: Well, our plans, we
14 only commenced this effort in November of
15 last year. That was -- the horsemen
16 investigated on their own and looked at
17 opportunities for the horse park concept.
18 Were not able to bring that to fruition. We
19 stepped in and formed an agreement to work
20 together late in the year last year. So we
21 have been working hard toward that goal, and
22 I've toured several properties in western
23 Mass and central Mass, and southeastern Mass.
24 And I'll be back in central Mass next week.

1 And we are working diligently toward bringing
2 a plan to you as quickly as we can.

3 COMMISSIONER ZUNIGA: So we'll
4 listen to it as quickly as we can.

5
6 (Member of audience speaking)

7
8 CHAIRMAN CROSBY: If you're going to
9 come up, you've got to come up here,
10 Mr. Spadea. And very quickly, please.

11 MR. BEDROSIAN: Mr. Chair, I just
12 remind us, we're actually having the
13 stenographer do this remotely today. You
14 might not notice. So if we could just have
15 people introduce themselves.

16 MR. SPADEA: My name is
17 Anthony Spadea. I'm president of the
18 New England HBPA, and have been for a number
19 of years. In all due respect, Mr. Zuniga, I
20 don't agree with you whatsoever, and here's
21 my reasoning: The standardbreds, the
22 breeders, are giving their money on
23 anticipation of running races. They're able
24 to get their money, and get it weekly and

1 invest it, and interest and make money on it.

2 I don't think we've ever shown you
3 any reason to distrust the integrity of us or
4 Suffolk handling money that was designated
5 for purses. The opportunity for us to get
6 our money weekly and invest it, not saying
7 the commonwealth shouldn't have the
8 opportunity to do what they do, but they
9 don't do it for anybody else. You've chosen
10 to choose our money to be held, without
11 giving us an opportunity to keep our money in
12 escrow and earn probably two to \$300,000 a
13 year, which would --

14 COMMISSIONER ZUNIGA: Not in this
15 environment, Mr. Spadea, I can tell you that.

16 MR. SPADEA: Listen, I'm a financial
17 planner. Believe me, I can make 2 percent of
18 that money with no risk at all.

19 COMMISSIONER ZUNIGA: I hope it's
20 not in cryptocurrency, by the way.

21 MR. SPADEA: That's irrelevant.
22 What's important to me, is protecting the
23 money for the horsemen in the future
24 opportunity to trying to build a facility.

1 We've tried very hard over the last two years
2 without any credit, because of fact that it's
3 a difficult thing to get investors today to
4 want to build a racetrack. Nowhere in the
5 country is a racetrack been put up without a
6 casino beside it.

7 CHAIRMAN CROSBY: Mr. Spadea, I
8 think we know this -- this point, you know,
9 so we've heard you.

10 MR. SPADEA: The big thing I want to
11 get at is this, we would sign anything saying
12 that, if that wasn't money wasn't used to
13 fund purses of races, that money would go
14 back to the commonwealth immediately. We
15 would like the opportunity to safeguard the
16 money to give us the possibility in the next
17 year, if the Suffolk Downs group comes up
18 with a location, and comes up with a plan so
19 that, if there's new leadership in the
20 legislation, if everybody knows what I'm
21 talking about, the possibility of that money
22 disappearing is very realistic.

23 CHAIRMAN CROSBY: Okay.

24 COMMISSIONER ZUNIGA: Mr. Spadea --

1 CHAIRMAN CROSBY: We've heard that
2 point.

3 COMMISSIONER ZUNIGA: Yeah. Can I
4 just say, I think that point is an excellent
5 point to make to the legislature --

6 MR. SPADEA: We have.

7 COMMISSIONER ZUNIGA: -- to support
8 the update to the legislation that has been
9 up there for now a few years. We'll get to
10 you in a minute, sir. Because we are
11 currently in a legislative limbo with a law
12 that has been kicked for one year at a time
13 with very uncertain terms. I remember full
14 well when that was first passed, there was an
15 expectation that they were going to be
16 between one and 50 races. And when you came
17 back with three-race meet, there were a lot
18 of people that were sorely disappointed by
19 that -- by that read.

20 MR. SPADEA: Including us.

21 COMMISSIONER ZUNIGA: Understood.
22 As I was, as well. But the language was very
23 clear that it only had to be between one and
24 50. Now, because that legislation has

1 kept -- has been just being renewed year
2 after year, I will submit to you that that
3 has created a real uncertainty to potential
4 investors about, you know, deciding to put
5 money there, which, again, your point is a
6 good one. You would be making it to the
7 wrong body, I would submit to you. That
8 would be the legislature to create a
9 framework, at the same time protecting that
10 Racehorse Development Fund money. And that
11 would all have to be ironed out there to go
12 forward.

13 MR. TUTTLE: We're doing that. We
14 are making -- we are active in our government
15 relations effort at the current time, in
16 trying to eliminate the barriers to
17 investment. Being licensed on a year-to-year
18 basis is a very difficult barrier to
19 investment. So we're looking at trying to
20 assure a longer term extension of our
21 license, and the longer term of protection of
22 the Racehorse Development Fund as conditions
23 of us being able to invest in a new facility.

24 MR RAPHAEL: Neil Raphael on behalf

1 of the NHBPA. Just one quick point. I
2 disagree with Counselor's Blue reading of the
3 law. But if the commission is inclined, the
4 statutory provision that she cited, or the
5 regulatory provision does allow the
6 commission to create a racing escrow account
7 on the commission level.

8 So the commission could take the
9 funds that are currently there in the
10 Racehorse Development Fund and deposit them
11 into an escrow account that's completely
12 managed by the commission, and then the
13 interest will accrue in that escrow account.
14 And then, the commissioners, if there's no
15 facility within three years, I believe the
16 regulatory provision says that the racehorse
17 committee makes a recommendation to the
18 commission as to what to do with the funds.

19 But if they don't want Suffolk to
20 have the funds, to manage the funds, then I
21 would argue that the commission should, at
22 least, create a racing escrow account at the
23 commission level, given the closure of
24 Suffolk Downs, so that we earn interest for

1 the horsemen and we escrow the funds.

2 COMMISSIONER ZUNIGA: Well, that's
3 along the lines of what I was alluding to, in
4 terms of asking the comptroller, for example.
5 It just feels, to me, that making such a
6 drastic move at this point, with the
7 uncertainty that -- that is the fact that
8 Suffolk Downs is closing, is it not, or do
9 you plan to run -- to have it open in 2019?

10 MR. TUTTLE: I want to be --
11 everyone to be clear on the difference
12 between the sale of the property and the
13 continuation of the racing or wagering
14 operation. I mean, we have sold the
15 property. We sold the property in May of
16 2017. But we specifically held on to the
17 racing and wagering business with the
18 intention of continuing.

19 Now, our ability to continue at the
20 Suffolk Downs property beyond 2018 is not --
21 there's not a great chance of us being able
22 to do that, but there is some chance.
23 There's no development taking place on the
24 property yet. And the developer has

1 certainly done a lot of work to prepare for
2 the Amazon opportunity and other
3 opportunities.

4 But I can't -- I heard
5 Attorney Raphael refer to Suffolk Downs
6 closure, and other people. I want to be
7 clear here, that we continue to stay in
8 business as long as we can, and continue to
9 seek the legislative conditions to do that.

10 COMMISSIONER CAMERON: Well, and I
11 think the other piece we haven't talked --
12 spoken about, first of all, we've never had a
13 request to escrow monies.

14 MS. BLUE: There are -- I know, as
15 Attorney Raphael reads the regulation, there
16 are triggering events that would result in a
17 request to the commission. We have not seen
18 those triggering requests. I'm sure if there
19 was one, the commission would entertain a
20 request to escrow the money. But I have also
21 discussed this with many of the individual
22 horsemen, who have raised a similar issue.
23 So if one of the those events that's
24 described in the regulation occurs, I'm sure

1 the commission would entertain a request.

