

MASSACHUSETTS GAMING COMMISSION
MEETING
MARCH 14th, 2019
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CONFIDENTIAL
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P R O C E E D I N G S

>> CHAIR JUDD-STEIN: Good morning. We are called to order meeting number 264 of the Massachusetts Gaming Commission on March 14th, 2019, at 10:00 a.m. in our offices here at 101 Federal Street in Boston. We are going to take our agenda out of order this morning and start with item 8, Executive Session. The Commission will now go into executive session pursuant to Mass General Laws Chapter 30A Section 21(a)(3) for the purpose of discussing litigation strategy in the case of Stephen A. Wynn v. Karen Wells, the Massachusetts Gaming Commission, Wynn Resorts et al. Given the posture of the case, it is clear that a discussion of the Commission's strategy in an open meeting would have a detrimental effect on the litigation position of the Commission, and the Commission will reconvene in open session at the end of the executive session. Do I have a motion to go into executive session?

>> COMMISSIONER CAMERON: Move to go into executive session.

>> CHAIR JUDD-STEIN: A second?

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Moved and seconded. I would like to take a roll call vote of the Commission to go into executive session. Commissioner Stebbins.

>> COMMISSIONER STEBBINS: Aye.

>> CHAIR JUDD-STEIN: Commissioner Zuniga.

>> COMMISSIONER ZUNIGA: Aye.

>> CHAIR JUDD-STEIN: Commissioner O'Brien.

>> COMMISSIONER O'BRIEN: Aye.

>> CHAIR JUDD-STEIN: Commissioner Cameron.

>> COMMISSIONER CAMERON: Aye.

>> CHAIR JUDD-STEIN: And the Chair votes yes. Thank you. The Commission is now in executive session. All members of the public and any staff members not involved in the matter to be discussed must leave the room. Thank you for that. I'd ask that all live audio and video recording and live streaming be shut off and the doors to the room be closed. Again, we thank you for your accommodation.

(The Commission went into executive session.)

>> CHAIR JUDD-STEIN: Thank you, everyone. I'd like to reconvene public meeting number 264 in open session. The Commission received a briefing today on litigation strategy in the executive session in compliance with the Open Meeting Law which requires that any vote to be taken by -- be taken be listed on the meeting agenda. A vote was listed for the executive session. The vote was put on the agenda in the event that the Commission needed to take action based upon the briefing. The Commission did not need to take a vote today. So we have no vote going forward.

I would, however, like to read a statement that we did decide upon during our discussions. Later today, the Massachusetts Gaming Commission will release the resolution agreement and the meeting minutes from the executive sessions related to the case of Stephen A. Wynn v Karen Wells, the Massachusetts Gaming Commission, and Wynn Resorts filed in Nevada's Clark County District Court. The legal resolution resulted in the lawsuit's recent dismissal and enabled the Gaming Commission to finalize its suitability review of Wynn Resorts.

Over the course of several executive sessions, the Commission conducted a meticulous and deliberate review of the legal complexities and investigative considerations involved in this matter. The decision to execute a resolution accomplished two key important goals. It ensured the Commissioners and guaranteed access to critical investigative information and eliminated the uncertainty of prolonged litigation. With the public release of the resolution and relevant meeting minutes, the Commission aims to share an understanding of its careful decision-making and seeks to underscore the Gaming Commission's long-standing commitment to a transparent process. The meeting minutes are from six executive sessions that took place at the Gaming Commission's Boston office. Session attendees are listed in the minutes and include Gaming Commissioners, representatives from the Gaming Commission's Investigation and Enforcement Bureau, the Legal Division, and other Gaming Commission staff, as well as our outside Legal Counsel from Anderson & Kreiger.

As you will see in the documented minutes -- I'm sorry, I should clarify -- as you will see documented in the minutes, Gaming Commissioners sought an assessment from IEB investigators about the quantity and quality of investigative material available to the Commission under the terms of the resolution. Commissioners also required assurance from the investigators that the resolution would guarantee access to all of the substantive information necessary for us to make a fully informed decision about the suitability of Wynn Resorts. Additionally, the meeting minutes note that the Commissioners engaged in extensive discussions with legal counsel and thoroughly explored all litigation options.

It should be noted that deliberations in executive sessions include a significant amount of attorney/client privileged communications. Therefore, extensive but appropriate redactions are required for the public release of minutes. For the media, you should contact Communication Director Elaine Driscoll for more information. We'll begin with agenda item 2, approval of the minutes.

>> COMMISSIONER STEBBINS: Madam Chair, in your book are the minutes from the February 28th, 2019, Commission meeting. I move their acceptance, again, always subject to correction for any typographical errors or other nonmaterial matters.

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

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Is there any further discussion, concern with the minutes, please?

>> COMMISSIONER ZUNIGA: No.

>> CHAIR JUDD-STEIN: Okay. All in favor?

[Vote taken]

Opposed? 5-0. Item 3 on the agenda, please, Executive Director Bedrosian.

>> MR. BEDROSIAN: Good morning, Commissioners.

>> COMMISSIONER STEBBINS: Good morning.

>> COMMISSIONER CAMERON: Good morning.

>> MR. BEDROSIAN: I want to update you on the adjudicatory process in the Wynn suitability review. You have already started to receive some of the investigatory materials on new qualifiers, and I expect tomorrow you will receive from the investigations enforcement bureau the investigatory report. Once you have that report, the pretrial -- or I'm sorry, pre-hearing preparation can formally begin. And let me describe to you some of the things that would include. First, obviously, your review of the investigatory materials. The legal division working with the licensee on pre-hearing issues. The IEB preparing for a public presentation of its investigation and, of course, setting a hearing date.

It is my hope that once work has started on these items, a firm date can be set and publicly noticed soon. And just a reminder on the expected adjudicatory process so people know what to expect. There may be some pre-hearing issues that the Commission needs to resolve. Your legal staff will work with you to determine whether you would need a separate hearing day to do that, or you could address these on the first day of the adjudicatory hearing. We can't tell you that right now. I would expect on the first day of the adjudicatory hearing the IEB investigators would summarize their investigatory findings. The licensee would have the opportunity to ask questions of the investigators and present their own evidence to the Commission.

Both the IEB and the licensee will be represented by counsel who may ask questions and present evidence. At the hearing, you as Commissioners, as the ultimate finder of facts, are also allowed to ask questions. Once all the evidence is presented to you -- and that could be in the form of the IEB's report, other documentary evidence, testimony and questioning of witnesses, the hearing will conclude. The Commission, when sitting in this form as a quasi-judicial body solely for the purposes of making a decision in the adjudicatory proceeding is exempt from the Open Meeting Law. So your deliberations would be private.

After you do the quasi-judicial body, you'll issue a written decision. I can't tell you how many days the adjudicatory process could take, but I would expect at least multi-days. So that's the update I have for you today.

>> CHAIR JUDD-STEIN: Do we have any questions?

>> COMMISSIONER ZUNIGA: Well, just in time line, and I know that depending on what we get in terms of pre-hearing motions or, you know, what may happen, as you describe issues, it's hard to pinpoint a time line at this point, but is there any -- anything that we can at least talk about in terms of --

>> MR. BEDROSIAN: I think it will be a lot clearer when you all have the investigatory report and have some time to digest it, that we can work on forming a more -- a more concrete time line based on what you know you need to prepare for.

So I guess I sort of evaded your question but gave you some context for an answer.

>> COMMISSIONER ZUNIGA: No, I understand that. There's quite a bit of, you know, uncertainty relative to timeframe, but we've been expecting this report now for a while, and we're anxious to see it and address --

>> MR. BEDROSIAN: Right.

>> COMMISSIONER ZUNIGA: -- you know, what comes with it. I just wanted to --

>> COMMISSIONER CAMERON: It sounds like we'll be reading over in the next couple of days, and then we'll get back to staff about what we think is appropriate.

>> MR. BEDROSIAN: Right.

>> CHAIR JUDD-STEIN: I do have one addition to add here. Executive Director Bedrosian, you indicated that pre-hearing meetings among counsel have begun to take place. I want to add that out of an abundance of caution and a desire to be fully transparent, consistent with the founding principles of the Gaming Commission, I filed a state ethics disclosure with my appointing authority relating to an attorney who I learned from General Counsel Blue will be representing Wynn Resorts in the upcoming suitability review hearing. I worked with attorney Jed Nosal nearly two decades ago in the office Of the Governor's Legal Counsel during Governor Swift's administration sometime during the period of 2001 to 2003. Since that time, Mr. Nosal and I have had very limited interactions, restricted to primarily a few professional bar association meetings. In addition to the state filing, I have also complied with the requirements under the Gaming Commission's enhanced Code of Ethics by filing the same disclosure with the Executive Director who has also taken the necessary steps to ensure adherence.

I am fully confident in my ability to perform my responsibilities objectively and fairly. I am equally confident that I have met the requirements to uphold both the letter and the spirit of the applicable laws. I understand that my filings are available in both electronic PDF format and hard copy with the Communications Director, Elaine Driscoll. Any questions? Okay.

>> COMMISSIONER ZUNIGA: No.

>> CHAIR JUDD-STEIN: Okay. We're all set.

>> COMMISSIONER CAMERON: I think we're all set.

>> CHAIR JUDD-STEIN: Thank you, Executive Director Bedrosian, for your report. And now to our guests who have been particularly patient today with our switch in the agenda. We thank you for that patience and appreciate your flexibility, and we look forward to your report today. Welcome.

>> Thank you. We appreciate the heads-up.

>> CHAIR JUDD-STEIN: Yes, I understand that those updates were given to you yesterday, and we appreciate very much all of your attendance. So thank you. Dr. Lightbown, do you want to begin, please?

>> DR. LIGHTBOWN: Well, today the first item on our agenda, Commissioners, is the Plainridge Park Casino request for their key operating personnel and racing officials. This is a standard procedure we do before the opening of each of our racetracks. It's something that the Commission does need to vote on. The people on the list that is attached that came from Steve O'Toole, the Director of Racing for Plainridge Park, those are all people that have been known and licensed with us in the past. The way our system works is some of them are already licensed. We do have a multiyear

license now that's available, and some of the people either still have a license from last year, or they have come in and taken out one already this year. Not all of them are in yet. So what we do is for anybody that's not in yet, you would be approving them pending completion of the licensing process which includes the State Police review and review with our judges, and they check in with the USTA and the Association of Racing Commissioners International to review everybody's backgrounds. So I'm recommending that you approve these officials pending satisfactory completion of the licensing requirements. And Steve O'Toole, the Director of Racing for Plainridge is here if you have any questions on this.

>> COMMISSIONER CAMERON: Mr. O'Toole, you have the same team back, it looks like?

>> MR. O'TOOLE: Basically the same team. The only new name is on the list is John Mattero. We lost our chart writer at the end of the last season. She moved on to Michigan to take a position out there. So John has been training on the e-track system that we do our charting through and is scheduled to take his clerk of course license here in the upcoming weeks. So he'll be all set to go.

>> COMMISSIONER CAMERON: Excellent.

>> MR. O'TOOLE: We're losing him from the track crew, so I have to replace him out on the track crew, which he was a valuable member out there, but he's very knowledgeable in the sport and can handle all the jargon, which goes along with that position.

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER ZUNIGA: Wasn't Dominic an official?

