

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #173  
4

5 CHAIRMAN

6 Stephen P. Crosby  
7

8 COMMISSIONERS

9 Gayle Cameron

10 Lloyd Macdonald

11 Bruce W. Stebbins

12 Enrique Zuniga  
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21 December 17, 2015 10:30 a.m.- 4:10 p.m.

22 MASSACHUSETTS GAMING COMMISSION

23 101 Federal Street, 12th Floor

24 Boston, Massachusetts

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P R O C E E D I N G S :

CHAIRMAN CROSBY: Ladies and gentlemen we are ready to call to order the 173rd meeting of the Massachusetts Gaming Commission today in our offices on Federal Street at 10:30 in the morning. As usual, we will start with the minutes. Commissioner McDonald?

COMMISSIONER MACDONALD: Yes. I move that the minutes of the meeting of December 3, 2015 as they appear in the materials for today's meeting be approved subject to correction of mechanical and typographical errors that may appear there.

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: Any discussion?  
All in favor, aye.

COMMISSIONER MACDONALD: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Opposed? The ayes have it unanimously. Next up is Interim

1 Director Executive Director for a short time  
2 longer now, Karen Wells.

3 MS. WELLS: Along those lines, I  
4 think the most significant update for the  
5 Commission is just on the process of onboarding  
6 our prospective new Executive Director, Mr.  
7 Bedrosian.

8 All of the paperwork has been filed.  
9 He is in the process of background check.  
10 Commissioner Stebbins may have some comment,  
11 but the expectation is hopefully even with the  
12 holidays we'd be able to complete the  
13 background check and hopefully have him onboard  
14 the beginning of that first week in January.

15 So, the staff is thrilled. I am  
16 thrilled. And we're looking forward to having  
17 him on board. I don't know if Commissioner  
18 Stebbins has any further comment on that.

19 COMMISSIONER STEBBINS: No. The  
20 only thing I would add is, and I said it when  
21 we were doing the interviews, was thank you for  
22 your good work in this interim period. You  
23 kept the boats, ships, trains running smoothly  
24 in that time period. So, thank you.

1 CHAIRMAN CROSBY: Here, here.

2 COMMISSIONER CAMERON: Echo that.

3 Thank you very much, Director.

4 MS. WELLS: So, then I will turn it  
5 over to Ombudsman Ziemba for the next piece.  
6 And because I have to leave, I'm going to turn  
7 over the rest of the meeting Catherine Blue for  
8 the next several items.

9 MR. ZIEMBA: Thank you, Mr. Chairman  
10 and Commissioners, as you are aware, our review  
11 teams are well underway in reviewing the Region  
12 C application put forward by Mass Gaming and  
13 Entertainment, MG&E.

14 In your packet, is our estimated  
15 schedule for Region C. You will note that much  
16 of the schedule is dependent upon the status of  
17 negotiations between MG&E and the nine  
18 surrounding communities. Last week, we  
19 provided notice to eight communities of their  
20 official designation as surrounding  
21 communities.

22 In addition, on Monday night  
23 Pembroke approved of its surrounding community  
24 agreement, which makes it a surrounding

1 community as part of our process.

2 As to the other eight, four of them  
3 have approved agreements and four of them are  
4 in progress.

5 The end of the statutory 30-day  
6 negotiation period is January 11. If the  
7 parties cannot reach agreement by then, the  
8 parties will be in arbitration under our  
9 regulations. If arbitration takes the maximum  
10 time, the approximate earliest the Commission  
11 could make a determination about MG&E is the  
12 end of March.

13 We have not yet set a surrounding  
14 community hearing or the host community hearing  
15 dates. As you know, in the surrounding  
16 community hearing, a hearing created by the  
17 Commission and not required by statute, the  
18 Commission will hear from interested parties  
19 about surrounding community issues including  
20 the agreements that are reached.

21 The host community hearing is  
22 required by statute. The applicant host  
23 community, surrounding communities and impacted  
24 live entertainment venues are invited to

1 attend. In addition, we'll hear from the  
2 general public. We cannot conclude the host  
3 community hearing until the application is  
4 complete, including all surrounding community  
5 agreements are reached or concluded through  
6 arbitration.

7 We must provide 30 days advanced  
8 notice of the host community hearing pursuant  
9 to statute and can take no action on the  
10 application sooner the 30 days after the  
11 hearing.

12 Given the status of agreements and  
13 work that remains on our own internal  
14 scheduling, we are not yet -- we don't yet have  
15 a recommendation on a date for the host  
16 community hearing, but we would like to put  
17 forward a potential tentative date for the  
18 surrounding community hearing for your  
19 consideration of January 28.

20 I've been working with Janice Reilly  
21 to determine if that works with the schedule,  
22 but what that date would do is that would be  
23 after the January 11 date for conclusion of  
24 surrounding community negotiations. It would

1 be in the middle of an arbitration if one or  
2 more arbitrations, if they are necessary. But  
3 at least we would have the benefit of whatever  
4 agreements had been negotiated that point. It  
5 would provide further valuable information to  
6 the Commission as we move forward.

7 I put this forward as a tentative  
8 date. We can certainly agree on that today or  
9 at a future meeting.

10 COMMISSIONER ZUNIGA: As a reminder,  
11 this is not a hearing that's required by  
12 statute. This is something we chose and have  
13 done in the other regions. And we are able to  
14 get a lot of great information just like you  
15 outlined on surrounding community concerns,  
16 status and what have you, but does not impact  
17 the schedule from a decision standpoint.

18 MR. ZIEMBA: That's right. That's  
19 exactly right.

20 COMMISSIONER ZUNIGA: I think the  
21 date sounds great.

22 COMMISSIONER CAMERON: I think the  
23 date is appropriate. And it's a good date.

24 CHAIRMAN CROSBY: Yes. Are you

1 finished with this item? I wanted to comment  
2 on the letter that was sent into us. Did you  
3 have other stuff?

4 MR. ZIEMBA: No, that is it.

5 CHAIRMAN CROSBY: We got a letter  
6 from a Tracy Marzelli from Middleboro. It's  
7 ostensibly written on behalf of a number of  
8 people, but there's no organizational name or  
9 anything. It talks about the possibility of a  
10 lawsuit.

11 Part of what we're doing here is  
12 trying to figure out, first we are trying to  
13 figure out do we have a quality applicant,  
14 which is the process that John just got through  
15 talking about. And second step is if we do  
16 have a quality applicant, will we make an award  
17 in Region C taking all things into  
18 consideration including the status of the Tribe  
19 at that moment in time.

20 This does suggest that at least this  
21 particular organization doesn't see injunction  
22 as an issue which we were wondering about for  
23 whatever that's worth. I'm not sure what it is  
24 worth.

1           The thing that was puzzling to me  
2 little bit for General Counsel Blue, we never  
3 really thought about this issue. In the event  
4 that there were a suit and the land in trust  
5 were rescinded, and there was a casino sitting  
6 there that had already been up and running,  
7 which is what this letter anticipates, did you  
8 look at this? Did you think about what would  
9 actually happen if that happened?

10           If all the sudden we would have  
11 what?

12           MS. BLUE: I did look at that. I  
13 read the letter. The letter implies that  
14 somehow that would become a commercial casino.  
15 That would not be true. It would not have a  
16 license issued by the Commonwealth. So, I  
17 think most likely without a whole lot of  
18 research, it would have to shut down for some  
19 period of time until it was worked out. It may  
20 or may not ever reopen if it was not on land.

21           CHAIRMAN CROSBY: Right, okay.  
22 That's what I would've thought as well. It  
23 would take the Legislature -- I guess if there  
24 weren't a commercial reward, theoretically

1 maybe we could then give an award. If there  
2 were a commercial award and all the three  
3 possible licenses have been awarded then it  
4 would take an act of the Legislature to permit  
5 a fourth.

6 MS. BLUE: That's right.

7 COMMISSIONER CAMERON: But that  
8 would be a possibility to award to become -- I  
9 know we're talking very hypothetical, but that  
10 would be one of several possibilities, correct?

11 MS. BLUE: It would depend on what  
12 the Legislature did, yes. If the Legislature  
13 authorized an additional license that would be  
14 possible. The Legislature could not its own as  
15 other states have done just grant it to a  
16 particular location. There's precedent in  
17 other state's legislation for that.

18 There would be a lot of questions,  
19 but there would be a lot of options to consider  
20 too, I think.

21 CHAIRMAN CROSBY: But it's not a  
22 simple black-and-white case that if we do  
23 license a commercial casino that we end up  
24 having the risk of four commercial casinos in

1 the event that land in trust disappeared.

2 MS. BLUE: I just want to point out  
3 too, in the compact, there is a provision that  
4 says if there is a commercial casino in the  
5 same area the Tribe actually has three options.  
6 One is to pay zero, but also to close if they  
7 want to close. Not that that's the same  
8 situation but that is a similar situation.

9 CHAIRMAN CROSBY: Right. Okay.  
10 Anything else on Region C? John.

11 MR. ZIEMBA: That's it Mr. Chairman.

12 CHAIRMAN CROSBY: Item number 3 was  
13 a Tribal compact update from me. As you know,  
14 we had a briefing several meetings back, two or  
15 three meetings back on the compact.

16 We reminded everybody including  
17 ourselves that we have a very important  
18 regulatory partnership with the Tribe no matter  
19 what happens. Whether we issue a commercial  
20 license or not, the regulatory partnership  
21 which is embodied in the compact with the Tribe  
22 will still prevail.

23 So, we need to develop a working  
24 relationship. I've had several conversations

1 with Chairman Cromwell to talk about beginning  
2 that relationship. We've had at least two  
3 meetings at a staff level that have been really  
4 productive. It's a great attitude.

5 I think everybody realizes we've got  
6 these two issues going on. One is the  
7 possibility of a commercial license. There's  
8 some differences of opinion about that. But we  
9 have to set that aside and go ahead and work  
10 out our regulatory partnership.

11 But the bottom line is that it's  
12 going well so far. And Catherine and John have  
13 done a great job of putting together a working  
14 relationship with their staff people. The  
15 chairman is quick to remind me that it is the  
16 tribal council who makes decisions, not the  
17 lawyers and not the consultants. But the  
18 tribal council has a pretty clearly delegated  
19 substantial room to begin this work with us.

20 They are now working very, very  
21 quickly to put together their own tribal gaming  
22 commission. They have a chair of the tribal  
23 gaming commission. They are hoping they might  
24 have an executive director of the tribal gaming

1 commission possibly by the end of the year, but  
2 hopefully soon thereafter.

3 We've invited them to come in and  
4 explain to them that we had to learn how to  
5 build a gaming commission out of nothing. So,  
6 we've made plenty of mistakes. They might as  
7 well learn from our mistakes. Catherine, Karen  
8 and John and Bruce and others have offered to  
9 meet with them. So, I think we are off to a  
10 good step with them so far.

11 To all outward appearances, they are  
12 moving as fast as they possibly can to get  
13 their facility up and running. Anything else  
14 on that? Commissioner Zuniga.

15 COMMISSIONER ZUNIGA: Just a very  
16 quick update on the annual report. We are  
17 little later than we would have liked, but we  
18 will be issuing the annual report of the  
19 Commission very soon, hopefully within this  
20 calendar year.

21 There's some minor updates of late  
22 given recent developments that we did not want  
23 to not incorporate in the report. There is a  
24 new layout that is all making its way through

1 final design and layout. There's been a lot of  
2 great help from a lot of staff, but especially  
3 Elaine Driscoll in wrapping it all together.  
4 And we'll be issuing the annual report in the  
5 upcoming days.

6 CHAIRMAN CROSBY: Great. I'm not  
7 sure how it ended up on your desk but I'm  
8 delighted -- I think I did it last year. But  
9 I'm delighted you're doing it. Thank you. And  
10 as I've said earlier, the draft I read was a  
11 really good draft.

12 COMMISSIONER ZUNIGA: Thank you.

13 CHAIRMAN CROSBY: Anything else?  
14 Item 3(e) is a daily fantasy sports update.  
15 Commissioner Cameron and her staff, as we  
16 talked about last week, her team put together a  
17 terrific panel, a terrific daylong session that  
18 I think was as good as we ever had.

19 We are now taking the proceeds of  
20 that panel, that day's forum and a lot of other  
21 work that's been done by some of the  
22 Commissioners and some other consultants and  
23 staff, again, Commissioner Cameron's team, and  
24 putting together this white paper that there

1 will be discussion of the issues involved in  
2 the possibility of regulating not only daily  
3 fantasy sports but all online, Internet-based,  
4 electronic gaming technologies, however we end  
5 up trying to get our arms around that whole  
6 world of gaming.

7 Drafts are in process. There are  
8 chapters I'm hoping to start seeing some  
9 possibly by the end of the week.

10 We'll have to have a full draft by  
11 the end of next week that we can edit between  
12 Christmas and New Year's. And if we're lucky  
13 get it done by the end of the year. But if  
14 not, certainly we'll have it done by the time  
15 Legislature is back in session, which is a week  
16 or so thereafter.

17 So, that's really interesting  
18 project. And I think with Commissioner  
19 Cameron's help, we've got a lot of people  
20 watching from afar, because we're the  
21 Commonwealth, we're led first by the Attorney  
22 General. And now with the Legislature and us  
23 taking a fairly deliberate approach to this.  
24 And other jurisdictions that are wrestling with

1 this issue are hoping to see if we can come up  
2 with something that is interesting and useful,  
3 possibly extrapolateable to other venues.

4 COMMISSIONER ZUNIGA: May I ask or  
5 suggest something?

6 CHAIRMAN CROSBY: Sure.

7 COMMISSIONER ZUNIGA: Let me draw  
8 perhaps a parallel to what we did on the  
9 position paper that we forwarded to the  
10 Legislature last time around when there were  
11 questions about -- when we raised the issues  
12 relative to changes to the legislation  
13 originally from comments from our licensees.

14 And I was wondering if we could have  
15 a similar process to delegate you, Mr.  
16 Chairman, the final editing of that paper even  
17 though we will not be taking necessarily a  
18 position on any of this because a lot of this  
19 if not mostly all of it is not under the  
20 Commission's purview. If that is something  
21 that others would go along?

22 CHAIRMAN CROSBY: To take the final  
23 editing?

24 COMMISSIONER ZUNIGA: Yes, to take

1 the final editing.

2 CHAIRMAN CROSBY: We discussed that  
3 and I think everybody has kind of agreed with  
4 that. I'm planning to be around between  
5 Christmas and New Year's so I can do that. And  
6 I'll certainly share it with everybody in any  
7 case.

8 COMMISSIONER ZUNIGA: Great.

9 CHAIRMAN CROSBY: Okay. Anything  
10 else on that? Then we are onto research and  
11 responsible gaming, Director Vander Linden and  
12 team.

13 MR. VANDER LINDEN: Good morning,  
14 Chairman, Commissioners. I am joined today  
15 with Dr. Rachel Volberg who as you know is our  
16 principal investigator of our SEIGMA research  
17 team. And to her right we have Rod Motamedi  
18 and Mark Melnik both of whom are with the  
19 Donahue Institute.

20 Mark recently took over the position  
21 of director of the Donahue Institute.

22 CHAIRMAN CROSBY: Not director of  
23 the Institute, and by the way Lynn got kicked  
24 out of her job.

1 MR. VANDER LINDEN: My mistake.

2 CHAIRMAN CROSBY: Easy come, easy  
3 go, Director Griesemer.

4 MR. VANDER LINDEN: So, as director  
5 of research and responsible gaming --

6 CHAIRMAN CROSBY: That you got  
7 right.

8 MR. VANDER LINDEN: I did. Thank  
9 goodness, hopefully not easy come, easy go with  
10 that. This is a fun part of my job where we  
11 get to highlight some of the great research  
12 that is being done in Massachusetts.

13 And today in kind of a long and  
14 coming what I want to provide our research team  
15 the opportunity to do is to highlight some of  
16 the economic activities that are going on and  
17 some of the findings that we have. So, I'm not  
18 going to go any further than that, but I'll  
19 turn it over now to Rachel.

20 DR. VOLBERG: Good morning,  
21 everyone, great to be back six months later.  
22 This is a really exciting opportunity to kind  
23 of turn the spotlight on an aspect of the  
24 project that hasn't gotten a lot of attention

1 to date. So, what I'm going to do is just  
2 provide a few minutes of framing the larger  
3 project picture for you. And then I'm going to  
4 turn it over to Mark and Rod to really go into  
5 some very interesting detail on some of the  
6 economic information that we've been  
7 collecting.

8 So, let's see if this works. So,  
9 the research findings from the SEIGMA study are  
10 an essential component in developing a strategy  
11 to minimize gambling related harm and bring the  
12 greatest possible benefit to the people of the  
13 Commonwealth associated with gambling  
14 expansion.

15 The findings are intended to provide  
16 quantitative and qualitative assessments of a  
17 broad range of impacts of expanded gambling,  
18 provide Massachusetts stakeholders with a  
19 neutral database for strategic analysis and  
20 decision-making and to inform how monies from  
21 both the Public Health Trust Fund and from the  
22 Community Mitigation Fund may be expended.

23 And just to sort of amplify on that  
24 our team is really committed to doing this work

1 using a collaborative orientation, a mixed  
2 methods research strategy and a comprehensive  
3 approach that establishes the impacts of  
4 gambling expansion at the state, regional and  
5 local levels.

6 This is just a very quick reminder  
7 that the SEIGMA project is one of the  
8 cornerstones of the Gaming Commission's  
9 research agenda and fulfill sections one and  
10 two -- I'm sorry section 71 subsections (1) and  
11 (2) of the Expanded Gaming Act.

12 This is just a quick graphic  
13 reminder to give you a sense of the study  
14 structure. It highlights the three main  
15 research areas that we have been moving forward  
16 in, and analysis of the social and health  
17 impacts, an analysis of the economic and fiscal  
18 impacts, which is being carried out by the  
19 Donahue team, and an evaluation of problem  
20 gambling services in Massachusetts.

21 In each of these boxes, we've listed  
22 some of the research activities that we are  
23 going to be using to evaluate impacts in these  
24 different areas. And each of the three main

1 areas of the study really depends on collecting  
2 and analyzing both primary and secondary data  
3 as well as working with organizations and  
4 stakeholders in those different areas.

5 Finally, just to give you an idea in  
6 each of the three main areas of the study, we  
7 are sort of following this timeline. So, this  
8 gives you a snapshot of our key data collection  
9 activities.

10 From the beginning of the project in  
11 2013 to the present, we have been pretty hard  
12 at work on a large general population survey --  
13 You heard us present on that back in June. --  
14 and smaller targeted population surveys in  
15 Plainville and Springfield. We've also been  
16 collecting a lot of secondary data.

17 And then beginning this year and  
18 through 2018 as the casinos are built and  
19 become operational, we'll continue collecting  
20 and monitoring all of that secondary data.

21 As the new venues are constructed,  
22 we also are collecting data from the operators.  
23 Then in 2019, when all of the new facilities  
24 are open, we will be doing another large

1 population survey as well as another round of  
2 targeted surveys.

3           So, it's just worth emphasizing once  
4 again that we actually are in a very unique  
5 position here in Massachusetts because we have  
6 been able to get a clean pre-casino snapshot of  
7 gambling behavior and problem gambling  
8 prevalence in Massachusetts prior to the  
9 beginning of any casino gambling whatsoever.  
10 So, we'll have a very clear picture of what the  
11 state looks like both before and after the  
12 expansion of casino gambling.

13           We'll be continuing to collect this  
14 data over time so that we can monitor how these  
15 impacts change over time. And inform the  
16 Gaming Commission and everyone else in the  
17 Commonwealth about what the harms are or what  
18 the impacts are that we are identifying, harms  
19 and benefits. And so that the harms can be  
20 mitigated and so that the benefits can be  
21 maximized.

22           Now I am going to turn things over  
23 to Mark Melnik and his UMDI colleagues who will  
24 be giving you a really good exciting in-depth

1 look at the work they've been doing for the  
2 past couple of years.

3 DR. MELNIK: Good morning,  
4 everybody. Thanks for the opportunity to come  
5 and talk with you about the work we've been  
6 doing on the economic and fiscal impacts  
7 related to casino gambling.

8 I am Mark Melnik. I'm the director  
9 of economic and public policy research at the  
10 UMass Donahue Institute. My team is the one  
11 that's spearheading the fiscal and economic  
12 impact analysis work overall.

13 We have a team of six to seven folks  
14 coming in and out of the project at various  
15 points including Rod Motamedi who is going to  
16 be talking in a little bit, Andrew Hall who is  
17 back there who is in attendance and a lot of  
18 the team that's back on the farm in Hadley.