2 COMMISSIONER CAMERON: And I think
3 the other thing we really haven't mentioned
4 is, we're aware of another proposal out there
5 that -- another entity other than yourself,
6 that would like to use an existing track to
7 build another track and have -- are now
8 working, as you are, with your proposal, the
9 legislature, and they believe they can be
10 open as soon as next summer to race. So
11 another issue for us.

12 And, again, that's not in our hands.
13 That's in the legislature's hands. And I
14 think we'll know those things within 90 days,
15 and that's where those things stand right
16 now, that it's really not in our hands. But
17 it is something to mention, when we speak
18 about that money.

19 CHAIRMAN CROSBY: I want to back up
20 a step. When General Counsel Blue started
21 her remarks, she commented that the statute
22 states pretty clear that 80 percent of the
23 money should go in it gives us the authority
24 to give less than all of it, if you're not

1 talking about 149.03, which was the notice to
2 discontinue?

3 MS. BLUE: It's 149.04 Section C.

4 CHAIRMAN CROSBY: 149.04 Section C.
5 Now, when we did this -- that's pretty
6 straightforward. When we wrote this reg, we
7 had a public comment period where everybody
8 was asked to comment on it, and I didn't even
9 remember doing this so I don't remember
10 anybody on your side of the table objecting
11 to this reg. Am I correct, that you didn't,
12 that we had a comment period that nobody
13 objected to writing the reg this way?

14 MR. TUTTLE: I don't recall whether
15 we did or we didn't. I'll take your word for
16 it, Commissioner.

17 CHAIRMAN CROSBY: I don't know.
18 Director Blue -- Counsel Blue, do you
19 remember whether it was --

20 MS. BLUE: I don't recall that we
21 had comments on this section of the reg, no.
22 At the time -- this reg was promulgated
23 around the time that Suffolk Downs announced
24 it was going to close. And so, we wanted to

1 make sure we had something in regulations
2 that would allow us to address that, as well
3 as a situation where there was less racing.

4 CHAIRMAN CROSBY: Do you have a
5 comment?

6 MR. BARNETT: My comment is, I don't
7 recall whether we or anybody else commented
8 on that particular part of the regulation.
9 At the same time, whether someone has
10 commented on a regulation or not, a state
11 agency's authority cannot include writing
12 regulations that are in direct contravention
13 of their statute. So that's a --

14 COMMISSIONER ZUNIGA: But it's not
15 in direct contravention of the statute.

16 CHAIRMAN CROSBY: Well, let me
17 finish my train of thought here. I don't
18 understand, actually, how it isn't in direct
19 contravention of the statute.

20 I happen to think that it does make
21 sense to not distribute the full amount, from
22 the standpoint of public policy, for the
23 reasons that are essentially described in
24 this. And I also happen to think that

1 protecting the money is a good idea. We've
2 spoken about that. We testified to the
3 legislature that we would think it's
4 premature to scoop that money and do other
5 uses with it. But we are bound by, for good
6 or ill, the statute. And how do we -- how do
7 we read this to -- how do we read little I to
8 give us the authority to do Section C that
9 you just referred to me?

10 MS. BLUE: Because when we -- if you
11 look at section -- if you look at Chapter
12 128A and C that governs racing, and then you
13 look at the addition of 23K, Section 60, that
14 creates the Racehorse Development Fund, what
15 you realize is you have to -- you have to
16 look at them in conjunction. And 128A and C
17 envisions a full racing schedule. And it
18 envisions that the Racehorse Development Fund
19 really is only a supplement to purse money,
20 because purse money originally came from both
21 the track and from takeouts from wagers.

22 So the idea behind the Racehorse
23 Development Fund, and, you know, assuming the
24 legislature did what other jurisdictions have

1 done, was to create a supplement that would
2 increase the number of racing days that would
3 then allow the racing business to thrive.

4 When we got to the point where the
5 Racehorse Development Fund was finally
6 funded, which wasn't until late in 2014, and
7 then when PPC really got up and running in
8 2015, we had a situation where the
9 thoroughbred racing was reduced greatly, from
10 50 to 60 days, down to between six and eight
11 days.

12 The statute never envisioned a
13 situation that, what would you do with the
14 money, if there wasn't a full racing
15 schedule. Our regulation is not designed to
16 conflict with it, but it's designed to fill
17 in the gaps when the legislation and what the
18 reality is don't match. That's why we have
19 the ability to escrow money, if the track
20 closes, or if a track is transferred to
21 someone else. It's to explain the
22 regulation -- to expand statute in more
23 detail when the situation around the statute
24 changes.

1 COMMISSIONER ZUNIGA: Can I add to
2 that, because I think that's critical. At
3 the same time that that statute was written,
4 the legislature contemplated that there were
5 needed changes to 128A and 128C, which we
6 submitted in time. There was a real deadline
7 for it. The legislature has not acted on
8 those. And that's part of my point, perhaps,
9 what really necessitated that regulation.
10 Because if they had, they would -- we would
11 be talking about an entirely different set of
12 circumstances here.

13 The statute itself anticipated that
14 128A and C had to be looked at, which, again,
15 we submitted in due time, around 2014, I
16 believe.

17 MS. BLUE: Around 2014 they
18 requested that we study it and draft a
19 report, submit it to the legislature, which
20 we did. And we submitted it probably more
21 than once because we got some questions on
22 it.

23 COMMISSIONER ZUNIGA: And I would
24 submit to everybody that that was part of the

1 plan, that if it all converges everything can
2 get assorted out.

3 CHAIRMAN CROSBY: Right. But it
4 didn't converge, you know.

5 COMMISSIONER ZUNIGA: Right. Which
6 is the genesis of our regulation, having
7 ourselves the ability to be flexible and
8 responsive.

9 CHAIRMAN CROSBY: It feels, to me,
10 like this is -- this issue of administrative
11 construction. You know, what authority doe
12 the regulatory agency -- sorry, the
13 administrative have to interpret the statute.

14 We've come up against this two or
15 three different times. The most recent one
16 being a major debate on whether or not we
17 should use our judgment to correct what
18 seemed to us to be a mistake in the SER, in
19 the service employees. And we made the clear
20 decision not to assert our authority to
21 describe that as we wanted.

22 I was on the other side of the
23 argument. I felt we should be -- lose
24 constructionists and use our authority to

1 interpret the statute as we felt they
2 probably would have intended. And I believe
3 in that as an authority. But, A, I don't
4 find this as mixed as I did the SER one. I
5 thought the SER one was genuinely
6 multimediated, whereas, I think this is
7 unambiguous. And I think we need to be
8 consistent in the way we're doing this.

9 You know, either we're going to be
10 strict constructionists or we're not going to
11 be strict constructionists, or at least
12 there's got to be some reason why we would be
13 strict constructionists in one situation and
14 not strict constructionists in another.

15 And I -- as I said, I agree with --
16 with holding the money as a matter of public
17 policy, but I don't see the statutory
18 authority to do it. I don't even see -- I
19 thought -- I missed this one that you just
20 read this to me, Catherine. I thought maybe
21 somehow we were doing it under the notice to
22 commission to intent to discontinue. And
23 even that, I don't quite know where we would
24 have derived the authority.

1 But maybe there is, sort of, a
2 compromise here, if you -- you all are saying
3 what really matters to you in the big picture
4 is not having the money getting scooped.

5 There is a process under 149.03,
6 where it if you give us a notice of
7 discontinuance, that we do have the option,
8 after having a public hearing, to put that
9 money into escrow, which would accomplish the
10 objective you're saying is your objective.
11 It's a little bit less egregious assertion of
12 administrative authority than simply, you
13 know, writing a reg that seems to completely
14 go contrary to that, but it might be a middle
15 ground if -- does that accomplish your
16 objective?