>> MR. O'TOOLE: Dominic is now jack-of-all-trades over at the casino.

>> COMMISSIONER CAMERON: He moved on to the gaming side.

>> COMMISSIONER ZUNIGA: Okay.

>> MR. O'TOOLE: Yeah, yeah. He jumped ship. He went to the dark side quite a while ago.

[Laughter]

>> COMMISSIONER CAMERON: Right.

>> CHAIR JUDD-STEIN: So any further questions?

>> COMMISSIONER CAMERON: No. Madam Chair, I move that we approve the request of Plainridge Park Casino with their list of racing key operating personnel as outlined in their -- in this memo dated March 6th pending the satisfactory completion of licensure by the Massachusetts Gaming Commission Racing Division and the satisfactory completion of their background checks by the Massachusetts State Police.

>> COMMISSIONER ZUNIGA: Second.

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

Opposed?

[Vote taken]

5-0.

>> MR. O'TOOLE: Thank you.

>> CHAIR JUDD-STEIN: Thank you.

>> DR. LIGHTBOWN: Our next item is a request from Plainridge Park for a waiver of 205 CMR 3.12. This is something that the Commission did vote on and approved last year. Our regulation is included in the paperwork. It actually reads that the

Commission may give a waiver of the 30 days with the request of the association. So last year we did some research on this. The United States Trotting Association which has their own set of regulations decided to, in their regulations, incorporate a 60-day period. And what this means is if the horse hasn't raced in 60 days, then it would have to do a qualifying race. Our current NR reg says 30 days, and last year we kind of came down to maybe a compromise at 45 days would be something we would try. The Commission approved that. And it seemed to work fine. We didn't have any issues with it.

>> COMMISSIONER CAMERON: Dr. Lightbown, do you believe this is something we should revisit since the Trotters Association has moved to 60 days, is that something we should follow suit with, or are you -- do you think the 45 days is appropriate?

>> DR. LIGHTBOWN: I think the 45 days is appropriate. Right now I don't see a point in doing a rule change in our regs, especially since it says right in there that a waiver can be granted, and it's not very hard to come in and visit this. And, you know, if we saw a problem with it in the future --

>> COMMISSIONER CAMERON: Okay.

>> DR. LIGHTBOWN: -- maybe we would want to change it, but right now I think it's fine where it is.

>> COMMISSIONER CAMERON: Okay.

>> DR. LIGHTBOWN: And again, I would ask that this be approved for this racing season, and then next year if we have something different, we can ask for something different.

>> COMMISSIONER CAMERON: Okay. Thank you.

>> COMMISSIONER ZUNIGA: But those horses -- not just the qualifying race, but they train as well during the off-season, don't they? Remind me?

>> DR. LIGHTBOWN: Right. They're trying to get in shape. And the qualifying race kind of -- it makes sure a number of things, that they're in shape, that they're sound, and it also gives a little bit of protection to the betters because it may give the betters a better idea on how they did in the qualifying race, and that, again, ensures that the horse is sound. We really didn't see any issue at one with moving it 15 more days where they didn't have to show the line.

>> COMMISSIONER ZUNIGA: So you'll be having some of those qualifying races sometime soon?

>> MR. O'TOOLE: Our first qualifier is scheduled to run on April 1st. So we qualify a little bit before the beginning of the meet. Other tracks are up and running as well and they're qualifying on a regular base. If a horse is off 30 or 45 days, there's usually an issue involved with it. So that's why, you know, going out to the 60 days, it is the new USTA rule, but, you know, from a track operator's standpoint, we'd like to see them out there if they're off that significant amount of time between starts. So it's similar to thoroughbreds doing charted workouts. It's the same principle.

>> COMMISSIONER STEBBINS: And you post all their times and everything else from the qualifying race?

>> MR. O'TOOLE: Yeah. Just like a race line, it would be -- you know, it would be in there just like if it was a regular race.

>> COMMISSIONER STEBBINS: Okay.

>> MR. O'TOOLE: Yep. And they have to not only perform on gait, but they also

have to be at a certain standard time.

>> COMMISSIONER STEBBINS: Okay.

>> DR. LIGHTBOWN: And that really isn't an industry standard. Last year we reviewed it, and it's kind of all over the place. Some of it it's a reg in their rules. Other places it's kind of up to the steward or judges. So -- and so there isn't a standard length of time, so we felt comfortable picking a time that will work for us in Massachusetts.

>> COMMISSIONER CAMERON: Mr. O'Toole, I haven't been out recently. All the snow's off the track?

>> MR. O'TOOLE: No.

>> COMMISSIONER CAMERON: Oh.

>> MR. O'TOOLE: But last year two days ago anniversary last year, there was like a 2-foot snowstorm, so I'm pretty confident we'll be okay, especially with the warm weather that's coming in.

>> CHAIR JUDD-STEIN: So this -- there's a recommendation for a vote. Do we have a motion?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the request of Plainridge Park Casino, a waiver for the 2019 racing season with respect to 205 CMR 3.12(6), which would require all horses not showing a satisfactory racing line during the previous 45 days to go a qualifying mile in the race before the judges.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Thank you. Is there any further discussion? All those in favor? Opposed?

[Vote taken]

5-0. Thank you.

On to item 4c.

>> DR. LIGHTBOWN: So Steve O'Toole is going to give a little rundown of what's coming up and an update on Plainridge.

>> MR. O'TOOLE: Thank you, Alex. So I'm going to run this. Okay. So going back to our 2018 racing season, we had 110 racing days that went off very well. No major issues to report, and I'll get into how we performed through handle and purse distribution in a minute, but I'd like to touch on. Reduced from 125 days to 110 days last year, as most of you well now. We did see a positive impact by doing that. On the races run per day and the field sizes. So we had 1128 overnight races with an average field size of 7.57. That was up from 7.39 in 2017. And a great advancement from 2015 when we had 105 days, and we had an average field size of exactly 7. So we're up good in the field size category.

Races per day was also -- we also advanced there last year. We averaged 9.46 races a day -- I mean, 2017 we averaged 9.46. And in the 2018 racing season, our average was 10.5 races per day, which is something that we wanted to accomplish. We were happy with that.

>> COMMISSIONER ZUNIGA: Steve, can I --

>> MR. O'TOOLE: Sure.

>> COMMISSIONER ZUNIGA: You mentioned, you know, those couple of prior years, but can you take us back to, you know, prior to --

>> MR. O'TOOLE: Prior to the racehorse development fund? Right around 7. Yep.

Sometimes -- sometimes we slid below 7, but right around 7.

>> COMMISSIONER ZUNIGA: Right. Because much less than that, it becomes really not worthwhile.

>> MR. O'TOOLE: Very tough.

>> COMMISSIONER ZUNIGA: Very tough, right.

>> MR. O'TOOLE: Very tough on the handle. As a matter of fact, you'll see -- I do have a slide with the handle from 2015, and you'll see -- and '14 was actually much less. I was comparing the other night, but I did not put that on the slide.

>> COMMISSIONER ZUNIGA: Yep.

>> MR. O'TOOLE: The Mass Sire Stake races jumped to 5.92, and I don't want to steal anything from the breeders' presentation, but the breeding and the sire stakes have really jumped ahead with all their numbers.

>> COMMISSIONER ZUNIGA: It's a really good story.

>> MR. O'TOOLE: And they'll explain that to you in their presentation, I'm sure.

>> MR. BEDROSIAN: (Inaudible).

>> MR. O'TOOLE: Yes. Overnight races. So the horsemen that race with us throughout the season, they pretty much live on a three to seven-day cycle. The horses race once a week, once every ten days or so. And in the events that my race secretary creates for them to enter into, those are called overnight races, overnight events. And then anything that's a stake race like the sire stake races, those are stake races. So that's the only -- that's the only difference. And I meant to point that out. Thank you, Ed.

So for our overnight events, you'll see that our purses continue to grow with the addition of the racehorse development funds that are added to our pretty consistent statutory pari-mutuel monies directed to our purse account which come in, and we do it on an annual basis. You can see that the reduction of the 15 days did affect the average per day and the average per purse that we offered this past season, with just a little bit over \$600,000 in the purse account that was awarded, the average day and the average race were up significantly -- significant for that. So that gives us the opportunity to attract a bigger field size, more horses into our races.

>> COMMISSIONER ZUNIGA: Yeah.

>> MR. O'TOOLE: One thing to note, in 2017, at the end of the season, our purse account was overpaid by almost \$400,000, \$393,000. So we advanced, as a company, that, but we recouped that before the -- at the end of the year. So going into 2018, we actually carried a positive \$164,000 to our purse account because of that month of December where we don't race and the purse account accumulates. So we try to get it as close to zero as we can, but it's very difficult with that amount of money that we're handling and scheduling races that we don't know whether we're going to fill or not fill.

This year we were overpaid just under \$200,000. So we did a little better with the overpayment. And so going into 2019, January 1st, we carried \$411,000 positive into the purse account. So we're starting off this year with a better bankroll than we did last year.

>> COMMISSIONER CAMERON: Mr. O'Toole, do you anticipate a similar uptick in daily averages for purse as, say, for example, from '17 to '18? Have you taken a look at the racehorse development fund and done an analysis of what you think will happen

this year?

>> MR. O'TOOLE: So we're analyzing the racehorse development fund monies as they come in all the time because we're not sure what we're going to be getting, and it's -- I believe it's going to stabilize now with the casinos coming on, and we'll have a better idea. You know, we didn't know when money from the -- the additional money from MGM would be coming in, how significant it would be. We prepared somewhat for that, and I think we did a fairly good job, but we were only overpaid by a couple hundred thousand at the end of the meet. I think that the -- I don't think that the days going forward -- and I'll get into that in a little bit -- will be an issue. I think we'll be able to compare apples to apples going forward from 2018. We're scheduled to do 108 days this coming season, so that's closer to the 110. And so with the addition of the class 1 licensees putting money into the racehorse development fund, I think that the purses will be a little bit more, but we just have to estimate. And we estimated last year off of the numbers that were projected for MGM, and then we adjusted as the real numbers started to come in. And we'll do the same thing with the contributions from the Wynn casino.

>> COMMISSIONER CAMERON: Right. Okay. Now, the last time you showed us a chart, that had our standing as to where we are with the other tracks, say, in the Northeast, we were somewhat in the middle of the pack. Are we moving up a little bit?

>> MR. O'TOOLE: A little bit. A little bit. I didn't come armed with that today.

>> COMMISSIONER CAMERON: I liked that chart.

>> MR. O'TOOLE: Yeah.

[Laughter]

But -- and I think that the -- not only have we grown, too, but the breeding -- the stake -- the state-bred stake program has jumped considerably as well.

>> COMMISSIONER CAMERON: Right.

>> MR. O'TOOLE: Yeah.

>> COMMISSIONER ZUNIGA: This is a question that the treasurer should answer, but I'm going to ask it anyway. We overpay because we just take the -- after the split of the monies that come into the fund, we forward it to you guys, right? It comes from the Commission. But what you're describing at the end of the year is a reconciliation based on what you estimated. Is that not the case?

>> MR. O'TOOLE: Well, we -- we're paying actuals. So we estimate to try to be as close to ground zero on November 30th as we can.

>> COMMISSIONER ZUNIGA: Yep.

>> MR. O'TOOLE: But we're -- at the end, we pay out actuals. Now, the racehorse development fund is only a part of our purse account.