19 What I'm going to do is give kind of  
20 an overview of what we are doing right now in  
21 terms of the economic and fiscal impact work in  
22 general. As we all know, we are really in the  
23 early stages of expanded gambling in  
24 Massachusetts. So, there's some pieces of work

1 that we've been able to do already. And  
2 there's also the kind of staging and setting up  
3 some of the work that we're going to continue  
4 to do in the coming years as Rachel just  
5 described.

6 So, what I'm going to do is give an  
7 overview of the SEIGMA economic analysis and  
8 research agenda; talk about the recent  
9 activities, and in particular, the baseline  
10 profiles that we've done for the host  
11 communities and the surrounding communities.  
12 I'll zero in on the conversation today about  
13 Springfield but we've completed community  
14 profiles for all three communities and they're  
15 available on the web.

16 Rod is going to talk about the new  
17 employee survey and the Plainridge Park Casino  
18 construction impacts. And then I'll come back  
19 and talk a little bit about coming attractions  
20 over the next couple of years.

21 First in terms of the economic and  
22 fiscal impact. What our goals are on the UMDI  
23 side in relation to the larger piece of work  
24 here is to measure and determine economic and

1 fiscal impacts of casino facilities at the  
2 local, regional and state level. This happens  
3 in a variety of ways including business  
4 dynamics such as business openings and  
5 closings, employment by industry, sales.

6 Labor market conditions such as  
7 unemployment, labor force participation rates  
8 and other outcomes; government finance such as  
9 revenues and types of things that the  
10 government spends money on; real estate trends  
11 like vacancy and asking rents for different  
12 properties, and other special topics including  
13 one that's coming next year is a closer look at  
14 lottery sales and things that have been  
15 happening there.

16 And we'll do that through a variety  
17 of means including primary data collection,  
18 which we do ourselves, and secondary data  
19 collection looking at the data that are  
20 available generally through government produced  
21 data. But then there's also some proprietary  
22 data that we purchase for analysis sake.

23 There's three main phases to the  
24 work that we're doing. The first is our

1 baseline analysis, which is effectively  
2 completed, tracking the economic and fiscal  
3 conditions before the gaming facilities are in  
4 place. In the Springfield profile, I'll  
5 discuss as an example of that work.

6           There's also the development and  
7 construction phase, which we are in right now,  
8 measuring the impacts as construction occurs at  
9 each gaming facility. Obviously, two aren't  
10 constructed yet, but we have been able to look  
11 at Plainridge and see the impacts of that  
12 casino.

13           Then we'll also be measuring  
14 operations including monitoring the impacts  
15 from operators of the gaming facilities. And  
16 we have data that we've collected from  
17 Plainridge and have processes in place for the  
18 other casinos as they come online.

19           Some examples of some of the  
20 measurements we are going to be looking at  
21 include this long list here but things like  
22 household income, labor force participation,  
23 poverty, housing, things that happen in  
24 tourism, things that happen in the industry

1 mix.

2                   And the key for us is how things  
3 look now and how they will change over time.  
4 As you look at those individual measures, they  
5 can even be broken down into more measures.  
6 So, when we look at something like tourism,  
7 that could be related to spending patterns or  
8 employment as it relates to casinos or any  
9 other types of tourist activity, again, using  
10 primary and secondary means for analyzing these  
11 trends.

12                   COMMISSIONER STEBBINS: Mark, what  
13 do you define as regulatory costs?

14                   DR. MELNIK: How are we measuring  
15 regulatory costs?

16                   COMMISSIONER ZUNIGA: What we assess  
17 on our licensees.

18                   MR. MOTAMEDI: Yes. We are looking  
19 at some of the costs of the license. We are  
20 looking at some of the costs of essentially the  
21 commitments that the operators are making in  
22 their host community agreements. That's sort  
23 of cost above the normal cost of doing  
24 business.

1           And then as regulations change, this  
2 is an ongoing project, if things come down the  
3 pike, we'll keep track of those as well. But  
4 right now, we're focusing mostly on sort of the  
5 Commission imposed costs and the host community  
6 costs.

7           CHAIRMAN CROSBY: And surrounding  
8 community.

9           MR. MOTAMEDI: And surrounding  
10 community commitments as well.

11          DR. MELNIK: So, as I already  
12 mentioned, we are using two main types of data,  
13 secondary and primary data. And secondary  
14 data, again, are things that we were able to  
15 gather from government -- previously collected  
16 government data such as unemployment rates,  
17 household income, property values or other  
18 types of proprietary data we may purchase.

19          On the primary side, most of that  
20 work is going to be around data collection we  
21 do through surveys, including the new employee  
22 survey, and a survey of patrons on-site.

23          These primary data will be used in  
24 our estimates of economic and regional impacts

1 that we put into a model called REMI, the  
2 regional economic model incorporate. Rod is  
3 actually a former employee of REMI. He knows  
4 it completely inside and out. These things  
5 that we collect on the primary side will go  
6 into the model for estimated economic impacts.

7 CHAIRMAN CROSBY: As part of the  
8 baseline, you are going to do a projection of  
9 what you would think the economic benefit  
10 impacts would be of all the things that are  
11 happening. Then you will be testing later on  
12 to see whether or not those have been achieved.

13 DR. MELNIK: Exactly. That's one of  
14 the exciting things about the way this project  
15 is laid out right now is the opportunity to say  
16 okay, well, this is what we think in advance.  
17 And there's always projections. But then being  
18 able to come back afterwards and saying, okay,  
19 well, how close did we hit?

20 CHAIRMAN CROSBY: Right.

21 DR. MELNIK: And I think in a lot of  
22 ways you can look at that too as a way of kind  
23 of re-gearing or re-steering public policy if  
24 you're not hitting certain marks that you

1 thought you should've been hitting in the first  
2 place.

3 CHAIRMAN CROSBY: Right. People  
4 understand baseline in terms of assessing known  
5 static conditions. But to add to the baseline  
6 thoughtful projections about what the  
7 consequences -- you would think the  
8 consequences would be is another whole level of  
9 so-called baseline building.

10 It's great. I think it's really  
11 terrific. Furthermore, the Legislature did  
12 this, as everybody knows, as an economic  
13 development strategy. It had a lot of elements  
14 to it but in its final analysis, this was meant  
15 to be an economic developing strategy for the  
16 Commonwealth. And this will tell us in no  
17 uncertain terms what the actual impacts have  
18 been. So, it's great.

19 DR. MELNIK: So, the rest of  
20 presentation is kind of split into what we've  
21 been able to do on the secondary side and what  
22 we're able to do on the primary side.

23 On the secondary data, that recent  
24 work is mainly in the host community profiles

1 and monitoring what's happening in the three  
2 casino locations. Regional and state economic  
3 baseline report where we're able to do --  
4 that's built into the community profiles.

5 And then special topics such as a  
6 real estate analysis, which we won't be talking  
7 about today but that is an ongoing process for  
8 us. A lottery impact analysis, which again is  
9 an ongoing process for us. And down the road,  
10 we'll be doing community comparison analysis  
11 where we selected communities that look like  
12 the towns that have -- that were awarded  
13 casinos in Massachusetts, and see how they have  
14 changed over time.

15 Almost trying to create this like  
16 experiment of well, we've introduced a casino  
17 here, here's how some of these indicators have  
18 changed in Springfield. Now, if we look at a  
19 city that's like Springfield somewhere else, a  
20 New Haven, Connecticut for example, have their  
21 socio-economic indicators changed over time  
22 without the introduction of a casino like we  
23 have here?

24 COMMISSIONER CAMERON: Question,

1 Mark. Other than demographics, how did you  
2 choose those cities? I was wondering when I  
3 saw the cities on the map with the dots.

4 DR. MELNIK: It's a combination of  
5 several methods. Some of it's demographics,  
6 but some of it is also related to economic and  
7 industry indicators. So, unemployment rates,  
8 labor force participation, which obviously  
9 overlap with demographics, but then also  
10 industry mix.

11 So, looking at does this town look  
12 similar enough to the towns that we have here?  
13 It's difficult to do peer experimentation in a  
14 social environment, but we took as many  
15 indicators as we can and say okay, how do we  
16 triangulate on something that looks like a  
17 Springfield.

18 So, the host community profiles,  
19 again, there are three of them that we have  
20 finished. I'm going to focus today on  
21 Springfield. We did a presentation for the  
22 community about a month and a half ago that was  
23 very well received.

24 But the indicators I'm talking about

1 as it relates to Springfield are ones that are  
2 available for both Plainville and for Everett.  
3 So, the kinds of things that are in these host  
4 community profiles are a combination of  
5 industrial and business indicators, resident  
6 indicators, local area fiscal indicators and  
7 real estate trends.

8           First looking at Springfield here,  
9 what we see are in terms of employment,  
10 Springfield has nearly recovered all of the  
11 jobs that were lost during the recession, but  
12 they haven't quite yet. In fact, Springfield  
13 has fewer jobs today than it actually had in  
14 2003.

15           What we see here with our overall  
16 trends comparing Springfield to other parts of  
17 Massachusetts, its own region and the state  
18 itself, it's lagging behind in terms of job  
19 growth. The state has grown at about four and  
20 a half percent since 2003 in terms of jobs.  
21 And we can all see the gulp there that occurs  
22 during the recession.

23           The larger region around  
24 Springfield, Hampshire and Hampden counties

1 have grown a little slower than that two  
2 percent. Springfield has actually declined.  
3 An interesting trend that we also see in there  
4 is that the number of establishments in  
5 Springfield have increased. So, what we see is  
6 that businesses -- we're seeing more  
7 businesses, they just tend to be smaller. And  
8 that's a national trend. We see that all over  
9 the place.

10 In terms of the industry mix in  
11 Springfield, two things that stand out as  
12 particularly interesting is the health care and  
13 social assistance industry is huge in  
14 Springfield. In fact, about 34 percent of jobs  
15 in Springfield are in this industry compared to  
16 just 18 percent in Massachusetts.

17 The other industry I've circled  
18 there is professional and technical services,  
19 which is a pretty wonky sounding name, but that  
20 includes a lot of things that are happening  
21 around life sciences, engineering and other  
22 types of consulting tends to be higher wage.  
23 And has been a growth industry particularly in  
24 this part of the state but not so much in

1 Springfield.

2           What we do see in Springfield too  
3 there is that those jobs that are in  
4 professional and technical services tend to be  
5 on the lower wage scale compared to the things  
6 that we might see in greater Boston.

7           We show that Springfield has  
8 basically the same number of jobs as 2003,  
9 maybe just a little bit smaller. What's  
10 interesting to consider is how is that  
11 distribution of jobs different today than it  
12 was in the past?

13           What we see is that most of the job  
14 growth in Springfield, in fact, all of the job  
15 growth -- well, it's declined, but all of the  
16 job change in Springfield appears to occur in a  
17 positive direction in health care and social  
18 assistance.

19           Part of this is an artifact of some  
20 weird data things where some industries that  
21 were classified as family assistance were  
22 reclassified out of other services and into  
23 health care. But even with that said, the  
24 health care industry is growing in Springfield.

1 Again, that is a pretty common trend but is the  
2 driver basically of the economy in Springfield  
3 right now.

4           So, in terms of some socioeconomic  
5 indicators, we see here that Springfield, in  
6 general, population has not really budged much  
7 over the last 10 years. In fact, Springfield  
8 has basically the same population as it did in  
9 2003. It's growing at a much slower rate than  
10 the state, 4.2 percent, and the region just  
11 about two percent.

12           But what's really telling about  
13 Springfield are the socioeconomic things.  
14 Poverty rate of nearly 30 percent, median  
15 household income half that of the state and an  
16 unemployment rate that's almost twice the state  
17 unemployment rate.

18           One thing too I'll note here is that  
19 we'll see unemployment rates moving around a  
20 little bit in this presentation. You'll also  
21 see unemployment rates moving around depending  
22 on when you're listening to the news. It's  
23 because there are various ways unemployment end  
24 up being calculated in terms of monthly

1 unemployment stats versus annual.

2 Most of the things that we have  
3 inside of the host community profiles are  
4 annual unemployment rates. But you might hear  
5 on the news last month's unemployment rate is  
6 this, and that will look different than what  
7 the annuals are.

8 COMMISSIONER MACDONALD: Excuse me  
9 Mark, can I take you back? I'm sorry for this,  
10 but on your slide of employment growth by  
11 industry. The health care and social  
12 assistance category, health care I can  
13 understand that. Presumably, it's hospitals  
14 and medical services. What does social  
15 assistance mean?

16 DR. MELNIK: Social assistance can  
17 be any number of things. It's kind of a broad  
18 category. It includes things like retirement  
19 communities, things -- they also include drug  
20 rehabilitation places or different types of  
21 social service types of things for people that  
22 aren't necessarily directly related to  
23 hospitals themselves.

24 COMMISSIONER MACDONALD: Would that

1 include government programs?

2 DR. MELNIK: No. It could include  
3 non-profit organizations that are funded by  
4 government programs or may receive some  
5 government funding. But government jobs  
6 actually fall in another category.

7 CHAIRMAN CROSBY: There would be a  
8 correlation between this and low-income  
9 communities I would think. That would tend to  
10 be higher in low-income communities, social  
11 care.

12 DR. MELNIK: Yes, absolutely.  
13 Springfield is an interesting one because there  
14 are significant medical facilities in  
15 Springfield, but then also because it is a  
16 community that is poor it has a large number  
17 of social assistance types of places too.

18 COMMISSIONER MACDONALD: Thank you.

19 COMMISSIONER STEBBINS: I think it's  
20 also, Mark, interesting to look at the  
21 accommodations and food services which are a  
22 central part of the employment mix for a casino  
23 and how that's been relatively flat-lined over  
24 the last 10 years. And understanding what that

1 bump might mean for the casino in terms what  
2 it's going to mean economically.

3 DR. MELNIK: Yes. And it's a very  
4 interesting question. When it comes to -- This  
5 is actually an industry that has grown a lot in  
6 Eastern Massachusetts. In fact, Boston has a  
7 very dual growth when it comes to industries.  
8 Like we have the high-tech knowledge industries  
9 are growing and there's a lot of excitement  
10 around that innovation. Both we've also seen a  
11 lot of growth in the food services industries  
12 eastward.

13 When we look at Springfield, it's  
14 interesting because you can hear the narrative  
15 going one of two ways. One is it's going to  
16 harm the restaurant industries that are there.  
17 Or that because of tourism, increased tourism  
18 we'll see growth.

19 I think again it's an exciting part  
20 of the kinds of work that we are doing, because  
21 we'll actually be coming back and seeing well,  
22 how are these numbers changing over time? And  
23 are industries being -- Are the indigenous  
24 industries that are currently there being

1 harmed in any way as we're seeing casinos grow?

2 Another interesting socioeconomic  
3 factor in Springfield is educational  
4 attainment. We see that in Springfield about  
5 24 percent of the population does not have a  
6 high school diploma, compared to 11 percent in  
7 the state. Conversely, almost 40 percent of  
8 Massachusetts has a college degree but only 18  
9 percent of Springfield residents do.

10 Looking at unemployment and labor  
11 force participation, I think this is probably  
12 the most interesting takeaway when we look at  
13 Springfield. If you follow the unemployment  
14 rate trend line, and it goes annual in the  
15 profiles, but just to make it a little easier  
16 to consume right now. We have data for 2003,  
17 '08, '09 and '13.

18 And we see where the blip of the  
19 recession occurs in Springfield between 2008  
20 and 2009. But what we also see is that  
21 unemployment rate really hasn't come down when  
22 we looked at it in 2013.

23 When we couple that figure with the  
24 one below it, the labor force participation, we

1 see that Springfield's labor force  
2 participation rate is only 56 percent -- So,  
3 what's the story -- compared to 65 percent for  
4 Massachusetts. So, what does that story tell  
5 us?

6 That story tells us there's a lot of  
7 people in Springfield who are looking for work.  
8 That's our unemployment rate. We see that  
9 there a lot of people who live in Springfield  
10 who aren't even looking because the percentage  
11 of folks who are participating in the labor  
12 force is so much lower than the state average.  
13 In fact, in Springfield it's the lowest among  
14 all gateway cities.

15 CHAIRMAN CROSBY: I assume that's  
16 adjusted for people who have aged out?

17 DR. MELNIK: Yes. With this here,  
18 we're looking at the prime working age of 18 to  
19 65.

20 CHAIRMAN CROSBY: Okay.

21 DR. MELNIK: Now to look at  
22 Springfield and the surrounding communities.  
23 Some of these data points I've already touched  
24 on, but just to see them in comparison to the

1 surrounding communities.

2 We see that Springfield has  
3 significantly lower proportion of its  
4 population with a bachelor degree or higher,  
5 which I already noted, higher unemployment  
6 rate, lower median household income, high  
7 poverty rate and a high percentage of people  
8 with limited English proficiency.

9 What's really interesting about  
10 Springfield and I had this on the presentation  
11 I did in Springfield, the percent of the  
12 population that's foreign born is actually kind  
13 of small compared to the state though the  
14 limited English proficiency is very high.  
15 That's because of the large Puerto Rican  
16 population in the city.

17 But what's interesting here is to  
18 compare Springfield to some of its neighbors,  
19 including some of the more affluent  
20 communities, and we see here places like East  
21 Longmeadow and Longmeadow where the poverty  
22 rates are quite low and the incomes are high.  
23 And that falls within the surrounding community  
24 zone.

1                   COMMISSIONER CAMERON: Mark, when  
2 you gave this presentation in Springfield, were  
3 people surprised or were they very well aware  
4 of the statistics?

5                   DR. MELNIK: I think they were  
6 pretty well aware. It was more of a general  
7 community presentation. So, it was not --  
8 There was a lot of knowing, like shaking your  
9 head and acknowledging yes, I see what you are  
10 talking about there.

11                   There was a lot of shock about the  
12 labor force participation thing and the way  
13 those two pieces tie together. And I think for  
14 a lot of folks in the audience that day struck  
15 a chord with them in some way because they kind  
16 of could see that in their daily lives.

17                   CHAIRMAN CROSBY: Who did you give  
18 that too?

19                   DR. VOLBERG: That was a forum that  
20 was organized by Partners for a Healthier  
21 Community, which is the organization that had  
22 funding back in 2012 and '13 to do the health  
23 impact assessment.

24                   CHAIRMAN CROSBY: Have there been

1 any connection between SEIGMA and the mayor's  
2 office? I would think this would be a  
3 presentation that a lot people would want to  
4 see for a variety of reasons.

5 First of all, it shows interesting  
6 stuff, but also it reinforces what we want  
7 people to understand that we have this baseline  
8 against which we are going to be measuring the  
9 impacts. People like the Chamber of Commerce,  
10 they have regular meetings. They mayor might  
11 be interested in putting something together.

12 DR. VOLBERG: I think that's a great  
13 idea. We sort of did this first community  
14 forum because sort of a personal connection.  
15 The person who ran that health impact  
16 assessment is doing a postdoc in the School of  
17 Public Health.

18 So, I ran into her in the corridor  
19 one day. And she's like we'd really like you  
20 to do this thing and I'm like that's great we'd  
21 love to do it. But I think that's a wonderful  
22 idea. I'm sure Amanda Houpt, our project  
23 manager is probably making a note as we speak.

24 CHAIRMAN CROSBY: I'll talk to John

1 Ziemba or maybe you could pick that up.

2 COMMISSIONER STEBBINS: I'd be happy  
3 to. I would take it one step further. As you  
4 know, we haven't asked our licensees, in the  
5 case of Springfield MGM for their workforce  
6 development plans. I think getting a snapshot  
7 of what the region and the city look like.  
8 They have a commitment to hire 35 percent  
9 within the city borders. I think this  
10 information would help them understand kind of  
11 the challenges they're up against.

12 COMMISSIONER ZUNIGA: And the  
13 community colleges, because even educational  
14 attainment and workforce development is also  
15 something that we need to be mindful of.

16 CHAIRMAN CROSBY: All right. Maybe  
17 get Amanda working on your end. And Bruce, why  
18 don't you and I talk to John and sort of  
19 strategize how would be the best way. Because  
20 I think it's something we could do with all of  
21 our host communities. It really would be a  
22 terrific idea. Okay, great. Go ahead.

23 DR. MELNIK: Just one last slide  
24 before I turn it over to Rod. This is a hard

1 one to look at. But I think you guys also have  
2 copies of the slide there. Springfield's  
3 operating budget, this is a picture of  
4 Springfield's operating budget.

5 Expenditures grew about 12 percent  
6 from \$505 million in fiscal year 2003 to about  
7 \$567 million in fiscal year 2013. The largest  
8 categories of public spending include  
9 education, debt services, fixed costs such as  
10 worker's compensation, unemployment insurance,  
11 health insurance, etc.