17 MR. TUTTLE: I'm not sure it
18 accomplishes mine, Mr. Chairman. I hadn't
19 contemplated it yet. It may accomplish the
20 horsemen's objective of protecting the funds
21 and having them in and interest-bearing
22 escrow account, but I'd have to revisit that
23 as it relates to Suffolk Downs' particular
24 interest.

1 CHAIRMAN CROSBY: Right. And just
2 to be clear, as -- you know, you referred to
3 the fact that you had some interest in your
4 legislation that's similar to ours, it's
5 quite different in the sense that your
6 legislation is designed to name SSR, I guess,
7 as an entitled party for an extended period
8 of time. Whereas, ours is to have that
9 authority being the commission.

10 MR. TUTTLE: We don't have
11 legislation yet. I mean, we have language --

12 CHAIRMAN CROSBY: Well, you have an
13 MOU --

14 MR. TUTTLE: Yeah, right.

15 CHAIRMAN CROSBY: -- and agreement
16 with the NHBPA, which says that's what you're
17 going to try to do in the legislature.

18 MR. TUTTLE: Yeah. We -- in the
19 same way that the gaming licenses are for 15
20 years so that the commonwealth could ensure
21 the investment and reinsure -- reassure the
22 people making the investment that they would
23 have the license for a period of time, or
24 they might earn a return on their investment,

1 we are seeking similar, right.

2 We would -- if we're going to
3 continue to make an investment, a capital
4 investment in a new facility in the
5 commonwealth, we'd like to know that we have
6 the license for a period of, you know, at
7 least eight or 10 years so that we can
8 amortize the investment over that time with
9 some confidence. Now, we didn't --

10 CHAIRMAN CROSBY: I get that. But I
11 would -- from our standpoint, and what we
12 have suggested is, that amending our
13 legislation to say a license award is for X
14 period of time, is something that I, for one,
15 would think about. The other commissioners,
16 you know, would have their own opinion. The
17 issue is whether or not the legislation
18 should determine who will be the holder of
19 that license. I understand that's why in
20 your -- it's in your interest to do that.
21 More power to you. But that's not what we
22 were recommending at all.

23 We think it's better -- if it turns
24 out there really are two groups that really

1 do have a fighting chance of saving
2 thoroughbred racing, you know, our belief is
3 that we're better to have competition and let
4 us decide which of the two should get it.

5 So you're saying using the 149.03,
6 which is an escrow account set up by us,
7 which would accomplish the protecting the
8 funds purpose, were we to do it, it would be,
9 you think, acceptable to the horsemen, but
10 you'd have to think about whether it's
11 acceptable to you?

12 MR. BARNETT: I think we'd have to
13 look at the various triggers and see what the
14 consequences of these declarations might be,
15 beyond triggering the escrow ability.

16 But just one more thought. The
17 commission wrote the regulation to establish
18 those triggers for unforeseen circumstances,
19 or, at least, circumstances not fully
20 contemplated by the statute, if there is a
21 circumstance that exists that is slightly
22 different than those particular triggers, but
23 is nevertheless not contemplated by the
24 statute, at least well enough in your view,

1 why not amend the regulation to add another
2 trigger over -- to find another way to
3 exercise the authority that the commission's
4 decided it has to make --

5 COMMISSIONER ZUNIGA: Why not do
6 this in, let's say July, when the current
7 legislation is either addressed or dies, or
8 renewed?

9 MR. BARNETT: Because the racing --
10 future of the racing statutes isn't the only
11 thing that's going to be on the legislature's
12 agenda between now and the end of the session
13 in July. It's going to be all these other
14 desires and hopes and potential raids on the
15 fund.

16 COMMISSIONER ZUNIGA: And that would
17 be their prerogative.

18 MR. BARNETT: I mean, the whole
19 point of the regulation is to preserve an
20 escrow of the funds. That's the idea behind
21 it. That if there's a discontinuation of
22 thoroughbred racing, we'll preserve the
23 funds. I don't think you need to amend the
24 regulation. I think, the commission, if it

1 believes it has the preliminary authority, it
2 can still deposit the funds into escrow. I
3 believe they have to distribute that on a
4 weekly basis into the purse account.

5 But if the commission's taken a view
6 that they have some discretion there, which I
7 don't agree with, then I think they then have
8 the discretion to, at least, create an escrow
9 fund at the commission level, and at least
10 deposit those funds, because, at that point,
11 then the thoroughbred horsemen will be able
12 to accrue interest on those funds and not
13 face the legislative risk. I mean, that's
14 what happens with the harness people.

15 There's nothing in the statute that
16 mentions days. I don't know why 150 days is
17 better than six days in terms of -- there's
18 nothing in the statute that references days.
19 It seems -- it seems capricious. There's
20 nothing in the statute that defines the
21 number of days you have to run before the
22 commission has to make those weekly deposits.

23 MS. BLUE: There is a number of days
24 in the racing statute that says how many days

1 you have to run. And that's what the
2 legislature was basing this Racehorse
3 Development Fund on. Legislation requires
4 that everyone run a hundred days, if they
5 want a simulcast. I believe, both the
6 harness and the thoroughbred horsemen want to
7 simulcast. The legislature has given them a
8 lower amount of days up until about '15,
9 when, you know, they went to 150. So, yeah,
10 there is a contemplation of a number of days.

11 I would also point out to the
12 commission, that there are other parts, at
13 least one that I'm aware of, in 128A, where
14 there is a required payment. But we can no
15 longer make that payment because the need and
16 the use does not exist, and we don't make
17 that payment.

18 So, you know, when things change and
19 a statute -- and the environment that a
20 statute's created in changes, then there are
21 sometimes that you have to do something
22 different. And so, just because the statute
23 says you have to make the payment, if the
24 reality is not there -- and this is only for

1 purse money.

2 The commission understands, too,
3 that there is no other use that we can
4 approve it for besides purse money. We can't
5 approve it for operational uses, we can't
6 approve it for capital uses, until the
7 legislature makes up their mind to do
8 something different.

9 COMMISSIONER ZUNIGA: Which we've
10 been --

11 CHAIRMAN CROSBY: We have approved
12 some operational expenses.

13 MS. BLUE: The operational expenses,
14 and we've had this conversation with the
15 horsemen before, the operational expenses are
16 to come out of the takeouts from simulcast
17 and premium monies. It goes through the same
18 purse account, but there was a particular
19 amendment that the industry asked the
20 legislature to make, and they amended the
21 language that pertained to simulcasting and
22 for premium accounts to use those purse
23 monies for operational and administrative
24 purposes.

1 COMMISSIONER ZUNIGA: Yeah. I think
2 that's the key. Reading the statute the way
3 they read it -- and I don't blame them for
4 doing that, constructionist -- well, the way
5 you reading it, yeah, ignores the reality out
6 there, that there could be -- first of all,
7 there's a pending legislation that we've
8 submitted now for a few years, which was
9 unscheduled, like the statute envisioned,
10 because in itself -- they, themselves,
11 envisioned that they needed to fix it because
12 the landscape was going to change.

13 So that's -- it also ignores the
14 reality that there may be other investors out
15 there. We've -- however more realistic or
16 less realistic plans, but they also need some
17 kind of legislative fix that can give an
18 investor, a potential investor, certainty.

19 I, at a minimum, would say, before
20 we do anything on this, simply can the
21 comptroller whether a move like this -- you
22 know, and explain, and they're good at
23 reading statute, would be even appropriate.
24 I believe it's not appropriate, but they

1 could certainly weigh in.

2 CHAIRMAN CROSBY: Yeah.

3 COMMISSIONER ZUNIGA: I think it's
4 either -- it ranges between overly cute and
5 simply irresponsible. But they could give us
6 a lot more guidance, when it came to
7 disbursing something of this magnitude at
8 this particular time.