>> COMMISSIONER ZUNIGA: Uh-huh. That's right. Thank you for the clarification.

>> MR. O'TOOLE: There's pari-mutuel, there's outs, there's live racing, there's export fees that we share with the horsemen that go into that as well, premium payments. So there's a lot that goes into that.

>> COMMISSIONER ZUNIGA: Sure.

>> MR. O'TOOLE: The statutory side of it.

>> COMMISSIONER ZUNIGA: Yeah, yeah, yeah. So I would submit that it's a very good, small number if you're, you know, reconciling because there's millions of dollars

that you're really managing on this.

>> MR. O'TOOLE: Right. Yeah.

>> COMMISSIONER ZUNIGA: From different sources.

>> MR. O'TOOLE: Yeah. No, we're very happy. We got a little nervous in September which direction we're going, you know. My race secretary does a great job of painlessly adjusting the races and the numbers where basically, you know, our horsemen really don't see much of a difference. You know, if we just have -- let's say we have a short field of entries in a \$15,000 race, and we have an abundance of entries in a \$6,000 race. You know, we'll put -- you know, we'll do an extra \$6,000 race and not do the \$15,000 race and just hold that over till the next week or whatever. So, you know, we're constantly, you know, aware of where we are with the purse account, how much we have. One of the problems is when we start -- and it's not a problem. It's a good problem to have -- when we start, we have as much as \$3 million or \$4 million in the account. But as we go on week after week after week and pay the purses, we're paying out more than we're taking in for those weeks.

>> COMMISSIONER ZUNIGA: Mm-hmm. That's great.

>> MR. O'TOOLE: I have -- I actually brought some charts over here if you want to take a look at them off -- you know, on the side to see how it all comes together.

>> COMMISSIONER ZUNIGA: Sounds good.

>> MR. O'TOOLE: Moving on to the handle. I just want to touch on the top right-hand side of this -- of the top chart. Import handle would be considered the revenue, the handle that comes in, the actual dollars bet that comes in on our simulcasting. So races that are run all over the country that we take simulcast, and we take wages on at Plainridge, on Gulfstream Park, the Meadowlands, Yonkers, that's all called import. So our import handle has been very steady since 2015. Last year we had a very steady and a good year at \$34 million. So that's just one segment of our business, and we simulcast 363 days a year.

On the left-hand side of that top chart, the live and the export, the live is for our live racing, and it's the on-track bets. So the \$1.6 million was bet on our live racing by individuals at our facility or through our online platform. The export -- our export is money that's bet just in reverse of the import, which is we simulcast our signal to Meadowlands, Yonkers, Gulfstream, and they, in turn, wager on our product. And that number was 19 -- \$17 million last year. Now, we made some strides in 2017 with our export. Last year our export was not as good, and our live was down. Now, live being down only \$60,000 wasn't really too bad because we had a few less races and 15 less days. And that translates on the bottom chart. But because the export appears to be significantly down by \$3 million, there's two schools of thought on why we'd possibly be down there.

One of them on the surface, as I just mentioned, the 15 less days. But the real reason that we were down in our export so drastically was a couple of reasons. A couple of simulcast outlets that were major contributors to our purse account, they -- they lost interest in our signal, and we could identify that. And the other one was -- I think we had a lot of national attention in 2017 with the Spirit of Mass race which we didn't have going into '18. So it's a very positive sign, if you see on the bottom chart, where our live was up per race about \$100, and our average per day was up over \$1,000. And the export was just the opposite. So it was a very encouraging

sign that the people that are coming to our track are betting more per day and per race, but nationally we weren't quite as well accepted.

>> COMMISSIONER ZUNIGA: So you're going to have -- are you having the Spirit this year?

>> MR. O'TOOLE: We are. We are.

>> COMMISSIONER ZUNIGA: I had read it.

>> DR. LIGHTBOWN: Stealing his thunder here.

>> MR. O'TOOLE: I'll get to that. And I will get to that. But the numbers are good, and we're very encouraged with what's happening at the track. We're very encouraged with what's happening at the track.

The racing at Plainridge and in Plainville and the surrounding community, you know, we've been a fabric of the community there for 20 years. And one of the things that we like to do is to be involved in all the charitable organizations and the different things that go on, not only in the town of Plainville, but there's three towns that have a regional school system. The King Phillips School System, Plainville, Wrentham and Norfolk, and I'm proud to be an organizer of the Plainville, Wrentham and Norfolk Lions Club Polar Plunge. This is the third year. It's the first Saturday in April. The first year we raised \$24,000 for Mass Lions Eye Research. Last year we raised \$29,000. And we had a Plainridge team there on the left, and you asked about Dominic. There's Dominic in the middle. And that's Dominic making a freezing grin coming out of the water.

This year we're looking to raise maybe \$40,000, and I already have more team members from the track and from the casino to jump in. And there's Reuben is in that picture as well.

>> COMMISSIONER CAMERON: I see that. How cold was it?

>> MR. O'TOOLE: 39 degrees.

So we're challenging a lot of the managers, and they've stepped up to the challenge to sign up and raise some money for that event. So we're looking to be a little bit more productive towards the event this year and try to make the goal that the committee, and I'm proud to be an organizer on that committee, and it's a good -- it's a good event, and it's a lot of fun.

Bill Abdelnour of the New England Amateur Drivers Club, he challenged the Horsemen's Association, the breeders and myself to get involved with something he was doing in the month of October with his drivers where they -- where the horsemen usually participate where, you know, put pink accessories on their horses and the drivers wear pink gloves and that. Billy -- his amateur drivers donated their drivers' fees for the month of October and challenged us to match it. So they raised \$1,750 for -- through their efforts, and the Horsemen's Association and The Breeders and the track matched it, and we presented a check to the Ellie Fund for \$7,000. And there's a few other things that we get involved in, too, just from racing but, you know, overall, the casino does a lot as well.

>> COMMISSIONER CAMERON: Great. Good work.

>> MR. O'TOOLE: Thank you. And we'll be doing more things that I can report in the future, this season as well.

For the upcoming 2019 racing season, I actually just got back this weekend from the USTA meetings and the Strategic Wagering Initiative is still in effect where the

United States Trotting Association is the governing body nationally of harness racing. And what they did a few years ago was come up with a way to try and enhance wagering on harness racing and guaranteeing a certain level in the pools -- in the wagering pools. And that initiative has really done well. In 2017, we did guarantee a number of pools. We had a \$20,000 guarantee on the Spirit of Massachusetts, trifecta pool on the Spirit of Massachusetts.

Our export numbers weren't there this year. There has to be a target pool analysis that's done by the committee. And if your pool -- if it doesn't look like you can reach those thresholds, they kind of shy away from it. So they will guarantee the pool, but your numbers kind of have to be close to those pools. And what that usually does, it usually creates a much higher pool. If the gamblers know the pool will be at a certain level, they'll put into it. So we plan on getting those guaranteed pools back for 2018, and I think we can -- I think we'll be able to achieve that.

The other thing that we did, we threw out there a couple years ago that you approved was the Wicked Hi-5 which is picking the exact five finishers in a race, but you have to be the only person that did it. There's a consolation payout if you have it and you're not the only person, then half of the pool gets carried forward to the next day. We've had -- our highest payout for that pentafecta was \$22,000. It was a nice payout. We had multiples between \$10,000 and \$20,000, so it was good. You know, it takes a little while, kind of like the Megabucks -- the Powerball where it gains momentum. And then once the pool gets up there, it starts coming in and then eventually gets hit.

This coming season we'd like to do similar things with a pick 5 or a pick 6, and that's where you pick the first place finisher in five or six consecutive races. And there's some carry -- there's some carryover rules that we don't have in our regs that we're proposing to change so that we can offer that in this season, 2019, whenever we can pick up that rule change. But there are no regs right now to carry over pick 5s or pick 6s.

>> COMMISSIONER STEBBINS: And that would be for a single day. You couldn't pick, like, the last three races on one day and carry the bet over to the first two races of the next day. You're looking --

>> MR. O'TOOLE: It would be the same day. It would be a pick 5 on one card, and those races will be identified, and it will be the same races on the next card.

>> COMMISSIONER STEBBINS: Okay.

>> MR. O'TOOLE: It would be a pick 5. The pick 5 will always be a carryover to the pick 5.

>> COMMISSIONER STEBBINS: Got it. Thank you.

>> COMMISSIONER ZUNIGA: So, Steve, back on the guaranteed pools, so these are pools that are shared with other states like the Powerball? Is that where the guarantee comes from, from the USTA?

>> MR. O'TOOLE: No, the USTA is an independent body of all the jurisdictions, but it's -- it's membership driven. So anybody that owns a horse, anybody that drives a horse, track operators, we all have to be members of the USTA. Our chart has to be a member, our judges have to be accredited and members of the USTA. So it's a membership-driven organization, and it's a registry of the breed. So they make their money through transfers of horses and all that stuff. So what they did as an interested agency, want to keep interested in wagering alive, so it comes out of our budget. I'm a

director. Chris Macklin's a director. We have a pretty good influence on the Board of Directors there.

And this is just one of those things that's offered to the tracks if you're a track member. Our membership dues as a track to the USTA is significant. And so -- this is in our budget to earmark a certain amount of money for this initiative. With the caveat that your track looks like it can come close to these thresholds and maybe with a guarantee, you know, really springboard it into a higher handle. And it works. There is some exposure, but it's pretty well thought out. And once you let the customers know that the guarantee is going to be there, they bet into the pools.

>> COMMISSIONER ZUNIGA: Of course. That's great.

>> MR. O'TOOLE: And so also in play for 2019 season is the Spirit of Mass Trot which is going to be run on Sunday, July 28th, this year. We're scheduled to do 108 days in 2019. And we're going to try a Monday, Thursday, Friday schedule this year. It will be highlighted by the Spirit of Mass card. That's going to be one of six Sunday racing cards. The other Sundays will highlight the Mass Breeders Stakes. Also on that day we've also come up with another event for pacing mares. It's called the -- it will be the \$100,000 Clara Barton Distaff Pace. And we're very fortunate that there's a hole in the national calendar that remained there for the trot, and there's also no significant race for open mares that week. So my race secretary did a great job identifying that position in the calendar because that's one week before the Hambletonian at The Meadowlands where there is major trot races on that card as well as mares races on that card, so it's a nice stop for us, especially being so close to The Meadowlands, to it's a good stop.

>> COMMISSIONER ZUNIGA: They could come here first and then go?

>> COMMISSIONER CAMERON: Yeah. They'll helicopter in? That was a great day, two years ago. So you expect something similar this year?

>> MR. O'TOOLE: Very similar, yes.

>> COMMISSIONER CAMERON: Okay, great. Excellent.

>> MR. O'TOOLE: Yeah. Well, the -- the Adios Pace is now at one of our sister tracks, the Meadowlands which just came on track through the Pinnacle acquisition. It's Saturday afternoon at the Meadows, and they've already got their -- the drivers already have their transportation up to Mansfield Airport.

>> COMMISSIONER CAMERON: Okay, great. Perfect.

>> MR. O'TOOLE: But it's nice they won't have to rush out this time.

>> COMMISSIONER CAMERON: Right. They had to go to the next day to the Meadowlands, right? That night. You're right.