12 What's really interesting about the  
13 fiscal picture in Springfield though is the  
14 degree to which Springfield relies on state  
15 aid. 59 percent of Springfield's revenues come  
16 from state aid. The average for Massachusetts  
17 cities and towns is about 21 percent.

18 So again, there are significance  
19 fiscal challenges for government, separate from  
20 the socioeconomic and economic challenges that  
21 we see in Springfield overall.

22 So, that's a picture of the host  
23 community profiles. And again, we've done this  
24 for all three communities. I'll now turn it

1 over to Rod Motamedi to talk about the primary  
2 data collection we've been doing.

3 COMMISSIONER MACDONALD: Can we go  
4 back to that last slide because it was unclear  
5 to me, and maybe because I am color challenged.  
6 But it looks like the last two bars there for  
7 the years 2012, 2013 that there was a very  
8 substantial rise in the gray area. Is that  
9 debt service? The top one is sort of brown and  
10 the next one down appears to me to be gray. Is  
11 that debt service?

12 DR. MELNIK: Yes. A lot of  
13 municipalities are facing this problem overall.  
14 We hear this story especially as we've seen  
15 changes happening to state aid, what these  
16 extra financial realities that municipalities  
17 are faced with.

18 The course has kind of slowed a  
19 little bit now that the recession has passed  
20 but it was one that -- Like the Globe had some  
21 story about government financing every week.

22 COMMISSIONER MACDONALD: It looks  
23 like that it's pretty much a flat line across  
24 these years from 2003 to 2011. Then it goes up

1 significantly the next two years 2012, 2013.

2 Is that an accurate --

3 DR. MELNIK: Yes. I think that's an  
4 accurate interpretation. It seems like debt  
5 services is the biggest piece of that. It's a  
6 piece that we can continue to dig into over  
7 time.

8 COMMISSIONER MACDONALD: Okay. Thank  
9 you.

10 CHAIRMAN CROSBY: Mark before you go  
11 on, Rachel, when will this be on Shiny and  
12 when will Shiny be up and running?

13 DR. VOLBERG: These specific fiscal  
14 indicators?

15 CHAIRMAN CROSBY: All of it but that  
16 product is ready to go.

17 DR. VOLBERG: The way that Shiny  
18 works is we have a list of specific variables  
19 or constructs that we are sort of staging with  
20 the students, the RAs to put up.

21 I believe we already have housing  
22 and employment up for all of the municipalities  
23 in the state. I think we are working through a  
24 checklist of various economic indicators.

1           CHAIRMAN CROSBY: You're not loading  
2 Springfield at one time?

3           DR. VOLBERG: No. Everything has to  
4 go up statewide so we can generate those maps.

5           CHAIRMAN CROSBY: What is the  
6 operational status of Shiny? Is it on your  
7 website and operational with data points in it?

8           DR. VOLBERG: Absolutely. There's  
9 [www.UMass.edu/SEIGMA](http://www.UMass.edu/SEIGMA) and then there's a tab for  
10 data. That's where you can go to see to see  
11 all of the secondary data Shiny apps that have  
12 gone live to date.

13           CHAIRMAN CROSBY: Okay.

14           COMMISSIONER MACDONALD: I'm the new  
15 person on the Commission. What is Shiny?

16           DR. VOLBERG: Shiny is a -- How to  
17 explain it quickly.

18           COMMISSIONER MACDONALD: Is it an  
19 acronym?

20           CHAIRMAN CROSBY: No.

21           DR. VOLBERG: It's a data sharing  
22 software that we are using to take initially  
23 secondary data, ultimately we hope to share  
24 primary data in this way. The idea is to --

1           CHAIRMAN CROSBY: Let me put it  
2 another way. This is an online service that  
3 will take all of the social and economic  
4 variables that we are studying and put them  
5 online by community so that the people in the  
6 community or anyplace else can say we want to  
7 see what happened to unemployment in  
8 Springfield once we put in the casino.

9           So, they'll go to -- Shiny's the  
10 brand name of the product. They'll go to  
11 the website and go to Springfield and click on  
12 unemployment and they will see a 10-year, 5- to  
13 10-year prior to casinos and then for every  
14 year subsequent, they'll see what happened to  
15 the unemployment rate. So, it's an online  
16 presentation of all the social and economic  
17 variables that we are tracking by community.

18           COMMISSIONER MACDONALD: Thank you.

19           CHAIRMAN CROSBY: And it's fabulous.

20           COMMISSIONER ZUNIGA: A  
21 demonstration goes a long way to understanding  
22 the power of this. It's data management tool.

23           CHAIRMAN CROSBY: We talked about  
24 this a lot, but everybody talks about what's

1 going to happen in Plainville when you put in a  
2 casino. Some people say it's going to be  
3 fantastic, and some people say it's going to be  
4 catastrophic.

5 You will know for sure what happened  
6 to Plainville after you put in that casino.  
7 Okay, thanks.

8 MR. MOTAMEDI: Okay. I'm going to  
9 take over and talk about some of the work we've  
10 been doing with primary data. Let's start with  
11 a little bit of a background on what we've done  
12 so far.

13 I'm going to be talking about two  
14 products today, the new employee survey and the  
15 report that we are working on for the  
16 construction of Plainridge Park Casino.

17 Both of those are currently in draft  
18 form. So, the results that I will be  
19 presenting today, I just want to caveat that  
20 with these are still undergoing internal  
21 review. There is a likelihood that they could  
22 change.

23 However, in keeping with our  
24 commitment to transparency, the final reports

1 will be on the SEIGMA website and available.

2 So, just keep that little caveat in mind as we  
3 go through this presentation.

4 Another thing that we have done that  
5 has made all this possible is developed ongoing  
6 data collection relationships with the  
7 operators specifically, in this case,  
8 Plainridge Park Casino. A lot of the products  
9 that we are going to be talking about are  
10 really only possible because of the data that  
11 we've been able to get from them and the  
12 cooperation that we've had in getting both  
13 construction data and looking forward  
14 employment and vendor data as their operations  
15 start going. So, a thank you to them if  
16 they're listening or if anybody is here from  
17 Plainridge Park.

18 So, let's talk about construction  
19 first. A little bit of background, the  
20 property includes the four structures. There's  
21 a racetrack, a simulcast and grandstand  
22 building, a casino and a parking garage. The  
23 casino and parking garage are new. The  
24 grandstand and simulcast building was

1 renovated. And I believe some other work was  
2 done elsewhere around the property.

3 So, we'll be looking at it mostly in  
4 terms of the parking garage and the casino  
5 grandstand building. The construction took  
6 about 14 months at a total cost of \$115 million  
7 based on the data that we got.

8 This is different than the total  
9 investment number, which is typically seen of  
10 about \$250 million. The difference being is  
11 the total investment includes what's called  
12 furniture, fixtures and equipment. It includes  
13 the fit-out of the building. Construction is  
14 really putting up the structure and any of the  
15 things that are attached the structure, so HVAC  
16 ducts, plumbing, electrical and so on. But the  
17 rest of that is putting in the carpets and the  
18 doors and the lights and curtains and so on and  
19 the slot machines, which are all expensive.

20 The data was collected from the  
21 prime contractor, which is Turner on our behalf  
22 by another group called Pinck and Company. And  
23 we received the data from them.

24 So, let's look at first the share of

1 construction spending by structure. Not  
2 surprisingly, the casino, grandstand, simulcast  
3 building was the bulk of the construction  
4 expenditure, at about three-quarters of it at  
5 about \$88.7 million. The garage, parking  
6 garage filled up the remainder of that at about  
7 \$26.7 million.

8 COMMISSIONER STEBBINS: Rod, quick  
9 question, because there had been a lot of  
10 development work already done for the  
11 construction of the garage, do we know if some  
12 of that money -- It's probably not a big  
13 amount, but whether that got included in the  
14 construction cost? Or are we going of the work  
15 that Turner --

16 MR. MOTAMEDI: The data that we  
17 received began in Q2 or 2014. So, anything  
18 that happened from that point forward, I know  
19 we have -- we'll see in a couple of slides some  
20 of the big expenses were things like  
21 earthworks. So, there's clearly some site  
22 prep. data that were definitely able to  
23 capture.

24 If you look at the share of vendors

1 by state, you'll see that a vast majority of  
2 the supplies, materials and subcontractors that  
3 were required to put this building together  
4 were Massachusetts based. So, fully 85 percent  
5 of the spending went to Massachusetts based  
6 contractors and vendors.

7 That 11 percent other is mostly two  
8 things, which structural steel which came from  
9 Quebec and there's a kitchen contractor from  
10 Florida. That's basically the remainder of the  
11 11 percent.

12 If you look at the 10 largest  
13 spending categories, this is where you can look  
14 in and see some detail. You'll see the  
15 earthworks here, Commissioner Stebbins, the  
16 fourth or fifth down. You'll see the kitchen  
17 contractor there, second to the bottom. But  
18 you'll see that everything other than the  
19 kitchen contractor, these are Massachusetts-  
20 based.

21 What is with pointing out though is  
22 that my understanding of this data is that it  
23 reflects either the merchant or the wholesaler  
24 that provided these products or the

1 subcontractor that did this work, not  
2 necessarily the location of manufacturer of the  
3 original product.

4           So for example, drywall, there's  
5 \$4.3 million spent on drywall. That was  
6 purchased by Massachusetts-based business but  
7 that doesn't necessarily mean the drywall was  
8 manufactured here. There's still going to be  
9 some leakage out of the state down the supply  
10 chain. That much is inevitable.

11           COMMISSIONER STEBBINS: Rod, one of  
12 the things we've also seen in some of the other  
13 work is because of the size of our licensees,  
14 sometimes they have national contracts. For  
15 anybody out there who might be curious as to  
16 why they had to go all the way to Florida for  
17 their kitchen equipment, it might be a national  
18 contract that they're under an obligation to.

19           MR. MOTAMEDI: That is a very good  
20 point. That's something that we're also trying  
21 to track through the vendor spending on the  
22 operations side. We're asking for location of  
23 their other vendors. So, things like a lot of  
24 the frozen foods or uniforms or laundry

1 services some of those might be national  
2 contracts. So, we're trying to keep track of  
3 that as well.

4 Another thing I wanted to point out  
5 is that we are looking to refine this going  
6 forward with the other casinos as they come up.  
7 And hopefully be able to get this at the ZIP  
8 Code level if the data will allow it.

9 Another thing I wanted to point out  
10 is the second item down the list, the general  
11 conditions, insurance, bonds etc., that's  
12 essentially the performance bonds that is taken  
13 out for almost if not almost all, all large  
14 construction projects that essentially insures  
15 the property owner against the failure of a  
16 contractor to complete the project, for  
17 example, if they go bankrupt or something like  
18 that.

19 So, that was fully 13 percent of the  
20 budget was essentially the insurance. That  
21 wouldn't have had any on the ground  
22 manifestation. You wouldn't have seen hardhats  
23 attached to it, dump trucks attached to it.  
24 So, that's a big chunk of the budget that just

1 sort of directly leaves the construction  
2 activity and goes to insurance.

3 There was similarly \$1.3 million  
4 spent on the town of Plainville permits. It's  
5 also part of that \$115 million construction  
6 budget.

7 If you look at spending by quarter,  
8 you'll see two different shades on the bars  
9 there. The bottom is the casino; the top is  
10 the garage. The first quarter of 2015 was the  
11 peak quarter of construction.

12 You'll see \$36 million spent in that  
13 quarter. That was also the peak quarter for  
14 the casino spending. However, peak garage  
15 spending came a quarter before. In total it's  
16 about \$54 million in 2014 and \$61 million in  
17 2015.

18 We move on to looking at the average  
19 count of workers present on site in each  
20 quarter. That's what this chart shows. It's  
21 about 550 workers present on site.

22 One of the key things about these  
23 construction projects that's worth keeping in  
24 mind, is that some workers are only the on-site

1 very briefly. They come in, they do their job  
2 and they cycle out. So, if you add up the  
3 total number of workers that were present on  
4 site, you get something like 2200.

5 But a lot of those are definitely  
6 double-counted. The same person was present in  
7 every quarter or many of those quarters. And  
8 then some of those folks were perhaps only  
9 there for a couple of days. It is I think much  
10 more useful to look at the average of the  
11 workers that were present in any given quarter  
12 as something resembling how many people did  
13 this project occupy directly. And you'll see  
14 that's about 550.

15 The Plainville and surrounding  
16 communities that is the recognized surrounding  
17 communities for the purposes of the Gaming Act.  
18 Plainville itself was seven workers on average  
19 in every quarter out of 19, so about 37 percent  
20 of the regional total.

21 If we switch and look at wages --

22 COMMISSIONER ZUNIGA: Before you do  
23 that Rod, is it also useful to think of  
24 construction workers as full-time equivalencies

1 as opposed to averages?

2 MR. MOTAMEDI: We'll get to that in  
3 a couple of slides when we move to the economic  
4 impact study.

5 So, if you look at total wages  
6 you'll see there's \$1.1 million paid to  
7 Plainville and surrounding communities out of a  
8 total of \$21.5 million that was paid in total  
9 wages over the course the project. Fully 85  
10 percent of that, about \$18 million went to  
11 Massachusetts residents.

12 So, one of the priorities of the  
13 Expanded Gaming Act was expanding economic  
14 opportunity for Massachusetts and residents of  
15 Massachusetts. So, we can see clearly from the  
16 wages, the vast majority of those wages are  
17 going to Bay Staters. The vast majority of the  
18 vendor spending, at least initially, went  
19 through Massachusetts-based companies and  
20 subcontractors. So, insofar as those  
21 priorities are important, you can see that they  
22 are being largely met here.

23 One other thing I wanted to point  
24 out is that though Plainville was about 37

1 percent of the employment of its larger region,  
2 it is almost half of the wages, which we'll  
3 talk a little bit about on the next slide. One  
4 of the things that we tend to see -- that we  
5 saw in our data was the average wages per  
6 worker tended to go up with proximity to the  
7 construction site.

8           You can see that more specifically  
9 here. So, if you look at some snapshots of  
10 regions, if you read the rightmost column  
11 bottom to top, it's essentially ranked in order  
12 of largest to smallest. So, if you look at  
13 average wages per worker for Plainville and the  
14 surrounding communities, \$14,750 per worker,  
15 that is nearly double the average per out-of-  
16 state residents.

17           It is also more than the project  
18 average. Plainville itself is about  
19 \$20,400, almost \$20,500 per worker. So, it's  
20 not clear from the data that we were able to  
21 get if the higher wages re due to higher hourly  
22 rates or workers working more hours.

23           Our suspicion, based on the  
24 proximity, is that it seems to be hours. That

1 if you're closer, you probably tend to be more  
2 present on the site and you're clocking in more  
3 hours and therefore you'd expect to get paid  
4 more.

5 CHAIRMAN CROSBY: That's just gross  
6 dollars not adjusted for anything, not adjusted  
7 for time worked or anything?

8 MR. MOTAMEDI: That's right.

9 CHAIRMAN CROSBY: So, there's no  
10 relation to hourly. You said this I guess.  
11 That doesn't suggest that there was hourly  
12 rates were higher the closer.

13 MR. MOTAMEDI: That's correct. I  
14 should mention to go back to that issue of some  
15 of these workers are there only briefly, the  
16 raw data that we obtained in order to produce  
17 this chart was actually the number of workers  
18 and the total dollar amount of wages by ZIP  
19 Code.

20 And if you look at the raw data,  
21 there are a number of ZIP Codes, I think I had  
22 a number here, 44. Forty-four different ZIP  
23 Codes that only had one worker earning less  
24 than \$1000 over the course of that project.

1 So, these are clearly those people who come in,  
2 they do a couple of days of work and they cycle  
3 off the project. So, \$9700 is actually not low  
4 if you think about it in the sense of this is  
5 not one worker's entire annual efforts in  
6 construction.

7 That's actually where we get to  
8 here, Commissioner Zuniga, about the FTE  
9 question. When it came to modeling these folks  
10 in our economic impact model, it's an annual  
11 model. So, we had to convert these couple of  
12 day jobs in some cases into what would this be  
13 if it was an annual job.

14 The way we annualize that is was  
15 looking at the wages. So, a construction  
16 worker in the Plainville region makes about  
17 \$45,000 a year. So, if you say that these  
18 workers are making on average \$9700 a year, it  
19 works out to be about 4.5 regulars of headcount  
20 workers to one annual job. That's the ratio  
21 that we found looking at the wages.

22 So, that was one modification that  
23 we made in order to prepare the data for input  
24 into our model. Another modification was

1 adjusting for the trade flows. The REMI model  
2 that we are using includes the movement of  
3 goods and services among regions in the state.

4 However, because of the vendor data  
5 that we had, we knew specifically where things  
6 are coming from. So, we made some  
7 modifications to incorporate that. And because  
8 we knew the location of residence of the  
9 workers, we were able to adjust for the  
10 commuter flow dollars as well to make sure that  
11 wages that were paid to the workers working at  
12 this site would travel to the right  
13 communities. That's where the consumption  
14 tends occurs is your local of residence rather  
15 than your place of work.

16 So, with all that, we ran our  
17 simulations and I have some snapshots of the  
18 results for you. So, the first line here, this  
19 is employment by job years, so, the number of  
20 annual jobs in any given year. The first line  
21 is the directs. These would be the annualized  
22 equivalents of the number of construction  
23 workers on the site, which if you add up in  
24 2014 and 2015 that 500 is a very close to that

1 550 sort of quarterly average.

2 The business-to-business otherwise  
3 known as indirect that would be the purchase of  
4 other goods and services by businesses from  
5 other businesses in order to remain in business  
6 basically.

7 And lastly would be the induced,  
8 which is essentially mostly consumption based.  
9 I'm a new worker. I get paid I take that pay  
10 and I buy things with it. Those things that I  
11 buy create jobs for others.

12 You'll see that I've divided the  
13 induced into consumption based employment and  
14 other induced. The other induced is mostly  
15 jobs supported by investments. So, as  
16 businesses expand they need capital goods.  
17 They need perhaps renovations to their  
18 buildings and so on and that creates jobs.  
19 Some of it is exports to the other regions of  
20 the state.

21 CHAIRMAN CROSBY: Is the induced --  
22 Is the analysis that you do to get induced sort  
23 of common knowledge? There must be sort of  
24 standard metrics, standard multiplier effects.

1 So, this would not be particularly  
2 controversial because you are using commonly  
3 accepted multiplier effects?

4 COMMISSIONER ZUNIGA: The REMI  
5 model.

6 MR. MOTAMEDI: Yes. So, without  
7 getting really down in the weeds, the REMI  
8 model doesn't have predetermined multipliers,  
9 but it's methodology is widely accepted and  
10 uncontroversial.

11 CHAIRMAN CROSBY: Yes, okay.

12 MR. MOTAMEDI: If we look at this  
13 employment rather than by component by region,  
14 we'll see that the vast majority of the jobs  
15 are occurring in what we're calling the  
16 Plainville region, which is Bristol and Norfolk  
17 counties for the purposes of this economic  
18 impact analysis.

19 And the second biggest is the  
20 Everett region which is Essex, Middlesex and  
21 Suffolk counties. The main reason for that is  
22 that many of the goods and services that the  
23 Plainville region needs that it doesn't produce  
24 locally it imports from the Everett region.

1                   So, the importation of goods and  
2 services to Plainville is essentially exports  
3 from the viewpoint of Everett. And that  
4 creates some jobs to produce some of the  
5 professional techno-services that are  
6 essentially exported, the architectural  
7 services, the design services and some material  
8 imports as well.

9                   CHAIRMAN CROSBY: Why do you call it  
10 Everett region?

11                   MR. MOTAMEDI: We named them after  
12 the casinos when we built our models. So, we  
13 have the Plainville region, the Everett region,  
14 the Springfield region.

15                   CHAIRMAN CROSBY: Is Everett region  
16 mean Region A?

17                   MR. MOTAMEDI: Not quite. It  
18 includes Essex, Middlesex and Suffolk counties.

19                   CHAIRMAN CROSBY: Essex, Middlesex  
20 and Suffolk.

21                   MR. MOTAMEDI: Then we have the rest  
22 of Central Mass. which is Worcester County  
23 we've separated looking at this.

24                   CHAIRMAN CROSBY: Just for

1 communication purpose, I think you ought to  
2 come up with some other names because there's  
3 no way -- a consumer had would have no idea  
4 what the Everett region is.

5 MR. MOTAMEDI: Fair point, we'll  
6 call it Metro Boston. We'll have to make the  
7 change internally too so we learn how to talk  
8 to them differently. That's a fair point.

9 Then you see the total for all of  
10 Massachusetts about 500 and change per region.  
11 So, the employment multiplier works out to be  
12 about 2.23. So, for every construction job  
13 we're getting about 1 1/5 additional jobs which  
14 is actually pretty good for a construction  
15 project especially.

