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COMMONWEALTH OF MASSACHUSETTS

\* \* \* \* \*  
Re: Gaming Commission Hearing \*  
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HEARING HELD BEFORE:  
THE MASS GAMING COMMISSION  
101 Federal Street, 12th Floor  
Boston, Massachusetts  
April 12, 2018

Present: (Commissioners)  
Gayle Cameron  
Eileen O'Brien  
Stephen P. Crosby, Chairman  
Enrique Zuniga  
Bruce Stebbins

Jessica M. DeSantis  
Court Reporter

1 MR. CROSBY: Okay. We are  
2 calling to order the 240th meeting of the  
3 Massachusetts Gaming Commission on April 12th at  
4 10:30 in our offices in Boston.

5 And to our first public meeting we  
6 are welcoming -- our first real public meeting  
7 welcoming our new commissioner, Commissioner  
8 Eileen O'Brien, who joins us from the Inspector  
9 General's office, and who is busy drinking out of  
10 a fire hose, and we're glad to have you with us.

11 MS. O'BRIEN: Thank you.

12 MR. CROSBY: You're welcome.

13 We'll go first to the minutes.

14 Commissioner Stebbins.

15 MR. STEBBINS: Sure. Mr. Chairman,  
16 I move the commission approve the minutes of the  
17 meeting from March 29th, 2018, subject to any  
18 questions for typographical errors and other  
19 nonmaterial matters.

20 MS. CAMERON: Second.

21 MR. CROSBY: Any comments?

22 MR. ZUNIGA: Yeah, I had just one  
23 comment. At around -- the discussion around 2:35

1 p.m. where the discussion about the request from  
2 NEHPPA. I think it would be great to have a  
3 sentence there about what the issue was. I think  
4 that the minutes reflect that conclusion, which  
5 is just fine. But if we could just summarize the  
6 question before us, I think it would go a long  
7 way toward framing the issue.

8 MS. BLUE: We can do that.

9 MR. ZUNIGA: Okay.

10 MR. CROSBY: Anybody else?

11 I use the minutes sometimes, as you  
12 know, to just remind me of things we need to  
13 follow up on.

14 We had talked about sending some of  
15 the slides from the Wynn presentation to the G --  
16 anybody here, GPAC? Did those go out?

17 FROM THE FLOOR: No, we haven't done  
18 that yet.

19 MR. CROSBY: Okay. There was slides  
20 24 through 27 and some of the workforce planning  
21 stuff also.

22 Okay. Thanks.

23 And, then, when is the follow-up

1 scheduled meeting for the -- or is it scheduled  
2 yet, when we're going to reconvene on the issue  
3 of the 12 million?

4 MS. BLUE: You had asked us to run  
5 the question by the comptroller, and the  
6 comptroller is looking at that. We don't have an  
7 answer on that yet. So, it probably won't be the  
8 next meeting because we're in Springfield, but  
9 perhaps the meeting after.

10 MR. CROSBY: Okay. Any other  
11 comments?

12 Commissioner O'Brien was not here,  
13 so we won't ask her to vote.

14 All in favor?

15 ALL: "I."

16 MR. CROSBY: Opposed? The "I's"  
17 have it unanimously 4-0.

18 Next up is executive director  
19 Bedrosian for his general update first.

20 MR. BEDROSIAN: Sure.

21 Good morning commissioners. Good  
22 morning, Commissioner O'Brien. I'd also like to  
23 thank our chief administrator officer Ms. Reilly

1 for having Commissioner O'Brien's name plate in  
2 place before she actually got here.

3           So, I'm going to do A and B together  
4 because, quite frankly, B consumes a lot of our  
5 time these days in terms of preparing for the MGM  
6 opening.

7           I'd like to report that staff  
8 yesterday was out in Springfield. We met with  
9 the City of Springfield with their legal  
10 department, the casino liaison, their DPW, their  
11 law department. I think I said that. And shared  
12 ideas about opening process from here on in. It  
13 was very collaborative meeting. Our ombudsman  
14 was there. So, we are working hand-in-hand with  
15 the city because there is a lot of cross  
16 approvals that need to be done. So, I think that  
17 is going well. I went over the property.  
18 Amazing construction progress. The floor is  
19 starting to look like a casino floor. And as  
20 general Blue counsel referred to, the next  
21 meeting, the 26th, we anticipate that you will be  
22 out in Springfield and that you all will view, to  
23 look at the floor on the property. You will be

1 making some -- potentially making some  
2 substantive determinations at that meeting about  
3 the area of the gaming floor and the area of the  
4 gaming property. So, this potential tour will be  
5 important to you, so.

6           And I'd also say that we're very  
7 fortunate -- I think I referred to this in the  
8 past. That we have gaming agents out there  
9 during the day, during business hours, working  
10 full time. And if you see the process of when  
11 they bring in slot machines and they have  
12 electricians and slot technicians and  
13 construction folks putting those things in,  
14 having our employees there, double-checking,  
15 overseeing that process puts us way under the  
16 curve. And they've already set up security on  
17 the floor. So, those machines are basically  
18 guarded and restricted access. You have to have  
19 the appropriate credentials to go onto the floor  
20 now.

21           So, we are, I think, in a good  
22 position because of our presence on the casino  
23 property, even as things are going along.

1                   Don't want to understatement. There  
2 is still a lot of work to do. You may go on the  
3 26th and say, boy, they still do have a lot of  
4 work to do, but the infrastructure and everything  
5 seems to be in place. So, our staff is working  
6 great and I'm proud of them. They're doing a  
7 great job. So, we look forward to the  
8 commission, who has not been out there in awhile,  
9 coming and seeing the progress. That will be the  
10 26th.

11                   MS. CAMERON: Yeah, I look forward  
12 to that tour two weeks from today.

13                   MR. CROSBY: Any potential  
14 show-stoppers? No red flags of any great --

15                   MR. BEDROSIAN: Boy, there is  
16 nothing we've heard of. And I would say our  
17 construction project manager and ombudsman are on  
18 them everyday about those things. So, you know,  
19 are there some micro things that, you know, that  
20 might not be complete? Sure. It's a huge  
21 construction project. But are we anticipating  
22 any macro issues? I think they've identified the  
23 macro issues in the schedule before you, and

1 you're aware of the macro issues.

2 MR. CROSBY: All right. Anymore  
3 word on the access to the employment? There was  
4 a question of whether enough people were applying  
5 for the gaming positions, the gaming training  
6 positions and stuff.

7 MR. BEDROSIAN: Yeah. In terms of  
8 licensing, what we've heard is they're very  
9 competent, the licensing is going appropriately.  
10 Our licensing system is working. I saw Marikate  
11 Murren yesterday. And we -- oh, yup. I saw her  
12 yesterday. And they were comfortable with, you  
13 know, what's happening in the projections. The  
14 big, big hiring stuff happens in June. There is  
15 going to be a little lip before that, but our big  
16 hiring happens in June. And we're preparing  
17 everything that needs to happen for that. So, I  
18 think we're comfortable.

19 And it really is, when you go out  
20 there and see it, it really is real. You go and  
21 see the construction, the facade, and stuff like  
22 that and walk around and you get a sense of all  
23 the stuff we've sort of been talking amorphously

1 is now literally, you know, in concrete and brick  
2 and carpet and machines and stuff like that.

3 MR. CROSBY: Okay. Great.

4 MR. STEBBINS: Will our tour include  
5 seeing the gaming school in operation?

6 MR. BEDROSIAN: It will now.

7 MR. STEBBINS: Good answer.

8 MR. CROSBY: Beauty of being a  
9 commissioner.

10 MR. BEDROSIAN: We will -- we're  
11 certainly going to -- we have a meeting -- we  
12 have our monthly meeting with the Springfield  
13 folks next Friday. So, as part of that we were  
14 going to sit down and talk about what the tour  
15 should include. So, I will circulate with you  
16 folks individually. So if there are individual  
17 things that you want, we can include that in the  
18 tour. And the gaming school will be a good part  
19 of that.

20 MR. STEBBINS: Thank you.

21 MR. BEDROSIAN: All right. That  
22 brings me to item 3C. I'd just like to make some  
23 comments on that.

1           You'll see on the agenda today  
2 requests received by commission staff regarding  
3 the status of Steve Wynn individually as a  
4 qualifier as part of the Wynn Mass, LLC, region  
5 A, category 1 gaming license.

6           As part of the gaming license  
7 process, it is more fully described in our  
8 regulations 205 CMR 116, certain individuals and  
9 companies are deemed to be qualifiers and must be  
10 found suitable in order for the applicant to be  
11 eligible to hold a gaming license.

12           Without going into great detail, an  
13 individual who is an officer of the gaming  
14 license applicant or who held a significant or  
15 controlling share in the gaming license applicant  
16 or its parent would be deemed a qualifier. All  
17 qualifiers go through a background review process  
18 that results in a report created by our  
19 investigations and enforcement bureau.

20           The commission receives that report  
21 and ultimately votes to find the individual  
22 and/or company described in the report suitable  
23 or unsuitable. Individuals or companies that are

1 found to be unsuitable cannot be part of or hold  
2 a gaming license under chapter 23(k).

3 Furthermore, the requirement on the  
4 qualifier to demonstrate suitability is on-going  
5 and can be reviewed at any time.

6 In 2013, Steve Wynn was deemed a  
7 qualifier based upon, but not limited to his  
8 role as a CEO of Wynn Resorts, limited, the  
9 parent company of Wynn Mass, LLC, the applicant  
10 for the region A, category 1 license, and his  
11 significant holdings in Wynn Resorts.

12 He was found suitable and Wynn Mass,  
13 LLC was allowed to proceed to compete for the  
14 region A category 1 license.

15 In your packet today, commissioners,  
16 there is a letter from Steve Wynn's personal  
17 attorney who is here today requesting that the  
18 commission determine that he is no longer a  
19 qualifier as part of the region A, category 1  
20 license.

21 Also, the attorney for the companies  
22 Wynn Resorts, limited, and Wynn Mass, LLC, the  
23 region A license holder has also requested the

1 commission determine that Steve Wynn is no longer  
2 a qualifier as part of these companies.

3           Since the commission originally  
4 found Steve Wynn to be both a qualifier  
5 individually and as part of the Wynn Mass Resorts  
6 and Wynn Mass LLC, commission staff recommends  
7 the commission hold a hearing to receive  
8 evidence, review the appropriate provisions of  
9 chapter -- general chapter 23(k) in the  
10 commission's regulations and make a determination  
11 as to whether Steve Wynn is a qualifier in the  
12 region A, category 1 license.

13           The purpose of the hearing is to  
14 consider the legal question as to whether Steve  
15 Wynn is a qualifier under Chapter 23(k) and the  
16 commission's regulations.

17           The commission's regulations  
18 describe the criteria that determine whether an  
19 individual or a company is a qualifier. If an  
20 individual or a company does not meet those  
21 qualifications, the individual or company will  
22 generally not be a qualifier.

23           In the case of an individual,

1 whether that person is or is not a qualifier is  
2 not determinative of whether a company is  
3 suitable to hold a gaming license. It is very  
4 common in the gaming industry and in most  
5 jurisdictions for qualifiers to change within a  
6 gaming license for a whole host of reasons.  
7 Situations in which individual qualifiers are  
8 removed from qualifier status are persons  
9 retirement, taking a position at another gaming  
10 or nongaming company, or simply taking a position  
11 that no longer requires qualification. Likewise,  
12 the determination of whether an individual is or  
13 is not a qualifier is not determinative that the  
14 individual company is suitable to participate in  
15 or hold a gaming license.

16           If the commission agrees with  
17 staff's recommendation and instructs staff to  
18 schedule hearing, staff will provide the  
19 commission with a brief on its review of Chapter  
20 23(k), the commission's regulations. Staff will  
21 ask the attorneys for Steve Wynn personally and  
22 Wynn Resorts, limited, and Wynn Mass, LLC to  
23 provide evidence in support of their request that

1 Steve Wynn is no longer a qualifier.

2 After taking in reviewing evidence,  
3 the commission will determine if Steve Wynn meets  
4 the criteria proposed by statute and regulation  
5 by a qualifier or not as part of the region A,  
6 category 1 license.

7 The commission's decision would be  
8 limited to the question of whether Steve Wynn is  
9 still a qualifier or not. The commission will  
10 not consider and make a decision on Steve Wynn's  
11 continued suitability.

12 The commission will not consider  
13 making a determination based on the evidence and  
14 the testimony provided at the hearing whether  
15 Wynn Resorts or Wynn Mass, LLC, is suitable to  
16 participate in or hold a gaming license.

17 The commission's decision at the  
18 hearing will not end the current investigation by  
19 the investigation's and enforcement bureau as to  
20 the allegations of misconduct against Steve Wynn  
21 or the handling of those allegation by Wynn  
22 resorts and its officers and directors.

23 The hearing will also not consider

1 whether other employees, board members,  
2 shareholders or other Wynn companies should  
3 remain as qualifiers.

4 The purpose of the hearing is  
5 limited to responding to the request from Steve  
6 Wynn and Wynn Resorts Limited and Wynn Mass, LLC,  
7 as to whether Steve Wynn is a qualifier under  
8 chapter 23(k) in our commission's regulations.

9 The commission's decision will be  
10 limited to responding to that request.

11 MR. CROSBY: Questions or comments?

12 MS. CAMERON: Yes. I certainly  
13 agree with the process that we should hold a  
14 hearing in which to make this decision. That  
15 that seems appropriate and listen to all of the  
16 information provided.

17 And I heard you say what I think is  
18 really important, which is the investigation  
19 continues as is. There is no chance in the  
20 status of the investigation no matter what this  
21 very limited hearing pertains to?

22 MR. BEDROSIAN: That's correct.

23 MS. CAMERON: Okay.

1 MR. CROSBY: Anybody else?

2 MR. ZUNIGA: What's the time frame  
3 that we are contemplating relative to scheduling  
4 this hearing?

5 MR. BEDROSIAN: I would hope we  
6 could do it -- I'll talk to the attorneys and we  
7 give them a day. But I would hope we talk about  
8 three weeks. Next week, school vacation week.  
9 The week after we're going to Springfield. I  
10 would potentially, and without guaranteeing  
11 anything, potentially shoot for that first week  
12 of May.

13 MR. ZUNIGA: Right. I imagine, and  
14 you eluded to this, that they will these present  
15 evidence or documentation or testimony, let's  
16 say, relative to why they believe he's no longer  
17 a qualifier. And I believe other commissioners  
18 will have a number of questions to that effect.

19 I don't know if between now and then  
20 they will make some public disclosures like they  
21 required on their SEC regulations, but there is a  
22 number of things that factor into this  
23 determination according to our regulations. And

1 I'm hopeful that we can address some of them.

2 MR. BEDROSIAN: Yeah. And,  
3 obviously, we want to give people enough time,  
4 but I'm hoping that three weeks would be  
5 appropriate.

6 MR. ZUNIGA: You're thinking three  
7 weeks?

8 MR. BEDROSIAN: Yes.

9 MR. CROSBY: I think the answer to  
10 this is kind of self-evident, but sometimes, as  
11 you said, this is very routine, if somebody  
12 leaves a board of directors or whatever, we don't  
13 usually have a hearing on those things. You're  
14 recommending that we have this more formal  
15 process. And your thought process on that is  
16 what?

17 MR. BEDROSIAN: The initial  
18 qualifier status and suitability determination  
19 was made before the commission. This admittedly  
20 is a unique situation in which Mr. Wynn was not  
21 just an executive vice president of slots or  
22 something like that. He held a unique situation.

23 Previously the Investigation

1 Enforcement Bureau, at times, are allowed to make  
2 determinations on their own. Also, in this case,  
3 they're doing a suitability investigation.

4 So, it seems appropriate, given the  
5 circumstances, unique circumstances of this case,  
6 that the ultimate determination be made in front  
7 of the ultimate authority for the commission  
8 which are, in fact, you all.

9 MR. CROSBY: Right.

10 MR. BEDROSIAN: It also  
11 establishes -- there is a good way of creating a  
12 record and establishing, you know, a process and  
13 evidence and stuff like that.

14 MR. CROSBY: Right. And that would  
15 be a public hearing?

16 MR. BEDROSIAN: Correct.

17 MR. CROSBY: Right. Anybody else?

18 Okay.

19 MR. BEDROSIAN: All right. So, we  
20 will --

21 MR. CROSBY: Can we stop here or are  
22 we going on?

23 MR. BEDROSIAN: So, just to be

1 clear.

2 MR. CROSBY: Yup.

3 MR. BEDROSIAN: You're saying, yes,  
4 staff, go ahead and work with lawyers and  
5 schedule that hearing and potentially it will be  
6 about three weeks?

7 MR. CROSBY: Yeah. I would say the  
8 sooner the better for all parties involved.

9 MR. BEDROSIAN: Okay.

10 MR. ZUNIGA: Yeah. Counter-acting  
11 to that, the notion of trying to get as much  
12 evidence that is pertaining to this matter as  
13 ready as possible. I imagine there is a number  
14 of things that have to be presented and reviewed  
15 among attorneys, that would be the case before  
16 us?

17 MR. BEDROSIAN: So, why don't I do  
18 this. We will do that and I will try, if we  
19 don't have a date certain, I will try and update  
20 you at the next meeting.

21 MR. ZUNIGA: Okay.

22 MR. CROSBY: Great. Okay.

23 MS. CAMERON: Thank you.

1 MR. BEDROSIAN: Thank you.

2 MR. CROSBY: I think we'll take a  
3 quick break, let the press do its thing, and then  
4 we will be back.

5  
6 (Break taken, 10:51 - 10:57 a.m.)

7  
8 MR. CROSBY: We are re-continuing.  
9 We are going onto Item No. 4 from the licensing  
10 division.

11 Director Connelly.

12 MR. CONNELLY: Good morning,  
13 Mr. Chairman, commissioners and welcome  
14 Commissioner O'Brien.

15 So, I'm going to give some remarks  
16 and then invite the MGM team up because they've  
17 brought a few folks with them and give them the  
18 opportunity to introduce themselves.

19 But this -- the issue in front of  
20 you now is the potential exemption of two  
21 positions at MGM Springfield, both a casino  
22 porter and a utility porter.

23 So, I was last here at the February

1 22nd meeting. At which time the commission voted  
2 to exempt 67 positions, which represented 824  
3 individual jobs.

4 Today we're asking you to consider  
5 these two positions, casino porter and utility  
6 porter. That would represent about 119 people.  
7 Last time we were here in February I came -- we  
8 came, frankly, with MGM with a joint  
9 recommendation. We had discussed and agreed upon  
10 a list of positions that we thought were eligible  
11 for exemption.

12 And we've continued to work  
13 collaboratively with MGM. And a product of that  
14 collaboration is that we're putting forward these  
15 two positions to you today, but this time it's  
16 not a joint recommendation. Commission staff is  
17 not recommending that these positions be  
18 exempted, but understanding how important the  
19 issue is, not only to MGM, but also in terms of  
20 understanding the commission's position on this.  
21 We wanted to bring it forward. We felt it was  
22 very important, frankly, to bring this issue  
23 forward for your consideration.

1                   So, the basis of commission staff's  
2 recommendation that you not exempt these  
3 employees is based on three simple factors.

4                   First, these positions perform work  
5 on the gaming floor, which, from a regulatory  
6 perspective is clearly the area of greatest  
7 concern and interest.

8                   Secondly, these positions have  
9 similar registration requirements and comparable  
10 jurisdictions; such as, Michigan, New Jersey, and  
11 Maryland. All of which are jurisdictions that  
12 MGM has familiarity with.

13                   And, finally, we've approached this  
14 exemption process with the goal of faithfully  
15 fulfilling the intent of the statutory amendment,  
16 which we feel is reflected in the number and the  
17 breath of the positions that we put forward at  
18 the February 22nd meeting.

19                   In this pre-opening phase we feel  
20 it's important to proceed not only the intent of  
21 the statutory amendment clearly in mind, but also  
22 with a sense of reasonable caution that we  
23 haven't yet opened a category one facility and we

1 don't know, we haven't experienced firsthand,  
2 most of us, you know, the regulatory issues that  
3 we're going to face in that environment.

4           So, these exemption decisions also,  
5 they may be revisited any time. And we suggest  
6 that, should the commission chose not to exempt  
7 these positions today, that we could bring them  
8 forward again at a later time after opening.  
9 This time with data and analysis that would be  
10 from our own experience.

11           So, frankly, again, the reason we're  
12 here is a result of a lot of discussion and  
13 collaboration with MGM. This is not a joint  
14 recommendation. But I would -- we, again, feel  
15 it's very important that the commission provide  
16 its perspective on this important decision.

17           With that, I'd like to invite the  
18 MGM team up.

19           MR. STEBBINS: Paul, I had a quick  
20 question.

21           Your memo to us is dated April 9th  
22 in our packet. There is subsequent  
23 communications from MGM and others. One of those

1 is a letter, I think, we received yesterday from  
2 Mike Mathis dated April 11th.

3 I don't know if you've had a chance  
4 to look at those, but since they came in after  
5 your memo was put forward to us, is there  
6 anything you saw in those communications that  
7 would be additional information you would  
8 recommend or?

9 MR. CONNELLY: No, I think, you  
10 know, to be fair, I think we agree in large part  
11 on the same set of facts. It's just, you know,  
12 again, there is, in the discussion about how much  
13 work is performed on the gaming floor, you know,  
14 there is work on the gaming floor. And that, to  
15 us, I mean, not to make it too dramatic, but  
16 gaming floor, from a regulatory perspective is  
17 kind of sacrosanct.

18 So, that is a big red flag to us as  
19 we do the analysis as to whether we thought that  
20 they were positions eligible for exemption.  
21 Based on where we are in our development as a  
22 regulatory agency, we think there's time to go  
23 back and revisit this.

1           We understand the burden that the  
2 registration process places on individuals who  
3 are seeking these jobs. We acknowledge it. I  
4 think it's certainly, you know, reasonable.

5           But we also feel that it's  
6 important, you know, that we maintain our  
7 position as a regulator that people on the gaming  
8 floor, we have some relationship with them as a  
9 registrant, that we understand who these folks  
10 are. And, again, we can gain some experience in  
11 the months ahead, particularly after opening, and  
12 this could be an issue that could be brought back  
13 in front of the commission at a later date.

14           And, also, notably folks in similar  
15 positions go through similar processes in other  
16 jurisdictions so we're not outside of the norm.  
17 And also, again, those are jurisdictions with  
18 which MGM has great familiarity. So, as a  
19 company we think it's something that they are  
20 familiar with.

21           So, I did see the materials that  
22 were submitted in the packet. And, again, not --  
23 I don't take any issue with them at all. I

1 think, like I said, we agree on the facts. It's  
2 really just kind of the interpretation where we  
3 think that those facts should lead us.

4 MR. CROSBY: Okay. Thank you.

5 Did you want to make opening  
6 comments before we start talking?

7 MR. STRATTON: Again, for the  
8 record, Seth Stratton, vice president and legal  
9 counsel at MGM Springfield. We also welcome  
10 Commissioner O'Brien. It's very nice to meet you  
11 and look forward to working with you as we go  
12 forward. And good morning to the rest of the  
13 commissioners.

14 We want to echo what Paul  
15 articulated. We want to thank the commission and  
16 staff for continuing this very important dialog  
17 with us for now well over a year. The  
18 collaboration between regulator and licensee to  
19 make progressive changes to a licensing regime in  
20 order to best balance the objectives of  
21 protecting the integrity of gaming in  
22 Massachusetts with the goal of expanding and  
23 promoting economic opportunities for the

1 communities and individuals who need them most  
2 has been encouraging and rewarding to be a part  
3 of.

4           So, we commend the commission and  
5 staff for the continued openness to this  
6 conversation. We keep pushing it and you and  
7 staff keeping receptive. So, we very much  
8 appreciate that.

9           As you know, to date, after working  
10 with the legislator to create some clarity under  
11 23(k), the commission has been able to exempt  
12 approximately 65 MGM Springfield positions from  
13 the registration requirement resulting in over  
14 800 anticipated MGM Springfield employees no  
15 longer needing to register. We think that is  
16 significant. We're very appreciative and we  
17 think it's a real benefit for the community.

18           We're here today to respectfully  
19 suggest that the two additional positions now  
20 before you for exemption, which represent just  
21 under 150 additional MGM Springfield jobs are not  
22 materially different from the other 65 positions  
23 already exempted. And that due to the nature of

1 these two positions and the volume of potential  
2 employees impacted, doing so again here would go  
3 a long way to continuing the progressive movement  
4 toward ensuring that as many barriers to entry  
5 for exciting career opportunities in our  
6 community are removed.

7           So, with that, I want to introduce  
8 our team. And I'll generally -- I'll make one  
9 more point and I'll stop talking and you'll hear  
10 from the people who are a little more interesting  
11 than me. And I'll introduce them now.

12           That's Greg Skowronski who is our  
13 Executive Director of Hotel Operations, and these  
14 positions fall within his organization with our  
15 company and he's very familiar with the porter  
16 position and how we operationalize these two  
17 positions.

18           Marikate Murren who all of you know  
19 is our vice president of human resources and  
20 Marikate will address why these positions are  
21 important to carve out from the exemption  
22 process.

23           We also have with us Chris Judd, who

1 is the Director for Roca of Western Massachusetts  
2 and has been a partner with us, she and her  
3 organization, on this issue.

4 As well as Luis Feliz, who is the  
5 Director of Workforce Development and Strategic  
6 Partnerships for the New England Farm Workers  
7 Counsel.

8 So, I'll let them address a few  
9 points that are relevant to their areas and then  
10 we're happy to answer any questions. But before  
11 doing that, I want to focus on -- we'll  
12 generally -- as a lawyer I like to rest on my  
13 papers, but we'll rest on the letter that I  
14 submitted, as well as a letter from Mr. Mathis in  
15 terms of the detail and the positions set forth  
16 in there. But I do want to highlight a few  
17 overarching points from that.

18 Really, the key point is that when  
19 we're balancing, we understand that you've been  
20 collaborative and understanding thus far and that  
21 you're really looking at balance of risk versus  
22 economic opportunity.

23 And what we suggest is there is

1 very, very little risk to the integrity of gaming  
2 to no longer require registration of these  
3 positions. And that's for two key reasons. One  
4 is that the gaming area itself is a highly  
5 surveilled environment. And when we look at over  
6 1750 surveillance cameras throughout the  
7 property, nearly one third of those are focused  
8 directly on that floor. And so when you compare,  
9 which Greg will speak to in a little more detail,  
10 the percentage of the job function of porters on  
11 the gaming floor, which, as he'll explain, is  
12 well under 20% of the overall duty, and it's  
13 really focused on, frankly, emptying trash  
14 receptacles along the isles in a  
15 highly-surveilled environment. The risk  
16 associated with that, quote/unquote, presence in  
17 the gaming area is very, very low.

18           And that's reflected -- we couldn't  
19 give detail around properties and incidents, but  
20 you'll see in the letter from Mr. Mathis that  
21 statistically our surveillance records in  
22 incident reports reflect exactly that. We've  
23 listed in Mr. Mathis's letter overall incidents

1 on our gaming floors on several other properties  
2 and then we've listed the number of incidents  
3 involving EVS employees.

4 And you'll see from that data that  
5 they're really negligible. In fact, in one case  
6 there were zero incidents.

7 So, I think when you combine those  
8 two key data points, our experience on our  
9 properties, along with the highly-surveilled  
10 environment, it suggests that the risk is very,  
11 very low.

