

MASSACHUSETTS GAMING COMMISSION
MEETING
JUNE 27, 2019
10:00 A.M.

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P R O C E E D I N G S

>> CHAIR JUDD-STEIN: Good morning, Austin. We are calling to order meeting 273 of the Massachusetts Gaming Commission on Thursday, June 27, 2019, at 10:00 a.m. at our offices here at 101 Federal Street in Boston. We'll begin with item number 2, Commissioner Stebbins, please.

>> COMMISSIONER STEBBINS: Thank you, Madam Chair. In your packet, you have the minutes from the May 29th, 2019, meeting. I would move their approval, again, subject to correction for any typographical errors or any other nonmaterial matters.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions or discussion? All in favor? Opposed? 5-0, please.

>> COMMISSIONER STEBBINS: Sorry. Yeah. Next, Madam Chair, you have in your packet the minutes from the June 6th, 2019, meeting. I would, again, move their approval also, again, subject to correction for any typographical errors or any nonmaterial matters.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: I have one second, just to the same formality to my fellow Commissioner just on the front page. Enrique -- Commissioner Zuniga, please.

>> COMMISSIONER ZUNIGA: All right. Sounds good to me.

>> CHAIR JUDD-STEIN: You don't need a last name for it to be memorable.

>> COMMISSIONER ZUNIGA: Thank you.

>> COMMISSIONER STEBBINS: Wow.

>> CHAIR JUDD-STEIN: If there's no further comments, all those in favor? Opposed? 5-0, please, Catherine. Okay. Moving on to our administrative update. Director Bedrosian, please.

>> MR. BEDROSIAN: Good morning, Commissioners and chair.

>> COMMISSIONER ZUNIGA: Good morning.

>> MR. BEDROSIAN: Under item A, I have two issues. The first is that this weekend is an historic weekend. It is the last final racing at Suffolk Downs. If you

know the history of Suffolk Downs, what the attendance was in the '30s, '40s, '50s, and saw some of the pictures of what went on there, I'm sure for a lot of people, this will be an emotional weekend. For us, our folks under Director Lightbown will be out there doing what they do all the time is their best job regulating the racing. But as I said, this will, I'm sure, be an historic weekend for many folks. So --

>> COMMISSIONER CAMERON: I'll go out on Saturday and watch the races and see what everyone's doing.

>> MR. BEDROSIAN: Good. Thank you. Thank you. The second item is maybe -- and this is before we get to item B, which is the Encore Boston Harbor operations certificate vote, but the second item, just to tell you the obvious, which is we have opened Encore Boston Harbor. And from my perspective, I'd like to thank a bunch of our staff. And it really falls into what I'd call three buckets. First, there are the staff, the gaming agents, the technology folks, our central monitoring folks, the gaming core of our staff who was there testing machines, our financial investigators who stood in the cage during practice nights to make sure the cage staff worked well. You know, our gaming agents were in surveillance, making sure surveillance people were up to snuff. They were monitoring slot machines, table games, everything. And we were so fortunate to have people working literally day and night 24/7 really working hard. So I'd like to thank them.

The second bucket, Joe and John making sure that license commitments were met before, up to and even after. That will be an ongoing process. And that is thousands of commitments, documenting them, making sure there's substantial completion. If not, the Commission's aware of it and the reasons why. So that was no small task. And thank you to them.

The third bucket -- and maybe the most important bucket -- is all those folks who weren't involved in those first two groups who stayed behind to make sure everything else we do kept going, that we were able to walk and chew gum at the same time, whether it's our executive assistants, our HR folks. We are very fortunate to have all our team members, you know, rowing in the same direction and supporting those of us who were out at the property, technology, you know. I'm sure I'm forgetting someone, and I apologize for that, but we were very fortunate. So I would like to say thank you.

I think it was a very successful opening. We had -- we were very fortunate to have good communications through the property and public safety agencies about how people could get to the property. That particular day, the 23rd, it was very successful. I think people took a lot of public transportation alternatives. I happened to drive in very early. It was as smooth as I've ever driven to that property. So it was very fortunate. So that's from my perspective. I'd love to turn it over just briefly before we get to the operations certificate to Bob DeSalvio, president of Encore Boston Harbor, to hear his thoughts on opening.

>> MR. DeSALVIO: Thanks, Ed. Good morning, Madam Chair and Commissioners.

>> COMMISSIONER ZUNIGA: Good morning.

>> MR. DeSALVIO: I'm joined here today by Peter Campot, our Director of Construction, and Jacqui Krum, who is our Senior Vice President and General Counsel. And I'd like to do a couple thank-yous as well. First and foremost to Peter for building one of the most awesome buildings I've ever been affiliated with. The construction work is terrific. They got it all done on time. And we're really pleased to have just the

men and women of the trades did a beautiful job along with Suffolk and Peter and the WDD team really "A" plus on that building. It's fabulous.

I'd like to thank Jacqui for all the gyrations leading up to the opening. There was commitments galore and a lot of preparation on that, so thank you, Jacqui, for all of that. And I'd like to most importantly thank the over 5,000 team members that we have at Encore Boston Harbor. They did an amazing job handling that. It was quite a crowd. I guess I should throw in a thank you to mother nature for cooperating on one of the most beautiful days. I remember I did not look at the weather app for the two weeks prior. I know you guys know the story. I was afraid of jinxing it. But on that morning when I clicked -- I finally clicked it when I saw it was sunny, and it said 34% humidity, and I said, wow! We haven't seen that in greater Boston in 25 years. So it was really a great day. I think the strategy worked well. We wanted to do it Sunday morning. I think that was the right call. The lines started early but, you know, relatively few people. And then it started to really build by about 7:00, 8:00 in the morning.

I will tell you we had at noon about 5,000 people in line out on the harborwalk. Thank goodness we have that harborwalk and all that open space because it really came in handy. And we were able to queue folks and not have them anywhere near the roads. The general public, I would like to thank the general public for cooperating as far as the transportation alternatives. And we're hoping that they will keep that going. I found one interesting tidbit that was an online survey that the Herald did. And the question was, how are you getting to Encore Boston Harbor? And I'd like to read you the results. This was just from an online survey they did.

33% said drive. 14% said cab or ride share. 24% said public transportation. And 29% said water. Now, that's really interesting. That is a very -- and again, it was just a sample that I was -- you know, when I wouldn't sleep one night, and I'm reading random things online. I pulled that up. But it was interesting because people really did take advantage of the options. We had over 1,000 people come by water on the first day. And so people are really loving the premium harbor water shuttles. And we're just going to continue to promote and ask people to think differently about transportation. But big kudos to the general public for actually trying some new ways to get there. And actually, this whole week it's been relatively good so far, you know, into the -- whatever it is, four days in operation. So, again, so far, so good. The team was amazing. And it was really a great opening period.

>> CHAIR JUDD-STEIN: I'd like to add that I tested you on your assessment, and I think Commissioner Zuniga did, too, on the assessment of the walk from Sullivan Square. I thought your ten minutes might be overly optimistic, and I would say it was very accurate, and it was, on that day, a gorgeous walk. Do you agree?

>> COMMISSIONER ZUNIGA: I do, absolutely. You know, frankly, I think we all tested different modes of transportation. We all took public transportation. I came back. I went to the property via the Orange Line and walked from Sullivan Square, but then came back via the employee shuttle to Wellington Center when I came back home. And there's something that I just want to mention for, you know, this picture that I have in my mind. As I'm waiting for the employee shuttle, that's where the employees park all their bikes. And there was a remarkable amount of bikes.

>> MR. DeSALVIO: Bicycles.

>> COMMISSIONER ZUNIGA: All the bike racks that you have were full. So it's

clear this notion of multimodal is also permeating not just to the general public but as evidence here to the Commissioners and other Commission staff, but notably also to employees, which I think is also worthy of mentioning.

>> MR. DeSALVIO: Well, and I'm glad your numbers checked out or I guess I would have been hearing from the IEB.

[Laughter]

>> COMMISSIONER CAMERON: I know a couple of us took the water shuttle, which was an excellent way to travel, and I'm glad so many of your patrons enjoyed that way also. I would also just like to thank -- I think the coordination between both teams was excellent. I've seen that over the months, but it was -- in crunch time, it was particularly important, and I think we all got to see that firsthand, so I would like to commend both teams for that work. And our team just really strong work. I just love the coordination. To me that's so important to have anything like this, any kind of a mission, to have it be done well, you need to coordinate. And the coordination with our gaming agents, with our Gaming Enforcement Unit, to see Everett PD and the state police working shoulder to shoulder, the force multiplier because they work really well with security, you know, constant meetings, walk around and an hour later I'd see another little impromptu meeting talking about an issue. So I think everyone on all of the teams. I saw GameSense working hard out there at the opening. Our GameSense advisers. So I think everyone really -- Joe, I know how much you were into all of the commitments, you and John. It just -- it was apparent, the work that was done, and I'm just -- I'm really proud of our team, and I just want to thank you.

>> MR. DeSALVIO: And I have one more thank you to Commissioner O'Brien for having the meeting on Thursday night into Friday morning at 12:30 in the morning. And this way we didn't have to pace all day waiting to see whether we were going to get an operations certificate. So thank you for ending that process early. We appreciate it. And I could go home and sleep a little.

>> COMMISSIONER O'BRIEN: It was about 12:30, 1:00, I think.

>> MR. DeSALVIO: 1:00 in the morning.

>> COMMISSIONER CAMERON: You were more efficient because when we did Penn, we did it at 4:00 a.m.

>> COMMISSIONER O'BRIEN: Well, three nights this time around which I think probably speaks to the licensee and the process of three nights, getting it right by the time you got to night three.

>> COMMISSIONER CAMERON: Good work. Thank you, Commissioner, for representing all of us out at the -- out in the field.

>> COMMISSIONER O'BRIEN: No, it was -- I joke with people that I feel like I, you know, kind of jumped in and sprinted the last, you know, couple hundred yards of a marathon. I'm later to the game than a lot of the people of the licensee and newer to the industry. I have to say and it's been said before and I will just repeat that I appreciated the work that everyone did, particularly for our team. I don't -- I did not fully appreciate the details and the depth of the commitment until I was out there last week and understanding what goes in with IEB, with the gaming agents, GameSense, the section 61 commitments, the level of detail that goes into all of that, the eye for detail in terms of everything that we looked at when we were over there from the cage to the tables to, you know, everything that was going on, security, et cetera. And then the

congeniality, the cooperation in terms of sitting down, you know, after each test day or test night in terms of what they noticed, the different observations, and then moving forward. You saw marked improvement every night. So that by the time you got to night three, that was an option. We didn't know if it would be or wouldn't be. And maybe Bruce says this to everybody, but, you know, number 18 was his favorite according to the conversations we had. So you might want to take that up with Bruce later.

>> COMMISSIONER STEBBINS: What? I thought 17 was your favorite.

>> MR. BAND: I think I said that to you, too.

>> COMMISSIONER STEBBINS: You did.

>> COMMISSIONER ZUNIGA: Is that 18, the number of casinos you've opened, Bruce?

>> MR. BAND: Yes.

>> COMMISSIONER ZUNIGA: Yeah. You know, if I could just mention something here, there was never really a master strategy in the order that we opened these casinos here, needless to say. They happen organically and for all these reasons. But having the largest and perhaps in some ways more challenging casino, if you will, opened last really provided a great, you know, way for us to get up to speed, you know, before that. I think by the time we're doing this third one, there's a lot of things that we learned along the way. You know, you mentioned Penn earlier. You know, that was a very different timeframe in terms of opening and whatnot. But we got through it. Our team is clearly a lot more, you know, sensitive to what is our things that we need to focus on and just the size of this operation presented a challenge in and of itself. But I think it went very smoothly, thanks to all the work that we've been doing before as well.

>> COMMISSIONER CAMERON: Yeah, and I think all three licensees, frankly, took their responsibilities seriously, understood what we were trying to do, and partnered very, very well. So I think we're very fortunate with our three licensees.