>> MR. O'TOOLE: So they'll be able to maybe is hang around and have a few beers or something after the race with us. So we -- right now -- so the first payment is in for both of these races. It's a stake race. So the owners have to nominate and pay in, and we've got about 30 eligible for each event, which is a nice number. We had 34 for the original Spirit of Mass, and we're right around 30, so that's a good number. We've just executed a seven-year purse agreement with our horsemen.

>> COMMISSIONER ZUNIGA: Seven-year.

>> MR. O'TOOLE: Seven years.

>> COMMISSIONER CAMERON: Congratulations.

>> COMMISSIONER ZUNIGA: Congratulations.

>> MR. O'TOOLE: Thank you. And congratulations to the horsemen, too. They worked very hard on it. It was only nine months in the making, so it's really a seven-year, nine-month agreement. But I'm being facetious. It guarantees the running of both of these races through 2025. And also we settled on 110 days over 33 weeks to present in the application for the next seven years.

>> COMMISSIONER CAMERON: Excellent.

>> COMMISSIONER ZUNIGA: What was the largest -- the longest purse agreement that you had in the past? Multiyear?

>> MR. O'TOOLE: Five. Five years, yep. Yep.

>> COMMISSIONER ZUNIGA: That's great.

>> MR. O'TOOLE: So I'll be submitting a supplemental application with the agreement in it shortly.

>> COMMISSIONER CAMERON: Excellent.

>> MR. O'TOOLE: So the Spirit of Massachusetts day, Commissioner, you just alluded to, was a really nice day. We had the End Zone Militia there.

>> COMMISSIONER STEBBINS: Are they going to be there?

>> MR. O'TOOLE: They fire off the muskets for the Patriots. Well, I hope they'll come back. We had the Massachusetts Mounted State Police, Scott Zolak and one of the best harness racers, John Campbell. And the filly race was a great race.

>> MR. BEDROSIAN: Didn't you have a couple Commissioners also?

>> MR. O'TOOLE: We had a couple Commissioners.

>> COMMISSIONER CAMERON: Of course.

[Laughter]

>> COMMISSIONER ZUNIGA: I'm going to have to check it out this year.

>> COMMISSIONER CAMERON: Yeah.

>> MR. O'TOOLE: It was a really good race, and it produced a track record, which wasn't a surprise to me that it produced a track record. And it also produced \$120 winner, the horse that won it was an upset, was a 60-1. That horse actually beat -- was later named -- it was Hannelore Hanover which was later named the trotter of the year in the nation. So she got upset that day.

>> COMMISSIONER ZUNIGA: You said 120, but you meant \$120,000, right?

>> MR. O'TOOLE: No. Well, the race was \$250,000, so the winner went home with \$125,000.

>> COMMISSIONER ZUNIGA: Yes.

>> MR. O'TOOLE: But if you backed that horse with a \$2 mutual ticket at 60-1, the payoff was \$120.

>> COMMISSIONER ZUNIGA: Oh, to 1?

>> MR. O'TOOLE: Yeah, 60-1. Yeah.

>> COMMISSIONER ZUNIGA: 60-1.

>> MR. O'TOOLE: Yeah. So it was -- the race itself set up with a lot of speed, so it kind of got into a duel up front, two horses racing early and kind of wore themselves out, Hannelore Hanover being one of them, and this horse came along and picked up the pieces. With that, I do have -- the USTA sent out a team to cover the race. And I do have some footage that they put together.

>> COMMISSIONER CAMERON: Love to see it.

>> MR. O'TOOLE: Wrong one.

>> Present. Fire!

>> We gave Scott a little spin.

>> It was nice.

>> All right, gentlemen. Post time. Seven horses on.

>> And the gait moves onto the backstretch. We are ready for the start. Spirit of Massachusetts Trot, \$250,000 on the line. They're off and trotting from the inside, Crazy Wow who comes out swinging. Moving up on the outside, there goes Resolve. Resolve on the outside. Towards the inside, Crazy Wow. And the battle is on. Hannelore Hanover right there tracking in third. JL Cruze towards the inside racing in fourth as they swing around the turn. Back towards the inside. Wind of the North followed by Cufflink Hanover. Down along the inside, Obrigado. Trolley. Half time goes in 53:4. Down the backstretch. Crazy Wow, three parts of a length. Resolve, right there on the outside. A challenge for the lead. Hannelore Hanover bidding her time in third. Towards the inside, JL Cruze racing in fourth. They're smokin' in the Spirit! Down on the inside, Crazy Wow has that lead. Resolve right there on the outside. Off stride goes Cufflink Hanover. Cufflink Hanover is on a break. They're at the top of the stretch and turn for home. And it's Crazy Wow down along the inside showing the way. Resolve right there on the outside coming down to the wire. Crazy Wow up the pylons. Here comes JL Cruze. JL Cruze with a full head of steam. Hannelore Hanover. It will be JL Cruze coming on at 60-1!

>> Way to go, buddy.

>> Thank you.

>> Congratulations.

>> You know what, just going into the last turn, I looked up, and they all seemed like they were struggling a little bit, and I just had to pray that it opened up on the inside. And it did, you know, early enough. I was watching Crazy Wow down the backside, and he looked like he was running out a little bit. So I thought I had my chance to get up there, but, you know, I was still just praying to get up there.

>> How's that feel?

>> Oh, my God, you can't believe. You can't believe. He's been through a lot this year. A lot of bad feet trouble and different things, but the class came out again tonight. He's a good horse.

>> You won the inaugural Spirit of Massachusetts race.

>> Yes, I did. Yes, I did. We're tickled to death to be here. It's so nice.

>> It's a great thrill. It's a very big thrill. This might be the biggest race I've won.

>> How do you feel?

>> It's good. It feels great.

>> MR. O'TOOLE: So just the last slide that I have does have our -- does have our 20 -- 2019 program cover, and that's the picture that you just saw from the inside, looking out of the finish of the race. And with that, we're ready to go for 2019. Any other -- any questions?

>> COMMISSIONER CAMERON: Thank you, Mr. O'Toole. We look forward to it.

>> COMMISSIONER ZUNIGA: When is opening day?

>> MR. O'TOOLE: April 8th. I believe it's April, Monday.

>> DR. LIGHTBOWN: Yep, April 8th. Yep.

>> COMMISSIONER ZUNIGA: Sounds good.

>> CHAIR JUDD-STEIN: Thank you for sharing that footage. Thank you so much.

>> MR. O'TOOLE: Thank you very much.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Continuing on our agenda, then, unless there are any further questions for Mr. O'Toole? Okay. Item 4d, Dr. Lightbown.

>> DR. LIGHTBOWN: Okay. Our next item on the agenda is approval of the Standardbred Owners of Massachusetts recognition as the breeders group for the Massachusetts Harness Horse Breeders. They are the only group, and they've been doing this for years. And today we've got Chip Campbell, who is the director, and we have Nancy Longobardi, the Secretary and Treasurer with us today if you have any questions. And they've got some slides to show as well.

>> CHAIR JUDD-STEIN: Good afternoon and thank you again for your patience today. Welcome.

>> MR. CAMPBELL: Thank you. Good afternoon, Commissioners.

>> COMMISSIONER CAMERON: Good afternoon.

>> MR. CAMPBELL: This is Nancy Longobardi, the sector/treasurer, and I'm Ray Campbell, the director. We're here today to request the reappointment to be the organization to administer the standardbred breeding and sire stake program. It has to happen annually, so here we are. Go ahead with the first slide. We have a few slides. I don't know.

>> MS. LONGOBARDI: How does this work? Go forward?

>> MR. CAMPBELL: Perfect. Very quickly, this is an informational website that's evolving. It was put in place last year, made some slight changes to it. The main purpose of it is that the most frequently asked questions can be found there. It also will allow people to go and see horses that are eligible, horses they may be competing against in the future when the race dates are, and any other bits of information that they are looking for. Go ahead with number 2.

>> MS. LONGOBARDI: Right?

>> MR. CAMPBELL: Yes. It all started with nominating the mares to the broodmare program.

It's actually a five-year process from the time you nominate the mare until the offspring would be able to race as a 3-year-old. As the slide illustrates, in the last five years, it's come a long way. A real long way. And five years being the first year of the racehorse development fund. There continues to be great interest in the quality of mares and therefore the quality of the offspring, it's a substantial increase in talent.

If you look at -- what's not up there, in 2016, there were 65 broodmares. And now they're 3-year-olds this year. There will be 51 of them racing, and that's a marked increase from years past. And the biggest increase is out of the 111 broodmares in 20 -- or 116 -- excuse me -- 111 in 2017. There will be 92 2-year-olds. That is the largest by far we've ever had. It's not very long ago where we might have had 20 of the whole crop of 2-year-olds. So it will be very competitive racing.

This is a farm slide showing the locations across the state. There are 43 different locations that are home to the broodmares this year. Not only is there an increase in the number of farms, many of those farms have more mares at their location. Some have doubled. Some have gone up one or two. But you have a situation where more farms and more mares at some of the existing farms that have

been with us for quite a while. One of the newest locations that is rather exciting is the University of Massachusetts at Amherst. They are developing a program now that will meet the requirements to meet the eligibility of the Mass Sire Stake and breeding program. They are going to be offering services to foal out the mares afterwards if you choose. You can then breed your mare back by their ability to -- of their reproductive -- reproduction department, and they'll also keep the mares and the foals there for as long as you'd like, if you'd like them to raise the foal.

>> COMMISSIONER CAMERON: So it's a little high-tech we're going here rather than staying up all night, you know, watching in the barn? Tell me how this is working at UMass.

>> MR. CAMPBELL: Well, they're pretty excited about it because the farm -- the location that they have, they've added -- they have cameras, and they have both -- and they have sound as well as video. The students are involved in night watch. The students are actually involving in the foaling. It's a hands-on situation for them, and it gives the standardbred owners an opportunity to say that there's another facility available, which has been an issue for us the last few years when people would call in and say "where do we go?"

>> COMMISSIONER CAMERON: Right.

>> MR. CAMPBELL: And we would not have a long list of farms that had the ability to take many more mares than they had. So that's a -- we feel is a pretty exciting proposition going forward.

>> COMMISSIONER ZUNIGA: That's great.

>> MR. CAMPBELL: A lot of it is driven by this. This slide shows a dramatic increase in purses. If you look at the first year of the racehorse development fund in 2015 through '18, you can see that not only has the purse gone up, but it doesn't show the comparison, but 213 starts for horses with an average field size of 5.92 and 36 races. That is more than we have ever offered, at least as far back as we're aware. It puts us -- the purse structure now we've actually moved up a couple of spaces across the country. We're now in the top ten of sire stake purses out of 24. So that is also why more and more people are taking notice as we go on.

A tie at Plainridge recognized that there was a need for more horses, more races geared towards young horses. So they have offered, on their condition sheet, more races for 2 and 3-year-olds which will be a real advantage to breeders, a real advantage to people that want to race in Massachusetts with young horses, whereas where we may not have been afforded that opportunity before, and we would have to go outside the state. So I have to commend them for realizing that and working towards that goal because it's also just another advantage to breeding in Mass.

>> COMMISSIONER ZUNIGA: Mr. Campbell, can I ask, so there's a typical 2 and 3-year-old mass bred.

>> MR. CAMPBELL: Yes.