12 And, so, when we're balancing those  
13 two interests I just hope you'll keep that in  
14 mind.

15 With that, I will turn it over to  
16 Greg, who will address really two points for you,  
17 a little bit of additional detail on what I  
18 talked about, the less than 20%, what is the real  
19 function of both a casino porter, which is kind  
20 of a misnomer. It's called casino porter, but  
21 very little of their job is actually on the  
22 gaming floor. And the utility porter. He'll  
23 address that.

1                   He'll also speak to -- I know the  
2                   commission was interested in, well, why don't you  
3                   just solve this by creating two different  
4                   positions, one that's on the gaming floor, which  
5                   is a small number of people, and all the rest.  
6                   And that is operationally very difficult. It's  
7                   impractical and it's inefficient and that's what  
8                   Greg will speak to.

9                   Then I think Marikate will talk  
10                  about why these jobs represent true steppingstone  
11                  opportunities.

12                  And then turn it over to our friends  
13                  from the community who can explain to you why  
14                  it's really important that the registration  
15                  requirement be removed to minimize the various  
16                  entry in our community for these positions.

17                  So, with that, unless there are  
18                  questions, I'll turn it over to Greg.

19                  MR. SKOWRONSKI: Thank you, Seth.  
20                  good morning, everyone.

21                  So, to give a background of the EVS  
22                  positions specifically. As Seth had stated, the  
23                  casino porter is definitely a little misleading

1 when it comes down to position. Out of a 14  
2 1/2-acre campus the smallest portion is actually  
3 the casino floor area that they'll be overseeing.

4 So, this department oversees the  
5 entire campus, both interior and exterior.  
6 They're cleaning the garage. They're cleaning  
7 the, you know, the park that we have associated,  
8 Armory Plaza. All of the retail outlets, our  
9 meeting space. They'll be involved in the movie  
10 theatre and everything. So, they really touch  
11 every aspect of the property.

12 The positions are broken into two  
13 positions. The casino porter, which is more your  
14 standard porter position. And then your utility  
15 porter, which is more that specialist position.

16 The casino porter, their job duties  
17 are very -- they're the basic porter positions  
18 you get. So, they're the ones that are going  
19 into the restrooms, cleaning the restrooms,  
20 they're cleaning the casino floors as far as  
21 vacuuming, emptying the trash cans. The areas on  
22 the casino floors specifically that they're  
23 located on are primarily in those pathways that

1 are just the guest breezeways. That's where our  
2 trash cans are located because that's where  
3 guests are walking through. We want to make sure  
4 that's where the trash is being dropped into.  
5 So, they're just emptying those trash cans.

6           They do have periodicals where if  
7 there may be something spilled in between the  
8 floors they have to go over and vacuum and clean  
9 it up, but their exposure to the actual gaming  
10 area is limited. When they are on there, there  
11 is obviously security presence and surveillance  
12 at all times.

13           The second position is the utility  
14 porter. Again, that's the more specialized one.  
15 So, those are the ones doing the high dusting,  
16 the cleaning up of biohazards, any of those.  
17 Like, the marble, the deep cleaning and things  
18 like that that require special licenses as far as  
19 certifications from safety.

20           I'm sorry. There was another point  
21 I'm making.

22           MR. STRATTON: The other -- why it's  
23 challenging for segregating.

1 MR. SKOWRONSKI: Oh, okay. Sorry.

2 Thank you.

3 Again, trying to segregate it out to  
4 how the two different positions for the casino  
5 gaming floor verses nongaming.

6 Because this area is such a small  
7 portion of what they do, we would end up having a  
8 small portion of staff that would be associated  
9 for it; however, because it is a laborious  
10 position where they are very physical, we do tend  
11 to have a large amount of call-offs in this  
12 position.

13 What's nice about the way we  
14 currently have it set up is that you can take  
15 somebody from an area that may be -- person may  
16 have been assigned on the casino floor that day  
17 to work the routes, but if they call in sick I  
18 can take somebody out of the district area where  
19 all of our shops are and have them come over and  
20 complement that area and cover for those areas.

21 If we don't do that what we'd have  
22 to do is have two completely different positions  
23 and then we'd be calling in to try and cover for

1 that. So, we end up -- could end up with some  
2 service short-falls, but then also just managing  
3 up a large amount of staff.

4 With that many people that you would  
5 end up having to have in there, it would end up  
6 being part-time positions, not as many hours  
7 awarded to those individuals.

8 MR. STRATTON: And, Greg, could you  
9 just speak briefly to the shift bidding and how  
10 it's not that one person works exclusively in one  
11 area, but they have different shifts and there is  
12 a bidding process for those.

13 MR. SKOWRONSKI: So, the shifts are  
14 awarded based off of seniority. So, when you  
15 come in you get to bid your shift. So, the  
16 property is broken into zones. So, you have a  
17 portion of it that may be a portion of the  
18 casino, a portion of it that may be out into the  
19 main lobby of the hotel area, a portion that may  
20 be onto the restaurant rows.

21 So, they bid into these shifts and  
22 that may be their primary focus; however, again,  
23 they're allocated out to the different areas

1 depending upon demands and needs. So, if we know  
2 that we have a major event up in the conference  
3 center while your primary focus may have been the  
4 casino floor, they're going to end up moving into  
5 the conference area.

6 And, vice versa. We may end up  
7 having some event on the casino floor, large  
8 traffic if there is an event across the street at  
9 the MassMutual center, people are walking  
10 through. We may end up bringing somebody from  
11 the conference center area down to help clean up  
12 with the pathways.

13 MS. MURREN: Great. Hi. Marikate  
14 Murren. Vice president of human resources.  
15 Chairman and commissioner. And welcome  
16 commissioner to the panel. I just want to bring  
17 up very quickly before I turn it over to our  
18 community colleagues.

19 If you remember in March of 2017,  
20 Wanda Gisberg, vice president and workforce  
21 development talent acquisition. We were in front  
22 of you presenting the workforce development plan  
23 for MGM Springfield in partnership with our

1 community partners that we've been in the  
2 community for since 2011.

3           We were very deliberate, and all of  
4 your packets stated that people had to have a job  
5 first before they really moved into a career.  
6 These positions that we're talking about, casino  
7 porters, utility porters, these are the perfect  
8 entry positions for many of the individuals  
9 especially from the City of Springfield's  
10 perspective that we can get into changing their  
11 life and really being the lynch pin of that  
12 culture change.

13           I want to -- Greg, you have one  
14 anecdote that you want to bring up of an  
15 individual who really started in one of these  
16 positions from a casino porter initially, has  
17 moved up the ranks and is now a director. And I  
18 just want you to hear that because that is what  
19 we're talking about with these positions.

20           And we do thank you and the staff  
21 for all the help as we work for -- worked last  
22 month and in February to approve, but there is  
23 another category, another large group of

1 individuals that there is a perception and we're  
2 hearing it from our community partners and even  
3 from the mayor's office that people are  
4 self-excluding themselves out. That is something  
5 that we don't want to happen. And I will have  
6 the community partners go into that a little bit  
7 more. But that's another kind of perception  
8 we're seeing right now in Springfield, that  
9 people are saying, well, I might have had a  
10 youthful indiscretion. I'm just -- you know, MGM  
11 is not for me because of the regulations.

12 But let me just ask you, Greg, about  
13 that one anecdote that you had that you wanted to  
14 bring forth.

15 MR. SKOWRONSKI: Absolutely. Thank  
16 you.

17 So, one of the most exciting things  
18 about being in the hospitality industry is that  
19 this is an industry where you can make, as  
20 Marikate stated, a very successful career without  
21 necessarily having -- if you didn't have the  
22 opportunity for higher education.

23 And working in this industry has

1 taught me that on countless occasions. And, you  
2 know, getting to work with the EVS porters is  
3 just one of those areas where it's, as a leader,  
4 it's on fire.

5 MR. CROSBY: You keep saying EVS,  
6 what is EVS?

7 MR. SKOWRONSKI: I'm sorry.  
8 Environmental services. They're the porters.

9 MR. CROSBY: Okay.

10 MR. SKOWRONSKI: The porter  
11 positions. My apologies.

12 So, working with the porters is --  
13 it's a very awe-inspiring opportunity to see how  
14 they can come in, and it just sets them up for  
15 massive success. So, there are countless  
16 situations where I've had conversations with the  
17 porters and they talk about, you know, how they  
18 are just looking to advance their careers and  
19 what is the next step and how do they go about  
20 doing that.

21 And this one particular one is they  
22 started off as a porter. They came in and they  
23 were actually on call. Put their time in, worked

1 their way through so that they could become, you  
2 know, a full time position. Work their way from  
3 the full time position into being a specialist.

4           From the specialist position they  
5 then decided to challenge themselves out and  
6 transparently they started off and they were --  
7 they had, you know, conversational English, per  
8 se, but weren't necessarily fluent with that.  
9 But by working through this position, the  
10 conversations they were having with all of the  
11 guests on the floor, and then taking some  
12 additional course work, they were able to really  
13 just, you know, become much more comfortable with  
14 the language.

15           Worked over their way to become a  
16 front-desk agent. And as a front-desk agent  
17 you're obviously in front of guests all the time,  
18 really just continued to advance themselves and  
19 has since gone onto become a manager and then  
20 leading one of the departments as well within our  
21 corporation.

22           So, it's -- and there is countless  
23 situations like that where you just have this

1 amazing opportunity to see the light spark in  
2 their eyes and how they just want to advance  
3 through.

4 MS. MURREN: I'd just like to have  
5 Chris just talk a little bit about some of the  
6 people that are coming through her doors.

7 MS. JUDD: Thank you. Good morning.  
8 Chris Judd from Roca and --

9 MR. CROSBY: Might explain for --  
10 some of us are new to the game. What's Roca.

11 MS. JUDD: Yes, sir. Roca is an  
12 organization that works with 17 to 24 year old  
13 young men and 16 to 24 year old women, young  
14 mothers who have either adjudicated youth or  
15 might be an adult offender. They might only be  
16 on probation, but they have adjudicated at some  
17 point.

18 We get all our referrals from  
19 police, probation, Department of Corrections,  
20 House of Corrections, sometime from the bench.

21 So, we are a four-year program. And  
22 through that four-year program, we do two years  
23 of intensive case management where we work on

1 their trauma. Where we work on workforce  
2 readiness skills. They also do tran -- we have a  
3 transitional employment component to that. So,  
4 we teach them how to work.

5           It is towards the end of the two  
6 years where we are hoping that they can be  
7 gainfully employed in an outside agency. MGM is  
8 one of those agencies. And we look for partners  
9 where we can get our young people employed.

10           The crux in all of this is the fact  
11 that when they walk into Roca we tell them -- or  
12 at least I sit down and do a formal interview  
13 with the young person and say I don't care about  
14 your past. I care about today. Today is the  
15 first day of the rest of your life. So, let's  
16 not worry about that. Let's worry about X, Y, Z.  
17 Let's worry about what you need to do so when we  
18 present you to an employer you have no barriers.  
19 And unfortunately -- first of all, I want to say  
20 thank you for opening up many jobs. We  
21 appreciate that. But that's just not enough.

22           And it's not enough because, you  
23 know, the valley advocate said when MGM came in,

1 that over 2100 jobs -- 21 individuals who were  
2 unemployed in Western Mass would not qualify for  
3 any jobs. Obviously, that has opened up. But,  
4 again, when we're only talking about -- what was  
5 that number? 800. 800. It's not even half of  
6 where it needs to be.

7           The important part is today is about  
8 removing barriers. Barriers for a population  
9 that already has so much stacked against them.  
10 For instance, give you an example. Our young  
11 people, when they are -- they've been -- they had  
12 a lot of things, a lot of barriers in their  
13 lives. So much so that they're not trusting.  
14 They don't even carry their IDs with them in  
15 their pockets walking around because they are so  
16 afraid that if they are walking with friends or  
17 walking among their peer group that they can be  
18 flipped at any moment. That is a true scare and  
19 that is unfortunately how Western Mass is and  
20 maybe -- probably around the whole country.

21           But for me to build this trust and  
22 for my staff to build the trust to say, trust the  
23 process. Don't worry. It doesn't matter. We're

1 going to put you forth and we're going to  
2 advocate for you and you're going to -- we're  
3 going to teach you how to advocate for yourself.

4 But for them to still have to go and  
5 register and get fingerprinted, it can be  
6 intimidating, and many will self-select out.

7 So, our whole piece is, I would love  
8 to get to as many young people. And Roca, in the  
9 last four years -- and we've been around for  
10 seven. We've serviced over 400 young people.  
11 And those 400 young people should be eligible for  
12 MGM, but under the current statute that's not the  
13 case.

14 In every scenario, I truly believe  
15 that -- and Luis will talk as well. But you  
16 would be doing us a disservice in Western Mass  
17 for, not only for my population, but for the  
18 Hampden County Sheriff's Department, who, this  
19 year alone, has employed -- got employment for  
20 over 700 individuals beyond 18 to 24 years old.  
21 And then we have over, you know, 400 individuals.  
22 And then Luis will talk about his population.  
23 Right there is the 2100.

1                   So, it is -- I am -- I am pleading  
2 with you as someone who is a stronghold, that has  
3 a big foothold in Western Mass around  
4 incarcerated, adjudicated youths to please open  
5 this up and give them -- this should be about  
6 opportunities.

7                   And, in my opinion, MGC has a  
8 responsibility to Western Mass to make today  
9 about opportunities and about removing barriers,  
10 incentivising entry-level jobs through an  
11 opportunity of growth, and an opportunity of  
12 growth within the MGM family. Everyone in  
13 Western Mass deserves an opportunity to have a  
14 career.

15                   I urge you to change the statute.  
16 And, more importantly, we have another quote.  
17 All we need is one win and everyone will believe.  
18 So, if you build it they will come. I believe in  
19 that movie, Field of Dreams. If you're a  
20 baseball player, you understand that.

21                   But I say that all the time. If we  
22 just go forward and you just keep making the  
23 strides necessary, there will be no barriers.

1 Obviously, for some, the barriers will always be  
2 there. But for the majority of the young people  
3 that I serve, absolutely not.

4 So, thank you for your time and I  
5 appreciate it.

6 MR. FELIZ: Good morning,  
7 commissioners. My name is Luis Feliz. And I am  
8 the Director of Workforce Development and  
9 Strategic Partnerships of the New England Farm  
10 Workers' Council.

11 The New England Farm Workers'  
12 Council has been around for over 40 years and the  
13 work that we do is provide training and  
14 educational services to low-income families in  
15 Springfield.

16 We're more than that. What we do I  
17 like to describe as, we are cartographers. We  
18 try to work with our youth and families to chart  
19 a career trajectory and imagine possibilities  
20 that they didn't think were possible for  
21 themselves. That's a really tough thing to do.  
22 Because of all the things that poverty inflicts  
23 upon people, one of the most crippling is what it

1 does to the imagination, what people can conceive  
2 for themselves.

3           With MGM coming to town, a lot of  
4 folks were excited about the possibility. They  
5 thought, this is going to be a game-changer for  
6 us. But over the course of a couple of -- over  
7 the course of MGM holding events and sharing  
8 information, it also dawned on us that a lot of  
9 people didn't actually imagine themselves as  
10 workers at MGM. They thought about what it would  
11 do in terms of revitalizing Springfield, making  
12 the downtown area more beautiful. But they  
13 didn't see themselves on the floor, at the  
14 resort, at the hotel. And we started to have  
15 more conversations about how we can affect the  
16 mind shift so that they can see themselves and  
17 their families working at MGM, working to make  
18 Springfield a better place where people want to  
19 raise families and start careers.

20           So, today, the reason why I came  
21 here is to entreat you to create pathways for  
22 folks that have made mistakes so that they can  
23 have a better chance at starting a career.

1           We know, the research says that it  
2 just takes one family member to get a college  
3 education or to get a living wage for there to be  
4 ripple effects throughout a whole family across  
5 generations.

6           So what we're talking today is not  
7 something that's going to have an impact just  
8 today when MGM opens up in September, it's going  
9 to have life-long impacts across generations.

10          So, we serve about 25,000 people  
11 across our programs because we have a child care  
12 voucher program. We have a Wioa-funded program.  
13 We have a young parents program, and we also have  
14 a program called Bridging the Opportunity Gap,  
15 which works with youth that have been committed  
16 to DYS.

17          And we have touched each population  
18 that we serve and exposed them to what MGM has to  
19 offer. And of all those groups the folks that  
20 are in the BOG program, the DYS program, they  
21 have not -- they have not attended some of the  
22 events. They have already self-selected to not  
23 participate because they think that their cori

1 would prevent them from applying for jobs.

2           So, we've had to -- those 800 jobs,  
3 we've had to go back to them and tell them, well,  
4 there are these other options. This is where you  
5 may start a career at MGM. You may not work at  
6 the gaming floor, but you can work here. So,  
7 that is a process that we've had to embark upon  
8 to educate our own population that we serve about  
9 what possibilities are there.

10           Of course, Springfield represents  
11 more than the 25,000 people that we have access  
12 to. So, I can only imagine the impact that it's  
13 having for the people that we don't touch in our  
14 day-to-day service delivery programs.

15           So, I also wanted to share a  
16 personal anecdote with you to illustrate the  
17 point about imagining possibilities.

18           When I was about 15 years old I got  
19 my driver's permit. And I went for a joyride and  
20 crashed my mother's car. I got a slap on the  
21 wrist and did some community service and I  
22 thought that was the end of it.

23           After I graduated from Amherst

1 College I resettled in New York and I wanted to  
2 become a citizen. And, as I met with an attorney  
3 to talk about the process, they told me, well, we  
4 have to look into that. Because depending on  
5 what you have on your record it could bar you  
6 from becoming a U.S. citizen.

7           It took me about three years to  
8 overcome that fear that what it might trigger to  
9 go to apply for citizenship because I might have  
10 jumped some turnstiles in New York. I had that  
11 joyride. So, I didn't know what impact that  
12 would have.

13           So, with the education that I  
14 received and all that I knew, to me, that was a  
15 mental barrier that prevented me from applying  
16 for citizenship.

17           I can only imagine what it would be  
18 like for someone who made some youthful  
19 indiscretion when they were 15, 17, what they  
20 would do. They wouldn't even apply. They  
21 wouldn't even show up.

22           So, it took me three years. I don't  
23 want that to happen to anyone in Springfield

1 right now, given the immense possibilities that  
2 MGM brings to the table.

3 So, with that, thank you for your  
4 time and I entreat you to, just as I got that  
5 second chance, you get that slap on the wrist and  
6 do my community service, let's -- if folks cannot  
7 start at the gaming floor, let's at least give  
8 them that second chance so that they can start as  
9 a porter.

10 MR. CROSBY: Thank you, folks.  
11 Comments, questions?

12 MS. CAMERON: First of all, I  
13 commend all of you. The work that you do is  
14 really important. And I think the most important  
15 thing I think I heard here is it is about  
16 convincing folks to, you know, get into the  
17 process. For us, it is not that simple. We  
18 really have to have an opportunity to assess our  
19 risk. My experience, probably I saw a lot of  
20 negative behaviors in my experiences in New  
21 Jersey as well as the differences in properties  
22 and how well they hired, monitored. And it was  
23 very different from property to property,

1 frankly.

2           From everything I hear, I think  
3 you're probably one of those properties that pays  
4 a lot of attention to this issue and it's  
5 important to you as well. So, I'm not suggesting  
6 that, you know, you're in any -- I'm suggesting  
7 that you would in anyway be lax about these  
8 issues because I don't believe that to be the  
9 case.

10           But I do really think that we need  
11 an opportunity to assess our risk. And I think  
12 we're talking about 100 something positions.  
13 There are another 800 -- what was the number?  
14 840 or something that we did think it was  
15 appropriate. But I think the casino floor is an  
16 area in which we've said, look, we just need the  
17 opportunity on our own to assess that risk. So,  
18 I really -- for me, I'm going to agree with our  
19 staff that -- and anything we do can be changed a  
20 year from now if we see firsthand that we don't  
21 see the risk.

22           But, again, my experience is that I  
23 did see a lot of negative behaviors around

1 employees because of the positions I was in. So,  
2 I'm probably a little bit more cautious. But I  
3 do think your work is important and it is  
4 something we do pay attention to.

5 But, as of right now, I am -- I am  
6 going to agree with staff that we need a chance  
7 to assess our own risk.

8 MR. ZUNIGA: I have a question. How  
9 many -- roughly, how much porters do you  
10 anticipate to have on the floor -- on the  
11 property at any given day? I understand the  
12 question about the flexibility and scheduling and  
13 feeling when somebody calls in sick and what have  
14 you. But how many people are we talking about  
15 per day or shift?

16 MR. SKOWRONSKI: So, there is a  
17 total of -- little over 150 positions total that  
18 we're talking about.

19 On a day, per shift, we probably  
20 have about 35 to 45 people at any given time.  
21 That could go upwards depending upon, you know,  
22 events and volume on the property.

23 MR. ZUNIGA: So, I'm just trying to

1 follow the argument that our staff makes.

2           Couldn't you take -- out of those  
3 35, let's say, if anybody -- any one of those  
4 people touched the casino floor 20% of the time  
5 floor. That was something that you sort of  
6 quantified.

7           Couldn't you have half of them  
8 available for the floor and then the other half  
9 not, and still be able to manage with their  
10 duties?

11           MR. SKOWRONSKI: So, the challenge  
12 with trying to separate them out is there was, of  
13 that 35 to 45 individuals you may have anywhere  
14 from three to five of them working on that floor.  
15 However -- and then the rest of them would be  
16 covering the other areas of the property. So,  
17 it's a very limited number of individuals that  
18 would be focused specifically on that area at the  
19 time.

20           The challenge with that -- --

21           MR. ZUNIGA: Because of the  
22 position -- because of their qualification? I  
23 mean, because of their registration?

1 MR. SKOWRONSKI: No, just --

2 MR. ZUNIGA: No. Just as a way of  
3 schedule on the floor?

4 MR. SKOWRONSKI: Scheduling,  
5 correct. The areas that need to be covered on  
6 the property.

7 MR. ZUNIGA: Yup.

8 MR. SKOWRONSKI: So, what we would  
9 run into though is potentially if you end up  
10 having -- of that limited number of staff that's  
11 actually working on the floor, if one or two of  
12 them ends up calling out, just, on average, we  
13 end up having anywhere from 10 to 15, maybe  
14 upwards of 20% call-outs in that type of  
15 environment.

16 MR. ZUNIGA: Mm-hmm.

17 MR. SKOWRONSKI: So, if they all end  
18 up focusing in that one area on that day. So, if  
19 in that position, of the four people you may have  
20 working on that shift, if two of them call out,  
21 now I don't have the surplus staff from the  
22 property to easily cover that shift to make up  
23 for it.

1                   MR. ZUNIGA: Unless you registered a  
2 good portion of those other people.

3                   MR. SKOWRONSKI: Correct.

4                   MR. ZUNIGA: In other words, if you  
5 had, in my hypothetical scenario, of 35, five,  
6 let's say, are covering the floor, you registered  
7 10 or 20 and we still can exempt the other 15.

8                   Isn't that at least a possibility?

9                   MR. SKOWRONSKI: That is a  
10 possibility, yes.

11                  MS. MURREN: Commissioner, it is a  
12 possibility, but to Greg's point, should that  
13 registered population call out one day we have  
14 the challenge of not being able to put someone on  
15 the casino floor to clean those zones.

16                  So, I agree that we could do, you  
17 know, half registered, but it's all about who is  
18 calling out, which we don't control.

19                  So, the ones that are registered, if  
20 they're the ones that are calling out and the  
21 ones that are scheduled, then Greg has no ability  
22 to shift bodies or head count to a place that  
23 does require that license.

1                   MR. ZUNIGA: No. No, I understand  
2 the pooling effect here, but I'm still trying to  
3 push the idea that, you know, you wouldn't just  
4 have four people with one reserve. You would  
5 have four people with however many, ten, let's  
6 say, so that you don't find yourself in that  
7 environment. But you're not necessarily  
8 registering the balance of the ten, the other --  
9 in other words, finding a middle ground if  
10 possible.

11                   It's at least possible, right?

12                   MS. MURREN: Right.

13                   MS. CAMERON: The other point that I  
14 think is important is our registration process is  
15 not onerous. And I think it's very different  
16 than dealing with a law-enforcement agency than a  
17 registration process.

18                   I think we've worked really hard to  
19 make people feel comfortable to be helpful. So,  
20 I think if, you know, the word kind of gets out  
21 that, look, I went through the process. They  
22 treated me respectfully and it wasn't that  
23 difficult. They answered my questions. And I

1 know you're doing the same thing with employees,  
2 helping them through the process. I think that  
3 can go a long way to to, you know, folks that  
4 won't even engage in the process because of  
5 they're kind of afraid of how they'll be treated  
6 or, you know, what the real restrictions are.

7 So, I think that's another thing  
8 that we really do pay attention to is the  
9 process, making it quicker and user-friendly.

10 MS. JUDD: Commissioner, if I may,  
11 regarding that. The stigmatism of being  
12 fingerprinted when you have done -- the trauma of  
13 getting fingerprinted when you've committed a  
14 crime and all that ensues, and then when you are  
15 triggered by having the thought process of even  
16 being fingerprinted again, I can't even tell you  
17 the anxiety that that creates.

18 Actually, regardless of how we're  
19 soothing them or not, I just want to make the  
20 commissioners aware that it's still a trigger for  
21 anyone that has gone through the process, even to  
22 the point where you hear a siren. And I can --  
23 and, anecdotally, I have a lot of staff who

1 are -- have been in prison. And one particular  
2 one is a lifer.

3 And he -- by all accounts, and aside  
4 from the criminal justice, but streets say, no,  
5 he did not commit the crime. But multiple times  
6 his license plate is ran. Every time that the  
7 police see it he is ran because they want to  
8 see -- you know, they keep tabs on him.

9 And, so, when he goes to parole, and  
10 parole says, you know, your license is being ran.  
11 And he, you know, I'm working for Roca. I'm  
12 doing X, Y, Z. This shouldn't happen. So, it  
13 puts him in a spin.

14 So, I just want to let you all know  
15 that I do understand you, Commissioner Cameron,  
16 and I totally get it. But I was not apart of the  
17 criminal justice system and I've never been  
18 fingerprinted in that regard. But I do know  
19 triggering someone who has a trauma like that  
20 does -- has an adverse effect.

21 MR. CROSBY: Commissioner Stebbins.

22 MR. STEBBINS: Sure. And I did want  
23 to -- I think, you know, the folks from Roca and

1 folks from New England Farm Workers, just point  
2 out to my colleagues that we had several emails  
3 that came in from some other folks in the  
4 community. Some of these last night. One was  
5 emailed to me and said to Mr. Chairman. I can  
6 assure the chairman I'm not staging any type of  
7 uprising.

8 MR. CROSBY: You're running for  
9 office, but not this office.

10 MR. STEBBINS: I don't want your  
11 job.

12 But Reverend Swan, Mr. Kennedy, and  
13 former representative Jordan weighed in.

14 I have a question. And it's for you  
15 Marikate. And one of the issues you raised, and  
16 we've talked about it at nauseam, is this  
17 self-exclusion. So, I'd hope you would think  
18 we're also a partner in that with you and the  
19 City of Springfield in trying to get that message  
20 out, don't self-exclude. You know, come forward  
21 and consider a career, as you remind us, with  
22 MGM.

23 You were heavily involved in

1 workforce development at MGM National Harbor.

2 Maryland has the same restriction  
3 that we do right now as it relates to the porter  
4 positions.

5 Can you share with us the experience  
6 you had in Maryland recruiting for these  
7 positions? Did you approach the Maryland lottery  
8 commission and try to get their help to exempt  
9 these positions as well? I mean, what was the  
10 hurdles in trying to fill these spots?