>> CHAIR JUDD-STEIN: We have Mr. Mathis in the room so we're giving him thanks helping bring us along the way. I wasn't here for your opening, but I know that lessons were learned because of your leadership. And I know Bob appreciates that as well.

>> MR. BEDROSIAN: So that, with the caveat, Commissioner Cameron, thank you. I did, in fact, forget someone, which is the GEU. So I would like to mention the collaboration between state and Everett Police. And Everett Police and state police on the outside, all the details, public safety is always paramount important. And so the work that the men and women of those agencies did is not to be forgotten or underscored either. So thank you for reminding me of that.

My last thank you was, as I think Bob had pointed out to Commissioner O'Brien. Thank you for coming. I hope you did learn something from the process about what happens in staff. And I do agree with what everyone else said. The muscle memory of opening two category 1 casinos in the same year definitely helped, no question about it, the process at MGM paved the road for a lot of what we did, and if there were things we needed to perfect, we had the benefit of doing that in this process. So that was very helpful. But so I'm done with my general update, and then I would turn it over to Commissioner O'Brien to describe the process of how we got to the conditional operations certificate and then move on to the permanent operations certificate.

>> COMMISSIONER O'BRIEN: Certainly. I think I covered some of it in my thanks.

I'm not going to keep everyone here longer than they need to be on the topic. I attended the three test nights, the 17th, the 19th and the 20th and really shadowed, you know, either Director Wells or Bruce and Burke -- Bruce Band and Burke Cain or the gaming agents in terms of going around, seeing the cage, seeing them, you know, put people through the paces, walking me through what all the mechanisms were, making note of things that needed to be fixed, either a long-term problem -- issue or something that had to be done immediately. Running lists in terms of what was going to be needed on a temporary certificate versus what could be given a little bit more time. And that went to security, to the games, to the cage, to everything. And then I did have the opportunity to see, you know, the GameSense people and our sort of front and back-of-house people as well. Again, the meetings were efficient. Either our -- I'll call them postmortems after each test night and then sitting down with the people from Encore in terms of what needed to be done. So that by the time we got to Thursday night, it was, again, markedly improved from, you know, the postmortem report that I had gotten on the first day. And so when we got to that night in terms of that midevening and then late evening in terms of the temporary conditions, there were -- the only thing I think that was slightly different from MGM is because of the timing of things, there were a lot more Section 61s that needed to be specified and sort of laid out, and we can get to that in terms of what's going to be in the permanent operations certificate. But there were some issues that were mostly Director Band pointed out in terms of things that either needed immediate fix or by short turnaround time that were put into the temporary certificate, but nothing either that was brought up by anyone from IEB or Director Band that spoke to anything that questioned sort of the integrity of the games or the safety of the patrons or the operations. Nothing anywhere in that category. So I did not have any hesitations in signing the temporary certificate that night.

I know that there's some updates to be had in terms of some of the temporary requirements have been met. There are some that need a little more time that we'll have to attach to the one that we're going to vote on today. And then we can go into some of the Section 61s that I know they've even been able to knock some off the list in the week or so since we've been there. But based on what I observed that week and then as we sit here today, going over what the recommendations are on the conditions that we'd attach to the permanent operations certificate that I would recommend that we move forward as it's laid out in the packet in executing the final operations certificate with the recommendation on the conditions.

>> MR. BEDROSIAN: So and I don't know, usually what we've done in the past, I think, is just check in with our gaming folks and see how we're doing the four days.

>> MR. BAND: The last four days --

>> MR. BEDROSIAN: Button.

>> MR. BAND: It's been nothing but busy and, you know, positive things on the horizon.

Things are operating well.

>> COMMISSIONER CAMERON: That's a brief update, Director Band.

>> MR. BAND: I could make up better stories, but --

>> COMMISSIONER CAMERON: No, we don't want you to make anything up.

>> MR. BAND: I'm afraid Bob will kick me if I do.

>> COMMISSIONER CAMERON: So it's running smoothly.

>> MR. BAND: Things are running well. The accounts are going well. All the teams seem to be working very efficiently.

>> COMMISSIONER CAMERON: When you mentioned the counts, we didn't mention finance because they were out there, too.

>> MR. BAND: Yes.

>> COMMISSIONER CAMERON: Watching both what was happening in the cage as well as, you know, everything else that we do out there with the finances. So kudos to your team as well.

>> MR. BAND: Do you have anything to add to that?

>> MR. CAIN: Well, we looked at all the different departments. We've been watching them the last three or four days. There's some general things that could be expected with the opening, but it's nothing monumental that isn't going to be ironed out through learning the processes better. I agree with Bruce that everything's good.

>> COMMISSIONER CAMERON: Great. Thank you. Okay.

>> COMMISSIONER ZUNIGA: So are we going to go through some of those conditions in the memo, or anybody -- I'm just -- in terms of process.

>> CHAIR JUDD-STEIN: In terms of the vote that would be before us because we right now have the certificate. So I agree, Commissioner Zuniga, if we could understand -- is this the time now to vote, or do we wait for -- should we wait for Mr. Ziembra's comments?

>> MR. BEDROSIAN: No I think we could vote. If you have any questions about the conditions, I think these are the conditions that are being recommended as a result of the process.

>> CHAIR JUDD-STEIN: On the second page of our memo.

>> MR. BEDROSIAN: Exactly.

>> CHAIR JUDD-STEIN: Do you want to walk us through those?

>> COMMISSIONER O'BRIEN: I think it's included in the packet.

>> MR. BEDROSIAN: Commissioner --

>> COMMISSIONER O'BRIEN: The recommended conditions are included in the packet, but to lay it out more formally, this is shorter than what the temporary ones because, again, they have knocked some off the list. But the recommendations are to continue -- one of the conditions that was temporary that we're recommending continue until it's rectified is just adding additional cameras on the ballroom area and making sure they're operational in terms of alcohol service. That was an area where it's just a question of wiring and, again, things that are going to take some time. Most of these, I think, we're doing -- is it 90 days unless otherwise specified in terms of whether we either think they have to be or can be executed more quickly.

The other conditions that are being proposed are that the licensee provide to the Commission any further documentation needed to confirm compliance with the commitments that were described in the commitment closeout update that was presented on June 12th of this year that was in the packet. Second, that the licensee shall install panic alarms inside the main bank. Parlor lounge, that was within 30 days as opposed to the 90. The gaming licensee shall ensure all receiving panic alarms have installed speakers. That's also a 30-day rather than 90. The gaming licensee shall install additional cameras in all service bars on are temporary bars to ensure that

all full coverage is achieved. That speaks to what I talked about the first time, which is just making sure they can make maximum use of the space but also, you know, do what we think needs to be done in terms of protecting clientele and safety.

They shall angle all frontline cage facial shots ten degrees down. That was Director Band's recommendation in terms of just making sure you have the full camera angle that he felt was necessary. That the gaming licensee shall ensure the stadium gaming Roulette wheel located in the R Zone, the dealing shoes and the other gaming equipment has the ability to be securely locked. Now, if you want further detail on this, it was explained to me but I don't think I could do it justice. I think Director Band or Burke could explain in greater detail what this means.

>> MR. BAND: Essentially we require all gaming shoes and Roulette wheels to be locked up when they're not in use for they can be tampered with. This is part of the stadium gaming, so it's a little different than normal. So we just have to get some pieces made so they can secure those if those games are not operating.

>> COMMISSIONER O'BRIEN: Right. And additionally that the gaming licensee shall display additional nongold fair deal signage in the following back of house areas, the Commission's office, the first and second floor back of house, the park elevator banks and parking elevator lobbies and I believe that color choice was to make sure it stood out from any other signage. And the credit department shall be either relocated or sealed off from the cashier's cage and I understand that would be a 90-day. That's going to probably take a little bit longer to make that happen. But it's nothing that jeopardizes anything in terms of the integrity of the cage.

>> COMMISSIONER STEBBINS: I had a quick question about the additional cameras on temporary bars. I mean, these are pop-up bars. You move them around depending on, you know, the events and activities and where your business is.

>> MR. BAND: Yes.

>> COMMISSIONER STEBBINS: How do they try to meet that obligation to have camera activity where these things pop up?

>> MR. BAND: Mostly because most of the bars are on the casino floor, it's not an issue with adding cameras. They will have standard places that they will put these.

>> COMMISSIONER STEBBINS: Okay.

>> MR. BAND: I think they're still trying to feel their way as to how many of these pop-up bars they need, so we just want to make sure that when they do arrive, we have proper camera coverage.

>> COMMISSIONER O'BRIEN: And just for point of clarification on that the last test night, they had the need to do this. And they positioned the pop-up bars in such a way that they were covered. So they have been -- this was in discussion last week, too, and sort of they knew where to place the bars appropriately.

>> COMMISSIONER STEBBINS: Okay. And this extends beyond the gaming floor to banquet convention space down that end of the property?

>> COMMISSIONER O'BRIEN: Yes.

>> COMMISSIONER ZUNIGA: One of the earlier conditions.

>> CHAIR JUDD-STEIN: Any other questions? I have one question. Respect the panic alarms, are those panic alarms that folks have -- I know we -- I think they might have been for hotel employees. Am I understanding correctly? If so, the speakers --

>> MR. BAND: These panic alarms are actually in each pit area.

>> CHAIR JUDD-STEIN: Oh.

>> MR. BAND: If something occurred, it draws attention and I don't have to go over and pick up the phone, and it would be real obvious to whoever is causing the disturbance that I'm contacting the authorities.

>> CHAIR JUDD-STEIN: So there's an associated speaker.

>> MR. DeSALVIO: We typically put those in pit stands.

>> CHAIR JUDD-STEIN: That's really helpful. Thank you so much. Any other questions?

>> COMMISSIONER ZUNIGA: Yeah. So it's fair to say that perhaps with the exception of the casino credit relocation that you just explained, Commissioner, that all the other conditions are straightforward in terms of meeting the timeframes?

>> MS. KRUM: Yes, we worked closely with your team and I think we can accomplish everything within the 90 days other than potentially the last question.

>> COMMISSIONER CAMERON: Which requires some structural changes?

>> MS. KRUM: That's correct.

>> CHAIR JUDD-STEIN: Any further questions? Comments? Again, thank you to our team and to your team, Mr. DeSalvio, for a very -- it was just a simply great celebration, and so we appreciate all the efforts that, you know, like Commissioner O'Brien said, I'm a very late arrival here, and it was a very joyful event. So thank you.

>> COMMISSIONER O'BRIEN: The only thing that I would share with everyone that for those of us that were there in the wee hours Friday night coming back down to leave, there were a number of Encore employees who were wrapping up their shifts sort of hovering in the hallway. And we ended up coming through, it was essentially a gauntlet. The very enthusiastic employees. And I thought you guys were going to take a turn, but then I saw you come back. And I was also struck at that moment, too, by the enthusiasm of all the people that were working there, basically cheering and high-fiving. They had no idea exactly what had happened upstairs. They were just happy to see everybody walking through the hallway.

>> MR. DeSALVIO: They were absolutely thrilled. And it's a wonderful team. They've done a great job. So thank you for that.

>> MR. BEDROSIAN: So the only other issue I would note before you vote is you'll see there's a separate memorandum in the packet. And that describes the Section 61 commitments that we need to monitor. Those are separate license conditions. So we just wanted to be clear. You'll be voting on the permanent operations certificate with the attached conditions that you just described, but the Section 61 commitments are something we will monitor separately, and that memo outlines that process. And as Commissioner O'Brien said, this process was a little unique compared to MGM. We had a longer maybe runway where we dealt with some of those issues beforehand. But we are not -- we are aware of them, and we are going to monitor them as outlined in the memo.

>> COMMISSIONER CAMERON: Mr. Delaney, do you have -- you had something to add, or are there anything -- I mean, I read the memo, but is there anything there that concerns you, or do you feel like everything is on track to meet those obligations?