9 CHAIRMAN CROSBY: Well, that's
10 consistent with where I'm sort of leaning.
11 Commissioner Stebbins, do you have anything
12 you want to say anything?

13 COMMISSIONER STEBBINS: No. I think
14 that's a fair suggestion, to have a
15 comptroller.

16 COMMISSIONER CAMERON: So we'll hold
17 on this request until we have an answer; is
18 that what you're saying, and then we come
19 back and -- okay.

20 COMMISSIONER ZUNIGA: They could
21 easily opine and say, you're within your
22 purview and we can come back to this
23 discussion, or that would be inappropriate,
24 for whatever reason that I am not

1 articulating well here. They have a lot more
2 authority.

3 CHAIRMAN CROSBY: I think that's a
4 good suggestion. I was going to suggest that
5 we put this off. We also -- we only have
6 four members now. A fifth is coming.

7 We've always been pretty careful not
8 to make controversial decisions when we don't
9 have a full complement, even though this
10 person doesn't even know what she's about to
11 get into. Welcome, Eileen.

12 But, also, I didn't, until this
13 morning, really understand the legal issues,
14 having really gone through the CMR closely.
15 So I was going to -- and I think we can
16 ask -- I don't know that what the comptroller
17 says is dispositive, particularly, but it's
18 an important piece of information.

19 So I suggest that we do not make a
20 decision on this today and we put it off
21 until the next meeting. I would like a
22 little more attention to the legal issues.
23 And this issue we wrestle with all the time,
24 which is our authority under these kinds of

1 circumstances. And we'll do the comptroller
2 question. And if anybody else wants to weigh
3 in on any other -- you know, you see the
4 issues that we're trying to wrestle with. So
5 we'll put this off for a couple weeks. Okay.
6 You got another one, right?

7 MS. LIGHTBOWN: Yep, got a couple
8 more. Item B is Suffolk's request to amend
9 their racing dates. Originally, they were
10 going to start in July, and now they'd like
11 to start on June 9th and 10th, which is
12 Belmont weekend. It should get a lot of good
13 attention and publicity, a lot of interest.

14 Our racing staff has no issue
15 covering that, and I think it's early enough
16 in the season that the racing personnel and
17 horsemen should have no trouble meeting that
18 either. And that -- June 9th and 10th will
19 replace their date that they have in
20 September.

21 COMMISSIONER CAMERON: Straight-
22 forward request. Our racing director can --
23 or staff can cover it, because I know they do
24 double duty when you have racing in two

1 locations, so I see no reason why we don't
2 approve that request.

3 COMMISSIONER STEBBINS: You've had
4 some pretty good success with your September
5 dates. Is there any chance September dates
6 could be added back in?

7 MR. TUTTLE: There is a chance.
8 Although, when we looked at last year, the --
9 that was the weakest of the three festival
10 weekends. And so, that's one of the reasons
11 we thought --

12 COMMISSIONER CAMERON: Competing
13 with the NFL?

14 MR. TUTTLE: It gets -- and it's
15 also just the time of the year that there
16 aren't as many people around, given Labor Day
17 weekend and things like that. So if we were
18 to come back to you to request additional
19 dates for the fall, I don't think it would be
20 Labor Day weekend, but it may be later in the
21 season.

22 CHAIRMAN CROSBY: Do I have a
23 motion?

24 COMMISSIONER CAMERON: Mr. Chair, I

1 move that we approve the request of Suffolk
2 Downs to amend their racing dates by
3 replacing September 1st and 2nd with June 9th
4 and 10, 2018.

5 COMMISSIONER STEBBINS: Second.

6 CHAIRMAN CROSBY: Second by
7 Mr. Stebbins. Commission Stebbins, any other
8 discussion? All in favor? Aye.

9 COMMISSIONER STEBBINS: Aye.

10 COMMISSIONER CAMERON: Aye.

11 COMMISSIONER ZUNIGA: Aye.

12 CHAIRMAN CROSBY: Opposed? The ayes
13 have it unanimously. Thank you.

14 MR. TUTTLE: Thank you,
15 Commissioners.

16 COMMISSIONER STEBBINS: Thanks.

17 COMMISSIONER CAMERON: Thank you.

18 COMMISSIONER ZUNIGA: Thank you.

19 CHAIRMAN CROSBY: And you have one
20 more, Director Lightbown.

21 MS. LIGHTBOWN: Yes. Our next issue
22 is the Massachusetts Thoroughbred Breeder's
23 Associate request for dates at Finger Lakes.

24 In 2015, they got legislation

1 changed -- part of the breeders' regulations
2 are covered in the agriculture section,
3 Chapter 128, and then, obviously, some of it
4 falls under us. They got the agriculture
5 regulation 128 changed to allow racing at a
6 licensed track approved by the commission.
7 And that's important wording.

8 It doesn't say a track licensed by
9 the gaming commission so -- and that was one
10 of the comments that -- in the letters we
11 got, was saying that it had to be a track in
12 Massachusetts. Our interpretation for the
13 last several years has been that that wording
14 allows it to be out of state, to have these
15 races.

16 You have, in front of you, the
17 letters from the Mass Thoroughbred
18 Association asking for it. There were
19 numerous comments about it that you have in
20 your packet, as well, with different comments
21 about it. And then we have another letter
22 from the breeders, and a letter from Bob
23 Scarano with different opinions.

24 Some of the main concerns were the

1 cost of shipping to Finger Lakes. So if
2 you're not stabled at Finger Lakes, it can be
3 fairly expensive to ship a horse there to
4 race. The Mass Thoroughbred Association is
5 paying -- will pay for shipping. That
6 doesn't cover all your expenses, obviously.
7 The trainer or grooms going up with the
8 horsemen still have to have a place to live.

9 CHAIRMAN CROSBY: So the breeders
10 are paying this out of --

11 MS. LIGHTBOWN: Right.

12 CHAIRMAN CROSBY: Oh, I thought it
13 was Finger Lakes.

14 MS. LIGHTBOWN: The Workman's Comp.
15 has been an issue in the past. It was
16 expensive up there. My understanding is,
17 that at Finger Lakes in general they have
18 changed it so the horsemen's association at
19 Finger Lakes is paying for Workman's Comp
20 from their funds. And from what I
21 understand, for -- the Mass breeder's won't
22 have to pay for Workman's Comp. So that
23 takes a big chunk of payment. You know, if
24 you were just running up there for one race,

1 you had to come up with \$1,500 or whatever
2 just for Workman's Comp for that, plus, you
3 know, another 800 to ship, whatever.

4 As far as safety goes, those
5 concerns were raised. They are a
6 NTRA-accredited racetrack, which Suffolk
7 Downs has been for -- you know, for years
8 now, actually. I did speak to their
9 veterinarian up there, who's been up at
10 Finger Lakes for seven years, at least. And
11 he said last year happened to be their safest
12 year since he's been up there. Individual
13 horses may have issues. I heard, you know,
14 about some concerns that people had when they
15 took their horses up there. But, overall, I
16 don't see a problem with their safety record.

17 There is frustration, when you read
18 the letter from some of the people opposed to
19 the races up there, that their horses -- that
20 their racing at other tracks are being
21 claimed and being taken up to Finger Lakes
22 and racing there for the bigger purses. And
23 it's legal to claim a horse. If you put your
24 horse in the claiming race, you know, and it

1 gets claimed, it gets claimed.

2 If people have concerns that there's
3 something fishy going on with the claiming,
4 if they feel somebody's claiming a horse for
5 somebody else or anything like that, they
6 should go to the stewards in the individual
7 state that that horse was claimed out of and
8 they can launch an investigation.

9 We had one -- not dealing with the
10 breeders, but just in general we had one of
11 those at Suffolk this year. The steward
12 looked into it and decided the claim wasn't
13 valid. So there is a way of going and
14 investigating claims like that.