11 MS. MURREN: Sure. My time at  
12 National Harbor started about five months prior  
13 to opening, landing there full time, more helping  
14 from a talent acquisition and getting people  
15 through the pipeline.

16 What I did experience with the  
17 MLGCA, the gaming commission in Maryland is that  
18 we -- what I did get involved in -- so, I want to  
19 start there first. Was we were finding  
20 individuals that were getting excluded  
21 immediately because they had some owing, whether  
22 from the Department of Revenue for the state.

23 And, so, my conversations with the

1 vice president at the time, Logan Gasgill is, can  
2 we have a conversation with the MLGCA and set up  
3 payment plans for these individuals because it's  
4 more important to get people jobs so that those  
5 payments can happen.

6 And, so, that's where I started  
7 commissioner, right there. And the MLGCA was  
8 wonderful. They started setting up those payment  
9 plans.

10 And, so, the huge win here is it's  
11 already been done by the Department of Revenue  
12 here for the Commonwealth, which is wonderful.

13 So, we've kind of, with Paul's help  
14 and all the staff, I've kind of knocked that one  
15 off.

16 I was not part, commissioner, of all  
17 the conversations earlier. So I don't have  
18 information of how, if they were having any of  
19 those conversations. Those are really based on  
20 regulations with the -- and Seth can answer that.  
21 They were already in process and operating.

22 MR. STRATTON: Yeah. And if I  
23 could, briefly. I think to get to your question,

1 Commissioner Stebbins. Those markets are  
2 different. I mean, they're existing  
3 jurisdictions, mature jurisdictions with other  
4 facilities. And folks who are in the industry  
5 are ready.

6 They're also, you know, you're  
7 talking about National Harbor, the DC Metro area,  
8 which I would compare more to Boston and not as  
9 much to Springfield.

10 But the reason we continue to come  
11 here and keep pushing this issue is we continue  
12 to hear over and over again this self-exclusion  
13 concern. Why are people not thinking that they  
14 can, you know, get these positions. And we speak  
15 to a number of people in the community. And a  
16 shorthand way of saying it, we keep hearing from  
17 some folks who you know very well. Springfield  
18 is different. They're not used to this industry,  
19 different mentality. There is more, I think,  
20 hand-holding and support that's required.

21 And, so, I don't think we  
22 experienced in the company National Harbor that  
23 it was -- something like this would impact our

1 ability to find employees and provide opportunity  
2 because of the nature of that more vibrant and,  
3 frankly, probably educated market with more  
4 opportunity.

5           So, it's more of a challenge in  
6 Springfield. And that's why -- I mean, that's  
7 why we continue to push this issue is because we  
8 continue to hear it. And just, you know, I think  
9 the self-exclusion piece is the most compelling  
10 piece here. And I was asking our friends Luis  
11 and Chris, you know, is it -- that's what we're  
12 hearing. Is that a real issue. And they both  
13 validate it. Yes, it is a real issue.

14           And, so, as much as we educate  
15 folks, I think there are those who, irrespective  
16 if they know there is a registration component,  
17 they're still going to self-select out. And, so,  
18 that's what we're trying to do?

19           MR. CROSBY: It's not just the  
20 self-selection, also. If they register and  
21 they've had a record over ten years they're out  
22 automatically. So, it's not just  
23 self-selection.

1                   MR. STRATTON: That's right. We  
2 have a criminal background check and we apply it.  
3 And there may be folks who apply, and  
4 registration aside, we may determine, based on  
5 our criminal background check that we wouldn't  
6 hire them. So, I think you're right, chairman,  
7 that's one significant piece. But the piece that  
8 we're even more concerned about is the  
9 self-exclusion and the clarity of the messaging  
10 and that's why we continue to really push this.

11                   MR. ZUNIGA: But, Seth, you said --  
12 I'm very sensitive to that self-selection topic.  
13 There's already 800-plus positions where, at  
14 least in theory, that doesn't apply.

15                   MR. STRATTON: Mm-hmm.

16                   MR. ZUNIGA: Don't we have -- we all  
17 collectively have a public relations issue with  
18 this -- with this self-selection effect, one in  
19 which we need to do a lot more communicating or  
20 word of mouth or let's see how this goes and let  
21 people realize, the community, that some people  
22 got hired with whatever background and that  
23 didn't apply and they are starting there.

1                   What about that, concentrate on  
2 those efforts?

3                   I mean, I also wanted to just speak  
4 a little bit to the comments made before.

5                   We have a significant win, in my  
6 opinion. The statute, the way it was written,  
7 was, at least initially, interpreted by some as  
8 everybody had to register and would be probably  
9 automatically disqualified on certain conditions  
10 and now there is all these positions that are  
11 not.

12                  So that -- there is -- we should all  
13 recognize that. But what we're really talking  
14 about here is a marginal number, however many,  
15 you know, more we can put in this category. And  
16 I see slightly independent from the perception  
17 problem that I think we should work towards  
18 relative to this opportunities. There are some  
19 opportunities afforded currently.

20                  MR. STRATTON: I fully agree with  
21 you, commissioner, and we are engaging in that  
22 and collaborating with Jill on your team and some  
23 messaging. We've got to get that message out

1 there and we've started already.

2           But I think on the 800 positions,  
3 and one of the critical points in why we continue  
4 to push these two positions, which represent  
5 150ish jobs in two positions alone are, of that  
6 800, there are a lot of positions that were  
7 carved out because of the nature of the job,  
8 they're retail jobs that are marketing. And this  
9 is less impactful to those.

10           The broad categories were, I  
11 think -- and Marikate could speak to this. Where  
12 it's really impactful are really a few. It's  
13 kitchen workers, it's hotel room attendants, and  
14 EVS porters are one of the largest groups of  
15 these categories that folks who really need the  
16 opportunity, who are challenged by this  
17 self-exclusion process can get a foothold in a  
18 steppingstone position.

19           So, there are a few high-volume,  
20 low-skill, entry-level positions that represent  
21 steppingstones. These two positions are two of  
22 the critical ones.

23           In addition to some of the ones

1 we've already covered. But to compare, I think,  
2 the 150 of these to the 800 you really need to  
3 carve out, I think, a lot of the 800 as, it's  
4 great, we did it. But some of those are, you  
5 know, a manager of marketing, for instance. It's  
6 not the same issue that we're talking about here.

7 MR. ZUNIGA: Fair enough.

8 MR. STEBBINS: Are these -- all your  
9 positions are now posted, right?

10 MS. MURREN: Correct.

11 MR. STEBBINS: Everybody including  
12 these?

13 MS. MURREN: Correct.

14 MR. STEBBINS: Okay. And I know  
15 they haven't all been out for a long time, but do  
16 you have an initial read on kind of what the  
17 interest is in these positions? What kind of  
18 people have come forward saying, yes, casino  
19 porter, utility porter?

20 MS. MURREN: So, we launched on  
21 April 1st. And today is the 14th, is that right?  
22 So, we've had, in addition, about 8900 additional  
23 applications. And, so, people are funneling into

1 these, for sure, commissioner.

2 MR. STEBBINS: Okay.

3 MS. MURREN: We haven't done a deep  
4 dive because this population will go into an  
5 invited mass hiring event in June. We're  
6 concentrating a little bit more on that May  
7 event, which is more cage cashiers and security,  
8 but people are funneling in.

9 We do -- I am a little bit surprised  
10 that we don't have more. We're concentrating on  
11 our communications on TV, radio, billboards, all  
12 of that. Because, initially, I said in February  
13 we were on track to get those same numbers as  
14 National Harbor. And that was based on the  
15 number of applications. We are getting almost 43  
16 to one on some of the positions. And, so, we're  
17 constantly tracking that. I just don't have the  
18 numbers today for you.

19 MR. STEBBINS: Okay. My only other  
20 question is, Marikate, you talked about your  
21 experience in Maryland. We talked about Michigan  
22 being another jurisdiction, which kind of has  
23 this same registration requirement.

1 I've been out to Detroit. I've also  
2 lived in Springfield. I think if you're a  
3 resident of Springfield you sometimes say, wow,  
4 at least it's not as bad as Detroit. I hope  
5 nobody in the room is from Michigan, but.

6 Seth, to the degree you might be  
7 aware, have your colleagues and counterparts in  
8 Michigan ever -- also, again, same kind of  
9 question. Approach Michigan regulators to try to  
10 address this matter as well?

11 MR. STRATTON: Yeah. I don't think  
12 in Michigan that they have. They've dealt with  
13 it. I think -- you know, I had -- knowing that  
14 this jurisdictional-comparison question would  
15 arise, you know, I spoke at length with Pat  
16 Madam, (phonetic) who is very familiar with our  
17 different jurisdictions. I believe all of you  
18 have met.

19 I said, you know, what is the real  
20 response here. And it's -- I mean, in essence,  
21 the response is, as Pat lightly characterized it,  
22 he said, this requirement is an artifact of  
23 antiquated licensing model. And that Michigan

1 has adopted. You know, Massachusetts has the  
2 opportunity starting off to be more progressive.  
3 If you -- yes, these other jurisdictions do  
4 require this and I think -- and I don't know  
5 whether there have been conversations with the  
6 other regulators, but some of those regulators I  
7 would believe would say, you know, it's not  
8 really necessary. We do it because that's our  
9 rule, but we don't see a huge value. It's just  
10 the rules we've had for a long time.

11           And that's a little bit of what my  
12 concern is with the approach of, well, let's wait  
13 and see is that we have the opportunity now and  
14 we're doing the hiring. And I fear that if we  
15 don't do it now that we'll be the next comparison  
16 to the next jurisdiction that says, well,  
17 Massachusetts does it and they're okay so why  
18 don't we follow that model.

19           MS. CAMERON: But we've already  
20 demonstrated that we're willing to listen. We're  
21 willing to assess, and we will -- part of our --  
22 part of what we do is to continually assess and  
23 make changes. IEB has done that, you know, to an

1    amazing degree in a short period of time.  Said,  
2    okay, we've had a chance to look at this.

3                    So, I don't know that that's fair to  
4    say that you think we'll be like others and say  
5    that's the rule and that's what it will be  
6    forever.

7                    MR. STRATTON:  Yeah.  And that is a  
8    fair comment.  I -- your staff, especially Karen  
9    and Paul, have been phenomenal to deal with on  
10   this issue.  In fact, inviting us, even though we  
11   disagreed to come and present.

12                   The interaction on this issue has  
13   been nothing short of amazingly collaborative and  
14   considerate.  So, I have no doubt that that would  
15   continue.

16                   But that is, I think, the  
17   jurisdictions you referenced, especially Maryland  
18   is a progressive jurisdiction, which doesn't  
19   have, I would say, a very progressive rule on  
20   this piece.

21                   But your comments are fair,  
22   commissioner.

23                   MR. STEBBINS:  I dare to say I like

1 being called a progressive. That's a little  
2 unusual for me.

3 But let me just -- I just have one  
4 more question.

5 So, we came up in reviewing all of  
6 these positions, including the ones we've already  
7 exempted based on these eight guidelines.

8 Is it fair to say that, you know, we  
9 have the right to express some concern that, you  
10 know, two of those criteria are met when we  
11 consider these utility and casino porter,  
12 primarily work performed on the gaming floor and  
13 then access to secured casino back-of-the-house  
14 areas without a security escort?

15 MR. STRATTON: Well, do they have  
16 access to secured back of house areas? I mean,  
17 the back of the house is secured in that it's  
18 only available to employees, but they don't have  
19 access to restricted areas unescorted?

20 MR. SKOWRONSKI: No.

21 MR. STRATTON: Correct.

22 So, I think the only factor -- and  
23 apologies if our form didn't indicate that

1 properly.

2 I think the access to the gaming  
3 floor is the primary one. And our position would  
4 be that, at least the spirit of that is not  
5 passing access, but significant, substantial, and  
6 primary access.

7 And when you look at the positions  
8 as a whole verses the whole property and the  
9 percentage of time, it's a -- there is access,  
10 but it's not primary to the job function.  
11 Frankly, anyone has access. A retail employee  
12 could walk through the casino floor and spend  
13 time on the casino floor almost as much as a  
14 casino porter.

15 So, I mean, there is no more access  
16 really than the general public or any of our  
17 other employees.

18 MR. ZUNIGA: The position that you  
19 made early on is about affecting the integrity of  
20 gaming. If you were handling chips or cards or  
21 credit for customers, and these people would not  
22 be doing any of that.

23 MR. CROSBY: Commissioner O'Brien,

1 anything?

2 MS. O'BRIEN: I've read the  
3 materials and I've listened to everything. I can  
4 see the merit of the request, but I'm in  
5 agreement with what Commissioner Cameron said,  
6 which is, to me, at this stage where the line is  
7 the integrity of the floor.

8 And then, to her point, there is the  
9 opportunity to see how this all plays out,  
10 whether, in fact, there is greater merit in the  
11 reality of the application to Springfield to  
12 revisit the issue.

13 MR. STEBBINS: Mr. Chair, I would be  
14 happy to suggest -- I'd be willing to say, you  
15 know, we should, at this point, accept the  
16 recommendation of staff --

17 MR. CROSBY: Could I interrupt  
18 because I didn't get a chance to speak to this  
19 yet.

20 It seemed to me that what  
21 Commissioner Zuniga started talking about with  
22 MGM, there was a very straight-forward middle  
23 ground that might have a slight negative

1 imposition on your administration, but that would  
2 accomplish the objectives that Commissioner  
3 Cameron and Commissioner O'Brien are speaking to,  
4 which is honoring this criteria. But also  
5 maximize the opportunity for folks to have a shot  
6 at a career.

7           And that would be for you to take  
8 the rough numbers, if I got these numbers right.  
9 There are about 30 porters at a time, five of  
10 them, about, are targeted at the casino area.  
11 Register the ones targeted at the casino area,  
12 and X more. For the sake of discussion, five.  
13 So, if people on the casino floor don't show up  
14 one day there are five others who are available  
15 to be assigned there.

16           And I would even say -- and people  
17 may disagree with me on this. But I would even  
18 say that in the occasional event when there  
19 wasn't an alternative person who had been  
20 registered, you take somebody who hasn't been  
21 registered. The likelihood that one or two or  
22 three every month or two or whatever, you know,  
23 is going to create a problem is, I think,

1 virtually nonexistent. And maybe you have to  
2 keep a record, let us know, yes, we had to put a  
3 nonregistered person on the floor on Wednesday  
4 afternoon at 2:00.

5 But I would think it would be a  
6 little bit of administrative burden on you. But  
7 it would be the commission trying to go halfway  
8 and you taking this halfway step and honor this  
9 principle, at least for starters. But open up,  
10 say, to 60% of the -- 60 to 75% of the 850 jobs,  
11 the opportunity to work.

12 MR. ZUNIGA: Yeah, to that effect --

13 MR. CROSBY: Let them chat for a  
14 minute.

15 MR. STRATTON: Sorry. We're just  
16 whispering to one another about the feasibility.

17 MR. BEDROSIAN: So, to appoint,  
18 while you guys -- I'm giving you a time-out here  
19 to confer.

20 To your point, Commissioner Zuniga,  
21 about the PR. We, as recently as Tuesday,  
22 updated our frequently asked questions to reflect  
23 the exempt issue. We agree that it's incredibly

1 important, not only to get the message out about  
2 those jobs that have been exempted and those  
3 opportunities that they represent, but also about  
4 the registration licensing process itself.

5           Again, you know, at the risk of  
6 sounding tone deaf to the concerns that Chris  
7 raised, which I completely understand. You know,  
8 from our perspective we think they're as  
9 reasonable as we can make them; particularly,  
10 given the clear outline that the statute asks  
11 for.

12           And I think, as -- I can't remember  
13 who mentioned. I think Seth may have mentioned  
14 it. But in terms of the number that were  
15 exempted verses the number that have -- these  
16 120, 130, however many there are, that aren't  
17 exempted. That they're really not the same  
18 thing. It's apples and oranges. And I  
19 understand that.

20           But I'd also say that they are  
21 different, too, in that from a risk-based  
22 perspective the one thing that we looked at first  
23 when we did the analysis was work on the floor.

1 That is really important to us. I think it's  
2 important across the commission. It's not only  
3 from a licensing perspective, but from an  
4 enforcement perspective. You know, for the  
5 gaming agents to understand that those people  
6 that they see in those most critical areas are  
7 ones that have come through, are known to us and  
8 come through the process, et cetera.

9           So, I know you guys are talking  
10 about, perhaps, some kind of interim solution.  
11 I'd turn it over to you to present that, if you  
12 would.

13           MR. STRATTON: Yeah. It's resonated  
14 with me as you were saying it, chairman, and  
15 Commissioner Zuniga as a solution. And that's,  
16 you know -- the operational folks always hate  
17 when they're with folks who have, like, good  
18 ideas but don't know how to operate. And I don't  
19 want to put Greg on the spot, but it would be  
20 much more challenging than it sounds to do what  
21 you've suggested. There are several reasons.  
22 One of them is just a shift-bidding process.  
23 Differentiating between levels of employees

1 creates potentially different levels of employees  
2 and, you know, ramifications potentially.

3           There is more challenge -- and I  
4 don't know if I hit the big ones. But I think  
5 there is one other one that you mentioned.

6           MR. SKOWRONSKI: Thank you. Again,  
7 I think there is opportunity to do so. It's  
8 really just the overall managing of that process.

9           And, as we stated earlier, this is  
10 an introductory type of a position, not only just  
11 for the hourly staff that's working on the  
12 floors, but also for the supervisory staff that  
13 would be managing this team.

14           So, to try and put that  
15 responsibility on them to be making sure that we  
16 are following the right protocols as far as who  
17 is going onto the casino floor, et cetera, I  
18 would have some concern. Just at the fact that  
19 you'd want to make sure that we are adhering to  
20 it as strictly as possible. And with them being  
21 an entry-level position I would just have some  
22 concern with putting that on them.

23           MR. ZUNIGA: And is that concern

1 enough for you to then say, let's say your  
2 request was not agreed upon, then you would go to  
3 not try to do the partial idea that we were  
4 talking about, the deployment? Is it enough of a  
5 burden that you say, well, we're better off just  
6 registering everybody? Or you can get back to us  
7 if you need to.

8 MR. STRATTON: Yeah. I mean, I  
9 think what we can do is commit to look at it, but  
10 I think, based on both what Greg told me and his  
11 body language, I think from an operational  
12 standpoint the answer is we probably would not at  
13 this stage, especially as we're moving toward  
14 opening and have all the other items we're trying  
15 to do to try to restructure the work flow and the  
16 positions would be a challenge for us.

17 We're going to -- again, we will  
18 commit to look at it. And if we're not  
19 successful in this request we'd revisit it, but  
20 I'm concerned that maybe, at least in the near  
21 term, the end of it for us based on some of the  
22 challenges.

23 MR. STEBBINS: Is it fair to suggest

1 that we could lay this decision aside for the  
2 time being if you felt there was an opportunity  
3 to kind of go back and revisit this? Obviously,  
4 you're gearing up for opening. We're gearing up  
5 for our opening of our first class one casino  
6 licensee.

7 I don't think there's any  
8 disagreement that we're willing to come back in a  
9 period of time and kind of review this after  
10 we've gotten a little bit of experience under our  
11 belt, unless we can find a solution to this.

12 Is that a fair position to take at  
13 this point?

14 MR. STRATTON: I would ask -- I  
15 would respectfully ask for, I think, some clarity  
16 from the commission. I think -- and we've been  
17 cooperating with staff, I think, both on this  
18 particular issue.

19 At this stage where we are, our  
20 request would be that we just have some clarity  
21 on will these or will these not be exempted as  
22 is. And if the answer is yes, great. And if the  
23 answer is no, then I think we can potentially go

1 back to the drawing board and do some analysis on  
2 the burden and timing and all of that and  
3 potentially come back with another request in the  
4 future.

5 But I do think we need some clarity.  
6 And I'd request that we try to get that clarity  
7 today, respectfully.

8 MR. ZUNIGA: Well, I may be the only  
9 one on the fence of sorts. I'm very sensitive to  
10 this topic. I do recognize that the category and  
11 type of work is really critical as the  
12 steppingstone. I'm persuaded by your arguments  
13 in terms of trying to schedule. And even though  
14 I'm pushing towards the middle ground, if we have  
15 to go one way, I'd go in the way of allowing this  
16 to be exempted. I fear that I'm in the minority  
17 here.

18 MR. CROSBY: I would, too. I mean,  
19 this is one of these issues that are very gray.  
20 Everybody is here totally with a matter of good  
21 faith. I know that our folks, the IEB have  
22 wrestled with this themselves.

23 I've always felt more open to

1 exemptions than others, but I've also felt like  
2 we have to try and find a middle ground here and  
3 try, in general, to find that middle ground.

4 I do actually think, if I were  
5 weighing out the equities here and the risk  
6 verses the equities I think I would go also to  
7 exempting the whole category.

8 I like the idea of the compromise,  
9 if we could get it. But I think if we couldn't I  
10 would go for the exemption, too.

11 So I guess we're asking Commissioner  
12 Stebbins what his --

13 MR. STEBBINS: Exactly where I  
14 wanted to be.

15 You know, I appreciate all the work  
16 that's been done, both between our licensee and  
17 our team. You know, at this point I guess I'm  
18 going to fall to the case of expressing a little  
19 more caution than maybe we might find ourselves  
20 in a period of time after you open.

21 So, you know, I think I'm prepared  
22 to accept the recommendations of the staff;  
23 however, as one Commissioner I would commit to

1 you that I'd be willing to come back and review  
2 this at a time frame we can all agree upon. You  
3 know, six months after opening, a year after  
4 opening.

5 We know that there will still be a  
6 need for employment opportunities for people in  
7 that immediate year. We know there is high  
8 turn-over. We know it's going to create new  
9 opportunities for folks.

10 On a separate topic, to the degree  
11 that we're going to be out in Springfield at the  
12 end of this month, I'd really like to find an  
13 opportunity for us to work with you, work with  
14 our communication staff to figure out how we can  
15 once and for all try to put a dent in this  
16 self-exclusion mentality that, you know,  
17 residents in Western Mass are finding themselves  
18 in.

19 I don't know what the solution to  
20 that is, but we've been banging the drum forever.  
21 And in advance of some of your mass hiring events  
22 I think we need to blow the band wide open and  
23 really put that message out there. That, you

1 know, it may not be these 120 jobs, but it's the  
2 other 800 that are out there that we want people  
3 to kind of get back into the game and think about  
4 persuading, so.

5 MR. CROSBY: I'd certainly agree  
6 with that.

7 And some of your compatriots on the  
8 coalition that you had put together to help pass  
9 the legislative amendment that are here in Boston  
10 area have been pushing for a messaging change,  
11 too. And we sort of said, wait, we've got to  
12 resolve this issue. But now that this looks like  
13 it will be resolved, at least for the time being,  
14 we will also try to jump into this messaging  
15 debate further ourselves.

16 But we need a motion on the proposal  
17 from the staff.

18 MS. CAMERON: Yeah. Mr. Chair, I  
19 move that we accept the recommendation of staff  
20 and that the two categories of porters will, at  
21 this time, be required to be registered?

22 MR. STEBBINS: Second.

23 MR. CROSBY: Further discussion?

1 All in favor?

2 MS. CAMERON: I.

3 MS. O'BRIEN: I.

4 MR. STEBBINS: I.

5 MR. CROSBY: opposed?

6 MR. ZUNIGA: I.

7 MR. CROSBY: I.

8 So, it's 3 to 2. Commissioners  
9 Stebbins, Cameron, and O'Brien in favor and  
10 Zuniga and Crosby opposed.

11 Okay. Thank you.

12 MR. STRATTON: Thank you for your  
13 time and the discussion. We appreciate it.

14 MS. MURREN: Thank you.

15 MR. CROSBY: All right. Next up is  
16 general counsel Blue. It's now noon. We have  
17 quite a bit more to go. We could take a lunch  
18 break now or if there are people -- I see there  
19 are racing people here. Would we go out of order  
20 and do the racing folks so they can go home.

21 What makes --

22 MR. BEDROSIAN: I think that's been  
23 our -- I think that's sort of been our policy

1 that if we can accommodate our guests we would do  
2 that. Then we can get the staff stuff after  
3 that.

4 MR. CROSBY: Right. So, why don't  
5 we go to Item 6, the racing division. We can  
6 probably take a lunch break after that.

7 Mike, I just got a text from  
8 somebody who's watching the show -- the show.  
9 Watching the meeting saying that the volume from  
10 the commissioners mics is very low and it's hard  
11 to hear the commissioners, but then if you turn  
12 the volume up then when the staff speaks it's  
13 really loud.

14 MR. MIKE: I can see what I can do.

15 MR. CROSBY: Okay. Thank you.  
16 Real-time adjustments. I like that.

17 All right.

18 MS. LIGHTBROWN: Good morning,  
19 commissioners. First item on the agenda is the  
20 request by the Standardbred owners of  
21 Massachusetts to be recognized as the group that  
22 represents the breeders of Massachusetts.

23 Today I have Ed Nowak with us. He

1 has a little slide show to show you. And I'll  
2 turn it over to Ed.

3 MS. CAMERON: Could I -- before we  
4 do that, could you, Dr. Lightbrown, for our new  
5 commissioner who has not had any experience with  
6 racing, just explain a little bit about this  
7 procedure, just the fact that this has to happen  
8 every year and --

9 MS. LIGHTBROWN: Right. This is  
10 part of the statute. 128, section 2(j) where we  
11 have to recognize a group of breeders every year.  
12 Somehow the thoroughbred breeders got their name  
13 actually in the legislation so we don't have to  
14 approve them each year, but the standardbreds we  
15 do.

16 So, this is something we do every  
17 year. This group has been in existence since  
18 1992. And it's been doing a great job. And Ed  
19 will be able to show you some of the increases  
20 that we've had; mainly, due to the racehorse  
21 development fund money coming in. So, this is  
22 kind of a standard operating procedure.

23 Ed.

1                   MR. NOWAK: Good afternoon,  
2 commissioners. It's good to be back and welcome  
3 Commissioner O'Brien. I am Ed Nowak. I'm  
4 President of the Standardbred Owners of  
5 Massachusetts, which we will refer to as SOM  
6 going forward.

7                   I do come here annually to ask and  
8 request a reappointment as the organization that  
9 we manage the breeding of standardbred racehorses  
10 in the Commonwealth and we manage the racing of  
11 two and three year old standardbreds in a sire  
12 stakes program. That's our responsibility.

13                  If I could have my first slide.  
14 Thank you. This is a map that shows where in the  
15 Commonwealth we have Standardbred farms or farms  
16 that are standing, broodmares, who are going to  
17 foal this year. There are 30 farms across the  
18 state, which is pretty good. And we have 111 in  
19 2017 mares who are going to foal this year. That  
20 is compared to the year before Plainridge opened,  
21 40 mares. So, people are getting the message.

22                  And we are -- the rule here is that  
23 these mares have to be in the state prior to

1 December 1st of the year that they were bred.  
2 So, we get mares coming in from out of state. We  
3 get mares that live in the state, but the  
4 Department of Agriculture goes to each one of  
5 these farms and checks to be sure that the mares  
6 that we say are here are here by December 1st.  
7 So, that's the rules in the regulation.

8 Next slide, please.

9 I believe it was Commissioner  
10 Stebbins last year who asked me, where do we  
11 stand. Where does Massachusetts stand in the  
12 great realm of things within the states and the  
13 organizations that have sire stakes racing? How  
14 much money are we paying out?

15 And doing some research with the  
16 United -- USTA, United States Trotting  
17 Association, we came up with this form, which  
18 shows there are 24 states and Canadian provinces  
19 that have sire stakes programs.