>> MR. DELANEY: Yeah, I think, you know, when we issued the conditional operations certificate, we knew that there were these several items that were still outstanding. Obviously we didn't think they rose to a level that would prevent the

conditional operations certificate from being issued. And we don't feel that way at this point. You know, in the intervening week, a lot of these things have been addressed already. You know, on paving. That's happening today. The payments that went to MassDOT and the City of Everett that happened. And then the purchase of green power is going to take maybe 30 or 60 days. We're saying 90 just as a good, round number, but we think that's going to happen sooner than that. Then there's a whole bunch of things with Mass Port, MassDOT, MBTA, they have to close out permits and do drawings and there's still a little bit of work to be done. I think there's a gate over at the MBTA. So, again, we're giving sort of a 90-day period to say, you know, we think that's sufficient to get those items closed out. And then there's the issues with the surrounding community agreements. We've now gotten copies -- we've gotten letters from all of the communities except from Melrose on that, and we reviewed Melrose's conditions. They were a neighboring community, so there really were very few conditions on that. There were no payments to the community and so on.

So we think that those few items that are left out there with the 90 days, we should be sufficient to close those out, and we'll keep monitoring them, and we'll report back, you know, within 90 days or sooner if they're closed out before then.

>> COMMISSIONER STEBBINS: Joe, just a quick note. On the surrounding communities and neighboring community agreements and getting the letters kind of for this point in time, general acknowledgment that they're in compliance, that is a piece of ongoing review because there are annual commitments that are part of those as well.

>> MR. DELANEY: Absolutely. We're working now on, you know, developing that ongoing operations list of items, you know, there are annual payments that need to be made. In fact, all the first payments to the surrounding communities go out within 90 days of opening, so we'll be tracking that. And then the annual payments thereafter. And then there's a lot of other conditions that are, you know, outreach to the communities, to the chambers of commerce and other things, and we're going to keep track of all of those things as well.

>> COMMISSIONER STEBBINS: Okay. So it's a snapshot here, but it's an ongoing piece.

>> MR. DELANEY: Correct.

>> COMMISSIONER STEBBINS: While some of those others get wrapped up? Okay.

>> CHAIR JUDD-STEIN: Any further comment, Commissioner O'Brien?

>> COMMISSIONER O'BRIEN: Nope.

>> CHAIR JUDD-STEIN: Do we have a motion?

>> COMMISSIONER CAMERON: So Madam Chair, I move that pursuant to 205 CMR 151.013, that Wynn Mass LLC Encore Boston Harbor is in material compliance with all of the prerequisites for the issuance of a permanent operations certificate subject to any conditions determined by the Commission to be included in the permanent operations certificate and that the Commission issue a permanent operations certificate subject to any conditions included by the Commission. I think I said that twice, to Wynn Mass LLC, Encore Boston Harbor. I further move that the issuance of the permanent operations certificate is subject to Wynn Mass LLC, Encore Boston Harbor's continued compliance with all of its projected commitments and conditions that are part of its application, license and permits and that such permanent

operations certificate is subject to compliance with the conditions and agreements previously imposed by the Commission on Wynn Mass LLC, Encore Boston Harbor.

>> CHAIR JUDD-STEIN: Is there a second?

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any further questions? Those in favor. Opposed? 5-0. Thank you, Catherine. Nicely done.

>> COMMISSIONER ZUNIGA: Thank you.

>> MR. BEDROSIAN: Now, moving on to Region C. Commissioners and Chair, as you know, the Commission denied a Region C application formerly by way of written decision dated August 11th, 2016. At that time the applicant did not appeal the Commission's denial in court. However, in 2018, the applicant did send to the Commission a motion for reconsideration. The Commission did authorize the legal department to send a responsive letter to that motion in September of 2018. The Commission and staff have always monitored Region C developments including the Mashpee Wampanoag litigation about its land and trust status and developments in neighboring gaming markets. Later in 2018, the Commission authorized staff to put out for public comment a series of 14 questions related to Region C issues. That comment period ended November 30th, 2018.

In January of 2019, the Commission stated it would be appropriate to reconsider these issues when the Commission had a new chair. We have a new chair. And Chair, you had asked me specifically to put this item on the agenda and summarize where we are. What I just did, I think, is a brief summary of where we are.

>> CHAIR JUDD-STEIN: Thank you, Director Bedrosian. Yes, as you referenced, we have on our desks a petition dated February 5th now, 2019, submitted by the law firm Goodwin Procter on behalf of its client, Massachusetts Gaming and Entertainment, to reconsider its application for a license to develop a casino in Brockton in Region C. And as you stated, the original application, although we weren't here, was not approved by the Commission in 2015.

I appreciate the petitioner's patience as we attended to other matters. Since my arrival, I have let Director Bedrosian know that I have not wanted these issues concerning Region C to get lost in the shuffle. So we appreciate the petitioner's patience. As you noted, Director Bedrosian, I felt it must be a priority for us today to begin the process of being briefed and updated on the status of all matters relating to Region C. Given that neither Commissioner O'Brien nor I have been involved in any past discussions and decisions relating to this region, I think it makes sense as a first immediate step for the legal team to bring us and the rest of the Commission up to speed by first providing us with a legal analysis regarding the status of the motion for reconsideration. Precisely I'm interested in learning whether the Commission has discretion to move ahead on it or whether all administrative remedies have been exhausted, requiring instead a timely appeal under what I understand would be Chapter 249. There may be other issues to consider, of course. These were just two that came to my mind. But I think that legal analysis would be very helpful for a first step.

I would invite Goodwin Procter, Mass Gaming and Entertainment's counsel, to present on that threshold issue, that very threshold question as to the propriety of that motion being in front of us at this time, and they could present perhaps at the same Commission meeting that the legal team briefs us, and we can coordinate that, I

suspect, in the future. I think it also, as you referenced, it makes sense for us to be briefed on the public comments and responses to the questions that the Commission issued last year. They were tabled in January, so that briefing, I presume, would include the responses offered by MG&E in its brief that's on our desks.

And finally, I think I agree that it's very important for us to receive an update on the status of the Mashpee Wampanoag litigation and related legislation and legal matters. They're complex, and I think they've been changing over time. So it probably makes sense for those of you who are better briefed to get that update as well. So if my fellow Commissioners agree with this approach, then, you know, I welcome obviously if you have other ideas, this would just be sort of first steps in getting us up to speed on this matter. I don't know if you agree. I'd love your comments, and then if you have any other issues that you think are related to Region C that we should address.

>> COMMISSIONER CAMERON: No, I certainly agree. The steps are appropriate. We haven't had a briefing in a while on this topic. And I think as we know, the status has changed. Casinos in Rhode Island have changed. There are new data points that we have not had a chance to take a look at, and certainly a full briefing by our two newer Commissioners is appropriate, so I certainly think that that strategy makes a lot of sense.

>> COMMISSIONER STEBBINS: Yeah, I would agree with that. Obviously, you know, there are, you know, some other tidbits or stories that we're hearing that are out there, potential changes to the gaming statute included, but I would just like to suggest that, you know, the list of questions that we had out for comment, obviously anybody at any time can weigh in on the Mass comments line to offer their opinions, and, you know, we should kind of maybe not have them address those same questions, but obviously folks from the public, you know, I would assume, interested parties down in the southeast region or anywhere else should always feel the opportunity to weigh in where appropriate.

>> COMMISSIONER ZUNIGA: You know, I -- I think, you know, for the most part, I think it's important to get that refresher that we all seem to be on board of getting. My recollection, though, is that we at least -- will at least -- you know, the petitioner had put forward their rationale for the motion for reconsideration in the first or second time around. And you had at least -- we had put out those questions for public comment and, you know, there's no limit in terms of timeframe when people can continue to provide comment. But that -- it would be good for all of us, the public especially, to get an up -- you know, get a refresh of all of that, the most salient points of that -- either the threshold, the legal question, et cetera. And I think that's very important. I take it it's not something we will do today necessarily but something that we could schedule for a future meeting, if I'm reading, you know, correctly?

And I think that would be very helpful. I see a second matter that you started to allude to, Commissioner, which is something that I've been wondering about, and that is the need potentially or possibility of us doing or Commissioning a market assessment, an updated market assessment, which also you started to mention, Commissioner, relative to -- my good recollection of all of the projections from applicants either from all the regions was that they were slightly higher than what we are seeing come in, but, you know, some of those projections are beginning to level off and et cetera, et cetera.

But what they all projected was that with the introduction of additional casinos, namely category 1s in Massachusetts, there will be a dip in revenues for the existing slots parlor, in this case PPC, et cetera. So I think -- and we need to think about the time for doing this because, of course, the Encore is just a few days into its operations. And even MGM is about to complete one year of operations, and I'm not sure that counts as a leveling off of the projections. But I want us to start thinking also about the possibility of doing a market assessment refresh in which we can then also ascertain how the market has changed from the first time that we looked at the Region C license situation back in 2016.

>> MR. BEDROSIAN: So just, Commissioner Stebbins, to pick up on something you said about public comment, I would note that Senator Brady is here today, the Senator whose jurisdiction includes the area of the initial application. I briefly talked to him, and he would like to make some public comments. In the past we have often offered public officials the opportunity, even at this introductory stage, to make some comments. But this is within the discretion of the Commission.

>> COMMISSIONER CAMERON: I think it's appropriate. And we have done it before.

>> CHAIR JUDD-STEIN: Senator Brady, welcome. I think the last time we saw you was at probably the hearing on sports betting.

>> SENATOR BRADY: Yes.

>> CHAIR JUDD-STEIN: So thank you, and we welcome you today. I just wanted one clarification before your remarks, would be on the legal memo, Commissioner Zuniga is quite right, there was -- there were some arguments presented in the petition or the motion for consideration on our desks. I think that probably we would expect that it would be -- there would be additional depth to the legal analysis to be really helpful for us to understand whether or not that we can act on it. So that's what at least I'm seeking. And unless I hear an objection to that, that's why we wouldn't really -- wouldn't be able to comment today. It does require additional work, counsel. I'm sorry. Thank you very much. Senator. Thank you.

>> SENATOR BRADY: Thank you, Madam Chair. And I want to welcome you to the new chairmanship of the Gaming Commission and welcome Commissioner O'Brien. And good to see the other Commissioners who are still on board here.

As I mentioned in the past in some of my correspondence and letters, I am in strong support of the Region C third casino being approved at some point. I will tell you a little bit about myself. I grew up in the city of Brockton. I went to the public schools in the city of Brockton. I went on to Mass Community College which is located in Brockton. Then went on to get into the insurance business. And I worked for Metropolitan Life, then owned and operated an insurance company in Brockton. This is before I decided to have the crazy notion to run for public office. I served on the school community and the city council for 14 years in the city of Brockton in this district where the proposed casino is. Then when the state house seat opened up, I ran and was successful in 2008, serving as a House of Representative from the district and then when we lost our good friend, Tommy Kennedy, who grew up just a stone's throw from this casino, and I also live within a stone's throw of the casino. I had won a special election a couple terms back, and I'm considering to run as a state Senator for the district, which encompasses the Bristol district which includes the town of Easton which

abuts Brockton and then goes all the way down to Hanover and down to Plympton. I also worked for the state lottery in that time, so I'm well educated in the gaming business and so forth. And when I got elected to the state house, I had taken a leave of absence from the state lottery at that time, and I'm continuing to just do my job as a state Senator now.