>> COMMISSIONER ZUNIGA: Are they mostly in sire stake races, or do they also get into the races that you just --

>> MR. CAMPBELL: The program that we have, it's to administer for 2 and 3-year-olds. We -- the purses that we -- or the money that we -- we only are allowed to administer and to disburse purses for 2 and 3-year-olds. The races that Plainridge is

writing would be for 2 and 3-year-olds, not restricted to Mass bred, but that the Mass bred would have another opportunity to race against any other state bred. So it's an increase opportunity.

>> COMMISSIONER ZUNIGA: Right.

>> MR. CAMPBELL: Next slide. Oh, you already did it? Terrific. I think that's interesting to note here is that of the 8 \$100,000 finals, which is terrific in itself, six of the eight races were won by owners with Massachusetts connections. Which is terrific, keeps the money locally, and it also renews interest in the program. And all eight of the trainers were either regular Plainridge trainers or local trainers that won the sire stake final.

>> COMMISSIONER ZUNIGA: That's great.

>> MR. CAMPBELL: We have a -- how do we get the video?

>> DR. LIGHTBOWN: There's a video that they're going to show now.

>> MR. CAMPBELL: This is geared towards the behind-the-scenes operators, the jobs that are created, the horses, and the farms.

>> -- has greatly improved the past few years, hitting new heights in 2018, distributing \$1.7 million in purses to 2 and 3-year-olds, highlighted by eight \$100,000 division finals. The success of the program is not merely based on the amount these horses earn, but also the expansive workforce supported in the care, training and breeding of the standardbreds enrolled in the program. It all starts with years of planning, the breeding of mares, and their subsequent residence in the Commonwealth. These mares are cared for daily on over 40 farms across the state. The offspring from the mares residing in Massachusetts create hundreds of jobs for the standardbred industries, veterinarians, grooms, trainers and farm owners.

>> My name is Michelle Larson, and this is Rolling Meadow Farm in Rochester, Mass. I've been in the standardbred world since probably at least 30 years. If we hadn't gotten the money, I probably would have gotten out. I'd have done something different. It's really expanded. In the last few years, it's really, really expanded a lot. It's been amazing. Amazing. In 2011, I had one barn, and it had about eight broodmares. And now I've doubled and gone to 17 in 2015 and been staying around the same, between 17 and 20 every year since.

>> When the Massachusetts Gaming Commission awarded the class 2 gaming license to Penn National Gaming, operating Plainridge, the Massachusetts standardbred breeding program gained new life and financial stability. Standardbred breeding has a rich history in Massachusetts. At the turn of the 20th Century, nearly every city and town across the Commonwealth had some sort of standardbred exhibition or harness racing at local county fairs. The rebuilt trotting park just outside of Boston was the site of the sport's first sub-2-minute miles on the trot and on the pace. Harness racing along the Charles River was a popular weekend activity in the early 1900s.

>> New England harness racing's rejuvenated with all the extra money we're getting from the state, from the casinos and the slot machines, and it's been a renaissance and brought more people involved in the sport and keeping us all busy and making a nice living now. People are investing money buying trucks, trailers, spending money on horses, buying houses. They've been able to stay involved, and the money has really helped the farms with the breeding industry has been able to grow and keep these

farms going, all the green space, and just totally helping the economy all around and the horse racing industry.

>> The excitement of the stake races for 2 and 3-year-olds is just the tip of the iceberg. Recently UMass has committed resources and space to accommodate standardbred broodmares at their facility in Hadley to full and race standardbreds as part of their equine management program.

>> It's interesting. I came into this area in the mid-'80s, and I was hired by Fred. I actually came into this area with a chance to do quite a bit of reproductive work. It's hard to get people to do some of the things that you need to do, but there's a lot of jobs that are generated.

>> Here with one of my senior equine students, Shannon O'Donnell, and she just finished her internship at White Birch Training in New Jersey. And she'll be one of the students helping foal out our standardbreds this spring. What are you most excited about partnering with standardbred owners for foaling out their mares and getting them bred?

>> I'm definitely excited about the contacts I'll be making and I'm also excited about all I'll be learning because I've never actually had a process in foaling out before, so it will be great to be able to do that, especially on horses I already have an understanding with.

>> It's exciting to know that the program set up originally by the legislation seems to be taking hold, seems to be -- many parties are benefiting from it. At this point it seems that it's going as it was intended. And now to be able to tie into a public university and have the students get involved, it's almost a full circle.

>> And it's a huge benefit for the university, huge benefit for the students. The mares that we breed for UMass, they usually don't foal out until May or June. So most of the students are already gone. So having outside mares come in to foal really gives our prevet students, our equine students a great opportunity, so it's a very beneficial partnership for both of us.

>> MR. CAMPBELL: In looking at this facility in general, it should allow people to invest with confidence in the Massachusetts standardbred program because there's an economic stability right now based on the racehorse development fund and what they have to offer all of us, both the students, the university, and anybody else that would like to get involved in the program.

>> A good partnership and it's a good time for standardbred racing.

>> MR. CAMPBELL: It's exciting.

>> Standardbred breeding being an agribusiness, the goal of the program is to promote agriculture and open space while improving the breed and providing economic and ancillary benefits to those involved. Interest is growing, and the future is bright for the standardbred industry as a whole. Breeders can invest with confidence in Massachusetts standardbreds.

>> The Massachusetts Standardbred Breeding Program, hitting new heights. The possibilities are endless.

>> MR. CAMPBELL: That's great. We'd like to thank the Commission for letting us make this presentation today.

>> COMMISSIONER CAMERON: Actually, we'd like to thank you. This is a great story. It is how the legislation was intended. It's nice to see the excitement and the

money staying home. It's great to see that. The interest, the open farms. I see more dots on that map. So that's really a good story. Really a good story.

>> COMMISSIONER ZUNIGA: Yeah, I think that's a great --

>> COMMISSIONER CAMERON: What do you think? We should approve them, or what?

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Well, we do need to vote. So do I have a motion regarding the recommendation in front of us?

>> COMMISSIONER ZUNIGA: Madam Chair, I'll move that the Commission approve the request from the Standardbred Owners of Massachusetts to be recognized as a group of representative standardbred breeders to administer the Massachusetts Standardbred Breeding Program and the Sire Stakes Races for 2019.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any further discussion except another thank you? Okay. All those in favor. Opposed?

[Vote taken]

5-0. Thank you.

>> COMMISSIONER CAMERON: Thank you. Great story.

>> MR. CAMPBELL: Thank you.

>> COMMISSIONER CAMERON: Great story.

>> DR. LIGHTBOWN: Thank you.

>> CHAIR JUDD-STEIN: We will be just taking a five-minute break as we change for the next item. Okay. Thank you so much.

(A five-minute break was taken.)

>> CHAIR JUDD-STEIN: Thank you so much. After a short break, we've reconvened, and we are now moving to item 4e. 4e, correct?

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: On our agenda. Thank you, Dr. Lightbown. Sorry. And welcome.

>> Thank you.

>> DR. LIGHTBOWN: So today for item 4e, it's the Harness Horseman's Association of New England, just a pension plan update. Most of the Commissioners were here about a year ago when they first presented the plan to the Commission. And at that time the Commission asked for them to come back about a year later and give an update. So that's what we're here for today. It does not require a vote. Today we've got Alice Szpila, Treasurer and Chair of the Health and Welfare Committee of the Harness Horseman's Association, Jeanne Bakker, legal counsel for the Harness Horseman's Association of New England, and Normand Fluett, the plan's investment adviser with Ameriprise financial.

>> MS. SZPILA: So good morning. Good afternoon, Commissioners. Thank you for having us. You know I appeared before you a year ago, all nervous and trying to develop this plan.

>> COMMISSIONER CAMERON: You did a great job.

>> MS. SZPILA: Thank you. And I thought it would be a lot quicker, a lot easier, and it was really, really involved, but as we sit here, the third-party administrator is waiting for me to go home today and give me the authorization to mail out the

statements. It did take me a whole year to get us to that point. You know -- just to bring you up to speed, we did take the racehorse development fund money and developed a retirement savings plan. It had benefits for 2013, '14, '15, '16, we called it the retro period for people that were here when there was very little to offer them. We wanted to reward the fact that they were here, were members in good standing, paying, and trying to race here, make a living. Then we did a '17 and '18 because I thought it would be done in '17, but it didn't get done till -- your approval till '18. At the time we had 125 race days, so we developed a plan based on that. And when I was doing the calculations through the years and holding down the fort at home as our secretary, she was a very big help to me, Lynn Sherman, and valuable to me. And we sat down and we were doing the numbers. We were running every year. And we went from race days of 125 down to 110. And when we were doing 2018, I was losing people, and it became 10%. And it bothered me.

So if I went back and said, well, the criteria was you had to perform seven months, because we were trying to keep people to be there at the beginning, at the end, not just come in the middle, get benefits and then leave. I said, what if we relaxed that and if we made it six months? So we went back and we looked at the numbers, and we saw at six months, I kept that full 10%. Out of that 10%, 3% were vested people, 65 or older. So it wouldn't have affected them, but the other 7%, part of our requirement was you didn't become vested with the retro because we didn't want you to say, well, I'm vested. I don't need to race here. We wanted you to know you had a pot of money, but you race another five years or you reach the 65, you would be able to have your money sitting there for you.

So the vested people weren't worried, but the 7% that I was going to lose, I was very worried because they were going to lose all that retro money, too. So I called up Jeanne, and I said, Jeanne, I have a situation. I know I said I don't need an amendment. I've got the clad iron plan, but I need an amendment, and it has to do with the racing. She said, no, Alice, that makes a lot of sense. So that's what we did, we wrote an amendment to adjust for that factor. And then we went back and redid all the calculations, made sure we were correct, and we came up with -- it's 115 days or more, you have to put the seven months of racing in. But under 115 days, six out of the eight months of racing, you have to participate. And the criteria still stayed the same, how many starts you needed and all that.

So went to Normand with all our people, 112 people signed up, went to him, gave him the numbers. We talked to you last year about a company for third-party administrator. One of the good things that when I was racing out of town for several years, I was involved in a plan. That's what gave me the background to do this plan. And I was able to see things that were happening that were good and bad. And part of it was the third-party administrator wasn't going to work out for our plan here in Mass. So Normand was able to help us find somebody else, very satisfied with them, Roberts Accounting, and they have put all the numbers from our investment. We invested the money. Every dime I told you, every dime I could put into it would go into it, and I think I mentioned to you at that time there was a benefit that was offered called HHI. It was a third-party liability benefit. That's the only payment that came out of it. A small administrative cross. Jeanne was very good to us, and attorneys' costs were very reasonable. And all the other money went to -- every dime went into the pension. So

at the end of 2018, I could account for every nickel that the Gaming Commission had sent over and every amount of money that was spent.

>> COMMISSIONER CAMERON: Wow.

>> MS. SZPILA: And there it is.

>> COMMISSIONER CAMERON: Great. And the membership was probably happy with the six months, right? Because those folks got to stay in the plan?

>> MS. SZPILA: We just did this on March 1st.

>> COMMISSIONER CAMERON: Right.