16 If we switch to economic activity,  
17 we have two main concepts here. One is output,  
18 the other is value-added. I'll give you a  
19 quick definition of the two.

20 Output is essentially business  
21 revenues or sales or production. You can call  
22 it a whole bunch of things. But if you talk to  
23 a business, how much money did you make this  
24 year, they're going to give you output. That's

1 the number that they're going to give you.

2 Value-added however is net new  
3 economic activity. Output tends to double-  
4 count some economic activities. So, when you  
5 talk about economic effects, you typically talk  
6 about value-added, which is equivalent to gross  
7 state product or gross domestic product. It's  
8 essentially the new value that's been created  
9 in the economy. So, if you are looking for a  
10 number to sort of focus on, I would draw your  
11 attention to the value-added number.

12 These actually compare pretty  
13 closely to an analysis that was done by the  
14 Innovation Group in preparation. I think the  
15 Plainridge Park Casino did that analysis.  
16 We're actually pretty close.

17 Most of the differences that we've  
18 been able to track down basically come down to  
19 the differences in our methodology and model  
20 used. But we are not that far off.

21 The output multiplier is 1.44. So,  
22 it's significantly lower but that's also not  
23 surprising with the construction project.  
24 Construction tends to be very labor-intensive.

1 So, it's not surprising that it tends to create  
2 more labor than it does necessarily economic  
3 activity.

4 COMMISSIONER ZUNIGA: Rod, in this  
5 chart it includes all of construction and  
6 vendors.

7 MR. MOTAMEDI: Yes, that's right.  
8 So, if you look at for example, if you sum up  
9 the total output, you're at about \$165 million  
10 off of \$115 million of construction activity.

11 So, the next steps going forward,  
12 this is with the operator data, we have  
13 developed a lot of good relationships. We have  
14 received a lot of promises to deliver us data  
15 some of which has not yet arrived through  
16 largely the fault of timing.

17 So, the construction hasn't begun  
18 for a lot of the casinos. The operations  
19 haven't begun. So, we don't expect data  
20 deliveries for things that don't exist. So, we  
21 are eagerly awaiting 2018 perhaps when some of  
22 this stuff starts happening again. The  
23 construction will start sooner than that.

24 We actually have talked with the

1 construction managers for Wynn, the Wynn  
2 project. I know they are beginning remediation  
3 and site prep soon. So, we'd like to start  
4 collecting data right from the get-go for that.

5 We would like to continue talking  
6 with Mark Vander Linden, others at the MGC to  
7 see if we can streamline this and harmonize our  
8 data collection. We're asking for a lot of  
9 data from the operators. You folks are asking  
10 for some data through the licensing obligations  
11 and so on.

12 Insofar as there's ways that data  
13 overlaps, we'd like to find ways to reduce  
14 reporting burden on the operators.

15 The quality of our work and the  
16 ability to continue some of the stuff that we  
17 have in mind really depends on the operators  
18 continuing to give us the data that we pester  
19 them for. So, insofar as we can reduce the  
20 reporting burden, I think everybody will be  
21 happier at the end of the day.

22 Again, looking forward continuing to  
23 develop some connections with Wynn and MGM has  
24 those casinos start coming online.

1           COMMISSIONER STEBBINS: Rod, two  
2 quick points. First of all, every month at our  
3 access and opportunity committee meetings, we  
4 get construction vendor spend shared with us  
5 from both MGM and Wynn as well as how they  
6 break down into the diverse vendor groups below  
7 that. Obviously, on that third bullet I think  
8 we might be able to assist you there.

9           MR. MOTAMEDI: That's great. We  
10 will continue talking. So, let's switch  
11 gears --

12           CHAIRMAN CROSBY: On those last two  
13 points, those are both really important. We do  
14 put a lot of pressure, a lot of burden on our  
15 licensees. The whole research burden is  
16 unprecedented. Nobody else is putting anything  
17 like this on them.

18           So, if there is significant overlap,  
19 and if we need to raise to a higher level of  
20 intervention to make sure that we figure out  
21 much overlap there is and try to eliminate it  
22 that's really important.

23           We truly are asking a lot of these  
24 folks and if we're double dipping that's

1 terrible. And also on the relationship with  
2 MGM and Wynn, if we can do anything. That too  
3 can sometimes be enhanced at a higher level of  
4 intervention.

5 So, on those points please speak up  
6 aggressively. Mark, Catherine and John could  
7 help on anything and so could we. They're both  
8 really important.

9 MR. MOTAMEDI: Thank you. We  
10 appreciate it. Switching gears to the employee  
11 survey, does anybody have any questions on the  
12 construction before we proceed changing gears?

13 So, the new employee survey is  
14 another key piece of our analysis. It really  
15 ties in with what we are trying to do with  
16 further data collection from the operators.

17 It really allows us to talk about  
18 some of the things you see on the screen. I  
19 know an issue of concern for the Commissioners  
20 and frankly for us on the economic and social  
21 team is looking at job quality, for example.  
22 Not just how many jobs are created, but what  
23 kind of jobs are created? How do they pay? Do  
24 they have benefits? Are they full-time? Are

1 they part-time?

2           What is turnover like at the  
3 casinos? Is there a lot of churn? Are people  
4 sticking it out? And if they are, what are the  
5 characteristics of the people who are turning  
6 over? Do the previously unemployed stay longer  
7 or turnover sooner? Do the people who had  
8 previous industry experience stay longer or  
9 less?

10           These are questions we'd like to  
11 answer. And the new employee survey is a very  
12 important part of capturing the information  
13 that we need in order to have these kinds of  
14 conversations.

15           Let's look at the survey itself.  
16 The survey is administered on a tablet. It's  
17 an online survey using SurveyMonkey. The new  
18 employees are handed a tablet to complete. The  
19 survey is administered at part of the  
20 fingerprinting and background check process  
21 that new employees go through.

22           So, the tablet is handed to them by  
23 somebody from the state police while they're  
24 essentially waiting their turn to be

1 fingerprinted and to continue the rest of that  
2 process. So, it's something that they do while  
3 they're waiting. And it allows us to get a big  
4 piece by data. And because --

5 CHAIRMAN CROSBY: And it encourages  
6 participation.

7 MR. MOTAMEDI: They are free to skip  
8 any question that they like that is noted in  
9 the survey. I should also point out that at  
10 least offering the survey up at the point of  
11 fingerprinting allows us to at least make sure  
12 we've asked everyone. Because basically  
13 everybody needs to be licensed. Everybody  
14 needs to go through this process.

15 So, it allows us to make sure we've  
16 at least asked everyone to fill out this  
17 survey. To what extent they choose to decline  
18 or skip questions that's up to them. But we're  
19 pretty sure we have a nearly 100 percent offer  
20 rate at the very least, which is pretty much  
21 unprecedented in this kind of work. So, we're  
22 really happy about that.

23 COMMISSIONER CAMERON: It is  
24 important to note that the state police were

1 there to fingerprint. But while they were  
2 there, they did provide the additional service.  
3 We were not utilizing state police  
4 independently to provide a survey. That would  
5 not be a good use of their time.

6 But while they were fingerprinting  
7 they had the opportunity to hand over a tablet  
8 and provide instructions.

9 MR. MOTAMEDI: That is exactly  
10 right. The state police are there doing their  
11 job, which is not this. And the new employees,  
12 like I said, while they're awaiting their turn,  
13 somebody hands them an iPad and says please  
14 fill out this survey if you'd like. So, it  
15 actually is a really smooth process. We've  
16 been very happy with it so far.

17 Some of the things that we're asking  
18 them, we'll go over in more detail into the  
19 questions. So, I don't really want to linger on  
20 this slide. But you can take a quick snapshot  
21 of things that we are looking at here.

22 One of the key things is that we're  
23 asking them for their gaming license number.  
24 That allows us to essentially track the

1 individual through different data sets. So,  
2 insofar as we can find that same person in the  
3 employment data or find that same person in the  
4 licensing data, we can start saying more things  
5 about them.

6           For example, the MGC collects  
7 educational attainment. The operator knows  
8 about turnover. So, if we can find the same  
9 person, their educational attainment and their  
10 turnover, we can say does educational  
11 attainment affect turnover? But without having  
12 that unique identifier, we wouldn't be able to  
13 do these kinds of pairing.

14           So, far we've surveyed about 720  
15 people. There's been a few more since we've  
16 taken the snapshot for the purposes of this  
17 analysis. Basically, from some of the things  
18 that we've found, we've made some modifications  
19 to the survey to better capture some of the  
20 project priorities.

21           We're continuing to use what we find  
22 from the Plainridge Park new employee surveys  
23 to advise our surveys. So, that when the  
24 resort casinos open, we have a much stronger

1 product in place.

2 So, let's look at the survey  
3 results. Was there a question?

4 COMMISSIONER ZUNIGA: I think it was  
5 on the survey results, but I must be on the  
6 wrong page. I'll reserve it.

7 MR. MOTAMEDI: So, the survey  
8 results, these are as of October 1. Like I  
9 said, we've had about 30 or 40 responses since  
10 then. So, these aggregations are still pretty  
11 much valid.

12 First thing you'll see here is the  
13 frequency. So, this is the monthly total of  
14 survey responses. And each month you can see  
15 the steep climb to the opening in June. And  
16 then kind of a tail off thereafter as that  
17 initial surge of hiring tailed off. Now I  
18 think it's largely sort of replacement hiring  
19 is the impression that I get.

20 Moving onto work status prior to  
21 hire, this speaks directly to one of the  
22 priorities of the Expanded Gaming Act in terms  
23 of are we creating new opportunities. You can  
24 see about 50 percent of the people who were

1 taking this survey say that they were  
2 previously or prior to taking this job were  
3 either unemployed or working part-time, which  
4 is not great essentially but great in a sense.

5 CHAIRMAN CROSBY: Not great?

6 MR. MOTAMEDI: It's not great that  
7 they were in that position but it is great that  
8 they are finding this opportunity and are  
9 hopefully improving.

10 CHAIRMAN CROSBY: I'd call that  
11 great. We'll go with great.

12 MR. MOTAMEDI: However, it's also  
13 worth pointing out that half of the people are  
14 coming from a full-time job to another job,  
15 which means that they are creating a vacancy  
16 down the line somewhere.

17 One of the priorities that we would  
18 like to understand as we go through this is how  
19 do we understand backfill. So, you're shifting  
20 a person from here to here, is there a way that  
21 we can work with perhaps the community colleges  
22 I know was mentioned and the workforce  
23 development groups to understand how these are  
24 being backfilled.

1           CHAIRMAN CROSBY: This has been  
2 something that Commissioner Stebbins has been  
3 talking about from the very beginning that  
4 there's going to be this incredible backfill  
5 challenge. And having this early data, this  
6 will just give us a hint. But where the demand  
7 might come from, where the holes are created,  
8 this'll be a great tool for the thing you've  
9 been focused on so much, Bruce.

10           MR. MOTAMEDI: We're curious not  
11 only how are they backfilled, but does it do  
12 things to prevailing wages in the industry?  
13 Does it make it more difficult for -- We've  
14 talked about food services. Line cooks are a  
15 very tight labor market in Western  
16 Massachusetts. And if MGM needs two or 300 of  
17 them, where do they come from? How are those  
18 backfilled? And what does that do to  
19 prevailing wages and so forth?

20           Fortunately, we have a lead time to  
21 work on job training and workforce development.  
22 But these are the things that if I'm aware of  
23 clearly the community colleges and the  
24 workforce development groups are aware of as

1 well.

2           So, if we look at work status prior  
3 to hire, specifically looking at the profile of  
4 the previously unemployed, we can see that the  
5 majority of them did not have previous  
6 experience working in the gaming industry. And  
7 that most of them did not receive training in  
8 preparation for this job.

9           We are working on expanding how we  
10 ask about training so we can get a better idea  
11 of what that means and how people are thinking  
12 about training.

13           COMMISSIONER STEBBINS: Rod, I think  
14 that's a good point. The results are a little  
15 bit alarming but I think it's an individual's  
16 definition of training.

17           Did they get sent somewhere to take  
18 the class, sitting in your basic classroom  
19 setting to learn something. Or did they not  
20 define training as kind of the orientation on  
21 the property. We saw lots of people walking  
22 around getting trained on kitchen equipment and  
23 everything else as they were going through.

24           MR. MOTAMEDI: That's a valid point.

1 We are asking about training prior. So, this  
2 is saying nothing about what training they  
3 received once they're inside Plainridge Park  
4 Casino.

5 They could undergo all kinds of  
6 training while they are there, but we are  
7 asking them prior to getting this job, did you  
8 receive some kind of training. We still want  
9 to clarify that even.

10 COMMISSIONER ZUNIGA: My question  
11 was here. You mentioned previous experience on  
12 the gaming industry. But what about let's say  
13 somebody coming into a hospitality job who had  
14 had prior experience in a hospitality setting,  
15 does that still count as no under these?

16 MR. MOTAMEDI: My guess is that  
17 people would interpret that as no. So, a  
18 revision of the survey that we have in draft  
19 form right now, we're trying to find an  
20 eloquent and low burden way of asking people  
21 what their previous industry of employment was.

22 So, we're trying to find what  
23 industry are you coming from more specifically.  
24 Or if we can find a good way of asking it, what

1 occupation did you hold prior to coming here.  
2 So, see if we can get a finer point on are we  
3 just shifting a lot of people from the  
4 hospitality industry? Are we just shifting a  
5 lot of people from food services or are we  
6 doing something else?

7           The reasons for seeking employment  
8 were also an interesting set of results that I  
9 think are also positive for the introduction of  
10 casinos in Massachusetts. You'll see the first  
11 four, if you look from the left and read toward  
12 the right. They all seem to reflect that  
13 people have positive viewpoint on what this job  
14 or this industry can offer to them.

15           The number one reason was excitement  
16 for working at a casino. The next three,  
17 career advancement, improved pay and improved  
18 benefits seem to indicate that at least the  
19 folks who are seeking these jobs seem positive  
20 and keen on the prospect of working at a  
21 casino.

22           We just break that down a little bit  
23 more. I won't linger on this slide. This is  
24 something better looked at on paper. But that

1 order doesn't really diverge a lot depending on  
2 whether someone was previously employed full-  
3 time or previously employed part-time or  
4 previously unemployed prior to taking this job.

5 Most of the ranking of reasons is  
6 largely the same with the exception of, for  
7 example, the previously unemployed. Their  
8 number one reason for seeking employment was I  
9 was previously unemployed. That's not  
10 surprising.

11 But still number two for them  
12 excitement at working at a casino, number three  
13 casino career advancement. So, they're clearly  
14 still positive on these jobs.

15 Previous work experience, again  
16 defined solely as gaming industry. Not  
17 surprisingly, for a state that didn't have a  
18 gaming industry prior to this, most people say  
19 no, they did not have previous experience.

20 Some of that 14 percent were  
21 existing Plainridge racetrack employees who had  
22 to come back through the licensing process and  
23 therefore were given the survey. So, some of  
24 those were claiming that they had previous

1 experience in the gaming industry. Some of  
2 them were also existing Penn National employees  
3 that were transferred from other places to help  
4 with the launch of this property.

5 If you look at the origin of new  
6 employees who moved, you can start seeing  
7 places like Ohio, Pennsylvania and so on that  
8 reflect other Penn National properties that saw  
9 workers move.

10 A better example of moving --  
11 Unfortunately, our map looks like it didn't  
12 want to show up on the thing. Hopefully, it  
13 showed up in your packets. The takeaway is  
14 that most of the people who moved to  
15 Massachusetts to take jobs moved to the  
16 Plainville area. Obviously, proximity to their  
17 new job was important to them. So, it really  
18 was an increase in some amount of population in  
19 that immediate vicinity.

20 COMMISSIONER STEBBINS: Rod, if you  
21 go back to that previous slide of where they  
22 moved here from, so now we are taking into  
23 account potentially Penn employees who came  
24 here for a short period of time, had to be

1 licensed by us but may have returned to their  
2 previous properties. So, they're still all  
3 included in that.

4 MR. MOTAMEDI: They are all  
5 included. The new employee survey is exactly  
6 that. So, the new employee survey isn't able  
7 to track people. Essentially once they leave  
8 that room and they then go to work, they are no  
9 longer tracked by this survey.

10 So, we're hoping to keep track of  
11 people through the operator data by looking at  
12 perhaps date of termination for employees to  
13 find people who have in fact cycled out for  
14 whatever reason.

15 CHAIRMAN CROSBY: Commissioner  
16 Stebbins raises a really interesting point.  
17 There was this phenomenon at Plainridge where  
18 they had to reach out to other Penn National  
19 facilities and bring in a lot of temporary  
20 employees, which everybody knew they were  
21 temporary employees. They were borrowed from  
22 other facilities.

23 That's really kind of a distortion  
24 in the factors. Would it make sense to try to

1 pull those out if we could? Not necessarily,  
2 you can't do it ex post facto but in the  
3 future?

4 COMMISSIONER CAMERON: They were  
5 registered not licensed. They were given a  
6 registration. They had to provide basic  
7 information.

8 CHAIRMAN CROSBY: They weren't  
9 fingerprinted?

10 COMMISSIONER CAMERON: To my  
11 knowledge, no. They had licenses from other  
12 jurisdictions, which allowed them to come on  
13 property, be registered have a temporary badge  
14 and perform their training, mentoring  
15 responsibilities for a few months.

16 CHAIRMAN CROSBY: So, they wouldn't  
17 be in that data.

18 COMMISSIONER CAMERON: I don't think  
19 they would be.

20 MR. MOTAMEDI: We will be able to  
21 find from the operator data some of the folks  
22 we may have missed in the employee survey.

23 CHAIRMAN CROSBY: No. I think what  
24 we're saying -- I was saying they shouldn't be

1 in the data. And Commissioner Cameron is  
2 saying they aren't in the data. People who  
3 were brought here on purpose for a week or a  
4 month to be temporary we don't care about them.  
5 That's not what we're looking for.

6 MR. MOTAMEDI: If they are not here  
7 and if they don't show up on the HR sort of  
8 system of their home casino -- of the  
9 Plainridge Park Casino, then we wouldn't have  
10 them anyway.

11 COMMISSIONER CAMERON: Correct.  
12 Director Band is verifying my information that  
13 they are not included. That they were  
14 registered and just temporary.

15 CHAIRMAN CROSBY: That makes sense.  
16 That makes sense from a licensing standpoint  
17 but also helps the research.

18 COMMISSIONER ZUNIGA: Which by the  
19 way they were providing training. In the prior  
20 slide that wasn't captured.

21 MR. MOTAMEDI: I'll talk to the  
22 folks at Plainridge Park to see if they happen  
23 to be in some of the employee data that we're  
24 going to get. If they're not there and if

1 they're not here then they're not here so we  
2 haven't counted them.

3           Let's look at training briefly. In  
4 total, about three-quarters of the folks said  
5 they did not receive training, again, prior to  
6 taking this job. This is an area that we would  
7 definitely like to expand, our understanding of  
8 how folks are being trained in preparation for  
9 casino jobs.

10           We don't have plans to track them  
11 internally, by what training does MGM or Wynn  
12 or Plainridge Park give them. But we would  
13 like to understand how this workforce is being  
14 developed in preparation for these jobs.

15           For example, there are no licensed  
16 gaming dealers in the state of Massachusetts  
17 and yet in a few years we could need thousands  
18 of them. So, where are these folks coming from  
19 and how they're getting their skills?

20           To move on, basically the next steps  
21 for the survey are essentially refine the  
22 survey, make sure that the technology is  
23 working. Make sure that our data collection  
24 process is working. Make sure that our data

1 verification process is working.

2           And lastly continue refining and  
3 strengthening the survey instrument so that  
4 when the resort casinos come online we're able  
5 to have a ready-made product that can hit the  
6 ground running that will be able to capture all  
7 of the much larger workforce issues that might  
8 be in play.

9           Especially if some of these resort  
10 casinos open in the same calendar year, then  
11 you're looking at really big stresses on the  
12 workforce training system and presumably local  
13 labor forces and so on. That concludes my  
14 part. Excuse me for going a little long. I  
15 will turn it over to Mark again.

16           DR. MELNIK: Just to move quickly  
17 through this last thing because I've mentioned  
18 some of these things already. But what's  
19 coming up next for us?

20           The rest of this year we're going to  
21 be spending time with the patron survey, which  
22 looks at activities of visitors and their  
23 spending both inside and outside of the casino.

24           We are working on a lottery analysis

1 which looks at basically how revenues have  
2 changed over time. In particular, we have been  
3 zeroing in on Plainridge, the Plainville area.  
4 And the real estate analysis, taking a look at  
5 vacancies in the different communities, asking  
6 rents and these kinds of things, home values  
7 that kind of stuff.