So that being said, we did have a vote of the residents a while back, and there was overwhelming support from the residents in the city of Brockton to support this third Region C casino. I had talked to a lot of our elected officials. I know our Mayor has been in strong support of this casino. Most of our elected officials have been in support of the third Region C casino. And I want to congratulate before I go on. I had the opportunity to visit Springfield. They have done a tremendous job in the neighborhood where the casino has been built. I looked at the businesses around the casino. They have made improvements in the businesses, the facades, the revenue and the jobs that have been allocated to the city of Springfield. And then also, one of our colleagues, we've been doing Commonwealth conversation tours visiting different Senators since we were down in Brockton last year on the same thing. So we checked a business that was a couple blocks away that we had lunch on. And we asked them, did it affect your business negatively or positively? Because they are going to offer food. He said it hadn't affected him at all. He had a gold mine business and he's continuing to do well. But the businesses in the close proximity within the block around the casino have made tremendous investments in their businesses, new facades, new infrastructure. And it actually cleaned up some of the places that may serve alcohol. It cleaned up some of the unwanted activity. So that was pleasantly surprise. And I've talked to my constituents that I represent in Brockton and Easton and the surrounding towns. As I mentioned, there's overwhelming support. Now, this location is proposed at the Brockton fairgrounds, which is still in existence. It is only open for approximately two weeks during the summertime. It's going to open up in a week or so through the Fourth of July holiday.

At one point, you know, there was questions about, well, can Brockton handle the amount of traffic and so forth? This is probably less than a mile from the Route 24 highway. There's two major thoroughfares, route 23 and route 127 that come right through this area right off the highway. And at one point when the fair was up and running many years ago when fairs did more business than they do now, we had over 100,000 people come into the city of Brockton. And as far as entertainment, we even had Diana Ross and The Supremes perform in the '60s. So this area has a rich history of entertaining. We had a Brockton baseball stadium that was built a couple years ago. It was a semi-pro team. They were hoping if the casino went through, we even had a chance to get the Pawtucket Red Sox. We met with the owners of the Pawtucket Red Sox to maybe put that team in Brockton if the casino was approved. Unfortunately, the casino did not get approved and they went to Worcester. God bless our friends many Worcester. I have a lot of friends in Worcester. My mother was born in 1924 in Worcester and she moved to Dorchester and then to Brockton and so forth. But I have a lot of friends that are very supportive of our friends in the Worcester community. That would have been a great addition if this casino was approved. There were other businesses that were also going to come to Brockton because the casino was proposed and looking forward to the casino.

And you know Brockton was built, we can't live on our past laurels. That's of yesteryear. Like Foot-Joy, for instance, made the world-famous golf shoe. And with the changes in the industry and things being less expensive in other countries and other states, the shoe industry isn't what it used to be. So the medical industry is the largest employer in Brockton in the private sector. And that's close proximity to the highways and so forth. And then also we have W.B. Mason's headquarters which is the world famous office supply company. Their home headquarters is located in Brockton in the downtown, which is approximately just about a mile and a half from this proposed casino. So all the businesses that I've spoken to, the restaurants in close proximity, they have all been in support of this. And I'll tell you just from seeing what happened in Springfield, it's helped out the area. And I want to congratulate our friends in Everett, too, as Commissioner O'Brien mentioned, that shuttle, the transportation by the oceanside has been nothing but a great benefit to the Everett casino, so I thank you for those comments. But again, we are a stone's throw from the highway. We also have a rail that goes through Brockton, and there's three railroad stops in Brockton. And thank God to our forefathers that envisioned there is no railroad crossing in the city of Brockton. Only place in the country that has this. You either have the viaducts where the traffic can go underneath or you have the bridges that go over. So it helps with traffic flow going east to west. The only place in the country that still has this existing. And you hear some of the other proposals where the train has proposed, they're worried about traffic and the traffic signals. So our forefathers had great vision.

So getting back to my support, you know, Brockton is greatly depending on state funding. Our school system does fantastic. I graduated in 1980. They're doing a lot better than when I went to school. And our band wins awards all over the country. These advanced students who get accepted to the top schools in the country, Harvard, Boston University, Yale, you name it. And they are doing fantastic. Without the funding from the state and the local funding, they would not survive. So the revenue that's desperately needed for Brockton, the jobs that are desperately needed because as I mentioned, the shoe industry isn't what it used to be. The medical industry is doing well, but this would be an added boom to our area for the jobs, the revenue, and also the infrastructure because we've got some state funding to pave 23 this past year and there's still time to reconstruct it, but the gaming company the company proposing to come in who is going to help with some of the infrastructure, which would have helped alleviate the costs of the city of Brockton, help alleviate the costs to the state, and then we could have used that revenue for other roads because as we know, we're dealing with transportation issues now on the state level, and there's a whole situation we're dealing with that. We are desperately in need of transportation funding as well. This would have helped ease the burden on the state and the Commonwealth.

So I just want to reiterate, as you know, I've written many letters in support. I am at your disposal if you ever want to meet in Brockton. As I mentioned, I grew up in this neighborhood. I'm happy to take you around, the Commission. I know some of you have already been there, but if you want to come back and visit and so forth, and any questions that I can be of help with or any history. Sometimes I'm like an old man telling the history of Brockton, but I'm very passionate about Brockton. That's why I ran for office. And I've had tremendous support from my constituents in support of this casino. So this third proposed Region C. So any help I can be, don't hesitate to

contact me. I'm going to leave my cards if you want to contact my office as well. I want to reiterate my strong support for this proposed Region C casino, and I ask the board to continue, as you mentioned, there was a reconsideration proposed, and I'd ask if you keep your open mind moving this Region C. And I still -- there was a question, too, about well, is there too many casinos being built, et cetera? You know, I visited Springfield. That was great. I haven't been up to Everett. I'm working with my colleague to hopefully visit the new Encore casino. But in the south region, I still hear from people that are going to other states. They have the so-called golf and gamble trips where they rent a bus. They go down and play golf and then they have a nice lunch afterwards and they visit the casinos in the other states, and we're losing the Massachusetts residents continuously to these other states. And we have some great golf courses. Thorny Lee is a world-famous private course, but also some public courses within a stone's throw from this casino. So it's a perfect opportunity to bring good entertainment in Brockton. And we've even had some other bands. I know Willie Nelson and Bob Dylan had performed at this rock stadium which is, again, across the street from this proposed casino. So we have the potential to bring more good entertainment to the area. I thank you for your time. I know it's a long day for you. I know you've had an arduous journey, and I welcome you, again, as a new Chairperson of the Commission. And any help I can be, please don't hesitate to contact me.

>> CHAIR JUDD-STEIN: I thank you for the welcome and I also thank you for the history. As I stated, the says new to me and as I stated to Director Bedrosian, it was very important that we have this topic come up onto the agenda appropriately. And so, again, I thank everyone in Region C for their patience on this matter.

>> SENATOR BRADY: Thank you. And thank you again. And one last thing. We were also known as the city of champions due to our sports history. And Rocky Marciano who grew up only a couple blocks away is still the only undefeated world being boxing champion in the history of boxing. And thank God when Mayor Menino was the Mayor several years ago, they were thinking of putting the statue in Boston. He said Rocky grew up in Brockton, it should go in Brockton. And we have a gigantic Rocky statue that tourists visit which is at the stadium, again, in close proximity to the casino. So it's a great tourist destination as well that people visit that and some of the museums in Brockton. So thank you again for your time.

>> COMMISSIONER CAMERON: Thank you.

>> SENATOR BRADY: Any questions from anybody?

>> COMMISSIONER CAMERON: Thank you. We appreciate it.

>> SENATOR BRADY: I'll leave my business cards here if I can be of help. And again, if you do want to come and visit, I'm happy to take you for a tour of the area.

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

>> COMMISSIONER ZUNIGA: Thank you, Senator.

>> MR. BEDROSIAN: Commissioners, that's the end of my administrative update. Thank you.

>> CHAIR JUDD-STEIN: Thank you, Director Bedrosian. We move to item 4 and Ombudsman Ziemba and Joe Delaney, construction project overnight manager. Items 4a and b, and we welcome Mr. Mathis from MGM today. Thank you for coming.

>> Thank you for having us.

>> MR. ZIEMBA: Thank you, chair and Commissioners. Up for consideration are

two things related to the Springfield project. Up first is an extension of the deadline for the installation of a photovoltaic system, pursuant to our Section 61 regulations is one year from opening. MGM Springfield recently reported that it is moving forward with this installation and that the PV system was important to MGM Springfield, achieving lead platinum status for the facility. MGM Springfield has requested an extension to December 31st, 2019, but expects to complete the work earlier. We recommend that the Commission approve this extension.

>> CHAIR JUDD-STEIN: Any questions?

>> COMMISSIONER CAMERON: It's pretty straightforward.

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

>> COMMISSIONER O'BRIEN: Madam Chair, I move that the Commission approve the schedule for the installation of the solar power system at MGM Springfield as more fully described in the Commission packet and discussed today, specifically extending the deadline to December 31st, 2019.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions? All those in favor? Opposed? 5-0. Thank you.

>> MR. ZIEMBA: Thank you. Commissioners, on April 12th, 2018, the Commission approved the detailed construction schedule for the MGM Springfield project. The completion of the development of the so-called Dave's Furniture site was due to be completed by July 8th, 2019, under that schedule. Close to the opening of MGM Springfield, it was announced that Wahlburgers is planned for that site. MGM Springfield previously reported that it was taking some time to finalize the lease for this development. That lease has since been executed. MGM Springfield further requested an extension to July 8th, 2020, but has expressed a desire to work to an earlier completion. MGM Springfield will provide a construction schedule to Commission staff when it becomes available, and given all of this, we recommend that the Commission approve the extension.

>> COMMISSIONER STEBBINS: John, just a quick question. And correct me if I'm wrong. Is the Dave's Furniture site within the footprint of the gaming establishment?

>> MR. ZIEMBA: It is.

>> COMMISSIONER STEBBINS: Okay. So just more of a topic that we can follow up on, but considering MGM's successful track record with your diversity during the construction phase, I'm assuming, or is there an interesting in carrying over that success and diversity on the construction to this part of the project?

>> MR. MATHIS: Good morning, Madam Chair, Commissioners. Before I answer that question, if I could just take the opportunity to congratulate the Wynn team and Commission and Commission staff on a great opening. We welcome them to the Commonwealth. We more than anybody know the euphoria and exhaustion that comes from that undertaking, and by all reports, it's been very successful, so congratulations. And I'm excited to compete with them.

To answer your question on some of our HCA and other sort of corporate initiatives as it relates to tenants, we do two things. One is we have conversations with the tenants themselves. That's part of the selection process, to make sure that they share some of our same sort of core, you know, initiatives and beliefs. In this case they certainly do. I think that they operate in very diverse locations. So that may have

been less an issue. But also we have lease language that encourages them to maintain diversity. I think we come short of requiring it because that's difficult given different hiring practices and not knowing their operations. But we have had that conversation, and we'll continue to monitor it. We're also going to help them with their -- as we have with other tenants, Regal Cinema is included. We're going to be helpful with them on their workforce development. We know the channels and the different workforce partners.

And by that very nature, I think we can help drive the diversity we all would like to see in that facility. I hope that's satisfactory. That is something that we have talked to them about and we're focused on.

>> COMMISSIONER STEBBINS: Okay.

>> CHAIR JUDD-STEIN: Any further questions? Do we have a motion?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move that the Commission approve the construction schedule for Wahlburgers at MGM Springfield as more fully described in the Commission packet and discussed today, with specific focus on the reflection of a new deadline of July 8th, 2020.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any questions or clarifications? All in favor? Opposed? 5-0. Thank you. Thank you.

>> MR. ZIEMBA: Thanks, Commissioners. Before I close, I want to report that I continue to have good conversations with principals involved in the potential 31 Elm Street development. While there's certainly no announcement today, I do believe that we can have a more substantive update by MGM Springfield at the next quarterly report which will likely be in August.

>> COMMISSIONER STEBBINS: And just to -- Mike, I had the opportunity to be out in Springfield, just to give MGM a good shout-out, on Wednesday night, had a chance to kind of walk through the plaza. Nice night. People out there enjoying the Red Sox game on the big Jumbotron, sitting around the fire pits. I mean, it still is kind of -- it definitely is still a kind of community engagement location. So continued congratulations to you and your team on a good operation.

>> COMMISSIONER CAMERON: And President Mathis, I know this isn't your quarterly update and you're not prepared to fully brief us, but just while we have you here, and as you know, we've been paying a lot of attention to our newest licensee, but we always are very interested in what's happening in Springfield because that's a tremendous project. Do you just have anything that may have happened during the last couple of months to just let us know about so we don't have to wait till August?