15 So those are some of the issues that
16 that have been brought up. It is a
17 controversial issue. I've asked the board
18 to, you know, again look at the different
19 jurisdictions and what they're doing.
20 Virginia has had a plan that seems to be
21 working pretty well there. They don't have
22 the exact same circumstances as we do so not
23 everything will work but --

24 CHAIRMAN CROSBY: What do you mean

1 Virginia has...

2 MS. LIGHTBOWN: They don't have
3 any -- a live racing track in Virginia right
4 now, but they do have a breeders' program,
5 and those horses run at Laurel.

6 CHAIRMAN CROSBY: And there's public
7 money that goes to pay for the purses in
8 those?

9 MS. LIGHTBOWN: I think there is.
10 I'm not sure how the breeders' fund is
11 funded, but they do have a breeders' fund
12 that's, you know, collecting this money, and
13 it's being used to fund these races.

14 Obviously, this is not an ideal
15 situation, and we've said that from the
16 beginning. From the first time that these
17 races were approved at Finger Lakes. You
18 know, they're not being raced in
19 Massachusetts. And, obviously, the best
20 scenario is that we get a racetrack here,
21 where the thoroughbreds can race in state,
22 and then we don't have to have this issue of,
23 are they going up to Finger Lakes or are they
24 racing somewhere else and that.

1 Also, I've asked the breeders'
2 association to look into the possibility of
3 increasing their bonuses so that wherever --
4 right now, wherever the horses run they can
5 get some bonus money, if they are Mass-bred.
6 What Virginia has done is, they've raised
7 their bonuses so that that's a little more
8 rewarding. And so, you don't necessarily
9 have to go to a Finger Lakes to race.
10 Wherever you are, you can get some money
11 so...

12 CHAIRMAN CROSBY: Comments?

13 COMMISSIONER ZUNIGA: Did we -- the
14 statute talks about the breeding program to
15 go to breeding. And when did we first start
16 funding purses; was that at regulation, or
17 was that in statute?

18 MS. BLUE: Well, so this again was
19 much like Chapter 128A. There was always
20 money that came from takeout that went to the
21 breeders, and that's under 128A and 128C.
22 When the Racehorse Development Fund was
23 created under the gaming act, it created an
24 additional source of money that goes to the

1 breeders.

2 Unfortunately, or fortunately,
3 depending on how you look at it, we don't
4 regulate that program. The Department of
5 Agricultural regulates that program. So they
6 set the qualifications that you have to meet
7 to be deemed to be a Mass-bred. They are
8 also the ones who determine what the breeders
9 can use their money for. So we -- we are
10 essentially part of the funding mechanism,
11 but we don't control that program.

12 There's been changes to the
13 breeders' section in 128 over time, as the
14 different stakeholders have asked. This
15 particular section gives the commission the
16 ability to approve races, but that's about
17 all the commission has the authority to
18 approve, and then we make our payments
19 through the Racehorse Development Fund like
20 that fund requires.

21 So there's -- we have started
22 through the Racehorse Development Fund, since
23 that was created, but there has always been
24 funding that went to the breeders under other

1 provisions of 128A.

2 COMMISSIONER ZUNIGA: And they went
3 for races, for purses?

4 MS. BLUE: They went for purses and
5 bonuses. They have -- they have two
6 different sections. One is for a bonus that
7 Dr. Lightbown just talked about, where you
8 can race anywhere and the breeders can add a
9 bonus for the horse that wins, if it's a
10 Mass-bred horse, and then there are --
11 there's separate purse monies. And the
12 breeders can actually fund purses out of
13 their money, as well.

14 The other piece is, they have a
15 restriction on the percentage of it that they
16 can use for marketing. And that has changed,
17 too. It was, I think, at 8 percent, now it's
18 at 12. So that's all in the agricultural
19 statute.

20 COMMISSIONER CAMERON: But the way
21 that the breeders are able to use the monies
22 is by racing and winning races?

23 MS. BLUE: Predominantly, yes.
24 That's right, yes.

1 COMMISSIONER CAMERON: So what we
2 did was offer a greater opportunity for them
3 to race in -- so that's the only way they can
4 get the monies that have been set aside for
5 that. So we create -- there wasn't enough
6 opportunity here, we allowed them to go
7 elsewhere.

8 The other thing I thought was
9 important here is, yeah, there are folks that
10 aren't happy with this program, but the
11 leadership has made this request. They feel
12 like it's, you know, a valid opportunity, and
13 the members can always vote new members, if
14 they don't agree with their leadership, you
15 know.

16 So I think that we really should --
17 I personally do value the word of the
18 leadership, because they're representing as
19 many members as they can, or all of their
20 members, but not everyone agrees with their
21 decisions. And I do appreciate the fact that
22 many, many of the comments were about
23 shipping and Worker's Comp. And that those
24 two obstacles have been taken off the board

1 here. They are no longer the obstacles to
2 running and having an opportunity at the
3 Finger Lakes.

4 COMMISSIONER ZUNIGA: Oh, they're
5 not? They're no longer, but they used to?

6 COMMISSIONER CAMERON: Well, that's
7 been changed since all these comments were
8 made.

9 COMMISSIONER ZUNIGA: Okay.

10 COMMISSIONER CAMERON: So they're
11 trying to address their members' concerns.

12 MS. LIGHTBOWN: The Finger Lake
13 thing took place several months ago. That
14 hit the trade news that they were -- you
15 know, the horsemen there had worked their own
16 deal out, you know, among their horsemen's
17 association on the Workman's Comp.

18 COMMISSIONER ZUNIGA: I didn't quite
19 get that timing. What about -- so is
20 there -- what about the notion that too few
21 people are benefiting from this because of
22 proximity or shipping costs, or stable, with
23 these changes could that change?

24 COMMISSIONER CAMERON: Well,

1 hopefully. And I don't know -- I mean, I'd
2 love to know how many -- how many different
3 owners are benefiting from the Finger Lakes
4 program; do we have an answer to that?

5 MS. LIGHTBOWN: I have Gregg Rose
6 and Kathleen Reagan are here today. George
7 couldn't be here so --

8 MS. REAGAN: So my recollection --

9 COMMISSIONER CAMERON: Introduction.

10 MS. REAGAN: My name is
11 Kathleen Reagan. I'm a -- hi, everybody.
12 I'm a lawyer that does allow the of equine
13 law, and I got voted onto the board last
14 year. I was on the board, I don't know, five
15 or six years ago, and then I got revoted on
16 so I'm part of that group that is attempting
17 to respond to the concerns of the horsemen
18 that you guys are just talking about so -- my
19 observation about the numbers of trainers and
20 owners are that there's many single-owner
21 racehorses that benefit, and there are
22 multiple, multihorse owners that benefit.

23 And the nice thing about
24 Finger Lakes, is that its proximity lends

1 itself to the -- I know you guys expressed a
2 concern that the money benefit Massachusetts'
3 owners and breeders. The proximity directly
4 affects that. You can drive in a day. You
5 can ship in, ship out. It's close.

6 So one of the concerns about some of
7 the other racetracks is I know that, for
8 example, in Delaware they tried to fund a
9 race and they were unable to staff it with
10 enough horses to have Delaware make that --
11 make it a race. So the further away you go
12 the harder it is.

13 So I really think that with the
14 changes that have been made, we are
15 benefiting the maximum amount of
16 Massachusetts owners and breeders. And the
17 program is attractive. This new innovation
18 with Finger Lakes is one of the most
19 innovative programs, and it really does -- it
20 benefits Massachusetts farms.