20 We are number 12. This year we  
21 raced for 1.4 million dollars in our sire stakes  
22 program, which was -- three years ago we raced  
23 for 200,000. So, to say that we made great steps

1 is being very -- not being very aggressive here.

2 But you'll notice -- I just want to  
3 point out. If you look at the top three states,  
4 New York, Ohio, and Pennsylvania are in the 16  
5 million dollar range. Say, well, why is that and  
6 we're at 1.4.

7 These states have considerably more  
8 than one racetrack. You know, New Jersey has at  
9 least two that I'm aware of. And New York has  
10 four -- six or seven, I believe. And  
11 Pennsylvania has more than that.

12 The state of Maine, which raced for  
13 1.9 million -- 1.8 million. Races at 10 fairs up  
14 and down the state during the summer. As well as  
15 Scarborough Downs and Bangor Raceway.

16 We have one racetrack in  
17 Plainridge -- Plainfield, Massachusetts. So, the  
18 other thing is that when the two category one  
19 casinos come on-line this number is going to  
20 increase considerably with the percentage that  
21 they will be putting into the racehorse  
22 development fund. So, we're very optimistic that  
23 this is going to grow and we should be climbing

1 up that ladder in the next couple years.

2 MS. CAMERON: Mr. Nowak, were we in  
3 the bottom three when we started this?

4 MR. NOWAK: Yes.

5 MS. CAMERON: I thought so.

6 So, now, we're right in the middle  
7 of the pack.

8 MR. NOWAK: Yup.

9 MS. CAMERON: Any unintended  
10 consequences around a lot more money going into  
11 the fund?

12 MR. NOWAK: In terms of?

13 MS. CAMERON: In terms of shipments.  
14 Are you concerned at all?

15 MR. NOWAK: Actually, major concern  
16 is finding enough stalls for them.

17 MS. CAMERON: Okay.

18 MR. NOWAK: And, you know, what will  
19 start happening is we've seen already where farms  
20 are adding stalls and they're adding onto their  
21 barns.

22 One of the things that we're looking  
23 at is how long do these broodmares stay in the

1 state after they've shipped in, after they've had  
2 their foal. Because that's very important to the  
3 owners of these farms and their managers.

4           So, rather than us as a board say we  
5 think, you know, it's going to be 120 days or  
6 it's going to be 90 days or whatever, we're in  
7 the process of putting together a survey of these  
8 30 farms to get their input as to what they feel  
9 they really need to make it profitable for them  
10 to board these horses and have foal watches 24  
11 hours a day and that sort of thing.

12           So, we think that -- because what we  
13 don't want to do is say, okay, you guys are going  
14 to have to keep these horses for at least 120  
15 days. We don't know who's going to check on  
16 that, to be sure that they're there for 120 days.

17           And we also don't want somebody  
18 coming to us, a farm owner saying, gee, I wish  
19 you asked me about this before you made this  
20 regulation because I have some other ideas.

21           So, we want to give everybody an  
22 opportunity to give us their ideas and then do  
23 what is right, not only for the farms, but for

1 the breeders who are going to ship their horses  
2 in.

3 MS. CAMERON: And some of the farms  
4 that were only thoroughbred in the past are now  
5 kind of expanding their --

6 MR. NOWAK: Yes, they are. In  
7 Rehoboth, particularly.

8 MS. CAMERON: We know who that is.

9 MR. NOWAK: Yes.

10 MS. CAMERON: Thank you.

11 MR. NOWAK: Particularly with horses  
12 coming in from the State of Maine because we have  
13 a cooperative agreement where we can race our  
14 Mass bred in Maine if they were actually bred in  
15 the State of Maine. It's called the Domicile  
16 Mare program. Where I can ship my mare to Saco,  
17 Maine and have her bred and then bring her back  
18 into the state by December 1st of that year and  
19 she becomes eligible both for the Mass sire  
20 stakes and for the Maine sire stakes.

21 So, that's a great program which we  
22 do a lot of work in.

23 MR. ZUNIGA: Can I mention one

1 thing, Mr. Nowak?

2 MR. NOWAK: Sure.

3 MR. ZUNIGA: You mentioned with the  
4 category ones the revenue will increase. And  
5 that is probably going to be the case, but not  
6 directly proportional.

7 For every dollar that -- because  
8 there will be a recapture of MGM, for example,  
9 that might come from current language operations.  
10 And every dollar that we lose that language costs  
11 the racehorse development fund 9 cents and if  
12 it's captured by MGM it's only at two and a  
13 half.

14 MR. NOWAK: Correct.

15 MR. ZUNIGA: But it's a great story.  
16 And I just didn't want to let you on the notion  
17 that it will increase proportionately.

18 MR. NOWAK: That percentage from the  
19 two category one casinos will be from different  
20 sources, you know, not just slot machines.

21 MR. ZUNIGA: That's correct .

22 MR. NOWAK: Yeah. We're excited.

23 And, next slide.

1                   One of the things we did this year  
2 was a total redesign of our website and this is a  
3 screen grab of our home page.

4                   And every piece of information  
5 anybody could want is on that website. And it's  
6 user friendly. And all of the forms that they  
7 need to register their horses and the dates and  
8 the purses. Everything they need is on that.

9                   What's great about it, too, is we  
10 don't need a web master to manage this thing. We  
11 can do it ourselves. So, it's been great.

12                   MS. CAMERON: Looks nice.

13                   MR. NOWAK: Thank you.

14                   Next slide.

15                   We've been doing some promotion of  
16 our own around the country, actually, of our sire  
17 stakes program. This is a half page ad that is  
18 run in Hoof Beats magazine, which is official  
19 publication of the U.S. Trotting Association  
20 encouraging people to bring their mares into the  
21 state.

22                   We also put up posters down in  
23 Harrisburg, which has a big two-week sale every

1 November telling people about the purses that are  
2 going up and the benefit of bringing a horse into  
3 the state.

4 So, this is an example of one of the  
5 ads that we've run.

6 Next.

7 Dan Patch award. Dan Patch was the  
8 standardbred equivalent of secretary. So, there  
9 is an award evening every year. I believe it's  
10 in Atlanta. We ran this ad in their program.  
11 This is where they give all the awards for the  
12 year for the standardbred horses.

13 And one of the lines we're using now  
14 is that it's the fastest growing statebred  
15 program in America. We think people should know  
16 that. We believe it is and we haven't seen  
17 anything that is growing as quickly as ours is.

18 Next.

19 One of the things we also did was  
20 retained a gentleman to do some public relations  
21 for us and write articles. This gentleman's name  
22 is Tom Bredarski and he is president of the RS  
23 Racing Writers of America.

1                   And this is a typical article that  
2 appeared reporting our sire stakes program this  
3 year that ran on the USTA website.

4                   And he also is getting articles for  
5 us and hopefully it's in other racing  
6 publications. And it's a very economical way to  
7 do this to get the word out.

8                   Okay. That's the last slide. I  
9 just want to briefly mention there is a couple  
10 things we want to do this year. One is to -- you  
11 may remember. A couple years ago we did a video  
12 that was very professionally done and quoted  
13 great owners and why it makes sense to race in  
14 Massachusetts. And we want to bring that up to  
15 date. We're going to do that this year. And I  
16 mentioned the owner survey.

17                   Yeah, we're pretty active. We're  
18 growing. All the things we had hoped were going  
19 to happen three and four years ago are happening.

20                   MS. CAMERON: It really is a good  
21 story.

22                   MR. CROSBY: Sure is.

23                   MS. CAMERON: So, Mr. Chair, I'd

1 like to recommend that the Commission approve the  
2 request to the Standardbred Owners of  
3 Massachusetts, Inc., to be recognized as the  
4 group of representatives -- as the group to  
5 represent standardbred breeders to administer the  
6 Massachusetts standardbred breeding program and  
7 the sire stakes races for 2018.

8 MR. CROSBY: Second?

9 MR. ZUNIGA: Second.

10 MR. CROSBY: Further discussion?

11 All in favor?

12 ALL: I.

13 MR. CROSBY: Opposed?

14 The Is have it unanimously.

15 MR. NOWAK: Thank you.

16 MS. CAMERON: Nice to see you and

17 I'm really glad it's doing so well.

18 MR. CROSBY: We might suggest to  
19 Mr. O'Toole that he might want to invite our new  
20 commissioner down to try the pace car or see the  
21 site, so forth. It's a great experience.

22 FROM THE FLOOR: Drive a horse.

23 MR. CROSBY: Yeah, drive a horse.

1 MS. CAMERON: Wait a minute. I  
2 didn't get that opportunity.

3 MR. STEBBINS: I haven't done any of  
4 that either.

5 MR. ZUNIGA: I haven't done that.

6 MR. STEBBINS: I also think it's  
7 worthwhile, if you have some time, to go visit  
8 one of the breeding farms with Alex to see -- the  
9 pick up in business that a lot of these farms are  
10 seeing. It's pretty impressive.

11 MS. LIGHTBROWN: So, our next item  
12 is the reimbursement of the 2016 unclaimed  
13 tickets.

14 And for Commissioner O'Brien, when  
15 somebody places a wager at the track they have  
16 from the end of that year, a whole calendar to  
17 cash that. So these are done in arrears.

18 So, for this year we've approving  
19 this in '18 for what happened in 2016. And  
20 previously Doug O'Donnell went out to the tracks  
21 to confirm if there were any uncashed tickets and  
22 went through the tracks with whatever was on cash  
23 and verified it. If there is any patrons that

1 have tickets that they -- that were damaged or  
2 lost or whatever and they put a claim in for  
3 them, if Doug and the track can verify it then we  
4 get that information, too.

5           So, at an earlier meeting in  
6 February, the commission approved the money to be  
7 cashed back to the patrons, and then also  
8 approved from the four different tracks the money  
9 that would go back.

10           So, then the tracks have until the  
11 end of March to get that money into the  
12 Commission.

13           And now, kind of a back and forth.  
14 Now we're at the point where we're asking for the  
15 commission to approve that money going back out.

16           And for the horse tracks that money  
17 goes back into their purse accounts. And for the  
18 greyhounds it goes into the racing stabilization  
19 fund. That was created after greyhound racing  
20 ended. Before, when we had live greyhound  
21 racing, that money also went to purses.

22           The stabilization fund money used to  
23 go out to owners in a program that the

1 legislature set up. That was ended a couple  
2 years ago. Right now there is no method for  
3 getting money out of that program, but it still  
4 goes into that pot on the greyhound end.

5 So, I'll turn it over to Doug.

6 MR. O'DONNELL: So, for the 2016  
7 reimbursement of unclaimed tickets, the total  
8 amounts for the horse tracks that will going back  
9 to the purse accounts, Sterling Suffolk Downs is  
10 217,714.67. Plainridge Racecourse is 174,558.68.  
11 And for the dog tracks that would be going back  
12 to the racing stabilization fund. Wonderland  
13 Greyhound Park will be 20,514.54. And Raynham  
14 Taunton Greyhound will be 168,414.50.

15 And we do need your approval to  
16 reimburse the funds back to the tracks.

17 MR. ZUNIGA: I'm sorry that this is  
18 not necessarily a part of the request, but do we  
19 have a way of knowing how much is in the purse  
20 accounts?

21 MS. LIGHTBROWN: In the racing  
22 stabilization fund?

23 MR. ZUNIGA: No, in Suffolk or

1 Plainridge's current balance of the purse  
2 account.

3 MS. LIGHTBROWN: Well, those are the  
4 fluid numbers right now. I don't think there is  
5 any money in the Suffolk one because at the end  
6 of the week we pay out to the penny what they  
7 need for their purses. And we haven't given them  
8 any Racehorse Development fund money yet this  
9 year. And that's what they're using for their  
10 purse account.

11 For Plainridge. They get their  
12 money on a weekly basis. We sign the money out.  
13 They haven't raced since the end of November.  
14 So, they do have an amount accumulated. And  
15 Steve O'Toole may be able to answer that when he  
16 comes up later.

17 And, obviously, starting next Monday  
18 that purse money is going to start going out.  
19 So, it's a fluid amount. And I'm not sure -- we  
20 do have the numbers of how much is in the  
21 Greyhound Stabilization fund.

22 MR. ZUNIGA: Yeah. No, I was  
23 thinking of Suffolk in particular.

1                   So, it would sit there until the  
2 next race day essentially, right?

3                   MS. LIGHTBROWN: Right.

4                   MR. CROSBY: Any other questions or  
5 comments?

6                   Doug, this is totally unrelated, I'm  
7 sure. But just out of curiosity. On that first  
8 check in the operating statement on Suffolk  
9 Downs. It says something about unclaimed wages,  
10 285,000.

11                  MR. O'DONNELL: Yeah. That was --  
12 and I had spoken to the accountant about this.  
13 That was just listed on this operating account.  
14 It was a 2014 out that they had on this  
15 particular account that they just had listed on  
16 this check because I questioned him about it. He  
17 said it's part of our operating account that was  
18 just on there as a debit and credit.

19                  MR. CROSBY: That's out, but it's  
20 unclaimed wages. I've never heard of unclaimed  
21 wages.

22                  MR. O'DONNELL: It's unclaimed  
23 wages?

1 MR. CROSBY: That's what it says,  
2 yeah.

3 MR. O'DONNELL: It's a typo.  
4 Wagers. It should be an R on there, wagers. So,  
5 it's just a typo.

6 MR. CROSBY: Oh.

7 MR. O'DONNELL: They make mistakes,  
8 too, I guess. Right?

9 MR. CROSBY: I never heard of  
10 anybody not claiming their wages. Okay.

11 MR. ZUNIGA: It's a Boston accent.

12 MR. CROSBY: Okay. Ms. Cameron.

13 MS. CAMERON: Mr. Chair, I move that  
14 we approve the memo, the 2016 reimbursement of  
15 unclaimed tickets for the horse tracks as  
16 outlined in the memo dated April 12, 2018.

17 MR. CROSBY: Second?

18 MR. ZUNIGA: Second.

19 MR. CROSBY: Further discussion?

20 All the in favor?

21 ALL: I.

22 MR. CROSBY: Opposed?

23 The Is have it unanimously.

1 MS. CAMERON: And, secondly, I move  
2 that we approve the 2016 reimbursement of  
3 unclaimed tickets for dog tracks as outlined in a  
4 separate memo on April 12, 2018?

5 MR. CROSBY: Second?

6 MR. ZUNIGA: Which one was that?

7 MS. CAMERON: It's two pages later,  
8 the second memo for the dog tracks.

9 MR. ZUNIGA: Oh, yes. Double-sided.

10 MR. CROSBY: Second?

11 MR. ZUNIGA: Second.

12 MR. CROSBY: Further discussion?

13 All in favor?

14 ALL: I.

15 MR. CROSBY: Opposed?

16 The Is have it unanimously.

17 Next up.

18 MS. LIGHTBROWN: So, the next item  
19 is the local quarterly payments to the different  
20 cities and towns. And, again, this is by statute  
21 for Commissioner O'Brien.

22 And I'll let Doug explain the  
23 amounts for you.

1 MR. O'DONNELL: This is done on a  
2 quarterly basis for six months in arrears. So  
3 the distribution of the local aid for the end of  
4 this quarter, March 31st, would be for handles  
5 July, August, and September of 2017. And it's  
6 for any city or town within where racing takes  
7 place.

8 So, for us, the towns involved are  
9 Boston, Revere, Plainfield, and Raynham. And  
10 it's based on a .35% of the total handle in each  
11 area.

12 And with this quarterly payment, the  
13 total amount being paid is 259,955.01.

14 So, we do need your approval on  
15 this.

16 MR. CROSBY: Is this just the  
17 Plainville and Boston?

18 MR. O'DONNELL: This is from all  
19 four tracks.

20 MR. CROSBY: All four tracks?

21 MR. O'DONNELL: Four locations.

22 MR. STEBBINS: Mr. Chair, I move  
23 that the commission approve the local aid

1 quarterly payment for the period of July, August,  
2 September, 2017, as provided in the packet.

3 MR. CROSBY: Second?

4 MS. CAMERON: Second.

5 MR. CROSBY: Further discussion?

6 All in favor?

7 ALL: I.

8 MR. CROSBY: opposed.

9 The Is have it unanimously.

10 MS. LIGHTBROWN: So, now we're going  
11 to skip to Item E. We have a capital improvement  
12 fund consideration and payment together. So, we  
13 need to do the consideration first and have you  
14 vote before we ask for payment.

15 Again, this is by statute. There is  
16 separate funds, capital improvement and promo  
17 funds that are set up. Certain percentage has to  
18 go into those for each track, and then the tracks  
19 can do their improvements and their promotions  
20 and ask for that money back.

21 We have a firm that's hired to  
22 verify that the work has been done. That was in  
23 your packets. And basically it is the money --

1 it's the tracks money. We just have some say  
2 over how it's spent as far as on those issues.

3 I'll turn it over to Doug to go  
4 through those numbers.

5 MR. O'DONNELL: We collect those  
6 funds throughout our billing process, and we  
7 essentially hold those until they do the work.  
8 It's required or what they're submitting and then  
9 we, in turn, reimburse the funds to them.

10 So, in this instance it's the  
11 request and consideration Suffolk Downs Capital  
12 Improvement Trust Fund. It's project number  
13 2012-12. And the total amount -- it's a purchase  
14 of stonedust and sand to improve the racetrack.  
15 Total amount is 31,534.19. This has been  
16 reviewed and approved by the architectural firm  
17 that we contact with.

18 And we will need your approval on  
19 this amount to move forward. Because what's  
20 going to follow up with this is the request for  
21 reimbursement on this same project, which they  
22 have done the work and the architect has been out  
23 and approved it. So, the work has been done on

1 that.

2 So, actually we could talk about the  
3 request for reimbursement right now as well,  
4 which is project number 2012-12 for \$31,531.19,  
5 which coincides with the consideration, request  
6 and consideration.

7 So, we'll need your approvals on the  
8 RFC and the RFR.

9 MR. CROSBY: Motion?

10 MR. STEBBINS: Mr. Chair, I move the  
11 Commission approve the request for consideration  
12 for the Suffolk Downs Capital Improvement Trust  
13 Fund for Item No. 2012-12 purchase of stonedust  
14 and sand as included in the packet.

15 MS. CAMERON: Second.

16 MR. CROSBY: Further discussion?

17 All in favor?

18 ALL: I.

19 MR. CROSBY: opposed?

20 The Is have it unanimously.

21 MR. STEBBINS: Secondly, Mr.

22 Chairman, I move the commission approve the

23 request for reimbursement for the Suffolk Downs

1 Capital Improvement Trust Fund, again, for item  
2 2012-12, purchase for stonedust and sand for  
3 racetrack as proposed in the packet.

4 MR. CROSBY: Second?

5 MS. CAMERON: Second.

6 MR. CROSBY: Further discussion?

7 All in favor?

8 ALL: I.

9 MR. CROSBY: Opposed?

10 The Is have it unanimously.

11 MR. O'DONNELL: So, next on the  
12 agenda we also have an additional request for  
13 reimbursement from Suffolk Downs. Project No.  
14 2012-11 for a sprinkler repair and control panel  
15 repair totaling \$28,168.15. They were approved  
16 through the RFC. All the necessary documentation  
17 has been submitted and reviewed and approved by  
18 the architect.

19 We will need your approval on this.

20 MR. CROSBY: You said dash 11. It's  
21 actually dash 1 I think.

22 MR. O'DONNELL: Should be dash 11.

23 MS. CAMERON: Where are we?

1 MR. STEBBINS: It's under D. It's  
2 got the little yellow divider.

3 MR. CROSBY: It's under D. Oh, I'm  
4 sore.

5 MS. LIGHTBROWN: Yeah, it's D.

6 MR. CROSBY: There is also 201A-1.

7 MS. LIGHTBROWN: That's  
8 Plainridge's. That should be -- the Suffolk one  
9 should be before that one in your book.

10 MS. CAMERON: After the orange on C.

11 MR. CROSBY: It's all right. I'm  
12 missing my orange page. I can live.

13 MS. CAMERON: Do you want to read  
14 mine?

15 MR. CROSBY: No, I trust you,  
16 Commissioner.

17 MS. CAMERON: All right. Then I'm  
18 going to move that we approve the request for  
19 reimbursement, Suffolk down Capital Improvement  
20 Trust Fund for 2012-11, the sprinkler repair and  
21 control panel repair.

22 MR. CROSBY: Second?

23 MR. STEBBINS: Second.

1 MR. CROSBY: Further discussion?

2 All in favor?

3 ALL: I.

4 MR. CROSBY: Opposed?

5 The Is have it unanimously.

6 MS. LIGHTBROWN: And just for  
7 Commissioner O'Brien, we have Bruce Barnett,  
8 legal counsel for Suffolk Downs is here today  
9 representing them.

10 So, our next item is the Plainridge  
11 request for capital improvement.

12 So, Doug?

13 MR. O'DONNELL: Again, request for  
14 consideration. The architects have been out and  
15 have reviewed the work that's to be completed and  
16 they've looked at the documents that were  
17 submitted. It is for project No. 2018-1,  
18 re-roofing, surveillance system, stall matting,  
19 and stall gates, which would total \$315,543.41.

20 And, again, we will need your  
21 approval on this.

22 MR. CROSBY: Commissioner?

23 MS. CAMERON: Mr. Chair, I move that

1 we approve the request for consideration for  
2 Plainridge Racehorse Capital Improvement Trust  
3 Fund. Number -- or rather letters, HHFITF  
4 2018-1, the roofing, the surveillance, the stall  
5 mats, and the stall gates.

6 MR. CROSBY: Second?

7 Any further discussion?

8 All in favor?

9 ALL: I.

10 MR. CROSBY: Opposed?

11 The Is have it unanimously.

12 MR. ZUNIGA: I actually have a  
13 question. Maybe Mr. O'Toole or Doug.

14 There is a capital improvement plan  
15 that we approved for the casino.

16 Was there any work relative to  
17 racing in that plan? Does anybody remember any  
18 of that?

19 MR. BEDROSIAN: I'm pretty sure it  
20 excluded the racing.

21 MR. ZUNIGA: It excluded the racing.

22 MR. BEDROSIAN: It had to be  
23 attached to the gaming area.

1 MR. ZUNIGA: Okay. Fair enough.

2 MS. LIGHTBROWN: So, our final item  
3 on the agenda is Plainridge's request for waiver  
4 of 205 CMR 3 12(6), the qualifying race  
5 requirement.

6 In Steve O'Toole's letter he does  
7 quote the regulation. And it does say right in  
8 the regulation that the association may request a  
9 waiver of this requirement.

10 Steve O'Toole, the Director of  
11 Racing is here. And, want to go ahead and start?

12 MR. O'TOOLE: So, customarily across  
13 the country 30 days has been the norm and the  
14 rule for horses when they -- they must perform in  
15 a qualifying race if they haven't raced for, say,  
16 three months.

17 So, for the judges. And the  
18 officials wanted to see if those horses are fit.  
19 So, if a horse goes over the 30 days he must  
20 requalify in order to be eligible to be drawn  
21 into a race.

22 The breed has changed, especially  
23 the harness horses have changed a lot over the

1 last couple of decades, much more than  
2 thoroughbreds have. You know, track records have  
3 fallen across the country. You see every year I  
4 come in with new track records for all different  
5 age groups and everything. So, the breed has  
6 changed a little bit.

7           The USDA, at our last USDA directors  
8 meeting actually voted a rule change to go from  
9 the United States Trotting Association rules of  
10 30 days, which mirrored Massachusetts rule of 30  
11 days, to 60 days.

12           I'll be perfectly honest, as a  
13 director, I voted against that. I thought that  
14 60 days was too much.

15           But I don't think the 30 days -- I  
16 think 30 days might be a little too strict in  
17 today's times.

18           I met with our horsemen, and they  
19 wanted some movement on this. So, we decided 45  
20 days was probably a much better compromise. It  
21 keeps the betters informed, better that the  
22 horses are in shape that have been off for a  
23 period of time, that they've had a work-out.

1                   And it also mirrors Maine. And a  
2 lot of our horses go to Maine, lot of the Maine  
3 horses come in, more than any other state. So,  
4 it would be in New England. At least we would be  
5 on the same page at 45 days.

6                   So, with that explanation, that's  
7 kind of why I'm coming in here today and asking  
8 for the waiver to go to 45 days for this season  
9 only. If we wanted to do it again next year, if  
10 it worked out well. And I think we have to do it  
11 on a seasonal basis anyway.

12                   And the way that our rule structure  
13 is set up is that Massachusetts rule takes  
14 precedent over USDA rule. And anything that's  
15 not defined in Massachusetts rule then we refer  
16 to the USDA rule book.

17                   So, right now it's 30 days without  
18 this waiver.

19                   MS. LIGHTBROWN: I did a little  
20 research on it. I don't have every state. But  
21 Virginia and New York are at the 30 days. They  
22 do have some qualifications in there where they  
23 will let the judges vary it to, like, 45 days

1 under certain circumstances.

2 Some of the track states that have a  
3 45 day is Illinois, Ontario, Pennsylvania, Ohio.  
4 As Steve mentioned, Maine, and New Jersey.

5 In some states like New Jersey it's  
6 a track rule. So, it's handled at the track and  
7 they don't have to go to the commission to ask  
8 for waiver.

9 Delaware is at 60 days.

10 As Steve mentioned, USDA has changed  
11 theirs to 60 days. RCI is the Association of  
12 Racing Commissioners International. They have a  
13 rule, but they leave the number of days blank. I  
14 guess they've realized that it's different from  
15 state to state.

16 In the past there have times when  
17 the state racing commission granted a waiver of  
18 the rule.

19 I've talked to our different  
20 officials and all and there is a couple things  
21 with changing it to, you know, a longer time  
22 period. You want to make sure that you're still  
23 getting horses that are fit and that are sound.

1 You also want to protect the betters. It's  
2 another 15 days where the horse hasn't shown  
3 lines that, you know, kind of leaves it a little  
4 more questionable for the betters.

5 But where we've seen where a lot of  
6 other states are at 45 days and don't seem to be  
7 having issues with it, we thought it was worth  
8 trying for this meet.

9 If the commission decides to go  
10 ahead and grant the waiver, we'd like to have it  
11 go into effect for the April 19th racing card.  
12 They're drawing for today for Monday and Tuesday.  
13 And I wouldn't want to change the entry  
14 requirements during a period when we're actually  
15 taking entries because there may be people who  
16 may not be aware. And then, you know, you get  
17 people saying, gee, I didn't know. I would have  
18 entered my horse if I had known.

19 So, I think if, you know, we wait  
20 and go ahead and close the entries for Monday and  
21 Tuesday and then it could go in effect for  
22 Thursday's races.

23 And, also, with the -- obviously,

1 our racing officials, judges and the vets, with  
2 keeping an eye on this two-week period and see.  
3 Is there a big difference in these horses.  
4 Hopefully it will just be the regular, you know,  
5 normal racing and there won't be any issues.

6 Certainly, if we saw something where  
7 we were concerned that the horses in that time  
8 period weren't fit or that we got a lot of  
9 complaints from the betters or for some reason,  
10 we could certainly come right back to the  
11 commission and say, you know, we've got some  
12 concerns about this and we'd like to revisit it.

13 MR. ZUNIGA: And remind me. The  
14 qualifying races have to take place in the track  
15 that they're going to race or they can take place  
16 anyway?

17 MR. LIGHTBROWN: No, they can  
18 qualify anywhere.

19 MR. O'TOOLE: Qualify anywhere,  
20 yeah. As long as -- like, a horse that comes  
21 from another track doesn't have to race at our  
22 track to be eligible for the following week or  
23 the weeks ahead. But qualifying races are

1 acceptable. They're judged at every track the  
2 same.