>> MR. MATHIS: I was prepared for someone to call an audible, so --

[Laughter]

-- but absolutely. One, I think just to go back to, you know, I marvel at how your staff is able to juggle all the different balls that you're able to juggle. We thought with the Wynn opening we would -- we would get a little call it reprieve from Bruce and Burke, for example, that they at least would be distracted, but they continue to be vigilant and fastidious, and it really is a testament to how hard your teams work. I can say from operationally, we didn't skip a beat in terms of our relationship with your staff and keeping the trains on the track, notwithstanding the big undertaking of this opening.

In terms of the operation, it's gone extremely well. I think as Commissioner

Stebbins suggest -- you know, mentioned, I think our property really shines during the spring and summer months into the fall. And because of how important that outdoor engagement is, and that's something that we certainly want to tackle in the winter where there were very successful but not quite the same opportunities to activate that outdoors. So we've launched our MGM Live concert series. Basically every weekend of the spring and summer, we have a free show on Friday out in the plaza and then a paid show on Saturday. That's a bit of the formula, and it's been really successful. We've brought new customers to the property. Those customers have spent time in the resort as well as out in the plaza. And a lot of diversity of acts. We've had rock bands, classic rock bands. We had Hanson, the boy band. We got completely overrun with Hanson fans. They are an aggressive, very passionate group of mainly women.

>> COMMISSIONER CAMERON: Young girls?

>> MR. MATHIS: Unfortunately with respect to me, younger girls, but I think in their early 30s.

>> COMMISSIONER ZUNIGA: They probably don't qualify as a boy band anymore.

>> MR. MATHIS: That's right. They're a little older but they still have a lot of **enthusiastic** fans. It's been a lot of fun. We opened up the plaza bar which has been successful and well received. We used to have portable bars and now we've got a great plaza bar. We've tented the truss system that now houses the, you know, the entertainment with a stage. And we've had a couple of days of light rain where I was actually fortunate to see it because now we've getting a bit of an ROI on that canvas tent. And the entertainment went off without a hitch. So a lot of activation, as you know. We've taken over management of Symphony Hall, which is a city-owned venue, beautiful 2500-seat venue that, as you may know, hosts the Basketball Hall of Fame annual enshrinement ceremony. So we've started to work on programming entertainment in that facility. Steve Martin and Martin Short are one of the acts coming, we've got comedians coming as well. I think entertainment which is certainly something that we pride ourselves on is a big focus because I think it brings new customers to the city. And that's really critical for us to help develop the rest of downtown as well as to hit some of our numbers. So continue to update you, but we'll be able to show you some photos and different statistics at our next quarterly update about how successful that entertainment's been.

>> COMMISSIONER CAMERON: Great. Sounds exciting. Thank you.

>> MR. MATHIS: Thanks for the question.

>> CHAIR JUDD-STEIN: Thank you again for the tour that you gave me. I had the pleasure of seeing the entire facility when we were out there for our meeting. And I'm glad to hear that the canvas tent, which is -- I don't know if you've all seen it, but it's very, very beautiful. It's sighted right across from the plaza bar, that it really is working for you. When I looked, I didn't realize that it's going to be permanent for you. But it's absolutely beautiful, and it, again, keeps your outdoor space in full use, and that's a really wonderful addition to a casino facility to really engage your patrons with the outdoors. And I was just struck by, again, the theater that's available, the bowling alley, and even the golf that's available. Golf inside, virtual. So anyway, thank you again for that tour. And we look forward to the August report. I didn't hear anything about an August entertainment, but maybe you want to wait to mention a late August --

>> MR. MATHIS: Sorry. I know we're public with it. We have four Aerosmith shows. In the third week of August. And the Saturday night show is on our anniversary, August 24th. So we expect a really big August, five weekends. It should be one of our -- should be one of our best months, if not the best month. We're gearing up for all the activation that comes with that.

>> COMMISSIONER STEBBINS: That's great.

>> CHAIR JUDD-STEIN: Excellent. Thank you. Anything further for Ombudsman Ziemba or Mr. Mathis?

>> MR. ZIEMBA: That concludes my report.

>> CHAIR JUDD-STEIN: Excellent. Thank you. And safe travels back. We're moving now to item 5, Director Jill Griffin, please, and Crystal Howard. Good morning.

>> MS. GRIFFIN: Good morning, Chairwoman and Commissioners.

>> COMMISSIONER CAMERON: Good morning.

>> MS. GRIFFIN: We're here to discuss the 2018 Community Mitigation Fund workforce development grant amendment request from Holyoke Community College for the Springfield public schools. And I'm going to actually introduce Crystal Howard and turn it right over to her. Crystal is the program manager for Workforce, Supplier and Diversity Development, and she's been managing this grant amendment process.

>> MS. HOWARD: Good morning, Commissioners.

>> COMMISSIONER ZUNIGA: And has a voice, unlike you, Jill.

>> MS. HOWARD: I'm just going to relieve Jill's voice for a little while.

>> CHAIR JUDD-STEIN: And Jill, I did bring up a little bit of that honey that I told you about yesterday.

>> MS. GRIFFIN: I'll take you up on that.

>> MS. HOWARD: As director Griffin was saying, we have received an amendment request from Holyoke Community College which is in regards to the Springfield public schools budget, under the 2018 Community Mitigation Fund. Their specific request is for Commission's approval to appropriate \$10,000 which had previously not been programmed to fund the achieved 3,000 platform that they are using, inside the ahead of the game program. You might recall last June, so maybe a year ago, voting to support the Community Mitigation Fund committee's recommendation that \$10,000 of the head of the game program do not go to -- toward the development of the Springfield works assessment tool. As it was -- it wasn't directly tied to the casino project. Since that vote, the \$10,000 remains unallocated. And it was recommended but not mandated by the Commission that perhaps the funding go toward scholarships. You'll see in the packet that they provided some justification for why they aren't doing that. But as the scholarship funding is traditionally through the gaming school and not through the head of game program, Springfield Public Schools is encouraging that the Commission approve the use of the funds for this achieve 3,000 platform, which really is a tool used by every student in the program for English literacy gains at their own pace.

To give an idea of that usage, as of last semester, they had 86HISET students and 75 ESL students all of whom were using the program. And you've all been provided with their additional justification bulleted out. I'd also like to note that the \$10,000 request, it's not the total cost per year for the platform. The school district does provide in their general fund the additional funding for the entire use of the platform. So they're just requesting that this \$10,000 be allocated to cover that.

That's really the summary. Do you have any questions?

>> COMMISSIONER STEBBINS: Do you have a sense of what the overall budget is? I mean, we're a piece of it.

>> MS. HOWARD: They said that this was under half of it. I mean, that's really all I know. They didn't give the full platform costs. But for what they -- I think the school system uses it in a full capacity, too.

>> COMMISSIONER STEBBINS: Okay.

>> MS. HOWARD: They pay for more than their share. Since the school is -- the program uses this for every single student. They're trying to pull their part in, especially since they're not doing the scholarships.

>> COMMISSIONER CAMERON: So you're recommending this now because you really do think there is a nexus. All of the students use this program successfully?

>> MS. HOWARD: Yes, they all do use it. And of the 86, I did find out this morning that 44 students have currently passed the HISET exam, and there are an additional 35 who are set to take it in the next few weeks. And this helps them to show where they are and whether they are actually prepared to take those HISETs because they're able to do it outside of the classroom in their own space and see how they're actually achieving their goals. So they can push off taking the exam a little bit based on how they're doing in this platform to make sure that they do have the opportunity to pass it.

>> COMMISSIONER ZUNIGA: I think this is a modest request, and I'll go along with it. I'm just curious if the fact that it goes to the Springfield public schools, if this is targeting or getting to students that are young or minors? I'm curious as to whether, you know --

>> MS. GRIFFIN: So Springfield Public Schools runs the adult education program.

>> COMMISSIONER ZUNIGA: Yeah.

>> MS. GRIFFIN: So these are all adults.

>> COMMISSIONER ZUNIGA: Okay.

>> MS. GRIFFIN: And they focus on English language learners and people who are pursuing their high school equivalency or HISET.

>> COMMISSIONER ZUNIGA: Thank you.

>> COMMISSIONER CAMERON: I certainly think this is a good use of the money. I think that those skills are necessary in order to then be competitive with some of the training for the casino jobs.

>> COMMISSIONER STEBBINS: Not only the casino jobs but the jobs being made available by, you know, folks getting recruited to work for MGM.

>> COMMISSIONER ZUNIGA: Yeah, it builds the pipeline.

>> COMMISSIONER STEBBINS: Yeah.

>> MS. HOWARD: Certainly.

>> CHAIR JUDD-STEIN: Does anyone have any questions? Any further questions? Comments? Well, I think it's an excellent proposal. Do we have a motion?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the amendment to the Holyoke Community College Mitigation Fund Grant as requested by Holyoke Community College and described in the Commission packet.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Those in favor. Opposed? 5-0, please.

>> MS. HOWARD: Thank you very much.

>> CHAIR JUDD-STEIN: Thank you, and feel better. I'll give you that honey. Thank you, Crystal. Moving on to item -- excuse me. Moving on to item 6, we have chief of finance and accounting officer Lennon, and we have Agnes Beaulieu. And I know because we've had our connection -- we've had our family connections, and I just couldn't get it out, but we've had our family connections, so thank you. And Doug --

>> O'Donnell.

>> CHAIR JUDD-STEIN: Okay. Thank you so much. My apologies, and I know that Janice had the details for me. And I will comment on names later when we have our ice cream social. So the need for continued assistance on names. So thank you so much.

>> MR. LENNON: Good morning, Madam Chair and Commissioners.

>> COMMISSIONERS: Good morning.

>> MR. LENNON: And just so you don't feel bad, I mispronounced Agnes's name for two years and she worked right next to me.

[Laughter]

>> CHAIR JUDD-STEIN: We have very similar roots, and so I actually love the French Canadian name, and so thank you so much.

>> MR. LENNON: Just one quick thing before I get into the FY20 budget discussion, I just want to thank all the Commissioners and the staff for the work and the time spent on the opening, especially Doug, Sara and Noelle who were on the floor Tuesday morning at 3:30 a.m., Thursday morning and Friday morning at 3:30 a.m. They didn't get to see any of the fun stuff, the play nights. They were there just watching the drop the count and the revenue reconciliation process. So I do want to thank them for all the time they spent and, you know, the dedication to get up and stay and look into those three nights, which was a trip. In and of itself.

>> COMMISSIONER ZUNIGA: I thought the reconciliation was the fun part.

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

[Laughter]

I know for us. For us.

>> COMMISSIONER CAMERON: Spoken like a finance person.

>> CHAIR JUDD-STEIN: Who knows how to have a good time.

>> MR. LENNON: There weren't many other people out there with us at 3:30 a.m. watching them being pulled. I just wanted to point that out.

>> COMMISSIONER ZUNIGA: Yeah, no. It should not go unsaid that when you're there at 3:30 and you're the last person waiting for that reconciliation, it's really above and beyond the call of duty.

>> MR. LENNON: That's when it started. It didn't end until the next morning at, like, 11:00 or 12:00.

>> COMMISSIONER ZUNIGA: Oh.

>> MR. LENNON: They started pulling the cans at 3:30 a.m. and dropping the --

>> COMMISSIONER ZUNIGA: Thanks for that clarification.

>> MR. LENNON: Yeah.

>> COMMISSIONER ZUNIGA: Oh, gee.

>> COMMISSIONER CAMERON: Wow. Yeah. We appreciate it. It is critical to the opening.

>> Yeah. And you're more than welcome to join us one of these days when you're

out there.

[Laughter]

>> COMMISSIONER CAMERON: I did have the opportunity with Director Lennon a few years ago to be part of that process, but we won't talk a lot about that.

>> MR. LENNON: We won't bring that up, jumpsuits or anything.