>> MS. SZPILA: Actually, we did it a little earlier, and I did not catch that. The document said horsemen's instead of horseman's, so I had to go back and correct it because I just couldn't cross it and make it an "a." It had to be proficient. On March 1st we put that together. I have a cover letter that's been drafted. Jeanne has made sure that it's what I need to send with the statements. So the participant, when he opens his mail, will get each year's statement, and he will get the cover letter explaining what we've done. And then we are going to start with bulletins and let all the trainers and drivers know that this change has happened. And if they open their statement and somebody says, this isn't right, it's coming from the third-party administrator. They will send the statements right now. If somebody says it's not right, I am going to make sure that I'm available at the office. We can set up an appointment. We'll go through it. If they say I raced more than that, I have the software now from the USTA to go right at that moment, and we can look at line item, line item for their starts to make sure it is right. And they may say, oh, I forgot, I scratched that horse that time. That's right. I didn't have that start. Or they may say oh, no, I raced. Then we'll go to the USTA and fix it. And we have plenty of ability to correct any errors we might find. Hopefully we don't.

>> COMMISSIONER ZUNIGA: And so those six months are not consecutive, or they have to be consecutive?

>> MS. SZPILA: No, it's six months.

>> COMMISSIONER ZUNIGA: Six months out of the whole meet.

>> MS. SZPILA: And April really -- it starts April 8th, so it's not a fall month. And May, June, July, August, September, October, right through to November.

>> COMMISSIONER CAMERON: Great.

>> COMMISSIONER ZUNIGA: And on the investment side, remind us the money that gets transferred to the third-party administrator, how are they -- how are those funds invested? Are they --

>> MS. SZPILA: I'm glad you asked, Commissioner. That's why I brought my same friends back with me. So if you had any question, it wasn't going to be, I'll have to get you that answer. I have Normand Fluett here, and he can answer that question for you.

>> COMMISSIONER ZUNIGA: Great.

>> MR. FLUETT: So funds don't go to the third-party administrator. I report investment gains or loss. When somebody needs a distribution for retirement or whatever it be, it goes through the third-party administrator who instructs me that a distribution needs to take place. And then I get Alex and Bob, the President, to sign off on it to produce the check. So as far as the funds management, which I think is your question.

>> COMMISSIONER ZUNIGA: Yes.

>> MR. FLUETT: Very moderately conservative, on the conservative side there. Currently we have excess cash in the portfolio because we anticipate several immediate distributions as soon as they get their statements. We think a lot of participants that are vested are going to be a little bit excited and want to take their money out right away. So we anticipated that.

>> MS. SZPILA: And go buy a horse.

>> MR. FLUETT: And go buy a horse, right. So, yeah. We have a heavy in cash right now, which was probably good for 2018. So we're anticipating those upcoming distributions.

>> COMMISSIONER ZUNIGA: So you do a forecast and a level of, you know, trying to predict what that cash need is going to be based on the ages and vesting of your membership?

>> MR. FLUETT: Not necessarily detailed forecast. Basically just going by feelings. Alice knows most of these horsemen personally, so.

>> MS. SZPILA: Everybody has their own portfolio. And in our charts, we know who is at age 65 as the plan stands now. And we've also put in there a notation when they will turn 65. So I'm keeping an eye on somebody that's turning 65. I also have a pretty good knowledge of the horse base. So I have a pretty good idea of those that would be interested right away, and I'll be reaching out to them to let them know you'll be turning 65, and these are some of your options, just to go over them with you, again, kind of, you know, keep them well in the loop. So for the first -- because this was all new, setting it up, this is going to be their very first set of statements for the whole plan. So it was very hard to anticipate who was going to actually say, well, geez. That's a good sum of money. I think I'll keep it in there and keep going. Because, you know, once you cash out of the plan, you don't come back in. So we're hoping it keeps them in, keeps them want to keep racing, racing going, and this is our 20th year of harness racing. It actually opened in April of '99. So, you know, we're kind of excited that I've had people -- it has worked. The President said to me the other day, he had a fellow call and say, you know, I'm coming back. You know, I'm going to come get my points. And we've had other people say last year, now, if I leave now, will I lose my points? So it definitely -- it definitely resonated through the people. It makes a difference.

>> CHAIR JUDD-STEIN: And the number of participants?

>> MS. SZPILA: 112.

>> CHAIR JUDD-STEIN: Thank you.

>> MS. SZPILA: 112, and you have to sign up by May 31st, be a member in good standing. You have a one-time application that you do, and you won't have to keep renewing your application every year. All that information stays secure, and we track your points for you.

>> MR. FLUETT: Back on the investment side real quick.

>> COMMISSIONER ZUNIGA: Yep.

>> MR. FLUETT: We have agreed on keeping a little bit larger cash value than I would for a normal client because you never know when somebody may pass away or be disabled or can't. So we did agree on a little bit higher cash allocation than you would see in other plans.

>> COMMISSIONER ZUNIGA: I like conservative.

[Laughter]

That's great.

>> CHAIR JUDD-STEIN: Well, I wasn't here when you asked for an update. Commissioners, are you -- do you have any questions?

>> COMMISSIONER CAMERON: Oh, you're giving us -- you know, first of all, you know we thought it was such a good use of money for your membership to start this for them, really a good thing to do with the money. So we are impressed with your presentation and your hard work. You did this single-handedly, so that was an amazing thing, and to watch your enthusiasm continue for getting the plan right, improving it, making an amendment because you saw the need, and I'm sure it wasn't by accident that your team is doing this at a reasonable fee. They see your good will for the membership as well. So impressive report, and thank you for letting us know how it's going.

>> MS. SZPILA: I'd like to come back after maybe several months after the statements are out or midterm, I'd be glad to just give you a brief update on when the statements were received and, you know, any addressed issues. I'm very anxious, and I know -- believe me, I know, everybody's very anxious. Alice, when, when, when?

>> COMMISSIONER CAMERON: They want their statements. Yeah.

>> MS. SZPILA: When.

>> COMMISSIONER CAMERON: I hope they realize what a good job you've done on behalf of the membership.

>> MS. SZPILA: I believe they do. The horsemen are really good people. We have a great contract with the track now, really happy with it. Seven years. It will give them a chance to look forward and settle and get an idea of a projection for themselves.

>> COMMISSIONER CAMERON: Great.

>> MS. SZPILA: Yeah.

>> COMMISSIONER CAMERON: Thank you for that report.

>> COMMISSIONER O'BRIEN: Well done.

>> CHAIR JUDD-STEIN: Any further questions?

>> COMMISSIONER ZUNIGA: No. This is really well done, as Commissioner Cameron is saying. So do we need to vote on this amendment?

>> CHAIR JUDD-STEIN: No. Just an update, yes.

>> COMMISSIONER CAMERON: Thank you all for taking the time to come in. It's appreciated. And thanks for the good work.

>> MS. SZPILA: Thank you very much, Commissioners.

>> COMMISSIONER STEBBINS: Thank you. Nice work.

>> CHAIR JUDD-STEIN: But we do have one more item on the agenda from Dr. Lightbown. And while they're shifting, Dr. Lightbown, I want to thank you for the time you took to brief me this week. This is an area where I'm learning a lot and fellow Commissioner Cameron, thank you as well.

>> COMMISSIONER CAMERON: You're more than welcome. It's a good-news story, isn't it?

>> CHAIR JUDD-STEIN: It is.

>> COMMISSIONER ZUNIGA: Well, and I think the three aspects that really speak to the virtuous nature of what the racehorse development fund intended.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: There's a supply side, and a lot of it is now being corroborated by the increasing handle and, you know, the foals and the breeding program. It's really a great story.

>> DR. LIGHTBOWN: The next item on our agenda is the request of the Massachusetts Thoroughbred Breeders Association to race at Finger Lakes. In 2015, the organization got an amendment, Chapter 46, Section 49 and 110 that allows them to race some of their Massachusetts race bred horses out of state at Finger Lakes. And this was one of the responses to not having a full season of racing at Suffolk Downs. This allows the breeders -- has allowed the breeders to stay in business with this uncertainty. And as you saw with the standardbred breeders, the breeding program, it's not a one-year type of thing. You're looking, you know, three or four years down the road by the time you decide what mare to breed, you have the foal, the foal gets old enough to race, and that whole thing. So we're hoping to keep the thoroughbred breed going in this manner.

The Commission has approved races at Finger Lakes every year since 2015. The attached -- their request letter was a slate of races going from April through November. My recommendation was that the Commission go ahead and approve the two that are in April. This allows the horses to get in shape up at Finger Lakes before they'll be down to Suffolk for their races in May and June. They also have a number of races at Finger Lakes, July through November. I am not -- the fact that I'm not asking that they be approved now does not mean that the Commission might eventually approve them. There's a little bit of difference in the -- a little uncertainty in what the purses are going to be right now. And it is a little bit of an increase in the number of races that they would be having at Finger Lakes than what they've had in previous years going up to '17 from 10 or 11. So I'd ask that the Commission approve the April dates and with the idea that the breeders will come back again, you know, in a few months down the road when things may be a little clearer what the purses would be and how many races and all.

Today I have with me Arlene Brown who most of you know, director with the breeders, and Kathleen Reagan who's the Vice Chair.

>> MS. BROWN: Good afternoon, Commissioners.

>> MS. REAGAN: Good afternoon.

>> MS. BROWN: I know we kind of have the cart before the horse, so to speak, right now because Suffolk has not been approved for their racing dates, but we're assuming that their weekends will be approved. And because of that and because they are so early this year, we put two more races into the program in April to be prep races for the Suffolk Downs races. And the reason we did the fall schedule, too, is Finger Lakes has to have some sort of a guarantee of so many races. We use their barns. We use their training facility. We use their personnel. And the only money that they make is on the handle on our races. So they're very reluctant to let us use all those facilities that they don't know they're going to have a certain number of races. So that was the reason I had put the whole year's program on the sheet.

I don't know what else to say.

>> COMMISSIONER O'BRIEN: So if you don't get approval for the later races, will they not let you use the facilities in April?

>> Theoretically.

>> COMMISSIONER O'BRIEN: Theoretically? Have you had any communications with them that you may only get approval for April and what that means?

>> MS. BROWN: No.

>> COMMISSIONER O'BRIEN: No.

>> COMMISSIONER CAMERON: But Dr. Lightbown, you're recommending to us that we approve these now and come back -- when would that be to take a look at the others?

>> DR. LIGHTBOWN: Two or three months. And in the past we've always done approvals.

>> MS. BROWN: We've had a spring program and a fall program, but because of Suffolk taking all of the spring now --

>> COMMISSIONER CAMERON: Right.

>> MS. BROWN: -- we have nowhere else to train except the Finger Lakes. And if they don't know they're going to have the fall program --

>> COMMISSIONER ZUNIGA: Well, they're not -- so this is really originated by the fact that Suffolk is only racing until June 30th, is it not? Is that what you mean by taking the whole spring, Suffolk?

>> MS. BROWN: Well, all the races from May and June are scheduled at Suffolk.

>> COMMISSIONER ZUNIGA: Yes.

>> MS. BROWN: And we would have to be doing our training in Finger Lakes. There's nowhere else to train.

>> COMMISSIONER ZUNIGA: Right.

>> MS. BROWN: We don't have a track. So we have to do our training up there. And like I said, the only payback that they get is to keep the handle on the races that we run, which wouldn't be for the fall.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER O'BRIEN: Last year what did you do in terms of the schedule up in the Finger Lakes?

>> MS. BROWN: Well, races for Boston were spread out more, so we had some races in Finger Lakes, some in Boston, they were back and forth.