8           In future years what's going to  
9 come? An economic impact analysis of the  
10 operational phase with REMI. And the community  
11 comparison analysis, which I've mentioned and  
12 talked about a little bit before, which we can  
13 just kind of go fast over that since I did  
14 describe it a little bit.

15           Here what we are trying to do is  
16 basically control for how communities -- We can  
17 never say for certain whether or not the casino  
18 is the reason that certain changes occurred in  
19 a community, if unemployment rate goes down, or  
20 it could also be just unhealthy economic times  
21 in general. So, this is an effort to try to  
22 say if we put some communities aside that are  
23 like our communities that received casinos what  
24 are the changes that they experienced. And

1 kind of estimate this is the casino impact on  
2 that movement. That's forthcoming especially  
3 as we wait for the two resort style casinos to  
4 come.

5 And there's the contact information  
6 for us. Thank you so much for your time. And  
7 we're happy to answer any more questions  
8 although we did have a lot of back-and-forth  
9 throughout the presentation.

10 CHAIRMAN CROSBY: Anybody? Thank  
11 you very much. It's just incredibly exciting  
12 stuff. It's so unusual and so powerful.  
13 Unfortunately, it'll be 10 years before we'll  
14 really be seeing the benefits of all this, the  
15 research. But it's an extraordinary project.  
16 Thank you.

17 COMMISSIONER CAMERON: Thank you.  
18 Nice to meet the team.

19 CHAIRMAN CROSBY: Why don't we take  
20 a real quick break and we'll come back in five  
21 minutes.

22  
23 (A recess was taken)

24

1                   CHAIRMAN CROSBY: We are ready to  
2 reconvene public meeting number 173 at 12:10.  
3 We have again Director Vander Linden.

4                   MR. VANDER LINDEN: Again, good  
5 morning. I wanted to avoid having Commissioner  
6 Stebbins crane his neck over since the focus of  
7 our presentation is over here with our  
8 GameSense advisors.

9                   CHAIRMAN CROSBY: That was  
10 thoughtful.

11                  MR. VANDER LINDEN: So, like the  
12 last presentation, there's parts of my job that  
13 I think are fantastic. Being able to present  
14 the research is truly a highlight. Another  
15 highlight is being able to talk about our  
16 GameSense program. The heart of our GameSense  
17 program is our GameSense advisors and the  
18 GameSense Info Center at Plainridge Park  
19 Casino.

20                  In July, we had two other GameSense  
21 advisors come speak with you. Today, I am very  
22 pleased to introduce Terence Murphy, Amy  
23 Gabriela and obviously Marlene Warner who is the  
24 Executive Director of the Mass. Council on

1 Compulsive Gambling. With that I'm just going  
2 to turn it right over to them.

3 MS. WARNER: We did hire Terence.  
4 And that was really exciting. We did need a  
5 fourth GameSense advisor. We hired him and he  
6 started in November, at the beginning of  
7 November.

8 Both Amy and Terence have an  
9 interesting perspective that I'm going to let  
10 them talk to you more about when we turn it  
11 over to them, but that they both came from the  
12 gaming industry. Talk about leaving spots in  
13 other places and how they're being backfilled  
14 and from operators in other states. So, they  
15 certainly will give you an opportunity to ask  
16 more about that.

17 A lot has been happening around the  
18 GameSense Information Center and the GameSense  
19 brand in general. So, I'm just going to kind  
20 of run down a list of things and stop me if you  
21 have any questions.

22 One of the pieces is that it's been  
23 important to me that we are out promoting this  
24 and talking about it, because it's a really

1 important piece of the legislation. So, one of  
2 the things that Mark and I have actually been  
3 out doing is talking to the Legislature and  
4 having appointments with staffers and  
5 individual legislators about what is happening  
6 kind of in general in Massachusetts, and  
7 specifically with GameSense and the GameSense  
8 Information Center.

9           The interesting thing is that most  
10 legislators have not been down. So, we are  
11 also kind of inviting them to come down and  
12 look at the GameSense Information Center.

13           And one of the things that has come  
14 out of some of the meetings is we've met with  
15 both chairwoman and chairman of the joint  
16 committee on Economic Development and Emerging  
17 Technologies and said we should try to figure  
18 out how we can invite the whole committee down  
19 and staffers and hopefully have the Gaming  
20 Commissioners there too. Kind of walk them  
21 around, not just the facility but the GameSense  
22 Information Center. And they all seemed really  
23 interested and please in doing that.

24           One of the other things that I've

1 been doing with Paul Smith who really  
2 originated GameSense in British Columbia  
3 through the BCLC is to build an operations  
4 manual.

5           It became abundantly clear that  
6 there were a lot of nuance details that we  
7 don't operate with the Mass. Council here in  
8 Boston but really need to be put in place for  
9 these folks. So, that is almost done.

10           And it's going to be put in place  
11 soon, including an opening and closing  
12 checklist but also operations like we were  
13 talking with some of the Gaming Commission  
14 staff onsite there but what happens when  
15 there's a snow emergency and we have staff  
16 there. How does that work? And are they  
17 essential employees? Just kind of dealing with  
18 those type things that we don't work with in a  
19 regular office setting.

20           We've also been looking at --  
21 There's been a bit of a transition in terms of  
22 how do we get materials. There's a lot of  
23 materials that need to either go to Boston down  
24 from Plainridge and vice versa. And how do we

1 do that? So, our manager has built in an  
2 administrative day into his schedule. Eddie is  
3 now spinning one day up in Boston and doing  
4 literally driving materials back and forth as  
5 well on some the evaluation pieces that I'll  
6 talk about in a minute.

7           We've also been working on some  
8 games. You've all seen some of the games,  
9 some of the card games, some of the marble  
10 games. We're developing some new games  
11 including there is a gentleman who the Mass.  
12 Council has contracted in with the past named  
13 Robert Hackenson who is a magician by training.

14           We have done something called  
15 Gambling is Not Magic. He's going to do a  
16 version of that with the GameSense advisors,  
17 both in developing some new games but also in  
18 how you present and talk with folks and engage  
19 people.

20           So, I think that's going to be a  
21 nice enhancement of some of the work that these  
22 GameSense advisors are doing to engage people  
23 out on the floor. It's not always the easiest  
24 thing to just walk up to someone and start

1 talking to them.

2 We have been developing swag.

3 Something I think I never said before I started  
4 working at the GameSense Information Center.

5 Things are going like hotcakes. Again, I'll  
6 let Amy and Terence talk more to that in a few  
7 moments. But trying to come up with creative  
8 things that people who are regulars haven't  
9 seen but still engage with them and make them  
10 want to know little bit more about GameSense  
11 and some of the information we have to  
12 disseminate.

13 So, the latest and greatest, and  
14 this is no surprise when we look at the  
15 demographics down at the casino are reading  
16 glasses. So, we will have GameSense reading  
17 glasses so people can see their play more  
18 clearly.

19 I think that's a new part of both  
20 Mark's and my job description which is to come  
21 up with some of these creative writing. We  
22 might want to get a consultant on that because  
23 I don't know that we're terribly good at it,  
24 but we're working on it.

1           We're also trying to get an  
2 increased presence in the racing area. I think  
3 that's been an area where we've kind of  
4 struggled a little to figure out. It's such  
5 established players, established gamblers and  
6 how do you kind of work something brand-new  
7 into their world? So, we're figuring that out.  
8 There's a brochure rack that is now being  
9 placed in that racing area.

10           The folks they used to just walk the  
11 gaming floor. They're really trying to  
12 incorporate racing into their walk around the  
13 casino. As you know, 50 percent of their time  
14 is meant to be out on the floor and trying to  
15 just engage folks a little bit more.

16           I think we're hoping to hear a  
17 little bit more about this as we get results  
18 back from the patron survey as well. Staff has  
19 been out doing preshift meetings. Before the  
20 employees at PPC would go out to their shifts,  
21 they'd do usually do 10 to 15 minute meetings  
22 and making sure that GameSense is a part of  
23 that about every, typically once a month is the  
24 goal. Employees just anecdotally have been

1     remarking that that's been really helpful.  
2     They've been learning a lot more about  
3     GameSense that way.

4             We are planning to do updated  
5     training with the gaming agents and security,  
6     kind of the most essential employees to the  
7     efficiency and the effectiveness the GameSense  
8     Information Center in terms of the backup to  
9     our team. So, that's taking place.

10            My hope is that our GameSense  
11     advisors are going to essentially down the road  
12     be the trainers moving forward. So, we want  
13     them to start to feel really comfortable in  
14     that role as well. So, we are establishing  
15     that starting in January.

16            One of things that Paul Smith had  
17     advised us on when we talked with him about the  
18     establishment of the GameSense Information  
19     Center here was that it's the essential,  
20     essential people were the employees and making  
21     sure that they were onboard with GameSense. I  
22     think a lot of it has happened through  
23     relationships and walking around.

24            CHAIRMAN CROSBY: You're talking

1 about casino employees.

2 MS. WARNER: The casino employees.

3 CHAIRMAN CROSBY: Not GameSense  
4 employees.

5 MS. WARNER: That is right, yes.  
6 So, one of the things that has also been useful  
7 to hear from him is that food is always the  
8 best way to show your gratitude. So, we took  
9 that advice.

10 And Monday we are going to have some  
11 holiday cake, food for PPC staff as well as the  
12 gaming agents to just say thank you and to give  
13 them an opportunity to talk a little more  
14 casually with some of the GameSense advisors.  
15 So, we're looking forward to that as well.

16 We this fall installed a clock. The  
17 only clock that exists at PPC on the gaming  
18 floor. And we're quite proud of it. There's a  
19 light shining down on us.

20 So, people are able to recognize  
21 what time it is. It is one of the pieces  
22 around GameSense that is talked about that you  
23 should know how much time you're spending  
24 gambling and you know what time it is. So,

1 that's something that was important to us.

2           Then I'd say that the bulk of what's  
3 been happening outside of the day-to-day  
4 operation has been all of the evaluation  
5 projects. Harvard Medical School's Division on  
6 Addictions at Cambridge Health Alliance has  
7 been an incredible partner in terms of really  
8 trying to help this staff to know exactly how  
9 to properly administer the evaluation pieces.

10           The largest one that they've really  
11 been knee-deep in is looking at the GameSense  
12 Information Center effectiveness. And both  
13 figuring out how to fill out the checklist in  
14 terms of they have to fill out a checklist for  
15 every single interaction that they have,  
16 whether it's directing someone to the bathroom  
17 or whether it's having an in-depth conversation  
18 or voluntary self-exclusion.

19           And I encourage you to ask them more  
20 about that process because that checklist piece  
21 has been fairly intensive, as well as  
22 administering a patron survey, and related back  
23 to their work with GameSense.

24           And they have had to do three

1 different versions of online trainings to make  
2 sure that they fully understanding the  
3 definitions and how to apply them to each and  
4 every interaction so that they are coding them  
5 properly.

6           So, it's been a long haul but they  
7 are really getting it. And I think that Dr.  
8 Heather Gray and her team have been fantastic  
9 in really trying to be patient and  
10 understanding and thoughtful in how they've  
11 been delivering that education to our GameSense  
12 advisors.

13           In turn, they also have built these  
14 boxes. One of the things we're realizing is  
15 that again for the demographics, we wanted  
16 everyone to take these surveys on iPads and it  
17 just wasn't happening. So, it made sense --  
18 It's still an option, but most patrons are  
19 asking for the paper version.

20           So, a paper version is being handed  
21 over with a little tab on it, a sticker on it  
22 so that they can close it so they know that  
23 these GameSense advisors are not reading the  
24 results of their interaction with the GameSense

1 advisor and they're being put into ballot  
2 boxes. So, that's something that the GameSense  
3 advisors are spending some time explaining.

4 The other thing that they've been  
5 working hard on is, as you I assume know, the  
6 voluntary self-exclusion, the whole protocol  
7 has now been approved by the IRB. So, now  
8 instead of just doing one type of voluntary  
9 self-exclusion, they now have the ability to  
10 explain and enroll someone into the evaluation  
11 process.

12 And they have the ability to be  
13 either sent into the standard, which is what  
14 they were doing, or the enhanced version of  
15 voluntary self-exclusion. Those two different  
16 versions are being tested by the DOA.

17 And Dr. Sarah Nelson has been  
18 running that. She's trained the GameSense  
19 advisors, trained our staff actually at the  
20 Mass. Council and has been looking at those  
21 pieces. So, these folks have again learned how  
22 to explain that a little bit better to patrons.

23 And then I'll just end on play  
24 management, which is obviously a big piece.

1 They just spent several hours in a training  
2 yesterday with Mark and the folks that are  
3 pulling together the play management project.  
4 And they're really ready and engaged around  
5 being the primary ambassadors for play  
6 management, and essentially the trainers moving  
7 forward once play management is implemented.

8           The only other thing I will say is  
9 that Monday we're meeting with operators from  
10 some other states, local states who have been  
11 wildly impressed with GameSense and have been  
12 interested enough to come to PPC and want to  
13 meet with myself and others around the  
14 operations of the GameSense Information Center,  
15 about the details of GameSense and are thinking  
16 about adopting it elsewhere.

17           CHAIRMAN CROSBY: Who has that been?

18           MS. WARNER: Who is coming Monday?

19           CHAIRMAN CROSBY: No, who have come  
20 and talked? You said other operators have  
21 expressed interest.

22           MS. WARNER: No. I'm just saying  
23 they're coming Monday.

24           CHAIRMAN CROSBY: You haven't talked

1 to them yet.

2 MS. WARNER: No.

3 COMMISSIONER STEBBINS: Quick  
4 question, you talked about your interest in  
5 expanding the GameSense presence over in the  
6 horse racing side. The nature of the casino  
7 floor and the nature of the horse racing floor,  
8 are you thinking that you're going to have to  
9 come up with different kind of tools of the  
10 trade to communicate the message?

11 MS. WARNER: I do think so. I don't  
12 know that we have solved that problem yet.  
13 Steve O'Toole, who is the director of racing  
14 has really wonderful in helping us think about  
15 that.

16 He knows his players inside and out.  
17 They haven't changed dramatically since the  
18 casino side has opened. That's not to say that  
19 they're not open to the concept. So, I think  
20 we are trying to figure that piece out. So, I  
21 think having a presence, walking around  
22 engaging in conversations.

23 We had a bit of a staffing crisis at  
24 the end of October and I went down and was

1 working the floor one night. And it was clear  
2 that they were interested in what GameSense  
3 was. And they didn't have a whole a lot of  
4 interest in taking information back but they  
5 wanted to know why I was standing there in a  
6 green shirt. So, that was fine. I think  
7 that's where it's going to start. So, we'll  
8 see.

9 COMMISSIONER ZUNIGA: There's a lot  
10 that you guys are doing. As always, it's great  
11 that you are thinking a lot about it.

12 When you mentioned that you're  
13 looking for ways to engage people, perhaps  
14 repeat customers who might not otherwise have  
15 or may have had an interaction early on and  
16 perhaps put it to the side. I am also  
17 wondering whether going out, taking the  
18 GameSense advisors or the GameSense  
19 conversation away from the casino at some point  
20 in the future to places where there may be  
21 interest groups.

22 Veterans organizations or elderly  
23 groups, for example where either there's  
24 somebody that might at that point say that's

1 what you guys do in the green shirts when I go  
2 down to the casino. Or I know somebody who  
3 does and it's great. I didn't know about this  
4 program.

5 So, exploring ways to come out  
6 perhaps we're very centric on the casino now,  
7 but start branching out in the neighboring  
8 communities first and so on, is something that  
9 we should always keep in mind.

10 MS. WARNER: You're two steps ahead  
11 of us. Mark and Chairman Crosby and I actually  
12 have been having that exact conversation.

13 So, we will certainly pull you into  
14 that conversation and think a little bit more  
15 about who and what will take place there. I  
16 think it's really essential.

17 I will say too, and again these  
18 folks can comment more than I can specifically,  
19 but that in general, thanks to Elaine and  
20 Mark's work and the work of the advertising  
21 team you've brought in, it appears that a brand  
22 is being built. People are recognizing it.  
23 They've seen the commercials. They've heard  
24 the ads. They're recognizing the green.

1 Up in Vancouver, they don't have  
2 their GameSense advisors in special clothes.  
3 They're just in street clothes. I don't know  
4 how we would've built the brand otherwise, to  
5 be perfectly blunt. I think the green is  
6 really important to have our GameSense advisors  
7 kind of separate and apart from both the casino  
8 employees but also patrons.

9 COMMISSIONER ZUNIGA: Great.

10 CHAIRMAN CROSBY: Anybody else?  
11 Let's go to the GameSense advisors. Welcome.

12 MS. GABRILA: Thank you for having  
13 me. Any questions or would you just like me to  
14 rant on like I normally do?

15 COMMISSIONER MACDONALD: How do you  
16 engage people?

17 MS. GABRILA: I think for Terence  
18 and I, it's a little bit almost easier because  
19 we've both been in the business almost 20  
20 years. And a lot of the clientele coming in  
21 are people we know.

22 CHAIRMAN CROSBY: Really?

23 MS. GABRILA: Absolutely, every day.

24 CHAIRMAN CROSBY: Are you both from

1 Twin Rivers?

2 MS. GABRILA: And Mohegan Sun,  
3 Mohegan Sun and Twin Rivers. So, a lot of the  
4 people are people we've already known, some  
5 that we've built relationships with over the  
6 years. And I think having been part of the  
7 business for so long, you just kind of learn  
8 how to talk to casino folk.

9 COMMISSIONER CAMERON: In what  
10 capacity did you work at the other facilities?

11 MS. GABRILA: We were both at table  
12 games. I was everything from a dealer to a  
13 shift manager and Terence as well. I've worked  
14 at other places as well, other Penn properties.  
15 I worked in Toledo, Ohio. So, we've both been  
16 around the block.

17 So, we kind of know how to engage  
18 people; when it's safe to engage someone; when  
19 you should leave someone alone in the casino.  
20 Part of that I think is just experience being  
21 able to read how people look when they come  
22 out.

23 Body language is big. You can tell  
24 when people are down. You can tell when people

1 are up. You can tell when people are maybe  
2 going to be responsive to you.

3 So, for us engaging I think almost  
4 comes naturally at this point just from being  
5 in the business for so long.

6 COMMISSIONER STEBBINS: What  
7 prompted you to leave the industry and start to  
8 work for GameSense?

9 MS. GABRILA: I think Terence -- I'm  
10 not going to speak for him. But I believe  
11 after almost two decades of being in an  
12 industry where you take, take, take and the  
13 bottom line is the most important thing  
14 usually, and especially in table games when you  
15 see so much pain and so much -- You build  
16 relationships with people. And you see their  
17 lives destroyed.

18 And there's very little you can do  
19 about it as a dealer or a pit manager. Bottom  
20 line, bottom line, you don't tell somebody who  
21 is giving their money to us to leave. You  
22 don't tell them hey, why don't you take a  
23 break. You just don't do that.

24 So, you're in a constant battle with

1 two selves. The self that wants to tell this  
2 person that you've known that you have had a  
3 relationship with please, this is too much. Go  
4 home, take a break. Why don't we talk.

5 And your other self that works for a  
6 company and you are getting your paychecks from  
7 that you're not supposed to discourage somebody  
8 from gaming.

9 It eats away at you after a while.  
10 After so many years when this came up and I saw  
11 it, I said oh, my God, I might be able to start  
12 helping people. Start not having to look over  
13 my shoulder when I try to say hey, come over  
14 here and let's talk. You've been here too  
15 long.

16 It's amazing to me. I know for me  
17 it's been definitely the most rewarding job  
18 I've ever had. And I love it every day. And I  
19 get to talk to people. Whether it's just  
20 talking to them about how the games work and  
21 how to better utilize their budget to have a  
22 good time.

23 We have a lot of retirees that come  
24 with a certain budget and all they want to do

1 is sit and play for a few hours. Where can I  
2 direct them to get the most out of their time,  
3 get the most entertainment, the most fun. All  
4 of the way up through people who really have a  
5 problem that we're giving resources to and  
6 speaking to and possibly doing a VSE for.

7           You go home rewarded at night  
8 finally. And I think I told Marlene after  
9 about a month I am sleeping, truly sleeping  
10 when I go home for the first time in 20 years.  
11 I'm going to sleep. And I can go to sleep  
12 knowing that I'm doing something important. I  
13 think it's a long time coming.

14           And I cannot express enough how  
15 happy I am and proud I am to live in this state  
16 that's trying to do something like this and  
17 trying to kick it off. And I'm hoping it  
18 follows suit along the way with everybody else.  
19 It's just amazing for me.