>> COMMISSIONER CAMERON: Yeah. Thank you, though.

>> MR. LENNON: We were here three weeks ago to present our initial budget recommendations, and we put that budget out for public comment for two weeks. And we received no comment. That's not a surprise based on everything else that's happening around here. But I will give a brief summary of the presentation three weeks ago, just so that you remember what you're looking at because we are asking a vote on this budget.

Staff presented a \$43.5 million spending recommendations composed of the following. 34.2 million in the gaming control fund of which 28.4 million is for regulatory costs and 5.78 million is for statutorily required costs. 6.5 million in research and responsible gaming funding which for the first time, and I want to emphasize this again, for the first time will be funded wholly from the public health trust fund. And then there was 2.75 million in racing costs. In aggregate, this funds 107 FTEs and six contract positions. The combined funding for the research and responsible gaming and control fund which remember we pulled those together in the memo just to compare year over year, represents a 7.6% increase from the FY19 funding level. The regulatory portion of those costs grew by 5%, which were mainly due to annualization of costs at the Encore Boston Harbor, and the statutory portion of those costs grew by 14.12%, which also were driven by the annualization of GameSense at Encore Boston Harbor as well as the public health trust fund picking up indirect costs for the first time for the responsible gaming budget.

There were a few funding exposures in the FY20 budget proposal which we addressed at the prior meeting, but in summary, I'll tell you they were mainly the litigation costs, we're only carrying the bare minimum that our insurance carrier requires, and then there's the -- there's a full-year revenue estimated in the racing side for Suffolk Downs simulcasting, but that money becomes questionable January 1st, 2020, based on -- there might be the need for a legislative fix for them to be allowed to continue simulcasting.

>> COMMISSIONER ZUNIGA: Derek, on that note, so what are you assuming in this year's budget in terms of simulcasting revenue for the next six months? Anything?

>> MR. LENNON: We're assuming -- yeah, steady amounts. So we would lose, I think, Doug, it's about three quarters of a million dollars?

>> MR. O'DONNELL: Yeah, it's probably closer to a million dollars with the revenue that we received from Suffolk Downs and the ADWs.

>> COMMISSIONER ZUNIGA: Should they not simulcast next calendar year.

>> MR. LENNON: Yes.

>> CHAIR JUDD-STEIN: Is that -- that's through the end of the calendar year, the three quarters of a million, and into the next fiscal year, there would be -- if we don't have a change, we would have lost about a 1.5?

>> MR. LENNON: Yes.

>> CHAIR JUDD-STEIN: Estimated stream that we would have normally had

annually?

>> MR. LENNON: Yeah, so annually it's about 1.5, correct?

>> MR. O'DONNELL: Correct.

>> MR. LENNON: So timing of revenues is where I think Doug is saying it would be closer to a million that we would lose for January 1 through June 30.

>> CHAIR JUDD-STEIN: That's right. Okay. Thank you.

>> COMMISSIONER ZUNIGA: But I think, you know, perhaps just to continue a little bit that conversation, that law is up for renewal July 31st, remind me? Which, because of timing, it's the simulcasting is fine for the rest of the calendar year, but the law has been on this July 31st yearly renewal that we're all very curious as to what's going to happen at the legislature for this coming year.

>> MR. LENNON: Correct.

>> COMMISSIONER ZUNIGA: Especially because Suffolk Downs is closing.

>> MR. LENNON: Correct. So in order to simulcast, you need to have live race days. If they don't have live race days without a legislative fix that grandfathers them in, how do you simulcast after January 1?

>> COMMISSIONER ZUNIGA: After January 1, December 31st.

>> MR. LENNON: There's possibilities of another licensee picking up their book, which, you know, Doug has talked much about the ADWs, which is a big piece of the money, but, you know, none of that is hashed out until you figure out what's actually going to happen.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: Right. We shall see.

>> MR. LENNON: Yes.

And then this year's budget will require 34.8 million assessment on licensees. This is one area that we did change slightly in the memo. The assessment table in the memo has changed from when we presented on June 6th. The total number of gaming positions has decreased by ten based on Encore Boston Harbor taking a few slot machines off the floor as well as just a miscount on the first number of table games that MGM had provided to us. So they did give an informal comment to us. They said hey, you might want to check those numbers you presented because we think we gave you something different. Which they had.

And then there was some shifting around of where seats were. So we took some positions that we had counted as slot machines or slot gaming positions and moved them to table gaming positions. This had to do with the stadium table games at Encore Boston Harbor. They don't have a random number generator in them so they can't be slot machines even though it has a betting station that looks like a slot machine. You're betting on a live odd, a real odd of a game versus a random number generator. And then we did the same thing with three of the -- two of the Roulette tables that don't have random number generators in them but don't have an actual dealer. It's just being dropped into the Roulette wheel, but there's no random number generator, so it's actually a table game. Just without a dealer. So that was just some shifting around. I think it changed our percentages by less than one basis point for a few people. So just wanted to call your attention that that changed from the initial memo.

>> COMMISSIONER CAMERON: So it's more accurate now.

>> MR. LENNON: Yes. It's 100% accurate right now. Many iterations of those

spreadsheets with Doug and the licensees.

>> MR. O'DONNELL: Yeah, we spent a significant amount of time with all licensees making sure that we had everything in place. We were back and forth for the past month, but we did get it finalized.

>> MR. LENNON: I think Friday morning at --

>> MR. O'DONNELL: At 5:00 a.m.

>> MR. LENNON: Yeah.

>> COMMISSIONER CAMERON: Thank you.

>> MR. LENNON: So at this time we'd welcome any questions, comments, addition, changes to the packet.

>> COMMISSIONER ZUNIGA: Just for clarification, in the memo where it says "total," there's a 43 million figure that breaks out, 28 for gaming, 2 for racing and 6 for research and responsible gaming. I guess there's one figure that's missing, and that's other statutory costs.

>> MR. LENNON: Yes. I apologize for that. There's the 5 million in statutory costs.

>> COMMISSIONER ZUNIGA: Attorney Generals, ABCC. Correct?

>> MR. LENNON: Correct.

>> COMMISSIONER ZUNIGA: It's above here.

>> MR. LENNON: Yeah, it's the indirect, the assessment of the Attorney General and 75 million for the ABCC.

>> COMMISSIONER ZUNIGA: Yes. It's all here, but I just --

>> CHAIR JUDD-STEIN: And it's included in the packet.

>> COMMISSIONER ZUNIGA: It's included in the packet, yes. It's further detailed later.

>> CHAIR JUDD-STEIN: Again, I've been beneficiary of your extensive briefing, and I thank you for that. I don't know if anyone else has any further questions? Comments?

>> COMMISSIONER ZUNIGA: No, I think it's great job that our staff does, comments that I've had before still apply relative to we're reaching a point of tapering off, at least, you know, in theory with the opening of Encore. And as we move forward, we need to look to continue what we've been doing in the past, which is looking for efficiencies wherever we can. We will always look at the necessary costs and will assess them accordingly. We'll continue that diligence that we've done in the past.

Yeah. I'll move that the Commission approve the Commission's fiscal year 2020 budget as presented by staff here and discussed here today and further described in the Commission's packet.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Those in favor? Opposed? 5-0. Thank you.

>> COMMISSIONER CAMERON: Thank you. Thanks, team.

>> MR. LENNON: Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> MR. BEDROSIAN: Thank you. And Commissioners, the budget process reminded me of something I did forget in regard to the opening of Encore Boston Harbor. I would like to acknowledge some of the partners we had in this including ABCC, the lottery, and Department of Revenue, all folks, all agencies that have an interest that worked incredibly well **with us**. And I should have recognized up front.

>> COMMISSIONER O'BRIEN: One other person that I failed to recognize is Janice who I'm sorry the room is not quite as full as it probably should have been for me giving kudos, but incredibly helpful not only during the test weeks but also on Sunday, making sure we all got there in the way we were supposed to get there. So I appreciate it. I think everybody else up here does as well.

>> COMMISSIONER CAMERON: Yeah. I concur. Thank you.

>> CHAIR JUDD-STEIN: Moving on to item number 7, racing division and Dr. Alex Lightbown.

>> DR. LIGHTBOWN: Good morning, Commissioners.

>> CHAIR JUDD-STEIN: Good morning.

>> COMMISSIONER STEBBINS: Morning.

>> DR. LIGHTBOWN: Our first item on the agenda is the Mass Thoroughbred Breeders Association request to race at Finger Lakes. As you recall, they came in earlier this year to race at the beginning of the year, and now they're looking for the ones through the rest of the year. And there's a chart attached in the packet with the different races there looking to race. Today I have Donna Pereira who is the Chairwoman of the group and Arlene Brown who is the secretary if you have any questions.

>> CHAIR JUDD-STEIN: Welcome.

>> COMMISSIONER CAMERON: Actually, a concern more than a question. As you note in one of your letters to us, we have received complaints about the races, the conditions in particular with the races. And I was interested to read that, of course, you have hired a racing secretary, Mr. Morrissey, who in order to bring a sense that things are being done equitably. Because that's really important to us. As you know, when we were mandated to take on the responsibilities for racing, which we took on gladly, frankly, and it's an important part of what we do. We value this. But we also want to make sure it's done properly. And in reading some of the concerns, and actually we conducted an investigation because we really did have concerns about certain folks being excluded. And I guess it's important to me, I look at this schedule, and I just want to have assurances from you that, in fact, you will hold to this, and there will not be last-minute changes that were not done by the racing secretary before I'm willing to approve more races in the Finger Lakes. So you gave us the schedule here. And I'd just like to hear from you that you will adhere to this and there won't be last-minute changes that give the appearance of excluding certain horses.

>> MS. BROWN: Good morning, Commissioners.

>> COMMISSIONER STEBBINS: Good morning.

>> MS. BROWN: I think it's still morning.

>> CHAIR JUDD-STEIN: It is.

>> MS. BROWN: I've been around a little longer than Donna has. I've been around a little bit longer than Donna has, and I can assure you that we have never made the changes in the schedules. It went specifically to John Morrissey who is a longtime racing secretary, retired now, but a longtime racing secretary who really knows his job. And he went through, you know, a big effort to download all past performances on the horses that are racing and to try to come up with an equitable schedule. The problem is that we do not have the final control up at Finger Lakes. We do not make any changes in what -- or we will not make any changes of what Mr. Morrissey has

presented. That's what we will give to Finger Lakes. Once it gets up there, they will not run a race that presents a negative betting pool. By that we mean a horse that is so overwhelmingly the favorite that everybody bets on them, they have to return not only the money bet but a 10%, that's a negative betting pool. They don't -- they won't run races where they're guaranteed to lose money. So we don't have control over that.

And like I said, we went specifically to Mr. Morrissey so that we could not be accused of writing races that eliminate certain people. On the other hand, we do have -- you know, we do have some absolutely superior horses, a couple of really superior horses in the Mass breeding system. If you allow them to run in every single race, they win every single race.

>> COMMISSIONER CAMERON: Well but conditions are written so that that doesn't happen. And I'm very well aware of how conditions are written so that will not happen. But I guess what I'm concerned about is if the Finger Lakes comes to you and it's a legitimate concern and a race is changed at that level, that is understandable. But I'm talking about after your racing secretary writes the race and then the board chooses to change something, I think that is where we get into an issue that as a Commission overseeing this, I'm not comfortable with.

>> MS. BROWN: I can't -- I can't -- I can't think of a time that that has happened.

>> COMMISSIONER CAMERON: Well, I think that's a time for -- we can have that discussion at a later time, but I just know a concern came to my attention that we took a look at, and I just would like assurances from you that you're going to hold the -- you're going to hold to the secretary's race conditions here. And I think what I'm hearing is that you will.

>> MS. BROWN: Absolutely.

>> CHAIR JUDD-STEIN: Commissioner Cameron, you've mentioned an investigation. Could you brief the public on the investigation and who conducted it and give us a little bit of an update on that, please?