>> DR. LIGHTBOWN: There were four or five races before Suffolk raced. And then there was another four or five after. I'm not sure exactly which races ended up going, but looking back at the approval, at what they had requested of the Commission, there was about five races in the spring and then, you know, they came back and asked for --

>> COMMISSIONER O'BRIEN: So there were two requests, one in the spring and one in the fall, but more like four or five in the initial spring?

>> MS. BROWN: Yeah. And now, like we added the two extra prep races to get ready for the Boston races, and they're late April up there. And we really cannot fit any more -- any races in at Finger Lakes in May and June. I mean, you need at least two weeks between races for thoroughbreds.

>> COMMISSIONER ZUNIGA: Yep.

>> COMMISSIONER O'BRIEN: So what if for some reason we only approve April and then you get word from Finger Lakes that you're not going to be able to use the facilities? What is the recourse in terms of their -- anyone could answer that question. Dr. Lightbown or anyone.

>> MS. REAGAN: Yeah, no recourse.

>> COMMISSIONER O'BRIEN: No recourse.

>> COMMISSIONER CAMERON: But I think if we are -- if we are consistent with what we've done in years past, and I think you can tell them that, that, you know, obviously we need to vote, but if, in fact, we do approve these spring races, I think you could say to them, look, we will be back to the Commission for approval for the later date. And that's consistent with what we've done in the past.

>> DR. LIGHTBOWN: And in the past, the actual amount of the purses was actually stated in the request.

>> COMMISSIONER CAMERON: Yes.

>> DR. LIGHTBOWN: This year -- and I know they're trying to project ahead of time, but what we have in front of us is a range of purses instead of an actual purse per race.

>> CHAIR JUDD-STEIN: But the circumstances have changed, as I understand it, Commissioner Cameron, than what has happened in the past, and it's because of the schedule that we're dealing with at Suffolk.

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: That's what's shifted.

>> COMMISSIONER O'BRIEN: What is their ability to race if you don't do these preliminary races at Finger Lakes?

>> MS. BROWN: Pardon?

>> COMMISSIONER O'BRIEN: What is the possibility of you being able to do the races in Suffolk if you do not ultimately race in Finger Lakes?

>> MS. BROWN: At Finger Lakes?

>> COMMISSIONER ZUNIGA: Yes.

>> MS. BROWN: That will be extremely difficult. We have nowhere to train.

>> CHAIR JUDD-STEIN: Nowhere to train. So looking out, how many additional races would we need to approve in order for you to gain access to the resources that you need?

>> COMMISSIONER O'BRIEN: Right.

>> MS. BROWN: I can't answer -- I have to sign a contract with Finger Lakes to guarantee so many races.

>> CHAIR JUDD-STEIN: Do they have -- do you have past experience any indication as to the lower number that would be required?

>> MS. BROWN: I think in the past we've had, what, 15?

>> MS. REAGAN: 15 races total. Well, that was total, though, wasn't it?

>> MS. BROWN: Yeah.

>> COMMISSIONER O'BRIEN: Last year for the spring, we only approved spring and one tranche, is that correct?

>> DR. LIGHTBOWN: Like five races in the spring at Finger Lakes. So now this year there's two less -- I mean three less because Suffolk's starting earlier. So those races that would have been raced in the spring at Suffolk -- I mean at Finger Lakes can now be run at Suffolk. And then -- but as a result, Suffolk's going to be done earlier in the season. So then they could add extras on for now what would be late summer, early fall races.

>> CHAIR JUDD-STEIN: Dr. Lightbown --

>> COMMISSIONER ZUNIGA: Sorry.

>> CHAIR JUDD-STEIN: I'm sorry, go ahead.

>> COMMISSIONER ZUNIGA: They who, who did you mean, Suffolk or the breeders?

>> DR. LIGHTBOWN: As far as?

>> COMMISSIONER ZUNIGA: Who would add more races in the fall?

>> DR. LIGHTBOWN: Oh. Instead of -- they could add more at Finger Lakes afterwards.

>> COMMISSIONER ZUNIGA: Yes.

>> DR. LIGHTBOWN: Since they're only doing two Suffolk races instead of the five that they would normally do, it makes sense that they could do an extra three after Suffolk is done racing, consistent with what they've done in the past.

>> CHAIR JUDD-STEIN: Dr. Lightbown, had the issue around the use of the barns and the other resources come to your attention prior to the recommendation that we have before us? Or is this new?

>> DR. LIGHTBOWN: The horses that are up at Finger Lakes, my understanding is that they are also -- they're not just racing in Massachusetts races. They're racing in other races at Finger Lakes. They're helping --

>> MS. BROWN: Open races.

>> DR. LIGHTBOWN: -- fill the races at Finger Lakes, which happens at any traffic. You know, they're not all horses from a particular state. It's a mixture of horses. So those horses would have some value at Finger Lakes other than just being a Mass bred. But the addition with the Mass bred, the great thing is they bring their purse with them. So Finger Lakes doesn't have the cost of those, you know, ten races of the purses, but they do get the benefit of the betting handle, which goes to them.

>> COMMISSIONER CAMERON: So does it continue to be your recommendation that we approve -- you recommend that we approve two and then come back to us within a couple of months for further approvals?

>> DR. LIGHTBOWN: Yes.

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER STEBBINS: But I think -- am I being -- am I understanding this right, that there's still some indication that the folks at Finger Lakes want to see that I think barring anything unforeseen, we would probably give approval to these later races? Is that -- again --

>> DR. LIGHTBOWN: Yeah. And like I started out saying, I'm not saying that the recommendation wouldn't be to do it.

>> COMMISSIONER STEBBINS: Right.

>> DR. LIGHTBOWN: And I'm not saying that the Commission wouldn't approve those. And I think that's clear to Finger Lakes. We've done it in the past.

>> COMMISSIONER STEBBINS: Right.

>> DR. LIGHTBOWN: We just are looking for something a little more clear. We're looking for an actual purse on those races instead of a \$15,000 spread, which over, you know, 11 -- well, actually, it's 17 races, that amount over that many races adds up. So we'd want to be able to have an actual purse that those races are going to be and maybe have a little bit more of an explanation of why we're seeing more races being run at Finger Lakes each year.

>> COMMISSIONER ZUNIGA: Can I just ask, part of this is also generated by the

fact that you cannot train at Suffolk, right?

>> DR. LIGHTBOWN: Yeah.

>> MS. BROWN: We have no place to train.

>> COMMISSIONER ZUNIGA: You have no place to train. Couldn't there be explore an alternative to train at Suffolk in some way? I know you're not Suffolk, but this is -- this is partially generated by that restriction.

>> DR. LIGHTBOWN: I think early on -- and Arlene can correct me if I'm wrong -- but early on several years ago when this first became an issue, I think the horsemen did explore -- and not just the people with Mass bred horses -- but anybody who was in Massachusetts who normally would race at Suffolk tried to explore looking at some other farms or even one of the old fair tracks, and they just came up that it was going to be too expensive.

>> MS. BROWN: Yeah, the liability, everything, the insurance.

>> COMMISSIONER ZUNIGA: The location of the track.

>> COMMISSIONER CAMERON: But Dr. Lightbown, you seem -- you seem confident that if we approve these now, even though it's less than it was in the last couple of years for the spring racing and then come back, that Finger Lakes will not have a problem with that, and they'll be okay to train and race those first couple of races.

>> DR. LIGHTBOWN: Yeah, I have not -- I have not had conversations with Finger Lakes, so I don't have any guarantees from them. But this is what we've done in the past as far as approving the races in two chunks. And we did not -- in the past we didn't approve the later races.

>> COMMISSIONER CAMERON: Right.

>> DR. LIGHTBOWN: In April. Or March.

>> COMMISSIONER CAMERON: So is it possible to do this? We take a vote. And if the Commission approves these early races, you'll be able to go to the folks at the Finger Lakes and say, this is consistent, and we need more information, but we will get to those later races in the near future. If there's a problem, Dr. Lightbown can certainly -- you know, we meet every two weeks. So Dr. Lightbown could, in fact, schedule something earlier than a couple of months out if you have an issue. Would that be satisfactory?

>> MS. BROWN: Certainly.

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER O'BRIEN: But my questioning on timing is when you look at the calendar, we only have one meeting prior to these April dates. And so we don't have months, actually. So if they come back after such a vote, they say to you, that's not enough without a greater commitment, we're not going to let you race and you came back March 28th, is that enough time to say -- to get your entries into the race, or is it today or not?

>> DR. LIGHTBOWN: That's why we'd like a vote today on the April dates.

>> COMMISSIONER O'BRIEN: Correct. But if the answer -- if the solution could justify --

>> DR. LIGHTBOWN: We haven't approved -- you know, again, we're in March, and we're approving April.

>> COMMISSIONER O'BRIEN: But my question is the solution that was just

proffered by Commissioner Cameron, is there another way where you get that number today -- and I guess what I'm doing is proposing another solution for discussion, which is there are two races in July. There are ranges that, as I understand it, Dr. Lightbown, you don't feel comfortable with, due to the lack of the purses, right?

>> DR. LIGHTBOWN: Right.

>> COMMISSIONER O'BRIEN: Is there a way where they get approval conditioned on the fact that the purses have to be a narrower range or a cap or something such that they go back with approval at this point for four races and we're not in this conundrum of them possibly not being able to train before Suffolk?

>> DR. LIGHTBOWN: I don't have an objection to approving the July dates if the --

>> MS. BROWN: I think that would help.

>> DR. LIGHTBOWN: I feel that would help them.

>> CHAIR JUDD-STEIN: And while we don't know that four races will give you access to the resources you need, do you think that will help -- I like the idea of the condition, that will help you be able to secure April if we have an additional two in July.

>> COMMISSIONER O'BRIEN: Which is closer to the five that it sounds like in the past.

>> COMMISSIONER STEBBINS: Right.

>> CHAIR JUDD-STEIN: With a condition attached to the purse, does that give you the --

>> DR. LIGHTBOWN: Yes.

>> COMMISSIONER O'BRIEN: Is there a number you would want us to attach to the July purses, Dr. Lightbown?

>> DR. LIGHTBOWN: I just would like the breeders to come back with that -- within maybe the next couple of weeks.

>> MS. BROWN: The other reason -- because we're so front-loaded with Suffolk Downs races which were all the stake races, that's the biggest expense to us. So it depends on how much expense we have there, what we have left for the fall. We certainly don't overspend our budget, but that's making it difficult for us to decide.

>> MS. REAGAN: Yeah, just to jump in as to the reason for the ranges as opposed to a specific. What happens when you have all the races lumped together in the middle like we're being forced to do because of Suffolk. The Breeders Association has to pay out not only purses but also the breeders' awards. And so we get a chunk of money during the year, but that's spread out over the entire year. So if we don't have the ability to see how much money comes in and fix a purse that may be lower depending on what has come in, we're going to be setting ourselves up for basically not being able to --

>> COMMISSIONER ZUNIGA: Shortfall?

>> MS. REAGAN: -- cover both ends. We don't like riding ranges. That's not why --

>> MS. BROWN: It's because of this.

>> MS. REAGAN: Because of the bulge in the boa, if you see what I mean.

>> COMMISSIONER CAMERON: Yes.

>> MR. BEDROSIAN: And we haven't had the Suffolk purse request yet, right?

>> MS. REAGAN: That's right. So we're just -- we're absolutely between a rock and a hard place on that.