20           That's my answer as to why I  
21 switched. It wasn't money. I made a living.  
22 It's in here.

23           CHAIRMAN CROSBY: That's  
24 fascinating.

1                   MR. MURPHY: I was in table games  
2 like Amy said. And one of the things that  
3 struck me, I was always in the high-stakes, per  
4 se, in the Asian community games. When I was  
5 eliminated from Mohegan as a pit manager, they  
6 decided they didn't need us anymore, they were  
7 trying to condense down, I went to Twin Rivers.

8                   And gaming there is at 18 years old.  
9 And that's when it sort of struck me really  
10 hard, seeing individuals come in with \$13, \$15  
11 going up to a \$10 table buying in.

12                   And I asked one gentleman --  
13 gentleman, young boy I said how did you get  
14 here? He said I rode my bike. And I said, how  
15 far? He goes, eight miles.

16                   I said you rode eight miles to get  
17 here? And he goes, yup, just to make one bet.  
18 He had a \$19 buy-in on a \$15 roulette table.  
19 And I said what is your goal to do today? He  
20 said I want to win \$200.

21                   And that just struck a chord in me,  
22 like does the state really want to encourage  
23 people gambling? It's hard. I have young  
24 grandchildren and I don't want to see them

1 gambling. There's a lot of colleges around  
2 Rhode Island and that's what we see when we're  
3 at Twin Rivers.

4 But having been at like Mohegan Sun,  
5 I dealt a lot with millionaires. Their budgets  
6 are unbelievable. So, when they lost, it  
7 didn't affect them. They just come back the  
8 next day with another million dollars. So, I  
9 went from the high-end extreme to the low-end  
10 and it struck a note with me.

11 CHAIRMAN CROSBY: Fascinating.  
12 That's really, really interesting.

13 COMMISSIONER MACDONALD: Is there  
14 any way you can generalize about  
15 manifestations, physical manifestations of  
16 people who are at acute risk other than  
17 breaking into tears?

18 CHAIRMAN CROSBY: How do you see  
19 them?

20 COMMISSIONER MACDONALD: Yes. Just  
21 the markers, how do you identify?

22 MR. MURPHY: My job in the casino is  
23 always to make sure I'm looking at the patrons.  
24 So, I'm reading your face as I walk by.

1 Sometimes I can walk by you and say hi, how are  
2 you and you just put your head down. So, I  
3 won't back away from that. I'll keep trying.

4 Eventually, you get to read people's  
5 faces, their body language is one of the key  
6 things. Lack of eye contact to us, the  
7 fidgeting with the hands, those are keys for us  
8 that we need to try to get to them.

9 Like Amy said, I don't know how many  
10 times I went out a limb telling the customer,  
11 listen, you just want \$500. You bought in for  
12 \$200. You're looking this around. We are open  
13 24/7 come back tomorrow. I know you need the  
14 money. Just take a couple of days to relax  
15 before you come back in.

16 So, to me it was like body language.  
17 Just like at Plainridge, we try to win their  
18 trust. Slot players are very solitary players.  
19 They don't like to be approached. So, us  
20 walking around and they see us every day with  
21 the shirts, like Marlene said, it's crucial.

22 They know, oh, here we come again,  
23 but I'll just wave. And if you give me an  
24 opportunity to come up to you, you open the

1 door, then I'll just say hey, how are you.  
2 Then each day this trust keeps building with  
3 them. That's what we look for. I would say a  
4 lot of it -- Would you say like 90 percent of  
5 it is body language?

6 MS. GABRILA: Yes. I think a lot is  
7 body language, but then there's also key  
8 behaviors. We are right by the garage  
9 entrance. So, we're right by the ATMs.

10 You can see multiple trips back-and-  
11 forth, head down. People that look our way,  
12 they'll look over but then they'll run to the  
13 ATM, look over, run back. So, people that  
14 constantly peer in our direction but don't  
15 quite make it over or multiple trips to the ATM  
16 with your head down.

17 Or the whole caught in the zone kind  
18 of zombie look. You'll see people at the  
19 machines and there is just absolutely nothing  
20 there anymore except hitting the button.

21 They're not going to look up for  
22 anything. They're definitely caught in that  
23 machine zone. That's not necessarily somebody  
24 that I would approach then and there for sure.

1 But it's definitely somebody to be on the  
2 lookout for possibly catching on the way out  
3 making eye contact. There's certainly  
4 behaviors as well.

5 COMMISSIONER ZUNIGA: Have you  
6 administered a voluntary self-exclusion or a  
7 few of them?

8 MS. GABRILA: Yes.

9 COMMISSIONER ZUNIGA: Just in  
10 general without any specifics, how do you see  
11 that working?

12 MR. MURPHY: I think at our place I  
13 think it's wonderful because having been in  
14 five other casinos they are taken down to  
15 security. You're put in a little room. They  
16 snap your picture. You fill out a one piece  
17 form. And then you're told the minute you  
18 stand up if you come back on the property, it's  
19 trespassing and we're going to arrest you.

20 They may have two or three,  
21 sometimes four if you're a big guy, security  
22 guards walk you off the property.

23 Where we can get in personal with  
24 them. We can ask them do you need help? We

1 can sit them down. It's a much calmer process.  
2 They might come in like all upset, but I've  
3 recently done some with some really hard-core  
4 ones. And when they left, they all shook my  
5 hand, which surprised me.

6 So, we are able to win some peace of  
7 mind with that knowing that they walked out  
8 calmer instead of feeling like a criminal. If  
9 you ask anyone that has self-excluded from  
10 another casino, they'll all tell you I felt  
11 like a criminal when I walked out of there.

12 MS. GABRILA: A kinder, gentler  
13 approach. We are here to help. This is not a  
14 punitive thing. This is about help. This is  
15 about getting you out of the place you're in.  
16 Like you said, most people are shocked.

17 Why are you helping me? Why are you  
18 talking me? A couple of people almost got  
19 defensive at first because they're like whoa,  
20 whoa, what are you even talk to me for? I  
21 don't understand. Why don't I just sign it and  
22 leave.

23 And like you said, by the end of it  
24 most people a handshake, a hug. And I think

1 it's great. The cycle of gambling and getting  
2 into a gambling disorder, they're going through  
3 enough as it is. And the fact that they have  
4 the courage to come in and make that step, the  
5 fact that they're in the office talking to us  
6 and they want to make the step, the last thing  
7 I want to do is criminalize them. If anything,  
8 they should be proud of themselves.

9 CHAIRMAN CROSBY: Absolutely.  
10 That's great. It's really, really powerful.  
11 I'm really glad -- We've got to make sure we do  
12 this from time to time. It's really helpful to  
13 us. You have such a hands-on sense of the  
14 issues and your work.

15 We're talking about setting these  
16 policies. And I go around giving speeches  
17 about GameSense and so forth, but to really  
18 appreciate what's happening to people and the  
19 passion that you bring to it, and this is an  
20 anomaly. Here's a state that voted to bring in  
21 casinos but has also chosen to mitigate the  
22 negative consequences of that decision in a way  
23 that no one has ever done before.

24 And to have you with your experience

1 talk about being at five other facilities, it's  
2 really an extraordinary story.

3 COMMISSIONER ZUNIGA: It sure is.

4 CHAIRMAN CROSBY: It's something  
5 we've got to figure out a way to tell. It's an  
6 extraordinary story. Anybody else?

7 COMMISSIONER MACDONALD: Just one  
8 thing and you may not be able to answer it, but  
9 do you have any estimate in your own judgment  
10 about what percent of the people you see on a  
11 day-to-day basis are in fact problem gamblers?

12 MS. GABRILA: There's a lot of  
13 regulars. Probably for every one that comes in  
14 to do a VSE, I could probably walk the floor  
15 and tell you 10 more that should probably be in  
16 there doing a VSE. But again, those are the  
17 people we try to build a relationship with.

18 It's not something you can force.  
19 It's completely voluntary. But if we are seen  
20 out there and those same people see us and say  
21 hi. And we're kind of -- we are out there,  
22 hopefully that will eventually lead more people  
23 to come in.

24 COMMISSIONER MACDONALD: Is it

1 closer to one to 10 or to one out of 100 who  
2 you would consider to be a problem person,  
3 problem gambler?

4 CHAIRMAN CROSBY: You're talking  
5 about everybody in the casino, not all the  
6 people they talk to?

7 COMMISSIONER MACDONALD: Right.

8 MR. MURPHY: I would say like  
9 there's 10 percent of the people in there that  
10 definitely could exclude that don't want to.

11 Just to share a quick thing. Amy  
12 and I had a lady that had lost her husband that  
13 was coming in. And she kept telling us -- One  
14 day she stopped by at the game center. We had  
15 the gift basket up and we try to do a lot of  
16 people at once. She said I have a problem.  
17 Maybe I should exclude.

18 And we started talking to her. And  
19 we were telling her about why don't you try a  
20 bankroll maintenance. If you come in every  
21 day, come see us before you go out on the  
22 floor. Let us see you. Let us see how you  
23 look and how you feel. Amy just had an issue  
24 medically a while ago and she was out.

1                   But the lady came back in and she  
2                   says I want you to know I cut down from coming  
3                   here seven days a week twice a day I'm now here  
4                   one day for like four hours. That made me  
5                   feel-good. She says now I realize how much  
6                   money I was spending.

7                   She'll come in. She'll play 20  
8                   minutes like she says. But she always comes  
9                   out and waves when she's leaving. Like I said,  
10                  that's the trust. They know that we are there  
11                  and if we offer that they're going to come by,  
12                  which is nice. I might be going home but  
13                  they'll wave to the next advisor. I'm going  
14                  home.

15                  CHAIRMAN CROSBY: Do the other  
16                  advisors who don't have the background you  
17                  have, Megan and Eddie, do they have similar  
18                  experiences? You come at it from a very  
19                  specialized, from a particular point of view.  
20                  Do they have similar experiences? Has it been  
21                  harder for them to get into it? Is the  
22                  transition more difficult?

23                  MS. GABRILA: I don't know that the  
24                  -- I think we all have different styles. I

1 think Terence and I am more aligned just  
2 because of our experience. But I don't think  
3 either of the other advisors have any problem  
4 engaging with people.

5           Their styles might be a little bit  
6 different. They had to learn a little bit  
7 about casinos because they never stepped in  
8 one, some of the lingo some of the terms. I  
9 was more than happy to get them to understand.  
10 As far as interactions go, like I said, we all  
11 have our different styles.

12           You can go ask any of the staff and  
13 half the players and they're going to know who  
14 Eddie is. So, I think we all just have our  
15 different -- I think for Terence and I think  
16 it's a little bit easier maybe to build the  
17 trust because we're not just -- because we've  
18 been on the other side of it, we've seen it,  
19 we've done it. We've been dealers, and they  
20 don't just think we're somebody coming to try  
21 to pry into.

22           No, we've been there. We get it.  
23 This is where we came from. We're not trying  
24 to move in on you.

1                   So, I think for us, it's even a  
2 little bit easier because we can kind of make  
3 them very comfortable knowing that we came from  
4 the other side.

5                   But those two guys, Eddie and Megan,  
6 both extraordinary people skills. They are out  
7 there doing it their way having success. I  
8 like that we all are a little bit different  
9 because it's a casino.

10                  The patrons aren't robots even  
11 though sometimes they may act like them. But  
12 everybody's different. We have all  
13 demographics. We have all different  
14 personalities. So, it's great that you have  
15 people that can come at it from all different  
16 ways.

17                  CHAIRMAN CROSBY: And I was pleased  
18 to see someone finally with white hair finally  
19 on the floor.

20                  MR. MURPHY: Thank you, very much.  
21 It's not dyed.

22                  CHAIRMAN CROSBY: Yes, neither is  
23 mine. Anybody else? Thanks very much, you  
24 guys. This is really, really, really

1 interesting.

2 COMMISSIONER CAMERON: Very helpful.  
3 And I love the green shirts.

4 CHAIRMAN CROSBY: Great hires, thank  
5 you. I'm going to suggest, although I'm open  
6 to suggestion that we put the next topic off.  
7 I don't think there's anything time sensitive  
8 about it, but it might run for a while, and  
9 we've got a pretty long agenda.

10 MS. BLUE: I have no problem putting  
11 the next topic off. I know that Mr. Ziemba  
12 would like to do the Mansfield topic which is  
13 under section five so that those folks don't  
14 have to stay here for the afternoon.

15 CHAIRMAN CROSBY: Okay. But you're  
16 all right with putting off the VSE question?

17 MS. BLUE: Yes, that's not a  
18 problem.

19 CHAIRMAN CROSBY: I have no idea  
20 whether that will go quickly but it could be a  
21 pretty long conversation.

22 MS. BLUE: That's right.

23 CHAIRMAN CROSBY: So, let's go ahead  
24 and do John. We'll skip ahead to item 5(a) and

1 we'll then take a lunch break.

2 MR. ZIEMBA: Thank you very much,  
3 Mr. Chairman and Commissioners. The town of  
4 Mansfield has asked to be heard regarding its  
5 request to use the \$100,000 community  
6 mitigation reserve that the Commission  
7 established for it earlier this year.

8 The history of the application is  
9 included in the memorandum in your packet.  
10 Mark Vander Linden and I have put forward one  
11 potential approach to the Mansfield application  
12 in your packets. We can provide detail about  
13 that approach.

14 However, we believe that you should  
15 first hear directly from Mansfield about their  
16 request. Joining us from Mansfield is Town  
17 Manager William Ross and Police Chief Ronald  
18 Sellon. Gentlemen, thank you very much for  
19 joining us.

20 MR. ROSS: My name is William Ross.  
21 I am the town manager of the town of Mansfield.  
22 I've been in Mansfield about six years. I was  
23 recruited here from Michigan and prior to that  
24 South Dakota. I have quite a bit of background

1 with tribal gaming having worked in two states  
2 that has substantial tribal gaming background  
3 and understand that part pretty clearly. I'm  
4 still learning about nontribal gaming moving  
5 forward.

6 We appreciate the opportunity to  
7 come and discuss our application. We've read  
8 the memorandum from staff and I believe there  
9 are some good points in that. And I think  
10 there are some things we can agree with.

11 With that I'm going to turn it over  
12 to Chief Ron Sellon who has done the bulk of  
13 the work on this and will have a brief  
14 presentation for you.

15 CHIEF SELLON: Gentlemen, Ma'am,  
16 thank you for having us. We appreciate the  
17 opportunity to come out here. I especially did  
18 appreciate the fact that a big focus of your  
19 emphasis thus far has been -- from a public  
20 safety standpoint has been the mitigation of  
21 the negative aspects of public gaming and the  
22 introduction of it into Massachusetts. For  
23 what it's worth, your efforts have been  
24 laudable thus far. And we're looking forward

1 to seeing what happens in the future as well.

2           That being said, I've discussed this  
3 issue with Gayle as well as various other  
4 members and Christopher Bruce himself. And  
5 some of the matters that have been brought to  
6 light are the fact that a proper analysis of  
7 the negative aspects of gaming from a police  
8 chief standpoint is essential for us to be able  
9 to understand what it is that causes the  
10 issues. Because as gaming does bring with it,  
11 it attracts issues such as the grey economy.

12           There are issues regarding the  
13 possibility of increases in domestic violence.  
14 There are possibility of increases in traffic  
15 issues. There are possible increases with  
16 regards to narcotics violations as well as  
17 human trafficking concerns that are also  
18 apparent as well.

19           One of the matters, however, with  
20 regards to the current study as it stands right  
21 now is that a study is only as good as the data  
22 by which is provided for it in the first place.

23           The data by which Christopher has  
24 been pulling from our organization, at least I

1 can speak to Mansfield, it has been thus far  
2 slightly flawed. By that I mean we hired a  
3 crime analyst at the end of August.

4 She has come in and she's been doing  
5 a tremendous amount of work on behalf of the  
6 organization in cleaning up our coding issues,  
7 our numbers and such.

8 By way of example, I had her pull  
9 just two codes that we have seen that are  
10 slightly problematic, which produced this many  
11 issues so far, just from an in-house  
12 standpoint. She's currently in the process  
13 right now of correcting all of that.

14 CHAIRMAN CROSBY: You're talking  
15 about your officers are reporting some kind of  
16 an incident. And their select of a code has  
17 apparently been problematic with respect that  
18 many cases.

19 CHIEF SELLON: Correct, yes.

20 CHAIRMAN CROSBY: And if we're  
21 relying on that coding that would inherently be  
22 a problem.

23 CHIEF SELLON: Exactly. So, the  
24 coding is one issue. Another issue is the

1 narrative. Chris just doesn't have time to get  
2 into the narrative aspects. And quite frankly,  
3 when it comes to our reporting systems, a lot  
4 of the bulk of the information is found in the  
5 narrative. As most analysts including Chris  
6 will probably tell you there's a lot of great  
7 information within the narratives that it takes  
8 time to go through in order to collect that  
9 data and be able to pull it out and then put it  
10 into a usable framework.

11 So, my proposal involves the taking  
12 of the mitigation money and placing it in the  
13 form of a matching grant, similar to -- in a  
14 similar form as to what was presented in the  
15 documentation that was provided to you as well  
16 as today, to offset the impact of having to  
17 collect that data while working with Chris and  
18 putting together this study.

19 Primarily because of the fact our  
20 analyst has a full 40-hour a week slate as it  
21 is. And to be able to start collecting this  
22 data, to be able to start putting together this  
23 presentation and helping to understand the root  
24 causes of gaming and how it's affecting each

1 individual community is going to be time-  
2 consuming. It's going to take a certain amount  
3 of time each week, which I think is only  
4 reasonable from our standpoint that if we're  
5 going to be asking for any form of money that  
6 we should have to justify exactly how we're  
7 using it, when we're using it and why we're  
8 using it. And then showing deliverables as a  
9 result of that also.

10 So, I think that the proposition has  
11 been made within the document dated December 15  
12 here is an eminently reasonable form of  
13 resolving the concerns involved.

14 MR. ROSS: And I might add, if it's  
15 appropriate, Mr. Chair that we are working and  
16 Chief Sellon has presented to me and this is  
17 the reason that I included in the current  
18 fiscal year budget an addition of an analyst  
19 that we want to change the paradigm on how we  
20 approach our overall law-enforcement, which is  
21 we want to look at problems rather than just  
22 going out and responding to criminal activity  
23 or other activity.

24 We want to address the issue in

1 terms of prevention, of identifying issues and  
2 approaching them in a proactive manner rather  
3 than just saying we're going to put cuffs on  
4 people and put them in vehicles and take them  
5 to jail. And that's extreme, but you  
6 understand what I'm saying.

7           And having the analyst on board has  
8 already borne fruit for us in moving in that  
9 direction. We also believe that it will help  
10 your analyst as the Chief has demonstrated in  
11 having more accurate data moving forward and  
12 because the analyst in Mansfield is on-site,  
13 she can identify specific issues and assist  
14 Chris in identifying those and putting those  
15 into the proper format for your utilization.

16           CHAIRMAN CROSBY: Let me just  
17 interrupt, Mr. Ross. If I'm understanding  
18 correctly, you're saying that you would like us  
19 to accept the proposal that was made by our  
20 staff. Is that what I'm hearing?

21           MR. ROSS: Yes. We find that  
22 acceptable.

23           CHAIRMAN CROSBY: So, for this  
24 Commissioner, you'd be preaching to the choir.

1 We can shortcut this process if the other  
2 Commissioners are comfortable with what is now  
3 a unanimous consensus from Mansfield and our  
4 staff as to a way to go forward.

5 COMMISSIONER ZUNIGA: Let me speak  
6 to -- The point that they make, I think carries  
7 to every other surrounding community or  
8 relevant community. And in my view opens the  
9 question of what about your neighboring town,  
10 Attleboro or Plainville, etc.

11 And it becomes a question of a  
12 model. How are we doing the regional impact?  
13 Could there be resources better applied  
14 collectively, and understanding there is still  
15 going be coding issues. And I understand the  
16 notion of the narrative, but are there software  
17 tools there that can search for keywords that  
18 if we all understand at a regional level that  
19 these are the keywords that make it to the  
20 narrative?

21 Is that a better way to think about  
22 what we need to do in this effort rather than  
23 piecemeal one at a time?

24 MR. ROSS: If I might, Mr. Chair

1 maybe I can shed some light on that and allow  
2 me to talk about something else quickly so  
3 you'll understand where I'm going.

4           We are also working with the  
5 communities surrounding Mansfield on a regional  
6 dispatch operation. In analyzing the dispatch  
7 operation in each community, we have determined  
8 that basically each police department uses a  
9 different computer program for entering data  
10 related to criminal activity or other  
11 activities in the police department and  
12 analyzing that data.