21 COMMISSIONER CAMERON: Thank you,
22 that's helpful.

23 COMMISSIONER STEBBINS: Yeah, I
24 would -- I would echo Commissioner Cameron.

1 I mean, I think this is another example as to
2 how creative we're trying to be to couple
3 together opportunities for the thoroughbred
4 industry and the breeders. But I would like
5 to see a little bit more of a breakdown at
6 some point. You know, this is -- you know,
7 example, 25 races at Finger Lakes, 21 of
8 these were won by horses owned by
9 Massachusetts residents. You know, it would
10 be great, without being named specific, to
11 try to get a break down as to --

12 MS. REAGAN: Numbers of horses.
13 This is Gregg Rose. He's also on the board.

14 MR. ROSE: Commissioners, we do
15 indeed -- we'll be able to get you a
16 breakdown of the owners, trainers and horses.
17 The one thing I'd like to point out, is that
18 people join the organization as the year goes
19 on. We have a proviso, that if you want to
20 run for the board, you must become a member
21 by the 1st of March. If you want to vote in
22 the election, which is held in October, you
23 can sign up -- up all the way up to the 1st
24 of September.

1 So quite a lot of people actually do
2 join the organization once races have
3 started. So we can't -- at the moment, I
4 believe we have about 30 members, and that
5 may more than double by the time September
6 rolls around. We had about 66 members last
7 year, approximately.

8 CHAIRMAN CROSBY: How much does
9 membership cost?

10 MR. ROSE: If you were a first-time
11 member or you are a -- it's a hundred
12 dollars. If you are a -- if you get in by
13 March 1st, it's also a hundred dollars. If
14 you're an old member that procrastinates,
15 it's 150.

16 MS. REAGAN: That would be me.

17 COMMISSIONER STEBBINS: Is this
18 the -- you know, what we're looking at is the
19 spring schedule, and then there's reference
20 to, obviously, the dates we've talked about
21 at Suffolk. Is there -- are you anticipating
22 additional racing at Finger Lakes this year,
23 or is this kind of the body of it?

24 MS. REAGAN: So at that point, we

1 don't have any additional that I'm aware of.

2 MR. ROSE: No, no.

3 MS. REAGAN: This is something that
4 is a recurring theme in working with the
5 breeders' organization. We have to sign
6 contracts at the beginning of the year, early
7 in the year, and the preparations have to be
8 made, you know, well before the racing days.
9 You just can't -- it's nearly impossible to
10 create a race later on. I know Suffolk Downs
11 appreciates the opportunity to do that at the
12 very end of the season, but in the middle of
13 the season it's very odd for all kinds of
14 practical reasons.

15 CHAIRMAN CROSBY: I, too, would
16 basically echo Commissioner Cameron's --
17 there were 12 people who wrote into us
18 objecting to this program. And I want to
19 tell them all that we all read their e-mails,
20 and we're actually concerned. And we're very
21 pleased to hear that a number is -- the
22 issues raised, the financial issues, like the
23 shipping and the Workman's Comp were
24 addressed. But I agree with Commissioner

1 Cameron.

2 At the end of the day, it sounds
3 like either members or prospective members
4 who disagree with policy decisions that are
5 being made by their board, and it's --unless
6 there was some evidence of fraud or some kind
7 of corruption, which there is not, this is an
8 issue for the breeders to deal with
9 themselves, amongst themselves. And if they
10 want different policies out of their
11 leadership, they ought to get different
12 leadership. But it's not our judgment to
13 second guess the decisions made by the
14 elective leadership of the organization. So
15 I'm in the same place.

16 MS. REAGAN: We have some lively
17 meetings. I can --

18 MR. ROSE: So do we. We indeed.

19 COMMISSIONER CAMERON: So Mr. Chair,
20 I move that we approve the request of
21 Massachusetts Thoroughbred Breeder's
22 Association --

23

24 (Member of audience speaking)

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CHAIRMAN CROSBY: Why don't you come forward and give us your name.

MR. SCARANO: Hi, my name's Attorney Robert Scarano. I'm an attorney. And I was retained by one of the largest breeders here in Massachusetts, Adel Salim. We submitted a correspondence to the commission relative to two issues.

The first issue is, we believe that it's in excess of the statute. And while I believe you have, certainly discretion, the statute allowed stake races. That has become the big issue, when it looks to this statute 128, and specifically G, it was for stake races. What's happening is they're racing restricted races.

What occurs in a restricted race is it's restricted to Mass-breds, but the purse amount is set so high that the horses are not running for their comparable value. Therefore, they're being protected by certain owners, breeders and trainers.

They're asking you to approve these

1 races in New York, based on what is a
2 protection by high purses against low value
3 horses. That prevents a legitimate claiming
4 process. And that was one of our main
5 concerns. And while it's certainly an issue
6 for New York, and it's certainly an issue for
7 the breeders, it's certainly an issue for
8 this board, because you are approving these
9 races.

10 Thus, the stigma that other folks
11 see, that there's protectionism going on with
12 these horses, they cannot be claimed. No one
13 is going to claim a \$5,000 horse out of any
14 of these races for 35, 25, \$20,000. They
15 simply are going to stay in New York, race in
16 New York, and race for these purses, never
17 coming back to Massachusetts for the purpose
18 of this statute, which was to encourage
19 breeding. They don't come back. They're not
20 coming back. And why would you? If you can
21 stay in New York and earn \$25,000 on a purse,
22 why would you come back to Massachusetts?
23 And the money does not come a back to
24 Massachusetts. Not one cent comes back to

1 support the program here.

2 If you look at the purpose of 128,
3 and specifically G, it's for breeding. There
4 is no breeding occurring in Massachusetts.
5 Certainly, not emanating from New York.

6 COMMISSIONER ZUNIGA: We'll get to
7 you in a minute. Can I follow-up on one
8 thing? Isn't that what you've described,
9 Mr. Scarano, the amount of purses, the amount
10 of money that's going toward those purses?
11 If those purses were less, couldn't there
12 still be some claiming?

13 MR. SCARANO: I believe you're
14 right. There would be claiming going on,
15 which is the backbone of this industry. But
16 the other issue is that the statute says
17 stakes. It was never intended to run
18 restricted racing. Restricted racing breeds
19 a different element at tracks. And you're
20 approving that element.

21 I agree with you, Commissioner.
22 Lowered purses would encourage clamming at
23 that level. But the issue is that the
24 statute allowed stake races and for them to

1 put the purse up for stake races. There's no
2 problem with that because that invites open
3 company. People are coming to race for that
4 purse. And guess what, they'll be horses in
5 there worth \$35,000. There'll be horses that
6 are worth \$15,000 trying to win that purse.
7 But right now, what's go on in restricted
8 racing -- and that's what you're allowing,
9 and that's what we're opposed to.

10 COMMISSIONER ZUNIGA: But isn't
11 the -- the restriction -- help me understand
12 the restriction, is to Mass-bred --

13 MR. SCARANO: Correct.

14 COMMISSIONER ZUNIGA: -- right? The
15 restriction is you have to be a
16 Massachusetts-bred horse --

17 MR. SCARANO: That's correct.

18 COMMISSIONER ZUNIGA: -- so that the
19 benefit can go to the Mass breeders. What's
20 wrong in concept with that restriction, or
21 are there others?

22 MR. SCARANO: There's nothing wrong
23 with the concept of the running restricted
24 races for the value of the horses. But when

1 you run restricted races for an increased
2 purse amount, you are preventing a legitimate
3 claim. People have lost their horses, as you
4 have read. They can't get them back because
5 they're not going to spend \$35,000 to reclaim
6 them. This is protectionism. That's what
7 restricted racing is doing in New York. That
8 is what we are opposed to.