3 MR. ZUNIGA: So, I'm missing the  
4 reason why the USDA went to 60 days.

5 MR. O'TOOLE: The Board of Directors  
6 of the USDA has compromised 60 to 65% of  
7 horsemen, and the other 35 to 40% is track  
8 directors.

9 So, I'm on the Board of Directors of  
10 the USDA and I'm there as a track director. So,  
11 this is a very horsemen friendly idea. You know,  
12 shipping to the track to qualify instead of just  
13 being able to put into race. So, it's a horsemen  
14 friendly idea, concept.

15 And it does make a little bit of  
16 sense in today's time. It's a little bit  
17 outdated. That's why I voted against it because  
18 I thought it was a little bit of a stretch. But  
19 I think 45 days is okay.

20 MR. ZUNIGA: Okay.

21 MS. CAMERON: And, Dr. Lightbrown,  
22 it sounds like you're in agreement that this is  
23 something we should approve?

1 MS. LIGHTBROWN: Yes.

2 MS. CAMERON: Okay. Very good. Any  
3 -- I don't want to annoy my fellow commissioners  
4 here because it's lunchtime.

5 But I just -- briefly, Mr. O'Toole,  
6 why are the horses so much better now, fitter,  
7 faster?

8 MR. O'TOOLE: The breed has really  
9 tightened down. When I was -- when I was  
10 driving, I won my first race in a time of 214.  
11 And now 214 is --

12 MS. CAMERON: You don't qualify?

13 MR. O'TOOLE: A very slow training  
14 mile -- yeah, a qualifying time. Actually, it's  
15 good. A qualifying time now is 203. So, you  
16 have to go 203 just to get into a race.

17 So, the breed has really, you know,  
18 really gotten fast. The horses have gotten  
19 sleeker. Standardbreds are more durable than  
20 thoroughbreds, but they have gotten a little bit  
21 finer in that time period.

22 And, yeah, it's just been about a  
23 ten-second swing. Back around 1990 races were

1 going right around two minutes and now they go  
2 1:49. So, there's about a ten-second swing in  
3 the breed in the last 20 years or so.

4 MS. CAMERON: Thank you

5 MR. CROSBY: That was an interesting  
6 question.

7 What is -- I don't know what a  
8 satisfactory racing line means. What does that  
9 mean?

10 MR. O'TOOLE: So, a horse needs to  
11 stay on stride.

12 MR. CROSBY: Oh, okay.

13 MR. O'TOOLE: So, it needs to stay  
14 on gate.

15 MR. CROSBY: Has to have been in a  
16 race and stayed in stride?

17 MR. O'TOOLE: Stayed on stride and  
18 met the qualifying times.

19 So, our qualifying time is 205 for a  
20 trotter and 203 for a pacer. So, they need to  
21 stay on stride and go that speed.

22 MR. CROSBY: We had an adjudicatory  
23 hearing.

1 MR. ZUNIGA: Yes.

2 MR. CROSBY: Somebody where --

3 MR. ZUNIGA: Didn't do in the  
4 qualifying race.

5 MR. CROSBY: And we decided the  
6 language was obscured.

7 Do you remember that --

8 MS. LIGHTBROWN: Right.

9 MR. CROSBY: -- whole situation?

10 MR. ZUNIGA: But it wasn't relative  
11 to the qualifying time. It had to do with a  
12 therapeutic medicine administered before.

13 MR. CROSBY: Yeah. It had been a  
14 penal -- right.

15 MR. ZUNIGA: Number of limbs. One  
16 limb versus four limbs. Anyway.

17 MR. CROSBY: Right. And there was  
18 something about --

19 MR. ZUNIGA: Some get into more  
20 specifics.

21 MR. CROSBY: -- imprecision in the  
22 language that we thought the language was kind of  
23 unclear.

1 Do you remember what --

2 MS. LIGHTBROWN: Yeah, we took that  
3 out.

4 MR. CROSBY: All right. That  
5 doesn't relate to this?

6 MS. LIGHTBROWN: Doesn't relate to  
7 this, no.

8 MR. ZUNIGA: But it was a qualifying  
9 race and then another race.

10 MR. CROSBY: I knew that  
11 Commissioner Zuniga would help me remember. I  
12 always have this vague idea and he can always  
13 help me remember. It's great.

14 Okay. Do we have a motion?

15 MR. ZUNIGA: I'll move -- I'll be  
16 happy to move, Mr. Chair, that the commission  
17 approve the request from Plainridge Point Casino  
18 to waive the rule relative to the qualifying time  
19 that is 205 CMR 3.12 from 30 days to 45 days.

20 MR. CROSBY: Second?

21 MS. CAMERON: Second.

22 MR. CROSBY: Further discussion?

23 All in favor?

1 ALL: I.

2 MR. CROSBY: opposed?

3 The Is have it unanimously.

4 MR. BEDROSIAN: And, Mr. Chairman,  
5 as Edwin referred to, but didn't say outloud.  
6 Opening day is next week.

7 MS. CAMERON: Yes.

8 MS. LIGHTBROWN: There are about 100  
9 plus on our licenses compared to last year  
10 already at this time. Part of it is just that we  
11 went to offering a multi-yearred license three  
12 years ago. So, a lot of those people took the  
13 three year old and now they're expired and  
14 they're taking them.

15 But our head license employee there  
16 has been with the state racing for a long period  
17 of time. He's seeing owners that he hasn't seen  
18 since the old Foxborough was open that are coming  
19 in and getting back into the business. So,  
20 that's great.

21 MS. CAMERON: Competition.

22 MS. LIGHTBROWN: Right.

23 MR. O'TOOLE: And the reason I

1 didn't mention it is because I wanted to get out  
2 of here before Commissioner Zuniga busts my  
3 balloon that I might not be getting a raise next  
4 year.

5 MS. CAMERON: Nice to see you. Good  
6 luck next week.

7 MR. CROSBY: Thank you, folks.

8 MS. LIGHTBROWN: Thank you.

9 MR. CROSBY: Shall we take a lunch  
10 break.

11 Okay. So, 12. Say 1:30. Like, 42  
12 minutes.

13 MS. CAMERON: Sounds good.

14 MR. CROSBY: So, we will adjourn for  
15 lunch until 1:30

16

17 (Lunch break, 12:50 - 1:32 p.m.)

18

19 MR. CROSBY: I think we are ready to  
20 reconvene public meeting No. 240. And we are  
21 going to item No. 7 on the agenda, Ombudsman  
22 Ziemba.

23 MR. ZIEMBA: Thank you Mr. Chairman

1 and commissioners.

2 Up first today is the consideration  
3 of the MGM Springfield construction's schedule  
4 pursuant to 205 CMR 135.02(2)(a).

5 I'm joined here by Joe Delaney.

6 Also here to answer any questions is MGM  
7 Springfield general counsel Seth Stratton.

8 As you are aware, at the March  
9 15th -- this is very loud, isn't it? Is it just  
10 me?

11 As you are aware, at the March 15th,  
12 2018 commission meeting, the commission continued  
13 its on-going in-depth review of the status of the  
14 MGM Springfield project.

15 As has been noted in the indepth  
16 review, the commission still needs to approve a  
17 detailed construction schedule for the MGM  
18 Springfield project. To date, we have approved  
19 an opening date, pursuant to our regulations, but  
20 the indepth schedule, the construction schedule  
21 that notes major items of construction remains to  
22 be approved.

23 Now that there has been significant

1 progress in the construction of the facility we  
2 believe that it is time to approve that schedule.

3 The schedule in your packet includes  
4 deadlines for these major stages of construction;  
5 however, as was noted at the March 15th meeting,  
6 there are a few items that we are working on with  
7 MGM Springfield that are not likely to be  
8 completed prior to the scheduled opening of MGM  
9 Springfield.

10 Specifically there are four  
11 different items that we highlight for your  
12 attention.

13 One is the off-site residential  
14 units. As you know, the project is required to  
15 include no less than 54 newly develop market rate  
16 housing units within one half mile of the casino.  
17 The city has identified 31 Elm Street as the  
18 desired location for such off-site units.

19 In response to questions from  
20 commission staff in preparation for the indepth  
21 review, MGM Springfield stated that it proposes  
22 quarterly status updates to the commission on  
23 this commitment and a March 1st, 2019, deadline

1 for a firm commitment and documentation for the  
2 31 Elm project, along with a realistic time line  
3 from the city.

4 Absent such certainty, MGM would  
5 proceed with independent residential development  
6 to satisfy the residential development  
7 requirement within the time line set forth in the  
8 host community agreement as amended; namely,  
9 March, 2020.

10 MGM also, at the time, requested  
11 that the residential development be removed from  
12 the commission's project schedule requirement.

13 As the completion of the off-site  
14 residential units is continued to be a very  
15 important component of the project, both the City  
16 of Springfield and the commission we recommend  
17 that the commission continue to include in its  
18 schedule the schedule regarding the final  
19 completion of the residential units. And, in  
20 addition, we are also recommending an earlier  
21 March 1st, 2019 deadline for MGM Springfield to  
22 notify the commission that it will proceed with  
23 independent residential development to satisfy

1 the residential development requirement by March,  
2 2020.

3           So, under this proposal, by March  
4 1st, 2019, MGM Springfield would notify us, in  
5 essence, if they are going to move forward with  
6 the 31 Elm Street project, along with the very  
7 detailed construction schedule. And in the event  
8 that they do not, are not able to move forward  
9 with that project, they shall forthwith move  
10 forward with their alternative to satisfy the  
11 construction of those units by the March, 2020  
12 date.

13           That March, 2020, date remains in  
14 the host community agreement and MGM Springfield  
15 has provided us assurances that if it makes the  
16 decision by March 1st, 2019, then it would be  
17 able to complete the requisite number of off-site  
18 residential units by March of 2020.

19           Further, based on the discussion at  
20 the last commission meeting, we recommend that  
21 such approval of the completion of the units  
22 beyond the opening date, shall be subject to a  
23 requirement that MGM Springfield must inform the

1 commission of any material events that would  
2 significantly alter the potential that it will  
3 proceed with the City's plan to rehabilitate 31  
4 Elm Street in Springfield with the assistance  
5 provided by MGM Springfield.

6           So, in essence, what this conditions  
7 means is that if something happens before this  
8 March, 2019 date where MGM Springfield will be  
9 able to tell the commission that it is very not  
10 likely that it will be able to move forward with  
11 the 31 Elm project, it will notify the  
12 commission. It will notify the commission of any  
13 material events. But that way we will not all  
14 have to officially wait for any notice until  
15 March, 2019, if all the parties determine that 31  
16 Elm will not be a reality well before that  
17 date.

18           Let me move onto the Armory. In  
19 staff's recent memorandum to MGM Springfield  
20 staff noted that as originally envisioned in the  
21 RFA 2 through the notice of project change, the  
22 Armory was intended to be a three-floor space  
23 that would house a high-end restaurant and

1 potentially a club on the third level.

2           At the September 28th, 2017,  
3 commission meeting MGM Springfield explained the  
4 significant construction work that needs to be  
5 done to the Armory to make it a viable location  
6 for future uses.

7           Recently submitted construction  
8 schedules indicated that this significant initial  
9 work will not be completed until this summer.

10           The schedules do not yet account for  
11 the additional efforts that would be necessary to  
12 construct the multiple floors for restaurant and  
13 club space.

14           In order to enable the commission to  
15 understand how the Armory space will be  
16 activated, both at the opening and post opening  
17 commission staff recommends that MGM Springfield  
18 provide at least quarterly reports identifying  
19 the proposed activation of the Armory space for  
20 the subsequent three-month period. And MGM  
21 Springfield report to the commission during the  
22 quarterly reports on the efforts used to identify  
23 a suitable tenant for the Armory space for its

1 originally intended use.

2           The attached schedule shows the  
3 initial work for the Armory to be completed by  
4 August 15, 2018. The schedule does not show the  
5 date for the completion of the high-end  
6 restaurant and lounge space.

7           We recommend that the commission  
8 approve the August 15th date for the completion  
9 of the initial stage, but reserve its ability to  
10 schedule a deadline for the completion of the  
11 high-end restaurant and club space.

12           Under this recommendation with  
13 quarterly reports provided by MGM Springfield on  
14 its on-going activation plans for the Armory and  
15 also on its search for tenants for the original  
16 use, the commission will have significant  
17 information after the opening of MGM Springfield  
18 to determine how successful MGM Springfield's  
19 activation of the Armory is in achieving  
20 commission and MGM goals for the property.

21           MGM Springfield has requested that  
22 the commission remove the completion of the  
23 high-end restaurant and lounge space from the

1 schedule requirement upon balance; although, the  
2 commission otherwise retains broad authority over  
3 MGM Springfield. Staff does not recommend  
4 removing the Armory from the schedule  
5 requirement.

6           Among other reasons, MGM Springfield  
7 argues that retaining the high-end restaurant and  
8 lounge space in the schedule would make it more  
9 difficult for MGM Springfield to propose the work  
10 of this space to count towards its capital  
11 expenditure plan requirement that occurs after  
12 opening.

13           We note that in the early years it  
14 is very likely that MGM Springfield will not have  
15 extremely significant maintenance needs on its  
16 brand new facility and that it may be difficult  
17 to achieve the capital expenditure requirements  
18 required under statute. But although we do  
19 recognize that the construction of the Armory  
20 could potentially be a request from the City of  
21 -- excuse me. From MGM Springfield, we don't  
22 believe that the commission needs to make that  
23 determination at this time given that the capital

1 expenditure plans will need to come before the  
2 commission at a later date.

3 Joe, I don't know if you wanted to  
4 add something with the status of the armory.

5 MR. DELANEY: No. I think it's on  
6 target right now. The construction status on the  
7 Armory, it's on target right now for that August  
8 15th opening, as far as getting the first floor  
9 ready, restrooms and so on to be activated at  
10 opening. So, with respect to that interim  
11 target, we don't have any concerns.

12 MR. ZUNIGA: But what would be the  
13 subsequent target for the Armory? I mean, it's  
14 open-ended in other words, right, because they've  
15 told us that if their activation, their seasonal  
16 activities, whatever, work out to their  
17 satisfaction they might not do much more to that.  
18 Is that correct?

19 MR. ZIEMBA: Well, what we're  
20 recommending is that we keep the requirement that  
21 they do the high-end restaurant and the lounge  
22 space. It was included by them in their  
23 document. So it is a commitment that they're

1 held to under the gaming act.

2 But what we do know, it is quite  
3 possible that they may, at some point, believe  
4 that their activation of the Armory is really  
5 accomplishing all of the intended goals that they  
6 put forward with the high-end restaurant space,  
7 that it is, you know, making that a very active  
8 space. So, it may, at some point, ask that.

9 But what we're saying regarding the  
10 time table is that the commission reserves the  
11 ability to set the deadline at a time of its  
12 choosing. So, at some point if we see that the  
13 activation plan is not working as intended or we  
14 see that we want to move forward with the  
15 high-end restaurant requirement, we could then  
16 engage MGM Springfield and set the deadline for  
17 that use.

18 MR. ZUNIGA: And you believe that  
19 could be done after opening or before opening?

20 MR. ZIEMBA: In this document we've  
21 reserved the ability to establish that deadline.  
22 It is one of the conditions to the approval of  
23 the schedule. And General Counsel Blue and I,

1 Joe, will continue to monitor and seek what other  
2 additional language may or may not be necessary  
3 to incorporate all of these recommendations.

4 MR. ZUNIGA: Okay.

5 MR. ZIEMBA: I'll move onto  
6 Dave's -- the so-called Dave's retail.

7 MGM Springfield has stated that MGM  
8 originally anticipated having the proposed retail  
9 and/or food or beverage space planned for the  
10 corner of Main and Union Streets shelled and  
11 available for leasing by operation's  
12 commencement. MGM plans to temporarily delay  
13 constructing a shell to ensure that any exterior  
14 construction meets the needs of desirable  
15 tenants.

16 MGM Springfield has expressed  
17 optimism about finalizing a tenant for this  
18 location; however, as of this date of this  
19 memorandum, no lease has yet been finalized.  
20 Although, staff is also cautiously optimistic  
21 that MGM Springfield will be able to finalize a  
22 lease in the near future, there is significant  
23 risk that a building at this location will not be

1 constructed by the opening date.

2           MGM Springfield has provided a  
3 conservative date of July, 2019 for the  
4 completion of this building. Staff recommends  
5 that the commission accept this post opening date  
6 for completion of Dave's retail building, but  
7 condition such approval on the provision of a  
8 construction security mechanism, either a bond or  
9 an escrow agreement satisfactory to the  
10 commission. We also recommend a similar  
11 construction security mechanism for the off-site  
12 residential units.

13           Staff also recommends that the  
14 commission its approval on a July, 2019, date for  
15 the construction of this space on a requirement  
16 that this later date not conflict with any  
17 requirements under the host community agreement.  
18 There are certain core and shell requirements  
19 under the host community agreement and we want to  
20 make sure that whatever we approve does not  
21 conflict with anything that may be approved by  
22 the City of Springfield.

23           One other item that we're mentioning

1 is the retail at the corner of State and Main.

2 This is the so-called focus site.

3           MGM Springfield has requested that  
4 the commission remove 101 State Street from the  
5 boundaries of the gaming facility. Pending that  
6 discussion, commission staff recommends that the  
7 commission defer on acting on the schedule for  
8 completion of the plan used for the first floor  
9 of this building on State and Main until we  
10 discuss the gaming establishment question.

11           One other thing we'll mention is the  
12 priority of the Section 61 deadline. Consistent  
13 with what we have done in the past during design  
14 reviews, we recommend the commission specify that  
15 nothing in the approval of this MGM Springfield  
16 construction schedule shall be construed to  
17 otherwise impact or impair the commission section  
18 61 findings issued in relation to the MGM  
19 Springfield project.

20           Commission staff and MGM Springfield  
21 continue conversations on what updates; such as,  
22 building square footage totals or modifications  
23 may be necessary to Section 61 findings.

1                   General Counsel Blue has provided a  
2 draft motion approving the schedule, subject to  
3 conditions that I just described and described in  
4 the memorandum that's in your packets.

5                   With that as a background I turn to  
6 Joe Delaney to give a little bit more of an  
7 update regarding the construction of the  
8 facility. And we also have Seth here for any  
9 questions you may have that relate to MGM  
10 Springfield's requests.

11                   MR. DELANEY: Thank you.

12                   As we discussed back at the March  
13 15th meeting, I gave a little update on the  
14 construction at that point. The project  
15 construction continues to be progressing well.  
16 And we have no reason to believe that all of the  
17 major components of the project, obviously with  
18 those obvious exceptions that John mentioned,  
19 will be done in time for the scheduled project  
20 opening.

21                   The development of this schedule,  
22 the proposed schedule that's in front of you,  
23 it's been a good collaborative effort, I think,

1 between us and MGM and I think it's very  
2 reflective of where we'll see these major pieces  
3 of the project come in.

4           With that said, as with any project  
5 of this nature, schedules can be somewhat fluid  
6 and it wouldn't surprise me if there are some  
7 minor tweaks to this schedule that will happen  
8 between now and the opening and we will certainly  
9 continue to monitor this and update the  
10 commission as necessary should any changes take  
11 place.

12           MR. CROSBY: Okay. Comments or  
13 questions, observations?

14           MR. ZUNIGA: You mentioned -- if I  
15 can go to the residential deadline. There is  
16 March of 2019 milestone by which if there is no  
17 more -- no closing of that 31 Elm project then  
18 there is a new deadline that kicks in at that  
19 point, which would be a year ends for completing  
20 of the units elsewhere?

21           MR. ZIEMBA: Yes.

22           MR. ZUNIGA: But that deadline -- if  
23 they're able to complete, put together the deal

1 for 31 Elm prior to March of 2019, the completion  
2 of the units is not necessarily a year later. It  
3 could be much later. Is that a fair statement?

4 MS. ZIEMBA: That is a fair  
5 statement. Pursuant to the host community  
6 agreement, that March, 2020 date, it is required.  
7 So, in the event that all the parties wanted to  
8 proceed with 31 Elm project further approvals  
9 would be necessary by city counsel. And, in  
10 deed, we would have to come back to the  
11 commission for a further approval of a later date  
12 past March, 2020. Not likely that if it was  
13 decided on March 1st, 2019, that they could  
14 complete that project in a year.

15 MR. ZUNIGA: But because the city  
16 wants this, it's fair to assume that city  
17 counsel, at that juncture, might be amendable to  
18 extending that 2020 deadline?

19 MR. ZIEMBA: Well, I think the City  
20 would have to put forward all of the details, the  
21 details of the project as they currently exist.  
22 And the approvals would be different than what  
23 would be necessary for a 31 Elm project so that

1 city counsel would have to consider all of the  
2 details at that time.

3 MR. ZUNIGA: Okay. Now, there is  
4 another element that you mentioned relative to  
5 allowing, potentially, MGM to count some of the  
6 expenditures on this elements of the project as  
7 part of the 3% of the capital expenditures that  
8 they require to do after opening.

9 Can you repeat that and can we talk  
10 a little bit more about that?

11 MR. ZIEMBA: Sure. Just to be  
12 clear, I'm not recommending that we take any  
13 action obviously on capital expenditures at this  
14 point. It's not before you. That would need to  
15 be very, very fully briefed and a plan would be  
16 developed with MGM Springfield.

17 MR. ZUNIGA: Right.

18 MR. ZIEMBA: All we're stating is  
19 that MGM has stated the potential that it may  
20 want to count the costs for the Armory towards  
21 its capital expenditure requirements. Because  
22 there may not be very significant maintenance  
23 needs right in the year after it opens, in order

1 to meet that 3 1/2% threshold, then they may want  
2 to include big-ticket items; such as, the Armory  
3 as part of a capital expenditure plan to meet  
4 that requirement.

5 MR. ZUNIGA: And the rationale there  
6 would be that they open, there was a program, and  
7 now there would be a modification to the program  
8 based on market conditions or whatever. And  
9 that's an additional expenditure, which could  
10 legitimately count towards that 3%?

11 MR. ZIEMBA: It would be a request,  
12 but for now --

13 MR. ZUNIGA: For now we're not doing  
14 that, right.

15 MR. ZIEMBA: For now what we're  
16 saying is --

17 MR. ZUNIGA: Right.

18 MR. ZIEMBA: -- what they're  
19 required to do is the high-end restaurant space  
20 and the lounge unit. That is what's required  
21 under the RFA 2, but I think we are noting that  
22 it is quite a possibility that we could consider  
23 that request at the appropriate time.

1                   MR. ZUNIGA: Right. Well, that can  
2 apply to other -- I'm not saying that we would.  
3 I don't want to pre-judge it, but that could  
4 apply to other elements of this project, if  
5 that's a way for getting some of these pieces  
6 complete. And I'm specifically thinking of the  
7 residential units.

8                   If there is additional money that  
9 can solve this project coming to fruition, it's a  
10 way for MGM to make it happen. That would be one  
11 thing that I would be at least interested in  
12 hearing.

13                   MR. ZIEMBA: Well, one thing I will  
14 note on that is -- what we're recommending to the  
15 commission is that we have a security mechanism  
16 in place right now. And what we've been talking  
17 about is an escrow agreement; whereby, because  
18 everyone knows that residential units need to be  
19 constructed. I don't think that there's any  
20 debate about that between city counsel, the city,  
21 and obviously the commission. I don't think  
22 there is any doubt that those residential units  
23 need to be constructed.

1                   We're asking for a security  
2 mechanism now. And that would enable us to make  
3 sure that those units are constructed. And  
4 specifically we're looking for an escrow  
5 agreement where we get the money prior to opening  
6 and place it in an escrow agreement so we  
7 wouldn't have to worry about any sort of a  
8 capital expenditure requirement after the opening  
9 for that specific item.

10                   MR. ZUNIGA: Yeah. No. Let me ask  
11 this.

12                   What would be the mechanism amount  
13 for the residential units?

14                   MR. ZIEMBA: We are still in  
15 discussions with MGM about the construction  
16 security mechanism, but I think it's been our  
17 feeling, staff feeling, that the amount should  
18 reflect the costs that MGM Springfield would  
19 incur in building the units.

20                   MR. ZUNIGA: Which is not  
21 necessarily what they have in their budget.

22                   MR. ZIEMBA: Which is not  
23 necessarily an amount that they've --

1                   MR. ZUNIGA: They have in their  
2 budget, right.

3                   MR. ZIEMBA: Right.

4                   MR. ZUNIGA: Did you want to talk to  
5 any of these, Seth?

6                   MR. STRATTON: If I could, just  
7 briefly.

8                   The issue around the capital  
9 expenditure plan. We've had some really  
10 productive discussions with John and Joe and  
11 Catherine on this schedule.

12                   And one of the concerns that we've  
13 articulated was in particular with respect to the  
14 Armory and the programming we anticipated opening  
15 verses some potential future programming with a  
16 restaurant and club as articulated in the armory,  
17 too, was, well, we said, does it really have to  
18 be part of the construction schedule, can't we  
19 keep that as a commitment outside of the  
20 construction schedule. And part of the dialog  
21 was, well, isn't that just semantics, why does it  
22 really matter.

23                   And one of our points was that we

1 think it potentially matters if by including a  
2 future expanded development at the Armory, in the  
3 original construction schedule that would  
4 foreclose us from counting that as subsequent  
5 capital expenditure under the CapEx requirement  
6 under the reg., verses part of our original  
7 construction.

8           Because that may be one of the few  
9 significant opportunities to spend some capital  
10 shortly after opening in a brand new facility.

11           So, we wanted to be clear on record  
12 that to the extent that it is being incorporated  
13 in the construction schedule, we would hope that  
14 that would not foreclose us from incorporating an  
15 expanded use at the Armory as part of a  
16 subsequent CapEx plan.

17           MR. ZUNIGA: And what you're saying  
18 now is we can always deal with that piece. We  
19 seem to be talking about completion date or dates  
20 when we're talking about this schedule.

21           MR. ZIEMBA: Correct, we could  
22 consider any such request at a future date.

23           Obviously the commission has the

1 ability to amend its regulations if it so  
2 chooses. If that would be necessary, which I  
3 think based on our initial rate, it would not.  
4 But that we could -- we could talk about that at  
5 the appropriate time.

6 MR. CROSBY: This discussion you're  
7 proposing now does not it anyway compromise MGM's  
8 ability to pursue this point that Seth just  
9 described?

10 MR. ZIEMBA: No, I think we  
11 anticipate the request coming at some point or  
12 another.

13 MR. STRATTON: If I could, just one  
14 more point on the Armory.

15 I think the only item that gives us  
16 pause, or it gives me pause in this  
17 recommendation is on Item No. 7. When it talks  
18 about us reporting during the quarterly reports  
19 on the Armory status, which we are perfectly  
20 happy to do. We report on our efforts used to  
21 identify a suitable tenant for the Armory space  
22 for its originally intended use. I just think  
23 it's important on that language that it is

1 possible that the report may be that we are,  
2 because it's so successful as originally used, we  
3 are not pursuing suitable tenants for the  
4 originally intended use because the current use  
5 is activating the plaza and the project in a way  
6 better than we think it could be used for the  
7 originally intended use.

8           And, so, that's kind of a back and  
9 forth we've had. But I just want to -- we're  
10 happy to report on that, but we contemplate that  
11 we might not be pursuing a tenant for the  
12 originally intended use --

13           MR. CROSBY: At that point you'd be  
14 coming to us to change the program?

15           MR. ZIEMBA: The program, yeah.  
16 Exactly.

17           MR. STRATTON: Well, I guess the  
18 question is procedurally -- a little bit what I'm  
19 confused about on this schedule is if you don't  
20 exercise the discretion to set a date for the  
21 originally intended use what would trigger us to  
22 report -- to come back and request a change in  
23 program?