>> COMMISSIONER CAMERON: Sure. We -- you know, when -- over the years, many issues come to our attention in the form of a written complaint or something, and we feel it's appropriate to take a look. So Dr. Lightbown assigned one of our racing officials to take a look at one particular matter, and it just -- there was -- there was -- the racing secretary did not make the change. That was substantiated in the investigation. And so which is why I'm bringing this to your attention now and that that will not happen in the future.

>> COMMISSIONER O'BRIEN: So who did make the change?

>> COMMISSIONER CAMERON: It was the board that made the change.

>> MS. BROWN: I wish I knew what race it was because --

>> COMMISSIONER CAMERON: Okay. Well, again, we can --

>> MS. BROWN: I don't think I missed a board meeting.

>> COMMISSIONER CAMERON: Well, Dr. Lightbown, do you want to shed some light on this?

>> DR. LIGHTBOWN: Well, Susan Walsh looked into it, talked to John Morrissey. John said he put a raise up that would have included everybody. And I think you know which horse. There was one horse that did not get to race. And that owner was concerned about it, didn't -- nobody would tell him where that came from. So we started an investigation. And in the meantime, he said he spoke to the board and the

board said that they were the ones who changed that or didn't offer the race that he would have been eligible for.

>> MS. BROWN: Did they also explain that the racing secretary put up an additional race specifically for that horse but opened it up to some of the New York horses which would have made it a little more competitive and a little more of a betting, and he wouldn't go in it?

>> DR. LIGHTBOWN: He did not mention that. Would that have still qualified for Mass bred purse money?

>> MS. BROWN: Absolutely.

>> DR. LIGHTBOWN: And I guess another concern while we're here, certainly I understand spreading the money out. And I don't have a problem with that. It's also important -- and I know you can't guarantee who's going to win a race, but it's also important that the better horses are still going to earn more money than the other horses because you don't want to spread the money out so much that the average horses end up making the same amount of money as the better horses at the end of the year because that's not the incentive. The incentive of racing is still to win races and breed better horses.

>> MS. BROWN: Yeah. And this better horse has already taken \$160,000 out of the true purse in Suffolk.

>> COMMISSIONER CAMERON: Just so we're clear about this, we as a Commission, we're -- it's -- the issue of equity, fairness and that we're doing things the proper way. That's really important. So when you hire a racing secretary to -- for that issue alone, which I commend you for. You hired a racing secretary to take on that responsibility of conditions, setting the race conditions, and publishing them so everyone knows -- it's published, everyone knows what races they qualify for. They feel like they have a role. But to change that at the last minute, at the board to do that, I have a real issue with. So I'm just letting you know. I'm putting you on notice that in order for me approve these races moving forward, I think that the racing secretary has to be allowed to take on that responsibility and that you have to back that person, and everyone has a sense that these races are on the up and up, and it will be done fairly. It really isn't about how much money, changing something later because the person won too much money. I don't think that's the reason to change a condition for a race. So --

>> CHAIR JUDD-STEIN: And I just want to clarify that right now we don't have anything in front of us regarding anything about the investigation, correct?

>> DR. LIGHTBOWN: Correct.

>> COMMISSIONER ZUNIGA: I have a perhaps larger concern, and that is other constraints that get into this framework, really. Mrs. Brown, you mentioned, you know, what seems very reasonable, nobody will ride a race where there will be, you know, the track will not go with a race that's going to make them lose money. It makes no sense. I think there's a larger question here in my mind, and that is a supply side that does not appear to be growing for obvious reasons. I don't know that the breeding -- I mean, if we really want to step all the way back here, what was initially intended of the breeding money was to create more of a breeding program, assuming that there was going to be these virtuous effect with all these other levers, including money going to the track for purses and from the racehorse development fund, et cetera. So there's this big

constraint that we are operating under to begin with because there's no track with supplemented forces for the thoroughbreds necessarily, with some -- again, you do have and will have some races, as I understand it, this coming weekend in Suffolk Downs, but there's this supply side constraint that I think explains, at least partially, some of what we're dealing with. If you have -- and I read some of the other correspondence that we've gotten -- if you are -- find yourselves riding a race where there's only two or three horses participating, it just doesn't seem that it accomplishes what was initially envisioned by this legislation, which was to attract some of the betting public as well. So I'm not putting that at fault in anybody -- at anybody here. I think that speaks more to the purpose of -- and whether we should be considering in the future this fundamental question of funding races in a separate track elsewhere in Finger Lakes or the like and how much of a benefit -- cost benefit there is in terms of using money to get some of the outcomes that we're getting or frankly reserving it for the legislature to do what they might do.

>> COMMISSIONER CAMERON: But this money is the breeder's money, and the only way they can utilize that money is through racing. So it would not be money that would otherwise go. It is allocated to the breeders.

>> COMMISSIONER ZUNIGA: Yeah. No, I know. And that's the only way they currently have. But I suppose -- I'm saying there's this structural constraint that was not what was initially envisioned from the supplementing forces -- supplementing purses of the racehorse development fund.

>> COMMISSIONER CAMERON: Well, agreed. I don't think anyone anticipated not having the ability to race because they do not have a racetrack that is currently running a full race meet.

>> COMMISSIONER ZUNIGA: Right.

>> COMMISSIONER CAMERON: I agree with you that that was not contemplated, and I think we have been trying to sustain by allowing these folks to run at the Finger Lakes, and they have been a host track willing to take Massachusetts horses, which is, I think, a benefit. So it is a way for them to do it. My concern is just that it's done equitably and that we are -- we are regulating in a way that we think is appropriate.

>> COMMISSIONER STEBBINS: I would just add to that, you know, I know the Finger Lakes has kind of been, you know, our backup and an opportunity for the Mass Breeders to be able to run. I don't know what the long-range prospects are for the Finger Lakes track. We hear various stories about, you know, their kind of long-range opportunity. But, you know, I think it might be worth having the conversation to begin to look out a few years if the Finger Lakes or another track somewhere in the Atlantic seaboard area is willing to host Mass races, that we could begin to plan a little more prospectively so breeders could start, you know, getting ready to host a 2-year-old horse at some point knowing that the specific race is planned for two years from now and that there is purse money available for it. I mean, it's a separate longer-range strategy, but, you know, to your point about, you know, the supply is drying up, if the future is a little hazy.

>> MS. BROWN: Is certainly has affected the program.

>> COMMISSIONER CAMERON: Agreed.

>> COMMISSIONER ZUNIGA: So just on that note, are there any new Mass Bred being bred?

>> MS. BROWN: I bred two horses this year.

>> COMMISSIONER ZUNIGA: I appreciate that. That's anecdotal, if you will but important. I'm asking a broader question. We've now funded this for three or four years. Yeah, three or four, at least, elsewhere. You've been racing elsewhere in Finger Lakes. Has that yielded -- and maybe this is a good analysis that we could look into retrospectively -- you know, important increase to the Mass Breeding, or is it essentially just preserving the livelihood, says which is not inconsequential, I should add, of those that are still doing some -- any kind of marginal breeding? And that's my point about, you know, were there any of that concern that you say, Commissioner, going forward, that's a big question in my mind.

>> MS. BROWN: It is. Like I said, the uncertainty has people kind of on hold, wanting to see where things are going to go because it's not an inexpensive commitment. We calculate that it costs you \$30,000 to breed the mare, wait the year, feed it for two years, break it, train it, get it to races. 30,000 is a conservative estimate. Yeah, people are a little, you know, anxious about where this is going. You know, we see cutbacks. We see, you know, the uncertainty of our racetrack, although I understand that there are a few people looking into building a racetrack now. We are just trying to hang in there until there's some kind of a commitment to that.

>> COMMISSIONER CAMERON: I agree. We're hopeful that one of these plans is successful and they're able to build a racetrack, and thoroughbred racing is allowed to flourish in the Commonwealth.

>> MS. BROWN: Yeah. You know, everybody's kind of on edge.

>> DR. LIGHTBOWN: On their website, they have listed the ones that have registered with them. And obviously there may have been a few more that were born those years that didn't get to the point of being registered for whatever reasons. But, you know, it really has gone down. And my numbers may be a little off because I was just going quickly down and counting. In 2014, there were 22. In '15, it dropped to nine. In '16, it was ten. In 2017, it was 14. And then for '18, there were seven listed on their website.

>> COMMISSIONER ZUNIGA: Total or new ones?

>> DR. LIGHTBOWN: The numbers really have gone down.

>> COMMISSIONER ZUNIGA: And that's the total number? That's not a new one every year? It's not an incremental number, is it?

>> DR. LIGHTBOWN: Right. No. That's how many were registered that year.

>> COMMISSIONER ZUNIGA: Yeah. Well, that's my point about the structural constraint here.

>> DR. LIGHTBOWN: They have to be registered by the time -- so, you know, that's an accurate figure.

>> MS. BROWN: Mine shows that from ten years ago, we bred 54 horses. Before that we were in the hundreds. We bred 54 horses -- two years ago we bred 20 and 23 mares. And last year we were down to eight, yes.

>> COMMISSIONER ZUNIGA: That's my point about the supply constraint here. We're likely -- the longer this continues -- and again, I'm not faulting anybody. I'm just making a comment on the constraints here of trying to do what we're doing. I see some of these things will continue to appear, you know, races that are not -- are going to have to be canceled because there's not -- there's a negative expected value.

>> MS. BROWN: The legislation that we have would help alleviate some of the situation. Right now you have to have a mare into the state by October 15th. They have to stay here at least 90 days and foal out. We're hoping that cut that down a little bit to December 1st because many of these mares you can buy at the sales, Kentucky, Florida, and bring them in. And if you buy them in the sale that's after December 1st, you have to breed back to a Massachusetts stallion, and there aren't any. There's only two in the state. So we're hoping that the new legislation will help bring in mares, you know, by cutting down the period of time from October 15th to December 1st, it allows them to get horses in these sales that are already in foal to some nice stallions. And if you can build up your mare population, then you can build up your stallion population. It can't go the other way around.

>> DR. LIGHTBOWN: I think it would be worthwhile once the season's over to sit down and maybe try to brainstorm some ideas, what may help this program. Right now a lot of the money is going to older horses that are racing which, again, that's fine. Those owners are seeing the benefits of it. The program really needs to focus on getting those horses as 2 and 3-year-olds. And that's what's going to keep people breeding. And so, you know, maybe even something like, you know, not spending all their money for a given year on purses for older horses, maybe banking some of that so that they can show their members, look, we already have this much money in reserve. So even if the split changes a little bit, it's not going to affect us that much because we're going to have enough money to fund 2-year-old and 3-year-old races for the next four or five years. And I think that would certainly jump start people to breed. Right now if you have an older horse and you're racing it, you may be happy with just racing that horse, getting the money from the racing, and you may not be reinvesting it in breeding.

>> COMMISSIONER ZUNIGA: You may or may not.

>> COMMISSIONER CAMERON: Yeah, I would welcome that meeting. I think it would be helpful.

>> COMMISSIONER ZUNIGA: Yeah, it would be good to brainstorm, as you say. By the way, remind me if -- was that -- the fact that they could now race -- they could then race at Finger Lakes, was that a statutory change?

>> DR. LIGHTBOWN: I think it's mentioned in the memo, what year it was. And part of the statute.

>> COMMISSIONER ZUNIGA: So what you're talking about, Mrs. Brown, relative to the dates, is that also require a statutory change?

>> MS. BROWN: Yes.

>> COMMISSIONER ZUNIGA: The date that a mare needs to be here?

>> MS. BROWN: The Chapter 128 law says the mare has to be here October 15th. So we're making part of our -- the new bill, to change it to December 1st. There are other things in that bill, and it just slipped my mind what I wanted to say.

>> COMMISSIONER ZUNIGA: Well, you can come back to it.

>> MS. BROWN: I know.

>> COMMISSIONER ZUNIGA: Go ahead.