9 COMMISSIONER CAMERON: Has your
10 client expressed his views to the board?

11 MR. SCARANO: Mr. Salim is here, and
12 he did send in a letter. He did coordinate
13 some of the letters that came to you.
14 Certainly, they raised the logistic issues
15 for racing at one single track, getting
16 there, leaving their horses to go eight
17 hours. It isn't as convenient as my sister
18 has --

19 COMMISSIONER CAMERON: He does have
20 the ability to run for the board and/or get
21 others to run.

22 MR. SCARANO: This is not a board
23 issue. This is an issue where the commission
24 is approving races that is acting as a

1 protection for people running in another
2 state by using Massachusetts money. That's
3 the issue.

4 CHAIRMAN CROSBY: Are you familiar
5 with this argument?

6 MS. BLUE: I'm familiar with the
7 argument, yes. I mean, I guess what I would
8 say is this, you're approving races to be run
9 out of state, as the statute says, at a
10 licensed parimutuel facility.

11 In the Commonwealth of Massachusetts
12 as a commission, you don't have any
13 involvement or authority over how races are
14 written in Massachusetts. So you would not
15 have any authority over how races are written
16 in New York. All you're approving is they
17 can run these races out of state, and they
18 use the money that comes from us for the
19 purses.

20 I understand the argument. It seems
21 to me this isn't argument about how these
22 races are written. As Dr. Lightbown pointed
23 out, that's a question for the track in
24 New York, and it's a question for -- maybe,

1 for the Department of Agriculture here. If
2 you're talking about the breeding program,
3 that's a question for them.

4 The other thing we didn't talk about
5 earlier, is that the Department of
6 Agriculture specifically has the ability to
7 audit the thoroughbred group and what they
8 would do with their money. So, you know, I
9 think between the Department of Agricultural,
10 the stewards in New York --

11 CHAIRMAN CROSBY: It's actually the
12 state auditor who can audit.

13 MS. BLUE: Yeah, they can audit it.
14 So, I mean, I think these are questions that
15 really aren't for the commission. I mean, I
16 think they're -- how races are written, you
17 wouldn't opine on that here in Massachusetts
18 nevermind in New York. That's for the track
19 in New York for these folks to take up with
20 their board for the Department of
21 Agricultural to weigh in, if they have
22 concerns about that under the breeding
23 program.

24 COMMISSIONER CAMERON: And this is

1 an accredited track?

2 MS. BLUE: Yes.

3 COMMISSIONER ZUNIGA: What about the
4 notion of the stakes versus the restricted
5 that Mr. Scarano makes?

6 MS. BLUE: I'll let, you know,
7 Dr. Lightbown speak to that. I mean, what
8 we're looking at are purses for races for
9 Mass-breds. That's what you've always been
10 trying to encourage, because there isn't
11 enough of that here in the commonwealth. But
12 I think you can speak, maybe, to the --

13 MS. LIGHTBOWN: Yeah. Maybe I'm
14 missing something here, because whether -- if
15 it was a stake race it would also have a
16 really big purse. So I'm not sure what --
17 either way, the race at Finger Lakes would
18 have a much bigger purse than what those
19 horses would normally race for. So I'm not
20 sure I'm understanding.

21 MR. SCARANO: Well, I could probably
22 make the distinction. Stakes races are an
23 open company. All Mass-breds from all over
24 the country can come to Finger Lakes and race

1 for that purse, and there could be a
2 legitimate claim out of the race. You would
3 have horses ranging from the value of the
4 purse 35,000, 15,000 -- you bring the best of
5 the best to race for that purse. That's not
6 happening at Finger Lakes. That's what the
7 statute allows, stakes races. That's what it
8 mentions, stakes races.

9 This change in amendment relates to
10 purses and prizes. It has nothing to do with
11 the type of races. You are approving stakes
12 races. We feel, that by the board approving
13 stake races, you are sanctioning what's going
14 on in New York. By reducing legitimate
15 claims people can't get their horses back.
16 They ran them in races, they lost them in
17 races of comparable value. They're there
18 being taken, brought to New York and
19 protected by high purses that don't allow
20 anyone to claim them back.

21 As a matter of fact, I bet you there
22 hasn't been one claim out of any restricted
23 race in New York -- I'm almost guarantee you
24 there hasn't been a claim, because no one

1 will pay 35,000, 25,000 or even 20,000 for a
2 \$5,000 horse. It's simply not going to
3 happen.

4 The Massachusetts Gaming Commission
5 is approving races. I understand your point,
6 change the board, vote 'em off, get 'em out.
7 Unfortunately, when you approve these races
8 and they're not just pure stake races, you're
9 allowing restricted races to go forward.
10 They write the conditions for themselves.
11 That's what they get to do, because they are
12 the board.

13 MS. LIGHTBOWN: Well, that was
14 another issue, was that, supposedly this
15 year, the racing office is going to write the
16 races, note the racing board. And I agree
17 with that. At every track it's the racing
18 office, the racing secretary. Obviously,
19 they're going to look at the horse population
20 there and it's going to probably be similar
21 to what it's been in the past, and you might
22 see some of the same races, you know,
23 basically. But they are getting --

24 COMMISSIONER CAMERON: I think we

1 understand this. We got your point, sir.

2 MR. SCARANO: I just want to wind it
3 up quickly with one closing statement. I do
4 not think that you should approve racing in
5 Finger Lakes, especially restricted racing.
6 If you are going to approve any racing, you
7 should allow statute to speak. It speaks to
8 stakes races. That allows open company to
9 come up there and compete.

10 COMMISSIONER CAMERON: You've made
11 that point.

12 MR. SCARANO: Thank you. Thank you
13 very much.

14 COMMISSIONER CAMERON: Thank you.
15 Do you have anything in closing?

16 MS. REAGAN: Yeah. I would just say
17 that each one of these points were covered in
18 the letter that the board directed to the
19 commission. So with reference to the
20 statement just made by the attorney, if you
21 could just reread that letter. The specific
22 allegations were addressed in that letter.

23 COMMISSIONER CAMERON: I did see
24 that point by point.

1 MS. REAGAN: Point by point. We
2 tried really hard to address it specifically.
3 The other thing I would point out --

4 COMMISSIONER ZUNIGA: Can I go to
5 that --

6 COMMISSIONER CAMERON: Yeah. Why
7 don't you just quickly give us the points.
8 That might be helpful.

9 MS. REAGAN: I don't have it.

10 COMMISSIONER CAMERON: Okay.

11 MS. LIGHTBOWN: If you find the
12 document with the green circle on the top,
13 that may be the way to find it.

14 MS. REAGAN: I'm sorry, I was
15 upstairs in the middle of a hearing.

16 COMMISSIONER CAMERON: Yeah, I see
17 it.

18 MS. REAGAN: Okay. So if you turn
19 to the next --

20 CHAIRMAN CROSBY: Page two of the --

21 MS. REAGAN: Yeah, page two we start
22 with restricted races. Finding why Finger
23 Lakes, restricted races at other racetracks,
24 bonus awards. And the last page addresses

1 the specifics of the claiming statements made
2 by the attorney.

3 CHAIRMAN CROSBY: Do you have
4 anything else to add to that?

5 MS. LIGHTBOWN: I don't.

6 MS. REAGAN: Yeah. I would just say
7 that the statement made there's no breeding
8 going on in Massachusetts is simply not true.
9 There is breeding. The jockey club and the
10 Department of Agricultural regulate, you
11 know, when the foals show up. And they
12 don't -- it's not required that they be
13 registered until X days. So the fact that
14 they're not on our website doesn't mean
15 they're not there.

16 MR. ROSE: Right. Very often, some
17 breeders will actually wait as long as the
18 horse is over a year old before they will
19 actually register.

20 MS. REAGAN: So there are stallions,
21 there are mares. There are mares being bred.
22 And I would say that George Brown, whom you
23 all know, would be here, and he's got an
24 active farm, as you all know, except that he

1 fell and he's -- he's okay, right?