13           As part of our regional dispatch  
14 proposal that we're developing, we are looking  
15 at using the same programming in all of those  
16 departments so that you can do exactly what you  
17 are talking about now on a regional basis. But  
18 we are not there now.

19           And I would add to that that with  
20 one exception that the departments we are  
21 working with do not have an analyst on board.  
22 So, they really don't have anyone with  
23 expertise that can cull that data for you at  
24 this point in time.

1           So, I appreciate what you are  
2 saying, but I think we've got some steps to  
3 take before we can even talk regionally about  
4 pulling that together because of the diversity  
5 of software that each community uses.

6           MR. ROSS: I think that Gayle can  
7 probably also advise you to the fact how slowly  
8 public safety, policing in particular changes  
9 over time.

10           I have kind of set my mind to  
11 building a better business plan for policing as  
12 a whole. And effectively the way I analogize  
13 it for folks is the application of moneyball  
14 principles to public safety and trying to  
15 figure out exactly what it is that we are doing  
16 as opposed to paying superficial attention to  
17 things.

18           An example, recently we met with  
19 Congressman Kennedy over some local practices  
20 that we've been undertaking that have been  
21 proven to be pretty successful. In the past,  
22 whenever we would have an overdose of -- using  
23 the opioid issue that we're dealing with right  
24 now across the country. In the past, whenever

1 we would deal with an overdose, what would  
2 happen is an officer would show up, provide  
3 care, the person would go in the ambulance,  
4 disappear and that was the end of it.

5           What's happening now is as soon when  
6 somebody overdoses, an immediate follow-up is  
7 provided by our problem oriented policing team.  
8 They then follow up with the victim. They  
9 follow up with their family members as well.  
10 And they also start providing a support network  
11 around that person as well to start reducing  
12 the number of recurrences like that.

13           Again, it all comes down to  
14 basically reduction of calls for service,  
15 reduction of repeat offenders, repeat calls for  
16 service and the same thing over and over again.

17           Unfortunately, law enforcement  
18 across the country has the same problem. We  
19 basically go back to the same incident over and  
20 over and over again applying a band-aid to a  
21 problem that's much, much deeper.

22           COMMISSIONER ZUNIGA: I appreciate  
23 that. I don't know how that answers my point  
24 about the regional effort, the coordinated

1 effort and the fragmented effort.

2           The recommendation is very modest,  
3 but I am thinking of the larger picture. Where  
4 are resources better applied? In this case we  
5 have an ongoing effort. I understand the  
6 complexities, but where do we apply resources  
7 that attempt to solve this issue or others on a  
8 more holistic way?

9           COMMISSIONER MACDONALD: Is your  
10 concern that if we say yes to Mansfield that we  
11 are then going to be basically starting a  
12 precedent to any other department that makes a  
13 similar request?

14           COMMISSIONER ZUNIGA: Well, partly  
15 but not mainly. We are trying to collect data  
16 that is relevant and useful. Where do we apply  
17 additional resources that we currently have to  
18 try to get to this?

19           COMMISSIONER CAMERON: Let me try to  
20 answer that, Commissioner. As the Chief aptly  
21 pointed out, it is not an easy problem to  
22 solve. There are so many different systems out  
23 there. Police departments are independent, a  
24 lot of home rule. So, you just can't easily

1 get everybody together and on the same page.

2 I want to commend the town and the  
3 police department. They're absolutely looking  
4 at this in the right manner. Using analytical  
5 tools is absolutely the forward-looking way to  
6 police and problem solving, problem oriented --  
7 I smiling as I'm listening, Chief. -- but  
8 that's not the immediate issue. I understand  
9 the issue.

10 We are grappling with ways to  
11 improve what we are trying to do here. There  
12 are issues with data collection, classifying  
13 apples to apples. Ways that we are thinking  
14 about, which we haven't been able to implement  
15 yet, ways to maybe have a check the box working  
16 with -- which says gaming in some way, which  
17 would then cause you to read the narrative.

18 Right now, you're absolutely right.  
19 You can't read every narrative for every  
20 incident that occurs in each of these  
21 surrounding communities.

22 I think this is very reasonable.  
23 And our staff has done a lot of work here. I  
24 think the solve here is reasonable. And I

1 think what it can help do is get us to start  
2 looking at it regionally but it has to start  
3 somewhere.

4           And if Mansfield, and I know that  
5 they are interested as all the chiefs are  
6 interested by the way. We've had a number of  
7 meetings in which all the chiefs would love to  
8 be able to have more analytical tools available  
9 to them, but there are budget issues. So, this  
10 may be a start.

11           Then as it builds and we refine  
12 collectively what we're trying to do that could  
13 lead to that eventually. But I do think this  
14 is reasonable and something that could help  
15 look at it on a more global level but you have  
16 to start.

17           CHIEF SELLON: I believe she is  
18 absolutely correct. Unfortunately, we're at a  
19 place right now where we are literally starting  
20 from scratch with not just this issue but a  
21 number of other issues.

22           I'm also a big proponent of putting  
23 your money where your mouth is as far as from a  
24 community standpoint. It's why I advocated so

1 strongly for the hiring of a crime analyst in  
2 Mansfield. It's why I believe in the process  
3 in and of itself.

4 That's why I think that by setting  
5 this sort of precedent what you're effectively  
6 doing is you're telling other communities too  
7 this is the proper way to start serving your  
8 citizens as opposed to a superficial attention  
9 that has been paid to oftentimes more complex  
10 problems.

11 MR. ROSS: And I would add that  
12 after the Chief and I worked through his  
13 budget, it was not an easy task to take that to  
14 the board of selectmen and then to the town  
15 meeting and it's them to add a person. In this  
16 day and age, adding a body is something that  
17 does not come easily but we were able to do  
18 that. The town meeting unanimously adopted the  
19 budget with that in it.

20 So, we want to move forward in that  
21 direction and actually be a partner with the  
22 Gaming Commission and help supplement and  
23 provide you with adequate data to do your job  
24 as well.

1                   COMMISSIONER STEBBINS: John, is  
2 there -- You also talk about helping to  
3 reimburse the town of Mansfield for additional  
4 expenses that they're carrying with respect to  
5 our ongoing research.

6                   I know again that this is a modest  
7 amount. Do you have an idea of how that splits  
8 out?

9                   MR. ZIEMBA: I don't, but as  
10 described there's a tremendous amount of my  
11 work that goes into responding to these  
12 Christopher Bruce requests. I think what we  
13 could work out is through a grant agreement  
14 with the community, we could work out how we go  
15 through the reimbursement.

16                   Director Vander Linden could be a  
17 point as he is working directly with the  
18 Christopher Bruce study. And I think we can  
19 find a method to make sure that these are  
20 reasonable.

21                   COMMISSIONER STEBBINS: It certainly  
22 sounds to me -- I applaud you for the work you  
23 try to come to a solution and also to assist  
24 the town. And I'd be curious to see kind of

1 see how the grant contract you refer to kind of  
2 shapes up in the final state.

3 MR. ZIEMBA: We'll make sure you see  
4 that.

5 COMMISSIONER CAMERON: If I can add,  
6 there is a person in Las Vegas who has done  
7 some crime analysis work on a limited basis.  
8 We ended up on conference call just is there  
9 something we could glean? Is there something  
10 we missed, we can do better?

11 And he was absolutely amazed that we  
12 were able to get the chiefs to respond and to  
13 understand the issues. He said I had no  
14 success doing that in the surrounding  
15 communities there. So, it's important.

16 The chiefs have been amazingly --  
17 knowing this is a burden for them, they've been  
18 very good at coming to meetings, listening to  
19 one another, trying to help us where they can.

20 So, I'm very hopeful this could be a  
21 model and these kinds of relationships are  
22 critical to that effort.

23 COMMISSIONER ZUNIGA: With that I'm  
24 persuaded here but I will continue to make the

1 point and encourage you to look at ways as to  
2 tackle these issues more holistically.

3 CHAIRMAN CROSBY: I agree with you.  
4 And it sounds like everybody else does too,  
5 that this is perceived as a first step. And  
6 the idea of regionalizing and involve the RPA  
7 and so forth is on the horizon. That's great.

8 Before we do that I just want to  
9 point out one thing, there was a very  
10 articulate letter from Heath Hobson, the  
11 veteran service officer. He makes a claim  
12 which is a disturbing claim which is one of his  
13 clients, one of the veterans in Mansfield has  
14 been able to cash his monthly benefit checks at  
15 Plainridge. Looks like you have --

16 MS. BLUE: We have investigated that  
17 claim and that was in fact not really the case.  
18 We welcome people bringing that to our  
19 attention so we can certainly look into it.

20 CHAIRMAN CROSBY: Absolutely. I  
21 didn't know that you had already he looked into  
22 it.

23 MR. ROSS: Mr. Chair, I have  
24 discussed that with folks from Plainville as

1 well and they have been very responsive on that  
2 issue. The veteran service officer has spoken  
3 with that particular veteran and that will not  
4 happen again. We watch that as well.

5 COMMISSIONER STEBBINS: This letter,  
6 Mr. Chairman came in, well now three months ago  
7 and addressed to me. I think we took it to  
8 Mark. We took it to Bruce to make sure again,  
9 it's an incident that wouldn't happen, but I  
10 think Mark circled back with Heath and  
11 corrected the issue.

12 CHAIRMAN CROSBY: Great. If I saw  
13 it before, I missed that last time. I didn't  
14 realize it was September 9. I thought it came  
15 right now.

16 But also I thought Mr. Hobson's  
17 comments about veterans and gambling problems  
18 were very thoughtful and passionate. I guess  
19 you have been in touch with him. As we are  
20 starting to look into the issue of veterans as  
21 a uniquely vulnerable group, it sounds like he  
22 might be somebody good to involve in those  
23 efforts.

24 COMMISSIONER ZUNIGA: Like bringing

1 our GameSense advisors to these kinds of  
2 organizations.

3 CHAIRMAN CROSBY: Yes.

4 MR. VANDER LINDEN: Veterans are  
5 well known to be a high-risk group. Our own  
6 SEIGMA study also pointed in that direction.  
7 And I think that it's certainly something that  
8 we would look to build partnerships exactly  
9 like that but we also want to strengthen how we  
10 respond to providing prevention and  
11 intervention services for veterans. That's our  
12 partnership with the Department of Public  
13 Health. That's our partnership with the Mass.  
14 Council on Compulsive Gambling. How can we  
15 direct GameSense in a direction that would be  
16 useful and relevant?

17 CHAIRMAN CROSBY: And it sounds like  
18 he might be able to contribute to that.

19 MR. VANDER LINDEN: Yes.

20 MR. ROSS: Mr. Chair, I'm sure  
21 you're aware, but each community is required to  
22 have a veteran service officer. It might be  
23 wise to reach out to them in a manner similar  
24 to what you've done with the chiefs of police

1 and perhaps visit with them and see if they're  
2 seeing these types of issues.

3 CHAIRMAN CROSBY: Did you hear the  
4 town manager's comment just now?

5 MR. VANDER LINDEN: Yes.

6 MR. ROSS: And in Mansfield we also  
7 provide social services through our council on  
8 aging and our social services division. And I  
9 believe there's a letter there, a memo from our  
10 director of our council on aging who has noted  
11 that he's seen some issues with seniors. And a  
12 lot of communities have a similar body.

13 So, that might be a good group to  
14 visit with as time goes on about what they're  
15 seeing as well.

16 CHAIRMAN CROSBY: Yes, great.

17 CHAIRMAN CROSBY: Do you want to  
18 move this forward?

19 COMMISSIONER CAMERON: Mr. Chair, I  
20 move that we approve the community mitigation  
21 reserve request by Mansfield as outlined in our  
22 staff recommendation, which is the portion of  
23 the crime analyst's salary, 25 percent of the  
24 overall expense and that is \$10,500, also other

1 reasonably incurred expenses and that's with  
2 the certifications from the town manager and  
3 the chief to those reasonable expenses.

4 CHAIRMAN CROSBY: Second?

5 COMMISSIONER ZUNIGA: I second that.

6 CHAIRMAN CROSBY: Further  
7 discussion?

8 COMMISSIONER STEBBINS: I would just  
9 add and I think all parties would be willing to  
10 kind of get some continual updates from the  
11 chief and the town as to how their work is  
12 going and the regional efforts that  
13 Commissioner Zuniga highlighted.

14 CHAIRMAN CROSBY: Yes.

15 COMMISSIONER MACDONALD: I would  
16 just add for clarity purposes that the motion  
17 is being advanced by reference to the third  
18 paragraph on page four of Mr. Ziemba's  
19 memorandum to us.

20 CHAIRMAN CROSBY: Right, for  
21 accuracy and completion, right. Any further  
22 discussion? All in favor, aye.

23 COMMISSIONER MACDONALD: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 CHAIRMAN CROSBY: Opposed? The ayes  
4 have it unanimously. Thank you very much. It  
5 is now 1:10. Let's take a break until 2:00 and  
6 we will reconvene then.

7

8 (A recess was taken)

9

10 CHAIRMAN CROSBY: We are reconvening  
11 meeting 173 at just after 2:00. We are with  
12 Ombudsman's Ziemba. I'll let you take us to  
13 the next item.

14 MR. ZIEMBA: Thank you, Mr.  
15 Chairman. Mr. Chairman and Commissioners. Up  
16 for consideration today are draft findings for  
17 the MGM Springfield project pursuant to the  
18 Massachusetts Environmental Policy Act, Mass.  
19 General Law Chapter 30, section 61 to 62(i) and  
20 MGL Chapter 23K the Expanded Gaming Act.

21 Pursuant to these laws, the  
22 Commission is required to find that all  
23 practicable and feasible means will have been  
24 taken to avoid or minimize potential damage

1 from the project to the environment. This  
2 review of the findings follows the issuance of  
3 a certificate by the Secretary of the Executive  
4 Office of Energy and Environmental Affairs on  
5 MGM's final environmental impact report on  
6 December 31, 2014 and the Secretary's  
7 certificate on MGM's notice of project change  
8 dated November 25, 2015.

9 Today's consideration by the  
10 Commission follows a long deliberate review of  
11 the MGM project. In addition to the thorough  
12 review of MGM's application and the rounds of  
13 MEPA reviews, the Commission has reviewed  
14 Section 61 related matters many times over the  
15 past year, including numerous reviews of the  
16 memorandum of agreement between the Mass.  
17 Historical Commission, the Mass. Gaming  
18 Commission and MGM.

19 Counsel Blue briefed the Commission  
20 about our Section 61 process starting back in  
21 July and again in August and in October.

22 The Commission held several meetings  
23 over weeks and months to review a change in  
24 MGM's estimated schedule. We further put

1 forward methods to review comment from city  
2 officials and the public with an enhanced site  
3 design review section on our website and public  
4 comment period culminating in a hearing held in  
5 Springfield on December 3.

6 MGM appeared before the Commission  
7 numerous times to provide details on their  
8 design and notice of project change filings  
9 including presentations on September 25,  
10 November 5, November 18 and December 3.

11 In addition, MGM is engaged in a  
12 very thorough review process in Springfield  
13 including meetings with the city council and  
14 public question-and-answer period held in  
15 Springfield on November 18.

16 Today, the Commission will hear from  
17 the consultant groups that have been engaged by  
18 the Commission to aid us in our review. We  
19 have also substantially benefited from the  
20 advice and counsel of our outside counsel  
21 Anderson and Kreiger. We thank them all for  
22 their assistance and the assistance of all of  
23 our review teams.

24 I note that today's deliberations on

1 MGM's Section 61 Findings that does not end our  
2 review. Our review of the details of MGM's  
3 design will continue under a design review  
4 process. This review will benefit from the  
5 very thorough review being conducted in  
6 Springfield. It is expected that the review  
7 will continue into January.

8 In addition to that review, these  
9 Section 61 Findings will be further enhanced as  
10 part of the Section 61s that must be issued by  
11 the Massachusetts Department of Transportation  
12 and specific mitigation methods will be further  
13 refined as part of the Springfield review  
14 process.

15 We've retained the right to modify  
16 our Section 61s upon review of those reviews by  
17 other agencies and the city of Springfield.

18 Today, we are joined by MGM to  
19 answer any questions, but we will focus on  
20 hearing from our consultant groups. We will  
21 hear from HLT Advisory, our financial and  
22 gaming consultant regarding how MGM's new  
23 design can be considered in the context of the  
24 economic and revenue goals put forward by the

1 Commission during our application process.

2           Although the Commission will  
3 continue its detailed review of the design of  
4 the facility, an approval of the Section 61s  
5 before you would in effect be an approval of  
6 the major and fundamental elements of MGM's  
7 proposed redesign.

8           Following HLT, we will be joined by  
9 Perry Associates to present regarding MGM's  
10 proposed detailed schedule. That schedule is  
11 not up for a vote today, however, the Section  
12 61 Findings include an opening date of  
13 September 2018, which is previously approved by  
14 the Commission. Perry Associates will opine on  
15 the reasonableness of the current proposed  
16 schedule.

17           Finally, Green International  
18 Associates, our traffic consultants will give  
19 the Commission a briefing regarding its review  
20 and recommendations. We are also joined by  
21 Epstein Joslin, our architectural consultant  
22 which has been and will continue to be  
23 thoroughly reviewing MGM's proposed design.

24           They have indicated interest in

1 reviewing a number of areas in tandem with MGM  
2 and the city of Springfield such as the  
3 materials that will be used on the buildings,  
4 the drop-off points for the hotel for the  
5 facility, lighting and other issues that will  
6 continue to be the subject of our review and  
7 the city's review over the days ahead.

8           One thing I will note is that  
9 Epstein Joslin has indicated to me that they  
10 are very impressed with the reviews being  
11 conducted by Springfield. That will make our  
12 reviews significantly easier. Our review can  
13 be more efficient based on the reviews that are  
14 being conducted in Springfield.

15           Finally, we are joined by City Point  
16 Partners who have helped us with numerous parts  
17 of our reviews including water and waste water  
18 memo included in your packet.

19           With that I'm going to turn to Mike  
20 Fitzgerald, the Commission's oversight project  
21 management consultant for MGM Springfield from  
22 Pinck and Co. to give us a status of what is  
23 expected in Springfield in the days ahead.

24           He can also give a little bit more

1 of a specific introduction regarding each of  
2 the teams. Once again, we very much thank all  
3 of the teams for their reviews and all of the  
4 efforts that they put forward and all their  
5 efforts to analyze new details as they come  
6 forward in this process and in Springfield's  
7 process. With that I turn to Mike.

8 MR. FITZGERALD: Thank you, John.  
9 Just a quick update with what's going on with  
10 the city of Springfield.

11 On Monday, the city council will be  
12 holding a hearing for consideration of  
13 approving the casino overlay district in the  
14 city. Then followed by later in January  
15 there's going to be reviews by the city council  
16 on the site plan submitted to the city.

17 In the meantime, the city's economic  
18 development department is reviewing all of the  
19 -- it was within their comment period for the  
20 site plan that's been reviewed. And they too  
21 have to report to city council for these  
22 hearings that are upcoming in January.

23 To piggyback on John's introduction,  
24 I'll introduce our team here. We've got Rob

1 Scarpelli from HLT. He and Lyle Hall have  
2 been, for the benefit of you, Commissioner  
3 Macdonald and those in the audience, they've  
4 been with the Commission since the beginning  
5 giving advisory on all of the casino projects.  
6 They do business advisory consulting for the  
7 North American gaming industry.

8           The rest of our team here are all  
9 professional engineers or architects in  
10 Massachusetts. We've got Rich Maher from Perry  
11 Associates. He and Bill Perry have been our  
12 scheduling experts. They've helped on the  
13 Penn/Turner project for the slots. And they've  
14 been working with the MGM project since we got  
15 that going.

16           We've got Wing Wong, and he and  
17 Frank Tramontozzi and Jason Sobel have been the  
18 traffic and transportation experts. We've got  
19 Chip Pinkham and Ray Porfilio from Epstein  
20 Joslin. They've been our architect consultants  
21 throughout. And finally, we've got Rick Moore  
22 from City Point Partners. He along with Stan  
23 Alberton are our civil engineers and permitting  
24 experts.

1                   With that I'm going to pass it onto  
2 Rob to talk about the financial analysis.

3                   MR. SCARPELLI: Thanks, Mike. I  
4 believe in all of your packages you have a full  
5 copy of our letter. So, I'll hit the  
6 highlights of it.

7                   Essentially, HLT was asked to review  
8 the proposed changes to the MGM project and  
9 determine if material changes are likely with  
10 respect to marketing revenue commitments and  
11 also economic development commitments. We  
12 reviewed a number of documents, had various  
13 conversations with MGM. And we put down our  
14 summary comments under five major headings in  
15 the letter. And let me walk you through the  
16 summary comments.