>> MS. BROWN: We also, in the new bill, are making provisions that we can make other kinds of awards to create incentives for people to drop mares in Massachusetts. Drop foals in Massachusetts by putting a specific -- an additional bonus in some places,

if you drop the mare in Massachusetts, you get a small bonus. You don't have to wait till the horse is of racing age. We have a number of ideas like that to try to incentivize.

>> COMMISSIONER ZUNIGA: By the way, where do we stand with 128c? Which one is the live racing? A or c? Whichever? 128d, what we proposed to the legislature for this.

>> MS. BLUE: Our bill is HB13, and it's the same bill that we have filed with the legislature for a couple of years now. It is up for a hearing on Monday at 1:00 in front of the joint committee on consumer protection and professional licensure. There was, earlier this year, language in the fiscal '19 sup to extend 128a and 128c. That language has been removed from the sup, so that's no longer on the table. So there is HB13, which is our bill. There is the Senator Boncore bill which is much like our bill but allows for simulcasting without live racing on the thoroughbred for a certain period of time. And there is a third bill that, quite frankly, I don't understand how it works legally because it seems to be an amendment to 128a and 128c but doesn't seem to provide for the fact that they are going to expire on July 31st. So all three of those bills will be heard Monday at 1:00.

>> COMMISSIONER ZUNIGA: The one that we submitted, 128d and have been submitting, does it provide for the type of flexibility that, you know, we've been talking about relative to dates, you know, dropping foals or anything like that?

>> MS. BLUE: That's not part of our statute at all. What they are discussing is part of Chapter 128, and that's the agriculture act. And they do have a bill in front of the legislature.

>> COMMISSIONER ZUNIGA: Separate.

>> MS. BLUE: To change some of the agriculture bill time lines. But that's separate and apart from the racing statutes.

>> COMMISSIONER ZUNIGA: Thank you for that clarification. Well, good luck on that.

>> CHAIR JUDD-STEIN: I have a -- did you have a question or a comment?

>> COMMISSIONER CAMERON: Would you like a motion?

>> CHAIR JUDD-STEIN: I actually have a question or a comment. So I don't have -- and none of my fellow Commissioners have any information on an investigation that apparently was conducted on the complaints that we were included in our documents. I thought we were actually going to be addressing those, but apparently there has been, from my fellow Commissioner who's told us that there is an investigation of sorts was conducted. With that said, I want to clarify, Dr. Lightbown, that you are comfortable still with the recommendation at the end of your memo that the Commission approve the request of the Massachusetts Thoroughbred Breeders Association that's before us based on the memo before us.

>> DR. LIGHTBOWN: Yes.

>> CHAIR JUDD-STEIN: Is that true? I would ask, unless there's an objection, that at our next meeting, if you could provide a briefing on not necessarily this investigation, per se, but on what triggers an investigation, what threshold where you decide to do an investigation and then the procedures and the processes to ensure that both sides and all sides, you know, are heard clearly. And then what we will do going forward so that we are aware if something is, you know, before us that there has been an investigation because, as I mentioned, I wasn't informed of that and I want to make sure that all sides

were heard. So it would really be a briefing on process as opposed to this -- you know.

>> DR. LIGHTBOWN: Sure.

>> CHAIR JUDD-STEIN: It sounds as though we don't have to look backwards, but it would be really helpful for me to understand the process, and I don't know if others are more familiar, but I would like a brief update.

>> DR. LIGHTBOWN: Of course.

>> CHAIR JUDD-STEIN: Excellent. Thank you. And I, too, will be there on Saturday. I look forward to seeing you. I'll be there briefly and look forward to the race. So thank you. And thank you for coming. So now --

>> COMMISSIONER CAMERON: So, Madam Chair, I move that the Commission approve the request by the Massachusetts Thoroughbred Breeders Association to race at the Finger Lakes Racetrack as described in the Commission packet with the assurance that these race conditions will not be altered by the board.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: I'm not really sure what you mean about the condition that you just attached, if you could just clarify.

>> COMMISSIONER CAMERON: The board has hired a racing secretary to write the conditions of the races. They are published. They are here in our packet, what those races will be. And I am requesting that those -- what the racing secretary did, his work will be honored and they will not be altered.

>> CHAIR JUDD-STEIN: But they are as described in the Commission packet. Correct?

>> COMMISSIONER CAMERON: They are.

>> CHAIR JUDD-STEIN: Thank you. Thank you. Helpful.

>> COMMISSIONER STEBBINS: Just a point, obviously in the letter, it does talk about the authority that the Finger Lakes racing director may change a race, but you're suggesting that there can be no changes to the schedule by the board.

>> COMMISSIONER CAMERON: By our -- yes.

>> MS. BROWN: But that does not restrict the racing secretary at Finger Lakes?

>> MS. PEREIRA: That's what he just said.

>> MS. BROWN: Okay.

>> CHAIR JUDD-STEIN: Is there a second?

>> COMMISSIONER ZUNIGA: I did second the motion.

>> CHAIR JUDD-STEIN: Sorry. Any further questions or comments? All those in favor? Opposed? 5-0. Thank you. And Dr. Lightbown, thank you.

>> MS. BROWN: Thank you.

>> CHAIR JUDD-STEIN: Okay. I think we are at the final item of Commissioners' updates.

>> DR. LIGHTBOWN: We have one more racing item.

>> CHAIR JUDD-STEIN: My apologies. I'm so sorry. I should have looked up. I know, we have one more matter from Dr. Lightbown. Thank you. On Suffolk Racing and the official addition. Thank you.

>> DR. LIGHTBOWN: So our next item is the request by Suffolk Downs to use Dr. Robert McKinney as one of their veterinarians for the weekend. Today I have Jessica Paquette, the Vice President of Marketing for Suffolk with us. Dr. McKinney has been a longtime New England veterinarian, worked at Suffolk for years, and more recently

was their track veterinarian. When the meets became shorter he went down to Florida and worked down there for a few years, and now one of the other veterinarians needed the weekend off, so he's going to come in, and everybody's very excited to have him.

>> MS. PAQUETTE: Very excited.

>> COMMISSIONER CAMERON: Well, certainly a legitimate request from a very well-qualified person.

>> CHAIR JUDD-STEIN: It's straightforward to me. Do we have a motion or further questions for Dr. Lightbown?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the request by Suffolk Downs to add an additional racing official, Dr. Robert McKinney, as more fully described in the Commission packet in front of us.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: All those in favor? Opposed? 5-0. Thank you, Catherine.

>> DR. LIGHTBOWN: And I wanted to thank Executive Director Bedrosian for mentioning this the last weekend of Suffolk after 84 years. Some of the highlights I remember is when two-time horse of the year Cigar came. He got a state police escort from the New York border all the way to Suffolk Downs. When he went up for the race, not only were the patrons and bettors excited about him being there, but even the hardcore New England horsemen who had seen everything lined up along the whole apron on the way up to the saddling paddock, and everybody clapped as he went up. So it was wonderful. We also had another two-time horse of the year, Skip Away --

>> MS. PAQUETTE: I like Skip Away more than Cigar. I'll admit it.

>> DR. LIGHTBOWN: Kentucky Derby winner.

>> MS. PAQUETTE: Real quiet. And he lost.

>> DR. LIGHTBOWN: A lot has happened since I was there. A lot of the history before that was also.

>> MS. PAQUETTE: Seabiscuit, they made a movie about him, and he was discovered by Suffolk Downs. All roads have sort of led through Suffolk.

>> COMMISSIONER STEBBINS: I'm hoping to be out there on Sunday. And as a big baseball fan, I know there's a baseball connection with Suffolk Downs, and that infamous hall of fame General Manager, Bill Beck I think at one point managed the track.

>> DR. LIGHTBOWN: He did.

>> MS. PAQUETTE: Have you read 30 tons a day?

>> COMMISSIONER STEBBINS: What's that?

>> MS. PAQUETTE: Have you read his book, 30 tons a day?

>> COMMISSIONER STEBBINS: I have.

>> DR. LIGHTBOWN: They also were one of the early adopters of the safety accreditation program. And they also were the first track in the country to institute an anti-slaughter policy on all their horses.

>> MS. PAQUETTE: And both Chip and I are proud retired horse owners. We continue to support retired horses.

>> DR. LIGHTBOWN: And I want to thank our Suffolk staff in particular. All of our Plainridge staff also comes up to help out. But longtime employees Susan Walsh, our Chief Steward, Dave Ernst, our own steward, and George Graffeo who does our

licensing, longtime participants in overseeing racing at Suffolk Downs. He's done a great job.

>> COMMISSIONER CAMERON: And I hope you're going to preserve all those fabulous photos out there.

>> MS. PAQUETTE: Many of them are. I have kind of some bins -- we used to keep newspaper clippings and all sorts of media photos. All I have all of those. Many of the fancy artifacts are owned by HYM now when they brought the property. There is an historian dedicated to keeping this all alive, so don't worry. I had -- there is a book somewhere in this.

>> COMMISSIONER CAMERON: Okay. Thank you.

>> DR. LIGHTBOWN: Thank you.

>> MS. PAQUETTE: Thank you.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Thank you again. Now we can move to our final item on the agenda, Commissioners' updates. Do we have any?

>> COMMISSIONER STEBBINS: I just have one quick update. Actually two. I join with my colleagues in congratulating Encore on a great opening. I thoroughly enjoyed the opportunity to go around and talk with a number of the employees and to hear firsthand from them while they -- why they had made a career change or left where they had been working to move over to Encore. And there was just a general excitement about the opportunities that they thought were in front of them. So I did a couple selfies with some of the employees. That was kind of fun. And a shout-out to Elaine for all of her good work, helping with the communication on the overall travel logistics that patrons would need.

My second item is this week, I believe, Kevin Kennedy, who is the longtime Chief Development Officer for the City of Springfield, is retiring. I've known Kevin for many years. He was, for a long time, the right hand of Congressman Richard Neil and then he stepped into the Chief Development Officer's role and has overseen a number of incredible projects that is transforming the City of Springfield, whether it be the remodeling of Union Station, the CRCC railcar company building, and obviously we have partnered with him along the way with the development of MGM Springfield. So I'm offering a certificate of appreciation to Kevin as he moves on to retirement and probably watching a lot of basketball. But Madam Chair, I'd hand this certificate over to you if you want to add your signature to it.

>> CHAIR JUDD-STEIN: I'd be happy to. And I have not had the pleasure of meeting Mr. Kennedy, but I certainly had heard you speak about him and John Ziembra speak about him at length and the contributions he's made not only to the Commonwealth but to, of course, very much Springfield, but overall his contributions have been noted enough that when I heard that he was retiring, I recognized I missed an opportunity. So I wish him well, and I will gladly sign this. It will be, I suspect, one of many treasures he receives for his -- in recognition of his service.

>> COMMISSIONER CAMERON: Tremendous advocate for Springfield, the City, the passion, and this project in particular. We've had many, many dealings with him over the years with this project, and I'm sure they'll miss him in the City with his advocacy for the City and his passion for all of these projects.

>> COMMISSIONER STEBBINS: I'm sure if Mike Mathis was still here, he'd say he

was a pretty tough negotiator as well. Kevin's been great to work with. And I had the chance to work with him briefly when our paths crossed at City Hall, and he's done an enormous amount of work on behalf of the City.

>> COMMISSIONER ZUNIGA: Do we know who's replacing him yet?

>> COMMISSIONER STEBBINS: We do. The City has recruited and hired a gentleman by the name of Tim Sheehan who is the longtime Springfield city resident who not only has worked in Springfield city government, but he spent some time at the former office of executive office I think of housing and community development, one of the iterations of it years ago. But for the past several years, he has been leading the revitalization of Naugatuck, Connecticut, so he's essentially moving home to take over that position.

>> CHAIR JUDD-STEIN: Well, on behalf of the Commission, we recognize his service and wish him well. So thank you. Do we have a motion to adjourn?

>> COMMISSIONER CAMERON: So moved.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any further business? I should have offered another opportunity for any other Commissioners' updates? All right. Thank you. Those in favor. Opposed? 5-0. Thank you.

[Concluded at 12:08 P.M.]