2 MR. ROSE: He's okay, but he's going
3 to take awhile.

4 COMMISSIONER CAMERON: Okay. Send
5 him our best.

6 MR. ROSE: Thank you.

7 COMMISSIONER CAMERON: You know, I
8 reiterate my point that the board -- we've
9 heard, sir. That the board is trying to act
10 on behalf of their membership, as many of
11 them as possible. And people a have a right
12 and a chance to change the board, if they
13 don't agree with the board's recommendations
14 to us. I think the letter is -- lays that
15 out.

16 And I again start my motion that --
17 that we request that we approve the request
18 of the Massachusetts Thoroughbred Breeder's
19 Association to run five restricted Mass-bred
20 races at the Finger Lakes Racecourse in New
21 York.

22 CHAIRMAN CROSBY: Second?

23 COMMISSIONER STEBBINS: Second.

24 CHAIRMAN CROSBY: Further

1 discussion?

2 COMMISSIONER ZUNIGA: I'm
3 ultimately -- I think I'm going to vote in
4 favor of this, but is there anything from the
5 Department of Agricultural that we could get
6 towards this -- what seems to be a market
7 versus amount of money and coming in.
8 Anything they could help us in this regard?

9 MS. BLUE: On the claiming?

10 COMMISSIONER ZUNIGA: On the
11 claiming, yeah.

12 MS. BLUE: Alex is right.
13 Dr. Lightbown is right, it has come up in
14 Massachusetts at our tracks. Both tracks,
15 actually. And it's generally up to the
16 judges and stewards to rule on whether a
17 claim was appropriate, and whether it was
18 appropriately made. So, I mean, I don't know
19 what the Department of Agriculture would
20 have.

21 I know, in Massachusetts those
22 things come up through the track level, to
23 the judges and stewards. And then, if they
24 get appeal they go to our hearing officer

1 and, ultimately, up to you as the commission.
2 I mean, we can ask the Department of
3 Agriculture. We can, I guess, also ask
4 Finger Lakes, too.

5 MS. LIGHTBOWN: The issue with the
6 restricted races is -- what they do is they
7 ride them so that the horses who are winning
8 the stake races at Suffolk, the best horses,
9 aren't eligible for the races at Finger
10 Lakes. And so, that's where the upset
11 arises. Those people who have the best
12 horses can't, you know, race at Finger Lakes
13 so they're not getting that money.

14 The board's idea in the past was to
15 try to spread the money out. So there are --
16 it's kind of an opposing thing. If you take
17 the money from the best horses and give it to
18 the horses that are running at Finger Lakes
19 to spread the money out to encourage
20 everybody to breed, then the best horses
21 aren't getting the kind of money they would.

22 In the past, we've had horses that
23 were dominate, you know, and basically won
24 almost all the money in a certain year and

1 that money just went to, you know, those
2 owners. And so, it's a different -- you
3 know, you're trying to balance different
4 factors out.

5 MS. REAGAN: And the thing is, the
6 best horses that would sweep under a
7 circumstance such as what is being argued,
8 those horses all have the ability to win open
9 races that are unrestricted.

10 COMMISSIONER CAMERON: Anywhere in
11 the country.

12 MS. REAGAN: Anywhere in the
13 country. I mean, you heard the reverse
14 argument made by the gentleman, right?

15
16 (Member of audience speaking)

17
18 CHAIRMAN CROSBY: Excuse me, sir. I
19 appreciate your -- your passion on this. But
20 we've got -- this is your talking, now, about
21 an issue that the breeders have to figure
22 out. What's fair, wouldn't you like. Those
23 are questions for the breeders to figure out.
24 As best our informed minds can see, these

1 are -- the kinds of issues you're raising are
2 to be worked out amongst you guys, not
3 amongst us. So...

4 COMMISSIONER CAMERON: We have a
5 motion. Do we have a second? We're in the
6 middle of a motion.

7 COMMISSIONER STEBBINS: I gave it a
8 second.

9 CHAIRMAN CROSBY: Any further
10 discussion? All in favor? Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 CHAIRMAN CROSBY: Opposed? The ayes
15 have it unanimously.

16 COMMISSIONER CAMERON: Thank you
17 all.

18 CHAIRMAN CROSBY: You can send us
19 your comment.

20 MS. LIGHTBOWN: If I can just say
21 one quick thing. As you probably know,
22 Doug O'Donnell has taken a position with the
23 financial department, so I just want to thank
24 him for his years of service to the racing

1 division.

2 CHAIRMAN CROSBY: Thank you.

3 COMMISSIONER ZUNIGA: Will he
4 continue in some capacity with racing or is
5 that --

6 MS. LIGHTBOWN: Well, the finance
7 team helps out the racing team a lot. And
8 certainly, while we look to fill his
9 position, and then once with he get somebody
10 on board, he's been, you know, willing to
11 help train them and everything.

12 CHAIRMAN CROSBY: All right. the
13 last item is any words of wisdom from the
14 commissioners.

15 COMMISSIONER STEBBINS: Just two
16 quick notes. I think -- I'm not sure whether
17 the commission is aware, but after we
18 approved \$65,000 for scholarships for the
19 gaming school, Springfield Technical and
20 Holyoke Community College each stepped
21 forward with \$25,000 each of their own to
22 leverage the money, so we're -- do my math
23 right, \$115,000 now available for
24 scholarships to the gaming school.

1 COMMISSIONER CAMERON: Wow. I was
2 not aware. That's very good news. Thank
3 you.

4 COMMISSIONER STEBBINS: And other
5 good news is, I was excited to see is a local
6 homegrown guy the marketing agreement between
7 MGM and the Basketball Hall of Fame that came
8 out this week, as well.

9 COMMISSIONER CAMERON: Terrific.

10 CHAIRMAN CROSBY: Great. All right.
11 Do I have a motion to adjourn?

12 COMMISSIONER CAMERON: So moved.

13 CHAIRMAN CROSBY: Second?

14 COMMISSIONER CAMERON: Second.

15 COMMISSIONER ZUNIGA: Second.

16 CHAIRMAN CROSBY: All in favor?

17 Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 CHAIRMAN CROSBY: We are adjourned.

22

23 (Proceeding concluded at 3:13 p.m.)

24

1 GUEST SPEAKERS:

2 Bruce Barnett, General Counsel, Suffolk Downs

3 Jacqui Krum, Senior Vice President and General
4 Counsel, Wynn Resorts International

5 Bob DeSalvio, Senior Vice President Development,
6 Wynn Resorts International

7 Heather DeSanto, Vice President of Human
8 Resources, MGM Resorts International

9 Jennie Peterson, Director of Employment, Wynn
10 Resorts International

11 Philip Page, Vice President of Strategic
12 Partnerships

13 Mark Rotundo, Vice President of Innovation and
14 Strategic Partnerships

15 Chip Tuttle, Partner, CTP

16 Anthony Spadea, President New England HBPA

17 Neil Raphael, Esq., Raphael LLC

18 Kathleen Reagan, Esq.

19 Gregg Rose, Massachusetts Thoroughbred Breeders
20 Association

21 Anthony Scarano, Esq.

22

23 MASSACHUSETTS GAMING COMMISSION:

24 Catherine Blue, General Counsel

- 1 Edward Bedrosian, Executive Director
- 2 Bruce Band, Deputy Director, IEB
- 3 Derek Lennon, CFAO
- 4 Alex Lightbown, Director and Chief Veterinarian,
- 5 Racing Division
- 6 Jill Griffin, Director of Workforce, Diversity
- 7 Supplier Development
- 8 Joe Delaney, Construction Project Oversight
- 9 Manager
- 10 Loretta Lillios, Deputy Director, IEB
- 11 Carrie Torrissi, Staff Attorney
- 12 John Ziemba, Ombudsman
- 13 Burke Cain, IEB Field Manager
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COMMONWEALTH OF MASSACHUSETTS

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I, BRENDA M. GINISI, 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 5th day of April,
2018.

Brenda M. Ginisi