1                   MR. ZIEMBA: Well, you know, under  
2 the gaming act you're required to fulfill all of  
3 your promises made pursuant to the RFA 2. That  
4 remains part of the RFA 2 requirements.

5                   To the degree that MGM Springfield  
6 would not want to pursue that as part of its  
7 plans, then we would need to agree that it's no  
8 longer part of the requirements under the RFA 2.

9                   MR. DELANEY: So, I think when the  
10 point you reach where you say, we think this is  
11 the best and highest use you would come back to  
12 us and say we would like relief from that RFA 2.

13                   MR. STRATTON: Okay.

14                   MR. CROSBY: And you might have a  
15 quarter or two while you're sort of backing off  
16 searching, so you don't have much to report here.  
17 Maybe you're not ready to formally change the  
18 program. So, there might be sort of a transition  
19 period, but I don't think anybody is going to get  
20 hung up on that.

21                   MR. STRATTON: Understood. Thank  
22 you.

23                   MR. CROSBY: Other questions?

1                   This is really a detailed an item.  
2                   Item 6 talks about identify and proposed  
3                   activation, which, I guess, means programming for  
4                   the subsequent three months. And what we're  
5                   really interested in is expo facto, what actually  
6                   has happened? This was projecting forward.

7                   MR. ZIEMBA: Well, we actually meant  
8                   it projecting forward because we want to make  
9                   sure that they stay on top of making sure that  
10                  that's going to remain active in the future. And  
11                  that we have the ability to interact with them on  
12                  these plans before they happen rather than  
13                  monitoring them in the past of whether or not we  
14                  like them or not, but we did anticipate  
15                  projecting forward with plans.

16                  MR. CROSBY: Okay. Well, that's  
17                  fine. But obviously they will also be telling us  
18                  at the end of every quarter what did happen,  
19                  which is fine.

20                  MR. ZIEMBA: Sure, yup.

21                  MR. CROSBY: I assume from this  
22                  conversation that nothing that you're  
23                  recommending is out of step with Springfield's

1 wishes? It seems like this is all compatible  
2 with Springfield's wishes, correct?

3 MR. ZIEMBA: It is. We do have the  
4 ultimate provision that we have to make sure that  
5 it's consistent with the host community  
6 agreement. And, for example, the core and the  
7 shell requirement. That would require some back  
8 and forth with Springfield.

9 We know that all of these corners  
10 that we're talking about are very important to  
11 Springfield. The gaming establishment question  
12 on 101, we'll continue to have conversations with  
13 them about what happens with that, what happens  
14 with that retail on that corner.

15 But, yes, we have been in lengthy  
16 discussions with the City of Springfield.

17 MR. CROSBY: Yes. Because of all of  
18 these things, none of them with the exception of  
19 the housing, potentially, rises to the level of  
20 anything that we would get terribly concerned  
21 about.

22 MR. ZIEMBA: Right.

23 MR. CROSBY: This is the level at

1 which we've been mostly differential to  
2 Springfield and wanted to be supportive of their  
3 interests. So, that seems like what's happening  
4 here, which is good.

5 MR. ZIEMBA: Yup.

6 MR. CROSBY: And then the last thing  
7 is just to re-emphasize here -- I don't think we  
8 need to, but I will anyway.

9 But, yeah, we're giving a lot of  
10 leash on the 31 Elm because everybody hopes that  
11 will happen, but the housing isn't going away.  
12 You know, some day this has to happen.

13 MR. ZUNIGA: So, is there a written  
14 discussion relative to the security --

15 MR. ZIEMBA: The security mechanism?

16 MR. ZUNIGA: Security mechanism.

17 Is that something we need to discuss  
18 now?

19 MR. ZIEMBA: No, that is something  
20 we're working on with the MGM Springfield folks.  
21 And when we complete that we'll bring that to the  
22 commission for its review, but we have included  
23 conditions that state that your approval of these

1 schedules for those areas; namely, the  
2 residential units and Dave's Retail are  
3 conditioned upon that security mechanism.

4 MR. ZUNIGA: Yup. And we currently  
5 have a bond.

6 MR. ZIEMBA: Yeah, we currently have  
7 a bond. It will expire shortly after the  
8 opening.

9 But what we've discussed with MGM is  
10 that we would, in any even, if we were to go with  
11 a bond versus an escrow agreement we would need  
12 to have some new language because the bond is for  
13 the completion --

14 MR. ZUNIGA: of the whole thing.

15 MR. ZIEMBA: -- of the facility.  
16 And we don't want to run into any difficulties  
17 with a bonding company; whereby, they say, well,  
18 as far as we see it, it is open.

19 So, we're trying to work that  
20 through right now.

21 MR. ZUNIGA: Well, I would much  
22 rather prepare a cash escrow, you know, amount to  
23 be determined and we'd have to be analyzed and

1 whatnot, but something that at least can be  
2 completely.

3 MR. CROSBY: Okay. Anybody else?  
4 Do we need action here?

5 MR. ZIEMBA: So, I think Counsel  
6 Blue has given you a draft motion.

7 MR. ZUNIGA: It's quite a motion.

8 MR. CROSBY: Commissioner Zuniga?

9 MR. ZUNIGA: I'd be happy to. We  
10 have at lease one of the conditions into the  
11 record it sounds like?

12 MS. BLUE: That's right.

13 MR. ZUNIGA: Okay. All right.

14 Well, I'll be happy to move that the commission  
15 approve the construction schedule provided in  
16 this April 9, 2018 memorandum from Ombudsman  
17 Ziembra and project oversite manager Delaney  
18 that's included in the packet and be approved  
19 subject to the following conditions. No. 1, that  
20 MGM Springfield shall provide the quarterly  
21 reports to the commissions -- to the commission  
22 under the requirement that the project includes  
23 no less than 54 newly developed market rate units

1 within one half mile of the casino.

2 No. 2, that MGM Springfield shall by  
3 March 1st of 2019, provide a final commitment and  
4 documentation for the 31 Elm Street project,  
5 along with a realistic construction time line  
6 from the city.

7 No. 3, if MGM Springfield cannot  
8 meet condition 2 by March 1, 2019, MGM  
9 Springfield shall proceed with an independent  
10 residential development requirement within the  
11 time line set forth in the host community  
12 agreement as amended, or in other words by -- to  
13 be completed by March, 2020.

14 No. 4, that MGM Springfield shall  
15 inform the commission of any material event that  
16 will significantly alter the potential that MGM  
17 Springfield will proceed with the City's plan to  
18 rehabilitate 31 Elm Street in Springfield with  
19 assistance provided by MGM Springfield.

20 No. 5. That MGM Springfield will  
21 provide a construction security mechanism, bond  
22 or escrow agreement satisfactory to the  
23 commission for the construction of an off-site

1 residential units and this so-called Dave's  
2 Retail building on the corner of Main Street and  
3 Union Street.

4 No. 6. That MGM Springfield shall  
5 provide at least quarterly reports identifying  
6 the proposed activation of the Armory space for  
7 the subsequent three-month period. And that's  
8 three month period subsequent to opening.

9 No. 7. That MGM --

10 MR. ZIEMBA: Subsequent to each  
11 quarterly report.

12 MR. ZUNIGA: Okay. Thank you.  
13 After opening or before as well?

14 MR. ZIEMBA: Before and after.

15 MR. ZUNIGA: Okay. No. 7. That MGM  
16 Springfield shall report to the commission during  
17 the quarter reports on the efforts used to  
18 identify a suitable tenant for the Armory space  
19 for its original intended use.

20 No. 8. That the commission reserves  
21 its ability to set a construction schedule and  
22 deadline for the original intended use of the  
23 armory building.

1                   No. 9. The commission's approval of  
2 any post opening dates for the construction of  
3 facilities included but not limited to the  
4 so-called Dave's Retail building is contingent  
5 upon MGM Springfield's compliance with any  
6 applicable provisions of its host community  
7 agreement with the City of Springfield.

8                   No. 10. This schedule approval does  
9 not yet include an approval of a schedule for the  
10 completion of work at 101 State Street.

11                   And, No. 11. Nothing in the  
12 approval of this MGM Springfield schedules shall  
13 be construed to otherwise impact or impair the  
14 commission Section 61 findings issued in relation  
15 to the MGM Springfield project.

16                   MR. CROSBY: Second?

17                   MS. CAMERON: Second.

18                   MR. CROSBY: Further discussion?

19                   MR. STEBBINS: Just one quick  
20 question. John, condition No. 4.

21                   I'm sorry. Condition 3. Is there  
22 any inference -- and, Seth, you might want to  
23 answer this as well. That that project is

1 identifying, what is it, 195 State Street as a  
2 fall-back project or does this open it up to as  
3 long as residential development is completed  
4 within that half mile radius?

5 MR. ZIEMBA: Yeah, we didn't intend  
6 to specify any project in that regard. The  
7 commitment is that they do it within a half mile  
8 of the facility. And the only reference why we  
9 put in 31 Elm Street in that first condition was  
10 just because that is the city's plan.

11 But as soon as MGM deems it  
12 advisable they could move forward with 195 State  
13 or other units within that half mile, if it so  
14 chooses. We're not meaning to convey the 31 Elm  
15 or 195 are necessary for MGM's commitment.

16 MR. STRATTON: And I guess,  
17 factually, we currently still own and intend to  
18 hold title to 195 State to wait and see what  
19 happens to 31 Elm. If 31 Elm moves forward, part  
20 of the agreement is that we would donate that  
21 property back to the city for further  
22 development. If it doesn't go forward, then we  
23 have that facility as an option to satisfy at

1 least a portion of the residential obligation.

2 MR. CROSBY: Okay. Any other  
3 discussion?

4 All in favor of the long motion?

5 ALL: I.

6 MR. CROSBY: opposed?

7 The Is have it unanimously.

8 MR. ZIEMBA: That could be a record  
9 for a motion, potentially.

10 MR. CROSBY: Yup.

11 MR. ZIEMBA: Mr. Chairman and  
12 commissioners we now turn to several public  
13 safety-related requests for funding. Under the  
14 2018 Community Mitigation Fund.

15 We have expedited the review of  
16 these grant applications, either at the request  
17 of the applicants or in the case of the state  
18 police and Hampden County Sheriff's applications  
19 or in the case of the Springfield police  
20 department. The grant request is very timely and  
21 is linked to the state police that we're  
22 discussing today.

23 First up for consideration are two

1 grant requests for lease assistance for the  
2 Hampden County Sheriff's Department. The  
3 commission first reviewed a request for lease  
4 assistance by the Hampden County Sheriff's  
5 department in 2016.

6 At that time the commission  
7 determined that such a request was in keeping  
8 with the purpose of the Community Mitigation Fund  
9 as a long-standing facility that had been in its  
10 previous location for 29 years, had to move  
11 because of the construction of the MGM facility.

12 The commission determined that it  
13 would award no more than 2 million dollars in  
14 lease assistance over five years, but that the  
15 sheriff's office would need to annually apply for  
16 each year's lease assistance.

17 Unfortunately, due to some office  
18 changes, an application deadline was missed last  
19 year. The commission allowed the sheriff's  
20 office to apply for two years worth of a lease  
21 assistance for FY '18 and FY '19 this funding  
22 round.

23 The review team reviewed the

1 applications and are satisfied after a  
2 significant budget review that the sheriff's  
3 office is still in need of these funds and that  
4 the lease costs were not included in recently  
5 enacted or proposed state budget acts.

6 We do recommend that the commission  
7 reduce the FY '18 amount by 28,000. Previously,  
8 in order to help the sheriff's office cope with  
9 the missed application deadline, the commission  
10 allowed the sheriff to use these \$28,000 in  
11 unused FY '17 funds and carry those forward into  
12 FY '18. Thus, the review team recommends that  
13 the commission authorize 372,000 for FY '18 lease  
14 costs and 400,000 for FY '19 lease costs.

15 MR. CROSBY: Discussion?

16 MR. ZUNIGA: How many more years are  
17 anticipated potentially on this?

18 MR. ZIEMBA: Well, it's a total of  
19 five years we've granted. This would be the  
20 second and third years of lease assistance.

21 There is a difficulty that we'll  
22 have to rectify because the first year, first  
23 program year was only a half year of lease

1 assistance. So, we'll have to figure that out.

2 MR. CROSBY: Any other questions,  
3 comments? Do we want to take these one at a  
4 time?

5 MR. ZIEMBA: Yeah.

6 MR. CROSBY: Okay. Do we have a  
7 motion on this project?

8 MR. ZUNIGA: Sure. I'll move that  
9 the commission approve the request from the  
10 Hampden County Sheriff relative to the lease  
11 assistant for fiscal year 2018 in the amount of  
12 \$372,000 and for fiscal year 2019 in the amount  
13 of \$400,000 as included here in the packet.

14 MR. CROSBY: Second?

15 MS. CAMERON: Second.

16 MR. CROSBY: Any further discussion?  
17 All in favor?

18 ALL: I.

19 MR. CROSBY: opposed?

20 The Is have it unanimously.

21 MR. ZIEMBA: Thank you.

22 We now turn to the state police  
23 application. Last December the commission

1 expanded its 2018 Community Mitigation Fund  
2 Guidelines to include police training costs that  
3 occur prior to the opening of both category one  
4 facilities. The training costs were included in  
5 recognition that both the state police and other  
6 local public safety partners have significant  
7 training needs that will occur prior to the  
8 opening of the MGM Springfield and Wynn Boston  
9 Harbor facilities.

10 The inclusion of police training  
11 costs followed many briefings of the advisory  
12 committees that provide valuable advice to the  
13 commission relative to the formation of its  
14 annual Community Mitigation Fund Guidelines.

15 During the deliberations on the  
16 guidelines, the commission recognized that such  
17 training is costly and figured in an estimated 2  
18 1/2 million dollars in training costs in the six  
19 million dollars in planned spending under the  
20 2018 Mitigation Fund.

21 We received an application by the  
22 state police for approximately 2 1/2 million  
23 dollars for training costs. This number reflects

1 the cost of training 54 troopers through the  
2 state police academy. The number of 54 troopers  
3 was the number that the Attorney General's office  
4 and the gaming commission staff determined would  
5 be necessary to be prepared for the opening of  
6 the MGM Springfield and Wynn Boston Harbor  
7 facilities.

8 The number reflected an additional  
9 19 troopers needed at the MGM Springfield  
10 facility and 19 troopers that would be needed at  
11 the Wynn Boston Harbor facility.

12 Four troopers assigned to the  
13 Attorney General's office and one new trooper at  
14 the Investigations and Enforcement Bureau.

15 To clarify, the troopers that will  
16 be assigned to each of these areas are not the  
17 specific persons that have been sent through the  
18 state police academy. However, in order for the  
19 state police to be able to assign this large  
20 number of troopers it needed to make sure that it  
21 has enough overall troopers to accomplish its  
22 goal of a safe and secured Commonwealth.

23 Thus, 43 troopers out of its recent

1 academy resulted from the gaming-related needs  
2 that could otherwise put a resource strain on the  
3 state police. In June of 2017 this need for 43  
4 additional troopers was memorialized in a  
5 memorandum that stated how the commission would  
6 pay the state police for the cost of training  
7 these recruits.

8 That memorandum stated that the  
9 state police can fund the class for the 43  
10 troopers, but need a funding source identified by  
11 the end of calendar year 2017 with a mechanism to  
12 begin paying the incurred training costs by  
13 February, 2018.

14 The memorandum notes that the state  
15 police would apply for the grant here before you  
16 and that if the state police are unable to secure  
17 funding for the training costs through a grant  
18 the commission will assess the licensees  
19 proportionally and the licensees will need to pay  
20 the assessment.

21 We're now well past the anticipated  
22 February determination regarding how the  
23 commission would pay the state police for these

1 costs. In deed, the 43 trainees at issue were  
2 appointed to the state police academy on August  
3 14, 2017 and graduated on January 25, 2018.

4 In reviewing the state police  
5 request the review team was cognizant that the  
6 commission, in expanding the mitigation fund  
7 criteria to include public safety training, is  
8 aware of the importance of the state police and  
9 our local public safety partners to the  
10 commission's mission.

11 Reimbursement of public safety costs  
12 and policing costs specifically is an integral  
13 component of MGL Chapter 23 (k) Section 61, the  
14 section that created the Community Mitigation  
15 Fund.

16 The predominance of the conversation  
17 and the review team was not whether such purpose  
18 is an eligible purpose under the fund, instead  
19 the review team focused on circumstances that  
20 have changed since June, 2017, and what is the  
21 most appropriate source, mitigation funds or  
22 licensee assessments to pay for the state police  
23 costs.

1           A majority of the review team  
2 recommends that the commission pay for such costs  
3 from a combination of mitigation funds and  
4 licensee assessments. You'll see in your packets  
5 that the review team recommends that the  
6 commission award a grant in the amount of  
7 1,814,544 and an assessment of 702,404.

8           the combination of these two numbers  
9 totals 2,516,948 that was requested by the state  
10 police. The \$1.8 million Community Mitigation  
11 Fund Grant recommendation resulted from the  
12 review team's review of current needs versus  
13 those expected back in June, 2017.

14           Since June of last year significant  
15 progress has been made in determining exactly how  
16 the state police and Springfield police would  
17 work together at the MGM Springfield facility.

18           The parties are in the process of  
19 finalizing a memorandum of understanding  
20 memorializing these plans, which now includes  
21 joint task force of both troopers and state and  
22 Springfield PD officers.

23           Under the joint task force plan for

1 the Gaming Enforcement Unit in Springfield, the  
2 joint task force will include 13 troopers and 6  
3 personnel from the Springfield PD; thus, compared  
4 to last June the current plan is for 6 less  
5 troopers to be assigned to the GEU at MGM  
6 Springfield.

7           It's likely that Wynn Boston Harbor  
8 will have a similar joint task force. Given the  
9 new plans, the 38 troopers assigned to the  
10 category 1 facilities, 19 in Springfield and 19  
11 in Everett will no longer be necessary, in all  
12 likelihood.

13           I do note that, obviously, we have  
14 not begun in earnest with our conversations  
15 regarding the Everett facility so that those  
16 details were made.

17           But assuming the plans in Everett  
18 follow the Springfield model, there would be a  
19 need for only 26 troopers at these two facilities  
20 or a reduction of 12 troopers since June of 2017.

21           The estimated need for the 4 AG  
22 assigned troopers and the 1 new IEB assigned  
23 trooper has not changed. Adding these five to

1 the 26 troopers at the new facilities, there is a  
2 current estimated need of 31 troopers.

3 A majority of the review team  
4 believes it's appropriate to pay for the costs of  
5 training 31 troopers given the anticipated gaming  
6 need of 31 troopers.

7 As such, we recommend that the  
8 commission grant an award to the state police of  
9 \$1,814,544 which represents 31 43rds of the state  
10 police request. The remainder would need to be  
11 paid through the commission's budget process.

12 The \$1.8 million award would require  
13 a waiver of the \$500,000 limit for specific  
14 impact grants included in our guidelines.

15 We anticipated this waiver in such  
16 guidelines. General counsel Blue has provided a  
17 draft motion relative to this waiver of request.

18 MS. CAMERON: So, we need two  
19 separate motions. One to waive the amount and  
20 the second to approve the new request?

21 MR. ZIEMBA: That's correct.

22 MR. BEDROSIAN: Before you do that,  
23 can I just share some of my thoughts because I

1 was involved in this. I just want the record to  
2 sort of be clear. Because if I had come to this  
3 and saw the sort of miscalculation of the state  
4 police upfront I might wonder, what the heck is  
5 going on here.

6 Just to be clear, in terms of the  
7 sequencing of events. Last year we were made  
8 aware, probably within five or six weeks of a new  
9 state police class starting, that there was going  
10 to be a state police class starting. And due to  
11 the current staffing of the state police, and if  
12 we needed to have coverage at the casinos for the  
13 first time, because the state police have staffed  
14 our current casino and have staffed our  
15 facilities here out of, what I would call,  
16 existing state police staff. So there was no  
17 back fill, there were no casino costs.

18 So, we quickly -- and I work with  
19 folks in the IEB and our state police came up  
20 with the numbers that we anticipated would be  
21 needed at the state police -- I mean, I'm sorry,  
22 at the casinos, the AG's office added in their  
23 numbers.

1           At that point we did try and talk to  
2 our local host communities and public safety and  
3 try and normalize that number, probably to what  
4 it is now.

5           But, in fairness, I would say a year  
6 ago this wasn't the top of, potentially, people's  
7 thought processes.

8           And, unfortunately, in a perfect  
9 world, we could have delayed that decision and  
10 maybe made it a little later. The challenge is,  
11 if you are familiar with law enforcement in  
12 Massachusetts and the staffing of classes and  
13 stuff like that, they just literally -- state  
14 police training comes up when it comes up. It's  
15 not a routine thing. There was no guarantee  
16 there would be another state police class.

17           So, that was our best estimate at  
18 the time. We then did sit down with our  
19 licensees and talk about these numbers, both the  
20 staffing numbers and the budgeting of those, and  
21 came to an agreement that we would attempt --  
22 because this was the first time, to consider  
23 using some Community Mitigation Funds. And they

1 understood. After Community Mitigation Funds  
2 there was going to be an assessment on this.

3           So, now, John is exactly right.  
4 Luckily, we've engaged Springfield. We think  
5 we're very close, we're not there yet, on a  
6 number for the GEU, the gaming enforcement unit.  
7 I am hopeful that model will play over into  
8 Everett. We haven't had those discussions at a  
9 granular level. So, there is a little bit of a  
10 contingent precedent in this. There are some  
11 assumption baked into this, that things will go  
12 as predicted.

13           So, I just wanted to put some -- you  
14 know, we didn't run out and throw a number up  
15 against the wall and then come back and try and  
16 right-size it. I think circumstances,  
17 unfortunately dictated that we had to move.

18           I'm glad we're doing the GEU. I  
19 think that's the better model and I hope it works  
20 out. But I just wanted to -- so the commission  
21 understood and so the record was complete on how  
22 this all happened.

23           MR. ZUNIGA: So, there is 31 assumed

1 now, correct, as part of this recommendation,  
2 total, which includes both sides and a couple of  
3 Attorney General's assignments?

4 MR. ZIEMBA: That's right, yes.

5 MR. ZUNIGA: Four and one.

6 But were the 43? What is the  
7 balance of the 43?

8 MR. ZIEMBA: So, the numbers were --  
9 So, there were 19 in Everett, 19 in Springfield.  
10 Now it's down to 13 in each one of those and that  
11 reduction of 12.

12 MR. ZUNIGA: Yes.

13 MR. ZIEMBA: And then over and above  
14 back then. So, 19 plus 19 equals 38, plus the 5  
15 additional. The four at the AG, and the one IEB.  
16 That reflects the 43. And here we have 31. 13  
17 times 2, 26, plus 5.

18 MR. LENNON: So, just as a reminder,  
19 too. The state police does a class maybe once  
20 every two or three years. With the current  
21 budget situation they were told not for another  
22 five years or so.

23 So, this mini class that they funded

1 was actually -- state police only funded 40 of  
2 their own from their dollars. And then we put in  
3 money, Mass Dot put in money and Mass Port put in  
4 money to round out the class to keep the cost  
5 down around 60,000. And we each paid for all the  
6 troopers that we thought we would need.

7           If you also remember at the FY '18  
8 budget development time, we did not put this into  
9 the budget because we had to wait until the  
10 Community Mitigation application opened up in  
11 February. So, our licensees asked us to do this.  
12 It was the discussion that we had. And I've put  
13 it in every quarterly memo that any amounts not  
14 funded by that have to be picked up by the  
15 assessment. It's a question in every single  
16 quarterly memo, as well as the initial budget  
17 discussion we had, so.

18           MR. ZUNIGA: And the balance between  
19 the 2.5 and the 1.8 as you stated in your prior  
20 remarks will be assessed to the licensees. It's  
21 not something that goes away necessarily as part  
22 of the review. We're still funding those  
23 differential costs?

1 MR. ZIEMBA: Correct. When the  
2 state police move forward to have all of those  
3 troopers trained at the academy, the did it in  
4 reliance upon us and, indeed, they've already  
5 incurred such expenses.

6 MR. ZUNIGA: But they will not be a  
7 cost for this organization going forward?

8 MR. ZIEMBA: Correct.

9 MR. ZUNIGA: They can just be  
10 returned back to the state police.

11 MR. ZIEMBA: Correct. And, indeed,  
12 our licensees will not have to pay for the  
13 assessments related to those additional troopers  
14 for 15-year period.

15 MS. CAMERON: If I can just add that  
16 this is the exact same method that New Jersey  
17 uses where the industry pays for the training  
18 costs; otherwise, there would not be enough  
19 troopers to fill the assignments and they pay for  
20 those costs for the Attorney General's office as  
21 well.

22 And just to speak to the task force  
23 model. I am very hopeful as well that MOU, those

1 final details get hammered out. And I really  
2 believe this model, sharing of resources and  
3 information is absolutely the best way to police  
4 and our best chance of really doing an excellent  
5 job of keeping the city safe and the new casino  
6 really a great place to visit and have a good  
7 experience with this model.

8 So, I'm hopeful as well that we're  
9 close to getting that piece done.

10 MR. ZUNIGA: So, Mr. Chair, if there  
11 are no further comments I'd like to make a motion  
12 that the commission approve the Community  
13 Mitigation dollars for the police training costs  
14 of the Massachusetts state police.

15 MS. BLUE: Commissioner Zuniga, we  
16 need to do the waiver first and then we can do  
17 the approval.

18 MR. ZUNIGA: Thanks for that  
19 reminder.

20 MR. BEDROSIAN: He's the treasurer,  
21 not the secretary.

22 MR. ZUNIGA: I'll withdraw that  
23 motion and I move that the commission approve a

1 waiver requested by the Massachusetts state  
2 police in its 2018 Community Mitigation Fund  
3 application. The state police request a waiver  
4 of the \$500,000 grant limit for specific impact  
5 grants under the 2018 Community Mitigation Fund  
6 guidelines.

7 In approving this waiver the  
8 commission finds that granting the waiver or  
9 variance is consistent with the purposes of Mass  
10 General Law, Chapter 23(k) to granting this  
11 waiver or variance will not interfere with the  
12 ability of the commission to fulfill its duties,  
13 granting the waiver or variance will not  
14 adversely affect the public interest, and,  
15 finally, not granted the waiver or variance would  
16 cause a substantial hardship to the community,  
17 governmental entity or person requesting the  
18 waiver or variance, in this case the  
19 Massachusetts State Police.

20 MS. CAMERON: Second.

21 MR. CROSBY: Further discussion?

22 All in favor?

23 ALL: I.

1 MR. CROSBY: Opposed?

2 The Is have it unanimously.

3 MR. ZUNIGA: Okay. Now, I can make  
4 a subsequent motion to -- I move the commission  
5 approve the request from the Massachusetts State  
6 Police relative to a specific impact grant  
7 application in the amount of \$1,814,544 as  
8 included here in the packet and recommended by  
9 staff. Period.

10 MR. CROSBY: Second?

11 MS. CAMERON: Second.

12 MR. CROSBY: Further discussion?

13 All in --

14 Yes?

15 MS. O'BRIEN: Do we need to make  
16 clear that the balance of the total will come  
17 from another source?

18 MR. ZUNIGA: That will be a second  
19 motion or a budget update.

20 MR. BEDROSIAN: It's part of the  
21 quarterly budget update. We sweep in the balance  
22 of that?

23 MS. O'BRIEN: We don't have to vote

1 on that?