>> DR. LIGHTBOWN: They get their own.

>> MR. BEDROSIAN: This is breeders.

>> MS. REAGAN: Right. But we've still got to pay it out in the middle.

>> COMMISSIONER CAMERON: Well, I think that this proposed plan, which would be conditioned upon an appropriate number, you know, we rely on Dr. Lightbown to advise us properly. So I think would that be satisfactory to you?

>> DR. LIGHTBOWN: Yes.

>> COMMISSIONER CAMERON: It's conditioned, so we're not forcing you right now to give us a number, because we do understand. As you see in years past, we understand the conundrum.

>> MS. REAGAN: We try to be responsible.

>> COMMISSIONER CAMERON: We are hopeful that someone builds a thoroughbred track here in the Commonwealth, as I know you are as well. You know, just to be able to have -- you win your money, we do understand the situation. So I think Commissioner O'Brien's compromise was a good one. Hopefully that will help you secure the early dates, and we'll condition it so that you can get back to us with a more approximate number.

>> COMMISSIONER ZUNIGA: We could -- so we could simply approve the first -- the races for Finger Lakes with the purse amounts and further races in the fall with a condition to --

>> COMMISSIONER CAMERON: July. To be comfortable with the two in July.

>> COMMISSIONER O'BRIEN: The two in July gives them a more solid commitment to take back to Finger Lakes to probably get assurances they can use the facility.

>> CHAIR JUDD-STEIN: And then we're getting close to what's been done in the past. I think that was the proposal, but I won't --

>> COMMISSIONER O'BRIEN: That's what I intended.

>> CHAIR JUDD-STEIN: If we're getting close to a recommendation that is morphed into a motion, perhaps it's helpful to put the motion out and have further discussion.

>> COMMISSIONER O'BRIEN: Madam Chair, I would move that the Commission approve the requests of the Massachusetts Thoroughbred Breeders Association to run the two races at the Finger Lakes in April, as designated in the attachment, and I further move that the Commission approve the request as it relates to the two July dates as specified.

>> CHAIR JUDD-STEIN: Should we have two motions with that, or should we separate them out first?

>> COMMISSIONER O'BRIEN: I'm amending the motion that is in the book by Dr. Lightbown to further include.

>> CHAIR JUDD-STEIN: Okay.

>> COMMISSIONER O'BRIEN: The two dates in July.

>> CHAIR JUDD-STEIN: With?

>> COMMISSIONER O'BRIEN: With the conditions that the purse amounts be designated and reported back to us at the earliest possible date and no less than 30 days prior to the race? Is that --

>> CHAIR JUDD-STEIN: Is that in some way conditioned on a more specific number or?

>> COMMISSIONER O'BRIEN: Yes, that they report back to us as soon as practical

on the specific purse number for the July races and in no event less than 30 days prior to those July dates. I don't know if that requires further comment.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Further discussion. Can I ask the question, does it work to have the 30 days from the July -- is that what you're saying, the July date? Does that work for you?

>> DR. LIGHTBOWN: Yes.

>> CHAIR JUDD-STEIN: Or would you rather have us have a clear understanding around the purse number now, but I'm not sure we can, given the Suffolk.

>> DR. LIGHTBOWN: Right. I don't think they have a clear idea right now. That's why we wanted to --

>> CHAIR JUDD-STEIN: 30 days is good.

>> DR. LIGHTBOWN: -- wait on voting. That's fine.

>> CHAIR JUDD-STEIN: Thank you for the clarification. Any further discussion?

Okay.

>> COMMISSIONER ZUNIGA: I second that motion.

>> COMMISSIONER CAMERON: We had a second.

>> CHAIR JUDD-STEIN: We had a second.

>> COMMISSIONER ZUNIGA: Sorry.

>> CHAIR JUDD-STEIN: From Commissioner Cameron. If I have no further discussion, all in favor? Opposed?

[Vote taken]

>> COMMISSIONER CAMERON: Thank you. Good luck.

>> MS. REAGAN: Thank you.

>> COMMISSIONER CAMERON: Good luck.

>> CHAIR JUDD-STEIN: Thank you very, very much. Appreciate it. Moving on to item 5. This is with respect to research and responsible gaming. Director Vander Linden is not here today, but we do have --

>> COMMISSIONER ZUNIGA: Me.

>> CHAIR JUDD-STEIN: -- Commissioner Zuniga, you're presenting? I'm not sure who's presenting, so thank you very much.

>> COMMISSIONER ZUNIGA: I'll take this item, Madam Chair, and Agnes here will help me out if I cannot answer a question or need a clarification of some sort. We are coming on our sixth year of a contract with the UMass Amherst people on our initial project of the social and economic impacts of gaming. When we did the original procurement, we anticipated and designated in the contract a three-year initial phase and an extension of up to including three more years. That date is June 30th. The original procurement anticipated, in general, a large baseline study prior to the introduction of casinos, and a number of lookback studies after the introduction of casinos. So we gave it that original timeframe because that was the anticipation at that time.

There was also a number of other elements to these studies that many of you are all well aware of. But it was really framed around the initial baseline study and the lookback after the fact. We have had a number of internal discussions here relative to the timing and scope of this original contract which included, as I mentioned, the notion

of a lookback after the introduction of those casinos. And since that initial procurement, that date slipped for many reasons. There was a referendum, and there were another couple of lawsuits and whatnot. So we are not quite able to complete the scope as originally intended, but we've done plenty in terms of scope completion of the original procurement.

There are, however, a number of studies in motion currently that we feel we need to address and not leave incomplete. Those discussions are ongoing. We don't yet have a firm number, but we anticipate that we'll be back notably CFAO Lennon and Director Vander Linden with a request to the Commission to issue some kind of extension after that June 30th date that I mentioned with scope -- with specific scope of work for work that is either data is already being collected and we need to choose the completion of that report, or which data collection needs to be concluded and put aside until we finish what we're anticipating which will be a reprourement of this contract. So I should have started with this earlier. We're reprocurring that contract. We have begun that process, writing the RFP and looking at the statutory direction and so on and so forth. That's going to take us, you know, a few weeks. We will do it prior to and commence that procurement prior to the June 30th deadline, or rather end of that contract, but there will be an element of scope that will not be completed by that date, June 30th, and we'll come back with the specifics of what I anticipate will be a request to make a one-time short-term extension of that existing contract.

>> COMMISSIONER CAMERON: So Commissioner, would that mean that the reprourement would be on hold until the completion of the work, or both things will happen simultaneously?

>> COMMISSIONER ZUNIGA: There would be a phasing down and a ramping up and an overlap of this entity, the SEIGMA concluding their data collection or report writing while at the same time we are reprocurring, and depending on what happens with that reprocurring, yes, with that process, making available whatever data and reports are going to be winding down. So a little bit of a parallel, but this is, in general, just generated by the sheer amount of research and scope of work that we have under way that essentially we need to wind down, conclude, and pick up with the next procurement.

>> COMMISSIONER CAMERON: Is it difficult to know what you need in a new procurement when all the data isn't in from the previous work?

>> COMMISSIONER ZUNIGA: No, no. We will make sure to write that procurement flexible enough -- and actually, we have enough flexibility in the contract to make sure that all of the data is available to whomever. Actually, we own the data. The public -- the Commonwealth owns that data. So, no. The difficulty here, if you will, comes from the fact that there's a lot of work already in motion. And we initially thought that we'd be able to extend that contract, the June 30th deadline, until completion of the original purpose of the procurement. In other words, a year after the opening of the last casino.

Within discussions internally, and if you want to, you know, chime in, please do, because Commissioner O'Brien had input in these discussions, it just felt like that was way too far, went ahead -- went too far in terms of taking the flexibility needed that I am talking about and really necessitated a whole procurement. That's really --

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER ZUNIGA: -- the genesis of that.

>> COMMISSIONER O'BRIEN: For what it's worth, that accurately reflects the conversations that we have had and that I agreed with you, that the changes necessary went beyond the inherent flexibility in the current contract and really requires this process.

>> COMMISSIONER CAMERON: I see.

>> COMMISSIONER ZUNIGA: Now, the people that we are under current contract will be more than interested in replying to that procurement, and that's, of course, their prerogative. We are writing -- but there's, of course, I would submit, potentially new interested people, and it's our obligation to give everybody their fair shake.

>> COMMISSIONER CAMERON: Sure.

>> COMMISSIONER ZUNIGA: But because of the nature of the original procurement, there's enough that we don't want to lose in terms of scope and momentum, and that's why we will be coming back with a specific request in terms of up to six months, but I don't think we need that much and a specific amount of contract amount for that extension. And I'll tell you now what is exactly, you know, in the works. There's a baseline targeted survey that comes one year after the MGM Springfield casino that we had contracted with them. But the one year of the Springfield casino is actually this coming August, which is beyond our contract extension, and so we have been sort of discussing how much of that contract we need. Do we need, you know, just the data collection? Do we need -- et cetera, et cetera.

>> COMMISSIONER CAMERON: Thank you.

>> COMMISSIONER ZUNIGA: Go ahead.

>> COMMISSIONER STEBBINS: Just -- I know Mark and his team have recently gone through a pretty thorough kind of new research agenda strategic plan.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER STEBBINS: I'm assuming that's going to be a component of the reprocurement, whatever items in that agenda are going to be new research items or what have you, that's all falling in?

>> COMMISSIONER ZUNIGA: Absolutely. And thank you for that because it's -- initially, the original intention of extending the contract until the original scope included this notion that we will also be in a good position when we finish the strategic planning process that we are undergoing to write that procurement, you know, as we initially intended. This will still be helpful because we have already -- even though it's not final, we have a lot of the feedback from that strategic planning process, and we'll incorporate as much as we can for our procurement. So it will still work.

>> COMMISSIONER STEBBINS: Thank you.

>> COMMISSIONER ZUNIGA: Agnes, do you think I missed anything?

>> MS. BEAULIEU: The only thing is that this will allow us to maintain our standing within the procurement rules and regulations of 801 CMR 21 where it's an interim contract for a short period of time based on the procurement not being completed at that time.

>> COMMISSIONER ZUNIGA: Yes. Actually, I should have also mentioned, one of the things that we contemplated that we then discarded, because we are not subject to the procurement regulations, we adopted them by choice, that we would exempt ourselves from those procurement regulations for this interim. But that was one of the

things that, you know, when evaluating the whole -- the totality of the circumstances, we said it was just a little too far. So we've discarded that idea. So we will continue to operate under the procurement regulations, and we will adopt it from the beginning, which is a good practice.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: And we'll just work within the confines of the inherent flexibility that is built into those procurement regulations which is what I just described, an ability to come in and do a short-term extension. Because -- and it's also predicated on the notion that we've already started. We would have started that new procurement.

>> COMMISSIONER CAMERON: Thank you for that update.

>> COMMISSIONER ZUNIGA: So Derek and Mark will be here at a future meeting, but I did want to mention that because time is getting of the essence on this topic.

>> CHAIR JUDD-STEIN: Thank you for that update. Do we have any Commissioners' updates today? Item 6. No updates? Okay. I don't believe we have any other matter, then, before us. Do I have a motion to adjourn?

>> COMMISSIONER CAMERON: So moved.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Those in favor? Opposed?

[Vote taken]

5-0. Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

(The meeting concluded at 1:26 P.M.)