2 MR. BEDROSIAN: You'll do that in  
3 the budget update.

4 MS. O'BRIEN: Okay.

5 MR. CROSBY: Any other discussion?

6 All in favor?

7 ALL: I.

8 MR. CROSBY: opposed?

9 The Is have it unanimously.

10 MR. ZIEMBA: Thank you, Chairman and  
11 commissioners. We also received a request from  
12 the Springfield Police Department for training  
13 costs.

14 As noted, the current plan is that  
15 the Gaming Enforcement Unit at MGM Springfield  
16 will include 6 personnel from the Springfield  
17 police department including five officers and one  
18 lieutenant. Similar to the situation with the  
19 state police, Springfield is planning to send 6  
20 recruits through its police academy started May  
21 1st and ending October 16th, 2018.

22 Although, these specific recruits  
23 are not receiving the initial assignments in the

1 GEU, they are being trained so that Springfield  
2 can continue to have sufficient personnel to  
3 accomplish its important mission, one that is  
4 growing with the opening of the MGM Springfield  
5 facility.

6           Similar to the state police request,  
7 the review team was comfortable of the  
8 eligibility of such public safety costs within  
9 the context of MGL Chapter 23(k) Section 61.

10           Similar to our discussion regarding  
11 the state police, the review team focused on the  
12 appropriate sites of the source for paying  
13 Springfield police costs, either through the  
14 Community Mitigation Fund or through the  
15 commission's budget, funded through licensee  
16 assessments.

17           Similar to the review team's  
18 recommendation with the state police, we  
19 recommend that the commission pay for Springfield  
20 Police Department costs through a combination of  
21 these two.

22           A majority of the review team agrees  
23 that Springfield academy training and equipment

1 costs can be paid through the Mitigation Fund  
2 under the recently expanded criteria to cover  
3 police training costs.

4           The review team recognized that as  
5 has been the case -- has been the commission's  
6 practice, the costs of Springfield Police  
7 Department personnel serving in the GEU are  
8 planned to be paid through the commission's  
9 budget through an assessment on our licensees.  
10 That is to say that those personnel, while  
11 they're serving in the GEU, will paid through our  
12 assessment process, consistent with the way we  
13 have been doing that.

14           With these two sources of payment in  
15 mind, the review team in Springfield reviewed the  
16 anticipated costs that were included in the  
17 Springfield requests.

18           Springfield's request can be broken  
19 down into four categories. And they are located  
20 on a Springfield police narrative. You don't  
21 have to turn to it. But the budget narrative is  
22 included in their application.

23           So, the four categories that they

1 requested funds for can be -- what they referred  
2 to as sworn personnel costs, equipment costs,  
3 training staff costs, and back-fill overtime  
4 costs.

5           The review team found both the  
6 equipment costs of \$18,618 and training staff  
7 costs of \$4500 to be reasonable and consistent  
8 with those that the review team reviewed in the  
9 state police application.

10           The largest refinement of the  
11 Springfield request came in the review of sworn  
12 personnel costs. The costs associated with  
13 sending 6 new recruits through the Springfield  
14 training academy.

15           The review team recommends that the  
16 commission provide \$137,388.32 for this purpose  
17 compared \$445,082.64 that was included in the  
18 Springfield requests. The difference between  
19 these two numbers reflects a number of revisions.  
20 For example, the original Springfield submission  
21 based its estimate on the annual salaries of  
22 officers and a lieutenant; however, the training  
23 period for the 6 new recruits is only 24 weeks

1 compared to the annual salary that was included  
2 in the application.

3           The review team believes it's  
4 appropriate to pay for this 24 week period. The  
5 sworn personnel costs also included funding for  
6 Quinn bill costs for the new lieutenant planned  
7 to be part of the GEU.

8           On this matter the review team  
9 stated that it believes that any reimbursement of  
10 such costs are more tied to an issue of the  
11 compensation of GEU personnel, which are paid  
12 through the commissioner's regular budget and  
13 assessments rather than a police training cost  
14 under the Mitigation Fund.

15           Further the review team based its  
16 recommendation on the cost of 6 recruits as the  
17 current plan is for the GEU as noted to be  
18 comprised of 5 officers and 1 SPD lieutenant.  
19 The original Springfield request included funds  
20 for 7 personnel instead of the 6 that are  
21 intended.

22           The other refinement of the budget  
23 request made by the review team involves

1 Springfield's request for overtime. Springfield  
2 requested 275,959.20 in overtime back-fill costs  
3 to maintain current level of SPD staff after 6  
4 SPD personnel are transferred to the gaming  
5 enforcement unit.

6           The review team expressed to  
7 Springfield that based upon past practice the  
8 gaming commission would pick up the salary and  
9 associated costs of the SPD personnel that are  
10 assigned to the gaming enforcement unit. thus  
11 the Springfield police department budget would no  
12 need to pay for the cots of such 6 personnel.  
13 Thus the SPD budget should experience budget  
14 savings from not having to pay for such personnel  
15 while they are serving in the GEU.

16           The review team posited that such  
17 savings could be used to pay for overtime costs.

18           In Springfield's response back to  
19 the review team, Springfield disagreed stating  
20 the salary savings will be used to cover other  
21 administrative and operational costs outside of  
22 salaries created by increasing our complement by  
23 6.

1                   It was unclear to the review team  
2 how closely a line these additional  
3 administrative and operational requests would be  
4 to gaming-related items or gaming purposes.

5                   Further, the review team recognized  
6 that by paying for the 6 personnel assigned to  
7 the GEU through the commission budget and  
8 significant recruit training costs through the  
9 Mitigation Fund, the commission would provide  
10 significant resources to help Springfield's  
11 public safety needs.

12                   The review team put this in the  
13 context of funding that will become available for  
14 gaming-related purposes through Springfield's  
15 host community agreement.

16                   Finally, although the review team  
17 did not recommend the overtime funding for this  
18 funding round it does recognize that it is highly  
19 likely that the Mitigation Fund will be needed  
20 for many public safety needs in the future and we  
21 look forward to working with Springfield and the  
22 Springfield police department to make sure that  
23 our joint efforts at making the MGM project a

1 success.

2 MS. CAMERON: I think what is  
3 important here, and I believe in reading the two  
4 memos, this is apples to apples what the request  
5 from the state police. We're paying for  
6 officers, troopers, academy time. We're paying  
7 for equipment, and academy staff training costs.  
8 Correct?

9 MR. ZIEMBA: That's correct. I  
10 think I will note that there is a difference in  
11 time; whereby, the state police trainees have  
12 already been through the academy. and the  
13 Springfield Police Department officers remain to  
14 go through the academy.

15 MS. CAMERON: Right. But what we're  
16 paying for is an equal package for each  
17 department?

18 MR. ZIEMBA: Yes. In essence, yup.

19 MS. CAMERON: Mm-hmm.

20 MR. CROSBY: I'd like to  
21 congratulate the review committee on their  
22 negotiating skills. That's a pretty good drop  
23 from 744 to 160.

1                   MR. ZIEMBA: I wouldn't say that  
2 this has entirely been negotiated. I think we  
3 are probably at disagreement regarding some  
4 items. I just didn't note them for the  
5 commission.

6                   MR. CROSBY: All right. Other  
7 comments, questions.

8                   Have a motion?

9                   MS. CAMERON: I do, Mr. Chair.

10                  I move that the commission approve a  
11 waiver requested by the City of Springfield, the  
12 Springfield Police Department in its 2018  
13 Community Mitigation Fund application.  
14 Springfield requests a waiver of the provision in  
15 the 2018 Community Mitigation Fund guidelines  
16 that place a limit on funding by stating that  
17 mitigation funding maybe used for police training  
18 costs that occur prior to the opening of the  
19 category one facilities.

20                  In approving this waiver the  
21 commission finds that granting the waiver or  
22 variance is consistent with the purposes of  
23 23(k). Granting the waiver or variance will not

1 interfere with the ability of the commission to  
2 fulfill its duties. Granting the waiver or  
3 variance will not adversely affect the public  
4 interest, and not granting the waiver or variance  
5 would cause a substantial hardship to the  
6 community, governmental entity or person  
7 requesting waiver or variance.

8 MR. CROSBY: Second?

9 MR. ZUNIGA: Second.

10 MR. CROSBY: Further discussion?

11 All in favor?

12 ALL: I.

13 MR. CROSBY: Opposed.

14 The Is have it unanimously.

15 MR. ZUNIGA: And we need now the  
16 second motion, correct?

17 MS. CAMERON: Yes.

18 MR. CROSBY: Commissioner.

19 MS. CAMERON: Secondly, I move that  
20 the commission award the grant for the  
21 Springfield Police Department in the amount of  
22 \$160,498.32 requested by the Springfield Police  
23 Department.

1 MR. CROSBY: Second?

2 MR. ZUNIGA: Second.

3 MR. CROSBY: Further discussion?

4 All in favor?

5 ALL: I.

6 MR. CROSBY: opposed?

7 Is have it unanimously.

8 MR. ZIEMBA: Thank you. That

9 concludes our report.

10 MS. CAMERON: Thank you.

11 MR. CROSBY: Thank you.

12 Now, we are back to item 5, I guess.

13 MS. BLUE: Yes.

14 MR. CROSBY: General Counsel Blue.

15 MS. BLUE: Good afternoon  
16 commissioners. We have six regulations.

17 MR. CROSBY: Actually, let's just  
18 take a quick break.

19 MS. BLUE: Okay.

20  
21 (Break taken)

22  
23 MR. CROSBY: Okay. We are ready to

1 reconvene.

2                   And we are with General counsel  
3 Blue.

4                   MS. BLUE: Good afternoon,  
5 commissioners. We have six regulations for you  
6 today to review and act on. Just before we  
7 start, just as a reminder that, as we've done in  
8 the recent past, each regulation has two motions,  
9 one for the small business impact statement  
10 that's first, and then one for the actual  
11 regulation itself. And you'll see that in the  
12 motions that we've provided.

13                   The first regulation is 205 CMR 101  
14 and then the complimentary regulations 115, et  
15 al. And just to put this into context. 101 has  
16 come before you a couple of times in the past.

17                   The version that you have in the  
18 packet today is the version that you looked at  
19 the last time. At your last meeting you voted to  
20 create the standard of review for the hearing  
21 officer. You voted that that would be  
22 substantial evidence with deference to the  
23 whatever body made the underlying decision. We

1 have not changed that language in this version  
2 that you have. We will make that change.

3           You did take a look at all of the  
4 other sections in 101 except for the section  
5 about the commission standard of review. And  
6 that was a conversation you wanted to hold off  
7 until Commissioner Zuniga was here and  
8 Commissioner O'Brien could join. So, that's  
9 where we are on 101.

10           On 115. 115 And the accompanying  
11 regulations, really most of these are changes to  
12 existing regulations so that they can conform to  
13 the changes we're making in 101. And, largely,  
14 that's taking out other hearing processes that  
15 were in other regulations and just referring them  
16 back to 101.

17           There are a couple of changes that  
18 I'm going to let Deputy General Counsel Grossman  
19 talk to you about where we use the opportunity to  
20 clean some things up and to kind of make, you  
21 know, make them in our regulations and make them  
22 clear. But, you know, they're not particularly  
23 any changes that we didn't have authority to make

1 or that don't conform to the statute or, quite  
2 frankly, or anything new. But we did want to  
3 take the opportunity to clean some things up  
4 while we were in there.

5 So, Deputy General Counsel Grossman,  
6 if you could talk about the changes in 115 and  
7 accompanying regs.

8 MR. GROSSMAN: Sure. Thank you.

9 Good afternoon. The changes before  
10 you in 115 and then on the next page and page 3,  
11 132.01 are really the only sections we thought we  
12 would quickly reference and mention to you that  
13 these, as Ms. Blue mentioned, are part of our  
14 overall effort to establish a fluid set of  
15 hearing regulations.

16 MR. CROSBY: Todd, excuse me. I'm  
17 not sure which one you're on.

18 MR. GROSSMAN: Oh, I'm sorry. So,  
19 we're on -- it begins with 115.03.

20 MR. CROSBY: You're at 115 rather  
21 than 101?

22 MR. GROSSMAN: That's right. That's  
23 right.

1                   So, they're designed to work  
2 hand-in-hand with one another. 101, and that  
3 series of regulations is really what we would  
4 consider to be the rules of procedure. They  
5 don't address any substantive matters, really.  
6 They're really just procedural rules as to how  
7 hearings will proceed at all different levels  
8 throughout the commission, whether it's the  
9 hearing officer or whether it's before the  
10 commission itself, whether on an initial basis or  
11 on an appellate-type review, but that's all 101  
12 is designed to be.

13                   In order to achieve that we needed  
14 to reach in to some of the substantive areas of  
15 the regulations, including things like the  
16 exclusion list, the qualifiers and things like  
17 that, to take out any reference to procedural  
18 hearing matters to ensure we move them all over  
19 to 101. So, that's why there are changes to two  
20 different sets of regulations that are before  
21 you. But, again, they're designed to work  
22 hand-in-hand in an effort to achieve a really  
23 fluid hearing process that covers just about

1 every single decision that would be made that's  
2 before the commission.

3           So, what I just wanted to point out  
4 that Ms. Blue mentioned was that in the case of  
5 115, for example, this is just language designed  
6 to ensure some clarity of the process. These  
7 regulations were prepared many, many months ago,  
8 a year plus as we started working through this  
9 process. They're not designed to address any one  
10 specific situation or another. The same is true  
11 of 132. They're really just best practice type  
12 regulations being put forth in an effort to  
13 ensure that we cover every single situation.

14           In the case of 132, in paragraph E  
15 in particular, pulls in some some statutory  
16 language that requires the gaming licensee to  
17 adhere to certain levels of behavior, that we  
18 wanted to make sure we don't ever miss;  
19 otherwise, these types of things can get burried  
20 in a statute and you could forget, potentially,  
21 that it's there. So, by putting it in the  
22 regulation it's easier to reference.

23           So, that was the driving force

1 behind most of what you have before you today.  
2 And, of course, this is the first time it's being  
3 looked at, so it will have a chance for a full  
4 public vetting, a public hearing, and it will  
5 come back before the commission again at some  
6 point in the future for a further review.

7 MR. CROSBY: Comments, questions?  
8 Anything?

9 MS. CAMERON: I certainly agree with  
10 adding the additional language so that it's clear  
11 that our regulations match the statute. I think  
12 it's looks certainly appropriate to me in reading  
13 it, what you've added.

14 MR. CROSBY: Anybody else?  
15 The only thing that I really meant  
16 to bring up the last time we were having this  
17 conversation doesn't directly relate to this, but  
18 I just kept a note.

19 We talked about this during some of  
20 the hearings, the speed of the process by which  
21 we get to these hearings. You know, it's taken  
22 way too long to when people have problems. This  
23 has particularly happened in the racing situation

1 where somebody gets a license revoked and we  
2 don't around to reviewing the decision until  
3 after the season is over.

4 I know that's not really quite  
5 relevant, but I just think it's something that's  
6 important for us to be really attentive to  
7 because it's just totally unfair to people to not  
8 be able to get these complaints, these issues  
9 addressed quickly.

10 MS. BLUE: We did remove some of the  
11 language. In our current regulation we had  
12 language that said a hearing could be scheduled,  
13 a first hearing, no sooner than 30 days. We took  
14 that out. So, to the extent we can get the  
15 parties in sooner we'll start that.

16 MR. CROSBY: Yup.

17 MS. BLUE: And we'll try to move it  
18 more quickly than we have in the past.

19 MR. CROSBY: Great. Thank you.

20 Anything else on this? Do we want  
21 to go ahead and have a motion?

22 MS. BLUE: No. No. So, you have a  
23 conversation left, which is what you want to have

1 as your standard of review.

2 And to just kind of bring us back to  
3 our prior conversation. There were two basic  
4 issues that you were discussing. You had asked  
5 me what you did currently and I had told you that  
6 I advise you that your current standard is a de  
7 novo review at your level. That as long as there  
8 are substantial evidence in the records you can  
9 make any decision that you're comfortable making.

10 The other option is to have the same  
11 standard of review that the hearing officer has,  
12 which is, it's a substantial evidence standard.  
13 Substantial evidence being the standard really at  
14 both levels, but with deference to the prior  
15 decision.

16 So, what I would say is, and I think  
17 we talked about this before, the substantial  
18 evidence with deference is the standard by which  
19 the superior court would review any of your  
20 decisions, and your decision is the decision that  
21 gets reviewed if it's appealed outside of the  
22 commission.

23 So, that's where the conversation

1 was when we left off.

2 MS. CAMERON: A substantial evidence  
3 with deference is what a court would review?

4 MS. BLUE: The court -- on your  
5 decision the court would give deference to your  
6 decision if it were supported by substantial  
7 evidence, yes.

8 MR. ZUNIGA: And the standard of  
9 review, this is relevant. Because the standard  
10 of review for the hearing officer is one of  
11 substantial evidence with deference to the way we  
12 left it, with deference to the IEB.

13 MS. CAMERON: Or racing.

14 MS. BLUE: And the judges. The  
15 racing judges, yes.

16 MR. ZUNIGA: Or the racing judges.

17 MS. BLUE: Whoever creates the  
18 initial action, yes.

19 MR. ZUNIGA: Right. And I was  
20 actually at the de novo part back then, but  
21 understand that was the minority.

22 I would still make the argument that  
23 we preserve that right of the de novo review

1 somewhere in this process and leave it here.  
2 Understanding that there is already deference to,  
3 in the process and it will continue upstream as  
4 well.

5 So, I would be in favor of -- it  
6 will be up to us to exercise it or not, besides  
7 that we are doing de novo or decide to do a  
8 deference. But as a body that ultimately makes a  
9 decision it can be hashed out among us.

10 MS. CAMERON: How does that affect  
11 if it's appealed to a court?

12 MS. BLUE: It wont because it's only  
13 your decision that gets reviewed on appeal. Now,  
14 obviously, if you go to Superior Court they're  
15 going to look at what happened beforehand, but  
16 they are ultimately reviewing your final decision  
17 because you are the final decisionmaker.

18 MR. ZUNIGA: I don't know why we  
19 would want to constrain ourselves to, you know,  
20 the more limiting piece in my view, which is this  
21 deference downstream.

22 MR. BEDROSIAN: I think the  
23 difference may be that you could have a choice

1 that you could find something different as long  
2 as it was supported by substantial evidence.

3           So, you wouldn't have to -- so, as I  
4 understand it, and General Counsel Blue can  
5 correct me if I get it wrong, from the bottom up  
6 IEB racing makes a decision. That gets appealed  
7 to a hearing officer. Based on what you decide  
8 previously, as long as the hearing officer finds  
9 substantial evidence he or she will defer, at  
10 that point, to the IEB racing division.

11           When it comes to you, there is now a  
12 decision tree that you need to make, right? Do  
13 you want to be sort of like a hearing officer on  
14 steroids and just say, okay, as long as we find  
15 substantial evidence we will be constrained to  
16 what the hearing officer would do or do you want  
17 to say, hey, look, as long as we find substantial  
18 evidence to support whatever we decide to support  
19 we have more broad authority versus just sort of  
20 that hearing officer check.

21           That's the way I think about it.

22           MS. BLUE: And I think that's an  
23 appropriate description, yes.

1                   MR. ZUNIGA: I'm back on confused.  
2 This takes me back to the prior discussion, which  
3 is, if we can find substantial evidence, that  
4 there was substantial evidence, but support an  
5 entirely different decision, isn't that a de novo  
6 DiNova review?

7                   MS. BLUE: Yes. That's how we  
8 characterize it, yes..

9                   MS. CROSBY: But de novo review  
10 requires substantial evidence.

11                   MR. BEDROSIAN: But what you're  
12 doing is giving yourselves sort of this broader  
13 discretion. You are the ultimate sort of  
14 authority for either interpreting the commission,  
15 whatever.

16                   MR. ZUNIGA: Well, I like to keep it  
17 that way.

18                   MS. CAMERON: Commissioner O'Brien,  
19 do you have experience in this matter?

20                   MS. O'BRIEN: I actually -- a couple  
21 points I was just looking for clarity on.

22                   MR. BEDROSIAN: Sure.

23                   MS. O'BRIEN: In going back and

1 looking at the last meeting when this was  
2 discussed, it looked like 101, paragraph 14,  
3 which talks about the standard of review for the  
4 hearing officer. I just want to be clear what --  
5 there is red line language. I just want to be  
6 clear what exactly is going forward out of  
7 paragraph 14.

8 MS. BLUE: It will say that the  
9 hearing officer's standard of review is  
10 substantial evidence with deference to the  
11 decision-maker below. The change is not  
12 reflected in paragraph 14, but that's what the  
13 commission voted on at the prior meeting.

14 MS. O'BRIEN: That's what I'm trying  
15 to get -- it seemed to me that it was going to go  
16 back to the stricken language. But that's not  
17 quite what you said. I'm just looking for really  
18 quote by quote --

19 MS. BLUE: I think we're going to  
20 have to redraft it.

21 MR. O'BRIEN: -- what it's going to  
22 say.

23 MS. BLUE: We're going to have to

1 redraft it.

2 MR. O'BRIEN: Okay. So, we're not  
3 voting on the specific language today?

4 MS. BLUE: No.

5 MS. O'BRIEN: Okay. And then when  
6 you move forward to --

7 MR. BEDROSIAN: Section 12.

8 MS. O'BRIEN: 11 and 12, which is  
9 the standard for -- it spells out substantial  
10 evidence standard for the hearing officer and  
11 then moves into us having this sort of de novo or  
12 even defines substantial evidence on alternative  
13 theory standard.

14 Do we spell out in anywhere in 11  
15 substantial evidence is also the standard for us  
16 or is that sufficiently covered with the language  
17 in 12?

18 MS. O'BRIEN: We're going to make  
19 sure it's clear in both sections. So, we will  
20 clarify it.

21 MS. O'BRIEN: Okay.

22 MR. CROSBY: But 11 will only apply  
23 to the hearing officer, right? 12 applies to the

1 commission?

2 MS. BLUE: 14, I think, applies. In  
3 the prior section it applies to the hearing  
4 officer.

5 MR. CROSBY: I may have the wrong  
6 number.

7 MS. BLUE: 11, in this section,  
8 applies to the hearing officer. We have to  
9 change the language and make it very clear as to  
10 what you voted on. We have not made that change.

11 MR. CROSBY: Okay.

12 MS. BLUE: You get to the commission  
13 in 12, the one after it. And we will also  
14 clarify that. It's close, but I think it needs a  
15 little bit more work.

16 MR. CROSBY: Does this little  
17 wrinkle about the findings made by the hearing  
18 officer, there is deference to their credibility.  
19 That sticks within the de novo?

20 MS. BLUE: That will remain, yes.

21 MR. CROSBY: Within the de novo,  
22 okay.

23 MS. BLUE: Because the hearing

1 officer sees people and takes oral testimony so  
2 that will --

3 MR. CROSBY: So, it's a de novo look  
4 except we are constrained by the hearing officers  
5 judgment of credibility of witnesses. That's the  
6 one constraint.

7 MS. CAMERON: We don't have any.  
8 None of that comes before us.

9 MR. ZUNIGA: Well, we have a  
10 transcript.

11 MR. BEDROSIAN: I think the theory  
12 is you're much like an appellate court that  
13 defers to the finder of fact in terms of  
14 credibility. You reading a transcript is  
15 different than someone actually seeing someone  
16 and hearing them.

17 MS. BLUE: Yeah. The distinction  
18 really is, if he took testimony and he found a  
19 witness to be credible, you would most likely not  
20 be able to make a finding that that witness  
21 wasn't credible. You would consider the facts  
22 and you would consider the testimony, but you  
23 wouldn't just discount it outright as being not

1 credible.

2 MR. ZUNIGA: I thought I understood  
3 you at some point, but that's okay.

4 MS. O'BRIEN: Procedurally I'm  
5 confused in terms of what is the first section of  
6 5(a) before us?

7 MS. BLUE: 5(a)?

8 MS. O'BRIEN: The section we just  
9 talked about in terms of the standard that needs  
10 to be re-written. Why is it before us today?  
11 What is there to vote on, if anything?

12 MS. BLUE: So, we're voting on the  
13 entire regulation, all the changes to the  
14 regulation. The commission has gone through all  
15 the other changes except for this one about the  
16 commission standard of review.

17 Then, if you vote on your standard  
18 of review, we will make the changes in both the  
19 hearing officer section and in your section. We  
20 will clean up this draft because you've already  
21 agreed to the changes we've made before, and then  
22 we'll start the promulgation process, which means  
23 we'll put it out for comment, we'll have a

1 hearing. It will come back to again.

2 MS. O'BRIEN: At which point if we  
3 have questions or issues with language that's  
4 still open to us?

5 MS. BLUE: Yes, that's definitely  
6 open. And we may have comments from stakeholders  
7 and other parties that we also share with you as  
8 well.

9 MR. CROSBY: The only one we're  
10 talking about today is the standard of review for  
11 the commissioners?

12 MS. BLUE: Yes.

13 MR. CROSBY: Right. Okay.

14 MS. BLUE: That was your instruction  
15 from the last meeting.

16 MR. CROSBY: Right. Okay.

17 MR. ZUNIGA: And what is the correct  
18 language?

19 MS. BLUE: The current language is a  
20 de novo review. Again, we need to clean it up,  
21 and then we'll --

22 MS. CAMERON: Can we read that  
23 language, please? Where are we? Is it 12?

1 MS. BLUE: We're in Section 12.

2 MS. CAMERON: Yup.

3 MS. BLUE: It says the commission  
4 shall conduct a de novo review of the decision --

5 MS. CAMERON: But de novo was added.  
6 That was not the original language.

7 MS. BLUE: Well, it's -- from this  
8 version that you saw last time it was in this  
9 last version. This was not added just now. This  
10 was in the version --

11 MS. CAMERON: So, what we've been  
12 working under along did not have de novo,  
13 correct?

14 MS. BLUE: No, but that was always  
15 my advice to you. We're clarifying the advice  
16 I've given you in commission review from the  
17 beginning of the time that we've done commission  
18 reviews and hearing officer reviews.

19 So, a lot of what we did, when we  
20 talked about this in more general terms, was we  
21 were trying to take our experience that we've had  
22 in the couple years we've been doing hearings and  
23 make sure we clarified it in our regulations.

1                   So, de novo was what the commission  
2 has -- the advice I've been given the commission  
3 hearings, commission appeal hearings.

4                   We put it in the version that we  
5 submitted to you in this regulation at the last  
6 meeting so it was clear that what I was telling  
7 you was what you were actually doing.

8                   And then the discussion was, is that  
9 what you wanted to do.

10                  MS. CAMERON: Okay. I guess I was  
11 never clear that that's what we were doing.  
12 That's fine. It doesn't matter. I think we --

13                  MR. ZUNIGA: But it is what we were  
14 doing. And that's the key, in my opinion.

15                  MR. CROSBY: Right.

16                  MR. ZUNIGA: When it comes to us, we  
17 need to have that flexibility.

18                  MS. BLUE: If you wanted to  
19 entertain language for the two sections now, you  
20 could do that now.

21                  And you could consider language for,  
22 when you review a hearing officer's decision you  
23 could consider language, like, when reviewing a

1 decision of the hearing officer the commissions  
2 determination shall be supported by substantial  
3 evidence. So that triggers no deference. Your  
4 decision has to be supported by substantial  
5 evidence.

6 MS. BLUE: I think if you would  
7 prefer that we redraft it and bring it back to  
8 you again we can do that. I think it's a little  
9 difficult to try and draft it in the middle of a  
10 commission meeting.

11 We needed your guidance on what you  
12 wanted to do at your review level. So, once we  
13 get your guidance then we can redraft it.

14 MS. CAMERON: I think this is --  
15 usually we see a final version and then it goes  
16 out for public comment.

17 That seems like we haven't -- we're  
18 not doing that here and it might be important  
19 enough that we see the language and make sure  
20 before we get it out to public comment.

21 MS. BLUE: Well, we can certainly  
22 bring it back. We aren't going to put it out to  
23 public comment before we go to a public hearing

1 on it because we're trying -- like our other regs  
2 that you have before you today because we're  
3 trying to get them accomplished before MGM opens,  
4 in particular.

5 We can certainly bring this back to  
6 you. We'd be happy to do that. This was the  
7 only open piece that the commission had questions  
8 on from the last time we looked at it, but we can  
9 redraft both those sections and bring it back.

10 We would just like to get this into  
11 the promulgation process because it hasn't  
12 started yet and schedule the public hearing and,  
13 you know, start that so we can get them through  
14 in about 60 to 75 days.

15 MS. O'BRIEN: I mean, my preference  
16 would be to see the non red-line final version  
17 before --

18 MR. CROSBY: Before the process  
19 starts.

20 MS. O'BRIEN: Before the process  
21 starts.

22 MS. BLUE: It will -- just so you  
23 know, it will be red lined because that's what's

1 going to go to the Secretary of the Commonwealth  
2 because it is an existing regulation. I know  
3 it's messy now and I appreciate that. We can  
4 clear up some of it. Some of it, it still will  
5 be red lined for other reasons.

6 MR. CROSBY: It will be red lines,  
7 but it will be -- but the lasting copy will be  
8 what we're actually agreeing to or not; whereas,  
9 now we're trying to cross-tab.

10 MS. CAMERON: Yup.

11 MS. BLUE: So, we need your guidance  
12 as to what you would like to do for your review  
13 and we'll draft it and bring them back.

14 MR. CROSBY: Well, if I'm following  
15 this right it looks like we're agreeing with the  
16 de novo standard for the commissioner's review  
17 and asking that we see the re-drafting of both  
18 the hearing officer and the commissioner review  
19 in final form, whether red or not, prior to the  
20 promulgation process starting.

21 So, presumably next week. It won't  
22 take very long, I don't think. Is that right?

23 MR. ZUNIGA: That's it for me, which

1 is what we currently do in the appeals and this  
2 is what we have done.

3 MS. CAMERON: Yeah. Is this -- so,  
4 is this what most agencies do, this works really  
5 well in other agencies that the hearing officer  
6 has one role, but the commission has a different  
7 role when it comes to reviewing. Is that --

8 MS. BLUE: So, we had a more broad  
9 discussion about that at the last meeting.  
10 Different agencies do things in different ways.

11 MS. CAMERON: We did about the  
12 former, the earlier piece that we discussed. But  
13 I'm talking about this particular piece and when  
14 it comes to the full commission is --

15 MS. BLUE: And it's different when  
16 people go to full commission, some don't go to  
17 full commission.

18 There is a number of agencies that  
19 have the hearing officer's recommendation being  
20 solely -- decision being solely a recommendation  
21 and it has to be acted on by the full, whatever  
22 the board is.

23 So, there are different ways to do

1 it. And I think -- we think it's important that  
2 you do it in a way that you feel comfortable  
3 with.

4 MR. ZUNIGA: The statute gives us  
5 the authority, but practically it was very hard  
6 to expect that people would come before this  
7 body, open meeting, and so on to present their,  
8 you know, cases and whatnot, which is way we  
9 created the hearing officer in the first place.  
10 But we had to give them a standard of review,  
11 which we already did.

12 In my view, maintaining, just like  
13 the statute gives us, the ultimate authority to  
14 do, you know, the decision is --

15 MR. CROSBY: I think we have a  
16 consensus on that. Nobody the opposed to that.

17 The issue is just a procedural one.  
18 Do we want to see the final version of these two  
19 before we start the vote, the promulgation  
20 process, which -- and I think that makes sense,  
21 too, even if it slows us down a little bit.

22 MS. BLUE: Okay. We will redraft it  
23 and bring it back.

1 MS. CAMERON: Great.

2 MS. BLUE: The next regulation that  
3 we have on your list, we have Assistant Counsel  
4 Torrissi and we have division chief band to  
5 discuss with you. These are table game  
6 regulations. They are pretty technical, but  
7 pretty straight-forward.

8 So, I will let them present on items  
9 B, C, D, and E. And we have motions for each of  
10 them when you're ready.

11 MS. TORRISI: Good afternoon. So  
12 we'll take B, C, and D first. Two weeks, as you  
13 may remember, we brought to you a packet of  
14 internal control regulations related to table  
15 games. There was one section that wasn't yet  
16 complete, and that is what we're here with today.  
17 It's in your packet. There are three pieces,  
18 three different regulations on the same subject  
19 matter. So, you have 138.62, which is the  
20 internal control regulation. You also have  
21 143.02, which is the regulation which adopts GLI  
22 12, the technical standard governing progressive  
23 devices. So, the amendments to that section were

1 made just to ensure the GLI 12 will apply to  
2 progressive use at table games, as well as used  
3 at slot machines, which is the way the reg  
4 currently reads.

5           And then you also have 146.63, which  
6 is in addition to our table game equipment  
7 regulations. And this just includes a few pieces  
8 that are necessary to use progressives at table  
9 games.

10           So, I don't now if you have any  
11 questions on these regulations.

12           MR. CROSBY: Anybody?

13           Okay. You were very persuasive in  
14 your briefing packages.

15           MS. TORRISI: Okay. So, we'll ask  
16 you to make the motions on these to begin the  
17 promulgation process. You should have these in  
18 front of you on the small business impact  
19 statements and the regulations.

20           MR. ZUNIGA: This is 138.62.

21           MS. CAMERON: We'll start with that  
22 one.

23           MR. ZUNIGA: I'll be happy to move

1 that the commission approve the small business  
2 impact statement for 205 CMR 138.62 with a  
3 payment of table game progressive payout wagers,  
4 supplement wagers not paid from the table  
5 inventory as included in the packet.

6 MR. STEBBINS: Second.

7 MR. CROSBY: Further discussion?

8 All in favor?

9 ALL: I.

10 MR. CROSBY: Opposed?

11 The Is have it unanimously.

12 MR. ZUNIGA: I further move that the  
13 commission approve the version of 205 CMR 138.62,  
14 payment of table game progressive payout wagers,  
15 supplement wagers not paid from the table  
16 inventory as included in the packet. And  
17 authorize staff to take all steps necessary to  
18 begin the regulation promulgation process.

19 MR. CROSBY: Second?

20 MS. CAMERON: Second.

21 MR. CROSBY: Further discussion?

22 All in favor?

23 ALL: I.

1 MR. CROSBY: Opposed?

2 Is have it unanimously.

3 MR. STEBBINS: Mr. Chair, I move the  
4 commission approve the small business impact  
5 statement for 205 CMR 143.02 progressive gaming  
6 devices as included in the packet?

7 MR. ZUNIGA: Second.

8 MR. CROSBY: Further discussion?

9 ALL: I.

10 MR. CROSBY: Opposed?

11 The Is have it unanimously.

12 MR. STEBBINS: Further, Mr. Chair, I  
13 move that the commission approve the version of  
14 205 CMR 143.02 progressive gaming devices as  
15 included in the packet and authorize the staff to  
16 take all steps necessary to begging the  
17 regulation promulgation process.

18 MR. CROSBY: Second?

19 MR. ZUNIGA: Second.

20 MR. CROSBY: Further discussion?

21 All in favor?

22 ALL: I.

23 MR. CROSBY: Opposed?

1                   Is have it unanimously.

2                   MS. CAMERON: So, Mr. Chair, I move  
3 that the commission approve the small business  
4 impact statement for 205 CMR 146.63 table games,  
5 progressive equipment as included in the packet?

6                   MR. ZUNIGA: Second.

7                   MR. CROSBY: Further discussion?  
8 All in favor?

9                   ALL: I.

10                  MR. CROSBY: Opposed?

11                  The Is have it unanimously.

12                  MS. CAMERON: And I further move  
13 that the commission approve the version of 205  
14 CMR 146.63 table games, progressive equipment as  
15 included in the packet and authorize staff to  
16 take all steps necessary to begin the regulation  
17 promulgation process.

18                  MR. STEBBINS: Second.

19                  MR. CROSBY: Further discussion?  
20 All in favor?

21                  ALL: I.

22                  MR. CROSBY: Opposed?

23                  The Is have it unanimously.

1 MS. TORRISI: Then the next item, E,  
2 you also have in your packet two sections of 146,  
3 which is our equipment regulations. One of these  
4 is just the addition of the physical  
5 characteristics for one of the tables. It was  
6 just inadvertently left out of the initial  
7 promulgation. And then the second is a simple  
8 site correction in another one of the table  
9 characteristics sections.

10 So, I believe you have a motion for  
11 that in front of you as well.

12 MR. STEBBINS: Are we moving these  
13 because of MGM's interest in offering this?

14 FROM THE FLOOR: Yes.

15 MS. CAMERON: That's the Crazy Four  
16 table and the criss-cross poker table?

17 MS. TORRISI: Yes.

18 MR. CROSBY: We have a motion?

19 MS. CAMERON: Mr. Chair, I move that  
20 the commission approve the small business impact  
21 statement for 205 CMR 146.58 and 205 CMR 146.59,  
22 Crazy Four table and criss-cross poker table,  
23 physical characteristics as included in the

1 packet.

2 MR. ZUNIGA: Second.

3 MR. CROSBY: Further discussion?

4 All in favor?

5 ALL: I.

6 MR. CROSBY: Opposed?

7 The Is have it unanimously.

8 MS. CAMERON: I further move that  
9 the commission approve the version of 205 CMR  
10 146.58 and 205 CMR 146.59 crazy four table and  
11 criss-cross poker table physical characteristics  
12 as included in the packet and authorize the staff  
13 to take all steps necessary to begin the  
14 regulation promulgation process.

15 MR. CROSBY: Second?

16 MR. ZUNIGA: Second.

17 MR. CROSBY: Further discussion?

18 All in favor?

19 ALL: I.

20 MR. CROSBY: Opposed?

21 The Is have it unanimously.

22 MS. TORRISI: Thank you.

23 MS. CAMERON: Thank you team.

1 MS. BLUE: And then we have one last  
2 regulation. This is the final version of the job  
3 compendium regulation.

4 This was a regulation that you held  
5 a public hearing on this morning before the  
6 commission meeting and I don't believe we  
7 received any comments on it.

8 This regulation is us simply  
9 conforming this particular regulation to the  
10 change in the statute that talks about who had to  
11 be registered and who didn't.

12 If you approve this today we will  
13 take this to the final promulgation process and  
14 we'll be all set with that regulation.

15 MR. STEBBINS: We did have somebody  
16 who had attended and didn't speak specifically to  
17 the regulation itself, but offered some other  
18 comments relative to kind of the public education  
19 piece of some of the changes we've made to  
20 eligibility requirements for job registration.

21 MR. ZUNIGA: It's a good comment and  
22 it's something we should follow-up on, the PR on  
23 communication, but it doesn't alter the

1 regulation at all.

2 MS. BLUE: Okay.

3 MR. STEBBINS: Mr. Chair, I move the  
4 commission approve the amended small business  
5 impact statement for 205 CMR 138.10 jobs  
6 compendium submission as included in the packet?

7 MR. ZUNIGA: Second.

8 MR. CROSBY: Further discussion?

9 All in favor?

10 ALL: I.

11 MR. CROSBY: Opposed?

12 The Is have it unanimously.

13 MR. STEBBINS: Mr. Chair, I further  
14 move that the commission approve the version of  
15 205 CMR 138.10 jobs compendium submission as  
16 included in the packet and authorize the staff to  
17 take all steps necessary to finalize the  
18 regulation promulgation process.

19 MS. CAMERON: Second.

20 MR. CROSBY: Further discussion?

21 All in favor?

22 ALL: I.

23 MR. CROSBY: Opposed?

1                   The Is have it unanimously.

2                   MS. BLUE: That's all we have on the  
3 regulations today.

4                   MS. CAMERON: Thank you.

5                   Okay. Mr. Chief administrative  
6 officer, chief financial officer, whatever it is.

7                   MR. LENNON: I go by either of  
8 those. Good afternoon, Mr. Chairman and  
9 commissioners. We saved one of our most  
10 interesting topics for the end of the day.

11                   First, I'd like to acknowledge and  
12 apologize for the confusion of the conclusion of  
13 the memo in the packet. As you saw from the  
14 previous conversation with the community  
15 mitigation fund, I was unable to give a  
16 recommendation on increasing or not increasing  
17 the assessment prior to the commission taking up  
18 the actual cost of the 83rd RTT.

19                   So, left rather vague I'll be able  
20 to give you a verbal and I have a recommendation  
21 written up that I'll give to you here.

22                   MS. CAMERON: Is that a note on a  
23 napkin?

1 MR. LENNON: It basically is, yeah.  
2 I mean, it's a half of a notebook paper.

3 MS. CAMERON: Oh, it is. Okay.

4 MR. LENNON: So, it's somewhat  
5 official.

6 But to walk you through the memo.  
7 The Massachusetts Gaming Commission approved an  
8 FY '18 budget for the Gaming Control Fund of  
9 29.15 million, which required an initial  
10 assessment of 24.45 million on licensees.

11 After two quarters of adjustments  
12 and increases for hiring related to the opening  
13 of MGM the MGC's revised approved budget is 30  
14 million. 30.26 million. And the currently  
15 approved assessment is 24.15 million, which does  
16 not account for a deficit after the second  
17 quarter of approximately 443,000.

18 This quarterly update revises  
19 revenue projections upward by 182,000 reducing  
20 the prior deficit to 260.7 thousand.

21 This update is also seeking approval  
22 of two additional full time equivalents in the  
23 Office of Information and Technology, which are

1 afforded through attrition and missed hire dates  
2 and other additions. And the staff is seeking  
3 funding for the 702,000 that was not funded by  
4 the Community Mitigation Fund for the 83rd state  
5 police recruit training troop.

6 Staff is only recommending an  
7 increase of \$363,113 because as laid out in the  
8 memo we're recommending carrying a deficit in  
9 this fund of 600,000.

10 So, to go over a few of the details.  
11 At the bottom of the first page of your memo I've  
12 included the five functional areas that are  
13 funded from the Gaming Control Fund, which points  
14 out, once again, the budget is 30 million, only  
15 19.78 million go directly to the regulatory  
16 control of gaming.

17 The two main items to discuss in  
18 this update as they are covered by the gaming  
19 commission are the additional two positions in IT  
20 and the funding of the 83rd recruit training.

21 Page 2 of the memorandum go to the  
22 full detail behind the need for the two  
23 additional FTs in the IT department. However,

1 I'll summarize it for you. The need is a  
2 combination of the MGC on-going going from a  
3 start-up mode to an operational mode in the  
4 creation of the new secretary of the Executive  
5 Office of Technology, Security and Safety, I  
6 think it is.

7 In this focus of this secretary, the  
8 services for the executive branch department.  
9 They are still assisting us, but we're not their  
10 main focus right now.

11 As I laid out in the memo, in start  
12 off mode we relied heavily on out-sourcing and  
13 shared services. Now that we have more  
14 sophisticated needs, the agency needs to develop  
15 and adapt to get its own subject matter and  
16 expertise that will allow for movement in  
17 monitoring of equipment and networks.

18 We just discussed both half an hour  
19 ago the purpose for and the need for the cost  
20 associated with the 83rd RTT. I'll not bring you  
21 back through that conversation, but it is vital  
22 to the discussion, the decision to found  
23 \$702,404, which is the difference between the

1 cost of the recruit class of 2.5 million and what  
2 the Community Mitigation Fund actually paid for,  
3 1.84 million.

4           So, with all those different numbers  
5 up and down I am happy to report that the  
6 licensing revenue continues to exceed  
7 projections. Last quarter it was up 91,000 from  
8 our annual projections. So, we've already  
9 exceeded our annual projections. In this quarter  
10 it's up an additional 130,000.

11           As the memo indicates a lot of that  
12 comes from primary gaming vendors, us actually  
13 recouping the cost in access of the \$15,000 fee.  
14 And then on-going suitability investigations.

15           The legal department was able to get  
16 us 52,000 in an insurance reimbursement, which  
17 brings the quarterly revenue projections up by  
18 182,000.

19           I have, on the third and fourth page  
20 of the memo, I have recommended that the Gaming  
21 Control Fund carry a deficit of 600,000. The  
22 reason for doing this is we have never had a year  
23 where we have exceeded -- our spending has

1 exceeded our revenues. In the least we have  
2 actually reverted or not spent is 800,000. This  
3 year it's a little tighter. Each year we get a  
4 little tighter. So I'm recommending carrying a  
5 deficit of 600,000.

6 With the state police 83rd RTT costs  
7 of \$702,404 added to the current deficit of  
8 \$260,709 it would bring the actual deficit in the  
9 fund up to \$963,113.

10 So, I'm recommending an additional  
11 assessment of 363,113, which will keep us at a  
12 \$600,000 deficit.

13 MR. ZUNIGA: What was that figure  
14 again?

15 MR. LENNON: 363,113.

16 MR. ZUNIGA: Yup. Because the 702  
17 was not previously anticipated.

18 MR. LENNON: Correct.

19 MR. CROSBY: I think Director Lennon  
20 has figured out the prime feature of commission  
21 management, be last on the agenda when everybody  
22 is so tired they can barely follow what you're  
23 doing.

1 MR. LENNON: Throw a lot of numbers  
2 around.

3 MR. CROSBY: Right.

4 MR. LENNON: Yeah.

5 MR. BEDROSIAN: I think -- and let  
6 me jump in and wake everyone up with a loud  
7 voice.

8 I think what we've done in the past,  
9 obviously, is in deference to our licensees. Two  
10 big issues we could anticipate would go over  
11 budget were our legal costs. I mean, we're just  
12 again back in litigation and that's not cheap as  
13 we all know. And then the RTTC. That's a cost.

14 But having said it, we do dare, in  
15 the finance, we do a great job making us run as  
16 close to the bare minimum as we can. And we have  
17 reverted in the past, and in fairness to our  
18 licensees, as opposed to a third quarter  
19 assessment, and then, oh, look at this, by the  
20 end of the year we have money anyway. We'll try  
21 and get a little closer and see where we actually  
22 are, what the burn rate is and where we are  
23 towards the end of the fiscal year. And be a lot

1 more on point and, you know, maybe the hit on the  
2 state police costs will be a little less because  
3 we'll save it in our budget.

4 I think it's going to be a little  
5 harder this year because of litigation costs. I  
6 mean, they're just not going to -- they're like  
7 the hockey stick. They go like that. So, we'll  
8 do the best we can. And I think this may be a  
9 matter of timing.

10 MR. ZUNIGA: And we can always come  
11 back and adjust either right before the end of  
12 the fiscal year or soon after.

13 MR. LENNON: Okay.

14 MR. ZUNIGA: I'm agreement with  
15 that, with all of what's been said.

16 I also want to point out, as one of  
17 the members of the compliance group, our CIO  
18 Katrina recently presented the business case  
19 relative to the two additional positions that  
20 she's seeking, which we all understand to be  
21 critical.

22 Mostly given the factors that you  
23 mentioned, given the fact that Eotski (phonetic)

1 is going through a big transformation period and  
2 we are not necessarily at the top of their  
3 priority when they have departments that are much  
4 much larger than us.

5 On the flip side is we operate 24/7  
6 and we have now mission-critical growing  
7 technology needs, and we feel that it is critical  
8 for us. And we can only take it with incremental  
9 steps and that means additional engineering  
10 know-how that can help us make this transition.

11 So, we'll all in favor of that  
12 increase, which is not significant in the budget  
13 conversation at this point given that we're  
14 projecting some underages in other areas, which  
15 is where the 600,000 deficit comes to begin with.

16 I just wanted to mention that for my  
17 fellow commissioners.

18 MR. CROSBY: Great. Ready for a  
19 motion?

20 MR. ZUNIGA: I will be happy to move  
21 that the commission approve the additional FTEs  
22 for the technology division discussed here, and  
23 increase the FY '18 assessment on licensees by

1 \$363,113 as discussed here today and included in  
2 the packet.

3 MR. CROSBY: Second?

4 MS. CAMERON: Second.

5 MR. CROSBY: Any further discussion?

6 All in favor?

7 ALL: I.

8 MR. CROSBY: Opposed?

9 The Is have it unanimously.

10 MR. LENNON: Okay. Thank you.

11 MS. CAMERON: Thank you.

12 MR. CROSBY: So, we are to item 9.

13 This is a big one that everybody has been waiting  
14 for. There's been crowds outside chanting with  
15 signs. We have the annual election of the Mass  
16 Gaming Commission secretary and treasurer.

17 I suggest that we start with the  
18 nomination for treasurer. And I open the floor  
19 to nominations.

20 MS. CAMERON: Well, I would like  
21 to -- I would be pleased to nominate Commissioner  
22 Zuniga for the position of treasure. I think  
23 he's done a superb job in past years and serves

1 us very, very well in that role.

2 MR. STEBBINS: I would second that.

3 MR. ZUNIGA: Thank you,  
4 commissioner.

5 MR. CROSBY: I would agree with the  
6 commentary. You have not much of a database to  
7 use, but.

8 Any further discussion to commend  
9 the track record of Treasurer Zuniga?

10 All in favor of the nomination and  
11 election of Commissioner Enrique Zuniga to a  
12 third or fourth term as treasurer of the  
13 Massachusetts Gaming Commission signify by saying  
14 I.

15 ALL: I.

16 MR. CROSBY: You vote for yourself.

17 MR. ZUNIGA: I'm allowed.

18 MR. CROSBY: Can he vote?

19 Okay. It's a unanimous vote.

20 MS. CAMERON: He knows he does a  
21 good job.

22 MR. CROSBY: The motion passes  
23 unanimously.

1 Do I have a nomination for the  
2 position of secretary?

3 MR. ZUNIGA: Sure. I'd be happy to  
4 move -- actually nominate Commissioner Stebbins  
5 to be the secretary of the commission for this  
6 current term.

7 MS. CAMERON: I wholeheartedly  
8 second that nomination.

9 MR. CROSBY: Do we have any other  
10 nominations?

11 MS. CAMERON: We do not.

12 MR. CROSBY: Do we have any further  
13 discussion?

14 All in favor of Commissioner Bruce  
15 Stebbins being elected to his first term as  
16 secretary of the Mass Gaming Commission signify  
17 by saying I.

18 ALL: I.

19 MR. CROSBY: All right. Unanimous  
20 election. Congratulations.

21 MS. CAMERON: Congrats to both of  
22 you.

23 MR. CROSBY: We've got a legislative

1 update. I don't know that -- I'm not sure if I  
2 put that on there. This is -- I did. Yeah. I  
3 forget which issues. There was a lot of issues  
4 floating around, but there is the racing  
5 legislation that we hope we've done. In fact,  
6 I've just got a text from somebody in legislature  
7 today who is, I hope, tracking that.

8           That is either our new racing  
9 legislation or some version thereof. And we're  
10 told that everybody wants something done, but the  
11 house seems to be the least flexible and  
12 fast-moving senate seems pretty comfortable going  
13 forward with something close to ours, which they  
14 passed last year.

15           The other ones are DFS and sports  
16 betting. Eileen Donahue, Senator Eileen Donahue  
17 filed a DFS bill, just a stand-alone DFS bill,  
18 not like our proposed omnivous (phonetic) bill.  
19 She is, however, leaving to become the town  
20 manager of -- city manager of Lowell. She may  
21 already be gone. I'm not sure.

22           So, the champion of that legislation  
23 has moved on.

1                   But I think the DFS sunsets at the  
2 end of this term. DFS legalization sunsets at  
3 the end of this term and they would go back into  
4 that nether world about whether it's legal or  
5 not.

6                   So, I'm pretty sure they will do  
7 something, but there's not been any real motion.  
8 The senate is the leader of this, essentially.  
9 They're going to change the leadership the last  
10 week of the session, which is really weird. So,  
11 it's kind of complicated.

12                   I guess that's what I had on here to  
13 just bring people up to speed on.

14                   MS. CAMERON: And we don't think  
15 that sports betting will be addressed in this  
16 session?

17                   MR. CROSBY: Yeah, that's my guess.  
18 I mean, they're getting close to the end here.  
19 But I don't know for sure, but I think with  
20 particular things on the senate being so fluid.

21                   MR. BEDROSIAN: I'd be surprised,  
22 unless the supreme court comes out with a  
23 decision soon there's not going to be the

1 momentum.

2 MR. CROSBY: No pressure, that's  
3 right.

4 MR. ZUNIGA: As you occasionally  
5 speak to, people out there, Mr. Chair, go without  
6 saying that it's the racing legislation that  
7 really needs -- and we've been talking about this  
8 now for probably three years that we think is in  
9 need of being addressed one way or another.

10 MR. CROSBY: What I haven't heard --  
11 you know, we know that the Suffolk Downs folks  
12 are talking to everybody, but we haven't heard  
13 very much about the Stronach (phonetic) people.  
14 And I hope they are doing what they said they  
15 were going to do. It's not a big secret. They  
16 were going to talk to legislation, too. And they  
17 were supportive of our legislation, basically,  
18 but I haven't heard much about that yet.

19 Any other commissioner updates?

20 MR. ZUNIGA: I'll just give a quick  
21 one. I attended recently a meeting of the access  
22 and opportunity committee and I hadn't been there  
23 in awhile and it was a great opportunity to get a

1 refresher of the great work that happens at that  
2 level.

3           It's one meeting, Commissioner  
4 O'Brien, that I think you should make a point of  
5 attending at some point just understand the  
6 process that Jill Griffin really convenes. It's  
7 usually attended by Commissioner Stebbins and  
8 sometimes Chair Crosby and we're careful not to  
9 duplicate more than two commissioners for  
10 appearances purposes, even though these are open  
11 meetings. We wouldn't want to make them meetings  
12 of the commissioners as well.

13           But I think there is a lot of great  
14 will at the community level from the folks around  
15 on the work that both MGM and Wynn are doing in  
16 the area of diversity inclusion and local hiring  
17 and workforce. It was a great refresher to  
18 attend that meeting.

19           MR. CROSBY: Yeah. And I think I  
20 should announce. I think I did this by email,  
21 but maybe not everybody knows that Commissioner  
22 Zuniga will be succeeding me as the co-chair of  
23 the Public Health Trust Fund.

1                   Public Health Trust Fund is  
2 co-chaired by the designee of the Secretary of  
3 Health and Human Services and the commission --  
4 the chair of the Gaming Commission or his  
5 designee. And the designee on the Health and  
6 Human Services side is the deputy commissioner of  
7 public health, Department of Public Health.

8                   And starting now Commissioner Zuniga  
9 will be the co-chair of the Public Health Trust  
10 Fund. It's been something he's had an interest  
11 in since the very beginning and completely  
12 involved in everything we've done from the  
13 beginning. And we'll now be co-chairing with  
14 Lindsey Tucker from Department of Public Health.

15                   MR. ZUNIGA: Thank you.

16                   MR. CROSBY: Big pay raise goes with  
17 that, too.

18                   Any other reports? All right. Do I  
19 have a motion to adjourn?

20                   MS. CAMERON: So moved.

21                   MR. CROSBY: All in favor?

22                   MR. ZUNIGA: Second.

23                   ALL: I.

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MR. CROSBY: We are.

Thank you.

(Hearing concluded)

COMMONWEALTH OF MASSACHUSETTS

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I, Jessica M. DeSantis, Court Reporter, do hereby certify that the foregoing testimony is true and accurate to the best of my knowledge and ability.

WITNESS MY HAND, this 19th day of April, 2018.

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Jessica M. DeSantis

jmd