17                   With respect to impact of design  
18 changes on facility appeal, we note that the  
19 hotel changes MGM has proposed a 14 percent  
20 decrease in hotel square footage. And a change  
21 from a 24-story high hotel to a six-story high  
22 hotel, still maintaining though approximately  
23 250 rooms. And the average room size still  
24 approximately 400 square feet.

1           With regard to retail changes, MGM  
2 has proposed a 38 percent decrease in retail  
3 square footage from what was provided. It  
4 should be noted however that in the host  
5 community agreement proposal, it included  
6 27,982 square feet retail. And the current  
7 proposal is at 31,250, still higher than what  
8 was agreed to in the community agreement  
9 proposal. Also, MGM provided a range of 17 to  
10 24 possible outlets.

11           Food and beverage changes, MGM is  
12 proposing a reduction in the food and beverage  
13 space approximately 9000. The change is  
14 primarily attributed to a shift from a buffet  
15 operation to more of a marketplace operation.  
16 MGM indicated in follow-up discussions that  
17 this a corporate wide change in philosophy.  
18 And that other projects, such as MGM's National  
19 Harbor project in Maryland has also shifted  
20 away from buffets to more of a marketplace  
21 offering.

22           COMMISSIONER STEBBINS: Rob, just  
23 for clarification, could you describe the  
24 difference between a buffet and a marketplace?

1 MR. SCARPELLI: Buffet, I believe  
2 everyone knows what a buffet is. A marketplace  
3 would be more like a food court that you would  
4 find in a traditional mall, so, different  
5 outlets, different types of foods. And people  
6 choose what outlet they want to go to. Does  
7 that answer your question Commissioner  
8 Stebbins?

9 COMMISSIONER STEBBINS: Yes.

10 MR. SCARPELLI: Operational changes,  
11 MGM is proposing a reduction of about 68,000  
12 square feet in back-of-house casino space, more  
13 than half of the total square footage reduction  
14 in the project. The change involves removing  
15 the proposed basement level of the facility and  
16 moving the casino back-of-house level to a  
17 level above the gaming floor.

18 Bowling alley and cinema changes,  
19 reduction in bowling lanes from 15 to 10 lanes  
20 and a reduction in cinema space. Also a  
21 reduction in parking spaces of approximately  
22 387 spots. Prior to reducing by 387 the ratio  
23 of spots was a little over one-to-one. And  
24 after the reduction of 387 parking spots, the

1 ration will be just under one-to-one. Industry  
2 norms would be at a one-to-one ratio.

3 Overall, HLT does not anticipate  
4 these changes will have a material impact on  
5 the appeal of the proposed casino to the gaming  
6 customer. The majority of the design changes  
7 are in non-customer facing space. It should  
8 not have a negative impact on gaming  
9 operations.

10 The ability to provide a four-star  
11 hotel offering is not compromised by the design  
12 modification from a tower to a low-rise  
13 structure. MGM plans to change from a buffet  
14 to a food market concept could have a minor  
15 negative impact on the older customer segments,  
16 but MGM has indicated that this design change  
17 is necessary to target new customers.

18 The second area we offer comments is  
19 impact of design changes on gaming revenues.  
20 MGM's gaming square footage remains virtually  
21 unchanged at approximately 126,000 square feet.

22 With the new design, they are  
23 proposing a slight reduction in gaming  
24 positions of approximately 164 from 3600. HLT

1 believes that gaming revenue is dictated by  
2 market factors rather than gaming positions.  
3 Given that the total gaming square footage  
4 remains unchanged, MGM has the flexibility to  
5 add gaming positions if the market demands more  
6 supply.

7 With that in mind the changes to the  
8 design of the facility do not have a material  
9 impact on gaming revenue potential.

10 The next area we comment is the  
11 impact of design changes on the proposed  
12 budget, capital investment threshold. As part  
13 of MGM's RFA-2 application, MGM proposed the  
14 capital budget of \$825 million of which  
15 approximately \$516 million was determine to be  
16 eligible capital. As of November 2015, MGM has  
17 estimated the budget for the project has  
18 increased to \$950-\$970 million of which MGM has  
19 estimated \$614 million as eligible capital.

20 Based on MGM's budget increase in  
21 the estimate of eligible capital, HLT does not  
22 envision MGM failing to meet the \$500 million  
23 eligible capital requirement.

24 Impact of design changes on the

1 proposed budget in terms of construction jobs,  
2 MGM current budget of \$950-\$970 million is  
3 about \$100 million more than their RFA-2  
4 application. That suggests that the  
5 construction jobs should be the same or greater  
6 than the estimate derived from the RFA-2  
7 application. MGM indicated on a conference  
8 call to us that there would be no decrease to  
9 construction period jobs. And we accept this  
10 assertion as reasonable.

11 Impact of design changes on economic  
12 development, impact on jobs and payroll  
13 specifically. MGM indicated a reduction in  
14 jobs associated with the replacement of the  
15 buffet with a food court/foodmarket concept.  
16 MGM provided HLT with a projected headcount  
17 comparison showing a decrease of approximately  
18 181 jobs.

19 Those 181 jobs represent a five  
20 percent decrease from the 3254 jobs submitted  
21 as part of the RFA-2 application. That 181  
22 eliminated jobs we estimate the payroll  
23 associated with that to be approximately \$6  
24 million or a 4.8 percent decrease in payroll

1 from the RFA-2 application.

2 The decrease in payroll and  
3 employees is understandable given the change in  
4 the design, specifically the switch from a  
5 buffet to a marketplace and the elimination of  
6 the hotel café space.

7 Further the remaining 3073 jobs with  
8 approximately \$124 million in project payroll  
9 provide positive economic development, despite  
10 a five percent decrease in both jobs and  
11 payroll.

12 Impact on retail outlet commitments,  
13 MGM is proposing a 38 percent decrease in  
14 retail square footage. Although MGM has not  
15 indicated a specific number of retail outlets,  
16 their current retail plan calls for between 17  
17 and 24 storefronts.

18 In their RFA-2 application, they  
19 gave a commitment and actually stated as the  
20 creation of retail partnerships with local  
21 artisans, designer resources and merchandise  
22 companies will allow for shopping alternatives  
23 that showcase merchandise products reflective  
24 of the Springfield and Western Massachusetts

1 experience. The application does not provide a  
2 fix commitment for the number of lease  
3 arrangements to be offered to local retailers  
4 including food and beverage operators.

5 MGM did not respond to our query  
6 regarding how the reduction in retail floor  
7 area might negatively impact the extent of  
8 local business involvement in the retail  
9 offering. MGM stated that the final layout of  
10 retail space will be driven by negotiations  
11 with retailers as they approach internal  
12 leasing and design deadlines.

13 In our view, the scale of the  
14 reduction contemplated could compromise MGM's  
15 commitment to allocate space to local  
16 retailers, and as such we recommend that a  
17 review of retail plans once these negotiations  
18 have commenced to ensure MGM honors the intent  
19 of having local involvement as committed in  
20 their RFA-2 application.

21 CHAIRMAN CROSBY: Questions anybody?  
22 Okay. Thank you. Next up.

23 MR. MAHER: Rich Maher from Perry  
24 Associates. We were tasked with reviewing the

1 MGM schedule for design and construction.

2           What we were tasked with was in  
3 August, as John stated, the final operations  
4 commencement date changed to September 5, 2018.  
5 And with that change, there were design changes  
6 and status of permits that all impacted that  
7 and brought us to today's review.

8           The other things that happened were  
9 the hotel and garage changes. So, we went  
10 through MGM's schedule, made sure that they  
11 incorporated the proper dates. The current  
12 design concepts were incorporated into that  
13 schedule.

14           What we found were few key program  
15 elements that will step us from 2015, which we  
16 are today, through '16 which will be permits  
17 which are ongoing and doing the site  
18 improvements, demolitions, utilities,  
19 foundations.

20           2017 we roll into the garage open  
21 for construction vehicles in October 2017 as  
22 they presently have stated, and then the garage  
23 opening in December 2017. That's also  
24 predicated on an NTP of award in January 2016

1 for the garage.

2 The balance of the programs end up  
3 being completed in 2018. That follows the I-91  
4 of August 6 assumed opening and then 30 days  
5 after that the operations opening in 2018.

6 After we reviewed all that we found  
7 that their schedule is reasonable and  
8 achievable. There's many placeholders in the  
9 schedule pending the design development before  
10 they can build out the construction portion of  
11 the schedule. But the overall duration seemed  
12 to be reasonable.

13 Any questions from the Commission?

14 COMMISSIONER ZUNIGA: Just in  
15 general the critical path on the schedule, I  
16 know we're not approving the schedule here, but  
17 can you speak a little bit more towards perhaps  
18 the short-term challenges in terms of critical  
19 path?

20 MR. MAHER: The things that come up  
21 right away are still the final signoff from  
22 Mass. Historical and then city of Springfield's  
23 overlay development plan. Getting those final  
24 approvals in place, what then will follow from

1 that are specific permits, building permits,  
2 water permits, those type of typical  
3 construction permits.

4 That also kicks off being able to  
5 give NTPs on various contractors to perform the  
6 work like the garage to get those kicked off.  
7 So, 2016 is really the site preparation,  
8 clearing the site, demoing, getting the  
9 foundations in place.

10 Once that's done and at the end of  
11 2016, all of the other building structures are  
12 going to be going in parallel and on their own  
13 individual paths. But it all will ultimately  
14 end up driving through the podium and casino  
15 operations dates.

16 COMMISSIONER ZUNIGA: Okay. Thank  
17 you.

18 MR. ZIEMBA: Before we get the next  
19 presentation from Green International, I just  
20 wanted to note for the record that the version  
21 of the Section 61 that is on website is  
22 different than that is held by the Commission  
23 and is being considered by the Commission.

24 There were a number of changes that

1 were further worked out with MGM yesterday as  
2 part of our review. They're adopted in your  
3 packet. And they will be reflected in the  
4 online packet shortly after this meeting.

5 CHAIRMAN CROSBY: Great.

6 MR. WONG: Good afternoon,  
7 Commissioners. My name is Wing Wong with Green  
8 International Affiliates. Our review really  
9 was focused on the traffic and transportation  
10 portion. Over the course of the year, we  
11 reviewed quite a bit of material notably the  
12 notice of project change, of course. We also  
13 reviewed the MGM recommended Section 61  
14 Findings to MassDOT. This is back in August.  
15 We also reviewed the MEPA certificates as well  
16 as any new information based on our  
17 coordinations that came out recently as well.

18 So, based on all of the information  
19 that we have reviewed we try to narrow the  
20 critical items that we are recommending to be  
21 added to the Section 61. The memo I believe is  
22 in your packet. There's three main items that  
23 we are recommending to be added. And I can go  
24 over them quickly.

1           Just before I do that, there is one  
2 item of note. It's the road safety audit. We  
3 had provided recommendation in my memo. Based  
4 on information that was received yesterday  
5 however, yesterday afternoon, the language is  
6 actually consistent from what's in your packet  
7 there. So, no further edits is necessary. So,  
8 what I recommended there, we don't actually  
9 have to make that edit at this point.

10           As far as the recommendations,  
11 there's three items. The first recommendation  
12 is related to Bliss Street and East Columbus  
13 Avenue. If we have the graphics back from  
14 previous, it might be a little hard to see.  
15 The laser pointer actually doesn't work on the  
16 TVs.

17           For the area I want to focus on,  
18 this is a graphic from the FEIR. The location  
19 focus is on the Bliss Street and the East  
20 Columbus Ave. that intersection there. If you  
21 recall, in the DEIR, a deceleration lane was  
22 proposed for right turning movements from East  
23 Columbus Ave. onto Bliss Street.

24           At the FEIR stage that is no longer

1 proposed. As a result, based on our review, we  
2 had brought up safety concerns that we believe  
3 can be addressed through the final design  
4 process.

5 So, at this time we've recommended  
6 that MGM work closely with the city of  
7 Springfield and evaluate the need for speed  
8 control measures for any vehicles that are  
9 turning into Bliss from East Columbus Ave., as  
10 well as the need for advanced warning for  
11 vehicles along East Columbus Ave. that there  
12 may be stopped vehicles on Bliss Street. So,  
13 that's our first recommendation.

14 COMMISSIONER STEBBINS: Can you  
15 describe kind of I think the term is speed  
16 control measures, what would those include?

17 MR. WONG: Our concern here is the  
18 configuration of this intersection. It kind of  
19 encourages people to not necessarily slow down  
20 like you would at a normal intersection that  
21 people might just still have a fairly high  
22 speed as they make that right turn from East  
23 Columbus onto Bliss Street. That's where our  
24 safety concern came up.

1           So, we're recommending MGM work with  
2 the city to evaluate if there's any speed  
3 control measures to help slow down anybody that  
4 are turning that movement. These could be  
5 warning signs. They could be mono-geometric  
6 changes ultimately that'd have to be hammered  
7 out during the final design process.

8           Our second recommendation is related  
9 to the off-site roadway and intersection  
10 improvements or specifically the schedule of  
11 when to implement them.

12           As you aware, the I-91 Viaduct  
13 project is ongoing. And soon enough, there  
14 will be lane closures based on that project.  
15 There is that potential that vehicles could use  
16 the local roadways as detours to bypass the  
17 construction on I-91.

18           It would bring a benefit to the  
19 region if MGM can implement some of the off-  
20 site mitigations as early as possible rather  
21 than waiting until later before the facility  
22 opens. The sooner they can be implemented, the  
23 more benefits it can bring to the region.

24           So, our recommendation at this time

1 is that to the extent feasible if MGM can work  
2 with the city of Springfield as well as MassDOT  
3 to implement these as soon as they can.

4           And the last recommendation that we  
5 have is related to the employee construction  
6 parking plan. Based on the changes from this  
7 year, it is our understanding that the parking  
8 garage schedule is no longer accelerated as  
9 originally proposed. The garage is also  
10 initially intended to help provide parking for  
11 the construction employees.

12           However, now that the schedule is no  
13 longer accelerated for the garage construction,  
14 it is more important than ever that MGM and its  
15 contractors finalize their employee parking  
16 plans with the city as soon as possible given  
17 what's going on on I-91 construction and their  
18 construction employees.

19           So, our recommendation is that MGM  
20 work with the city of Springfield. And to the  
21 extent feasible finalize that parking plan as  
22 soon as possible. And as John mentioned, the  
23 Section 61 draft version that is before you  
24 already includes these recommendations that we

1 have made. That language has already been  
2 reviewed by MGM as well.

3 CHAIRMAN CROSBY: The  
4 recommendations you're making are incorporated  
5 into the draft?

6 MR. ZIEMBA: Correct.

7 MR. WONG: Correct.

8 COMMISSIONER STEBBINS: I had two  
9 quick questions and they're related to  
10 transportation. One of them is kind of a  
11 broader question, which I know we're still  
12 waiting on MassDOT's proposed findings.

13 A layman's question, is so much of  
14 this is heavily transportation oriented anyway,  
15 what level of information do we expect to  
16 overlay from MassDOT in all of this? This is  
17 pretty detailed stuff about traffic.

18 MR. ZIEMBA: I'll let Wing follow up  
19 on this, but specifically there are number of  
20 road safety audits for critical intersections  
21 that are due -- I think they've just been  
22 submitted to MassDOT. And MassDOT will take a  
23 look at those road safety audits and make its  
24 recommendations based on their review.

1           In addition, they'll take a look --  
2 They've been actively looking at all aspects of  
3 this project over the last nine months and last  
4 year.

5           MR. WONG: John pretty much covered  
6 most of it. As mentioned before, MGM provided  
7 recommended language to MassDOT for their  
8 Section 61 Findings in August. Since then it  
9 is our belief that they've been coordinating,  
10 and potentially any kind of coordination  
11 outcomes of solutions that came out of it, we  
12 believe those will be reflected in the final  
13 MassDOT Section 61.

14           COMMISSIONER STEBBINS: A more  
15 detailed question, the Plainfield Street  
16 improvements, Plainfield Street is quite some  
17 distance from the downtown area. Were those  
18 improvements meant to help address some of the  
19 issues with the Viaduct construction or is that  
20 agreement hammered out between MGM and the city  
21 to address those?

22           MR. WONG: I think that's more  
23 between the city and MGM.

24           CHAIRMAN CROSBY: Anybody else?

1                   COMMISSIONER CAMERON: I think it  
2 should be adopted.

3                   MR. ZIEMBA: Commissioners,  
4 Catherine Blue has included a couple of  
5 resolutions in your packet. To the degree that  
6 we need any final scrivener authority, I guess  
7 we would ask you for that.

8                   And then just one final note is that  
9 we are working actively with Mass. Historical  
10 Commission to get their final signature on the  
11 Mass. -- memorandum of agreement. Hopefully,  
12 that'll be occurring in a matter of a day or  
13 days.

14                   COMMISSIONER ZUNIGA: I was hoping  
15 to go through the document. I have a couple of  
16 questions, mostly questions and I don't know if  
17 it'll merit an edit or two, if that's okay.

18                   CHAIRMAN CROSBY: Sure. Where are  
19 you?

20                   COMMISSIONER ZUNIGA: The revised  
21 Section 61 Findings, the red-lined.

22                   CHAIRMAN CROSBY: Which page are you  
23 on?

24                   COMMISSIONER ZUNIGA: I'll start

1 with number two.

2 CHAIRMAN CROSBY: Page two?

3 COMMISSIONER ZUNIGA: Page two where  
4 it says that the proposed demolition includes a  
5 boarding house on Bliss Street, Howard Street  
6 and Howard Street apartment building. This is  
7 of course not -- This doesn't include all the  
8 buildings. So, it's only a reference, right?

9 MS. BLUE: That is just a summary,  
10 Commissioner Zuniga. If you look at the table  
11 that is on page four, it lists all of the  
12 buildings that were considered by the Mass.  
13 Historical Commission and then discusses which  
14 will be demoed and what will have other actions  
15 taken.

16 So, it is just a summary. This  
17 paragraph did not -- it wasn't really intended  
18 to list them all there. The table does include  
19 them all. And then the MOA also is the final  
20 word on that.

21 COMMISSIONER ZUNIGA: Which is  
22 incorporated by reference.

23 MS. BLUE: That's right.

24 COMMISSIONER ZUNIGA: I have a

1 question on number seven.

2 COMMISSIONER CAMERON: Page seven?

3 COMMISSIONER ZUNIGA: Page seven,  
4 yes, where it says the provisions in each of  
5 these mitigation agreements, which I believe  
6 would be all of those listed between in the  
7 page before one through six, correct?

8 MS. BLUE: That is correct.

9 COMMISSIONER ZUNIGA: Is this the  
10 universe of agreements or any kind of  
11 mitigation agreements? And what about  
12 additional mitigation that comes later?

13 MS. BLUE: Additional mitigation  
14 that comes later if it's incorporated into an  
15 agreement, there's two ways the Commission can  
16 address that. We can always reopen these  
17 Section 61s and include them in here.

18 We can also make them a condition of  
19 the license as well. So, if other agreements  
20 come up, we can revisit it either way.

21 COMMISSIONER ZUNIGA: Okay. A  
22 question on number eight mitigation measures,  
23 page eight, mitigation measures for the  
24 project. The last sentence, it says unless

1 modified as described in the preceding  
2 paragraph. Does that include unless modified  
3 by MassDOT or the Commission, right -- not  
4 anyone else?

5 MS. BLUE: Any other modification to  
6 what is included in this document has to come  
7 before the Commission. So, it cannot be  
8 modified unilaterally for example by MGM.

9 So, if it was MGM had a concern or  
10 if Mass. Historic wanted to make a change or  
11 DOT we know is going to be incorporated by  
12 reference, they would all have to come to the  
13 Commission. And you would reopen these to make  
14 those changes.

15 COMMISSIONER ZUNIGA: Okay. I am on  
16 page 10, and this is language from our  
17 consultants, which I think is here that it's  
18 incorporated and very relevant, but help me  
19 understand just the notion of coordinate,  
20 coordinate with the city of Springfield. Is it  
21 essentially just delegated, not delegated,  
22 reserved for the city to come up with whether  
23 some of this has been satisfied?

24 MS. BLUE: Many of the items in the

1 Section 61s that are local in nature -- If you  
2 think about Section 61s, they are designed  
3 predominately to address matters that impact  
4 state regulated processes.

5 But what we've done here because we  
6 know that Springfield has a large role to play  
7 and there's a lot of local mitigation is we've  
8 added language to our Section 61s that  
9 incorporates any of the mitigation measures  
10 required by the city of Springfield.

11 This is the kind of measure that  
12 will be addressed during the Springfield  
13 permitting process. So, if they adopt it as we  
14 have it drafted here that's great. It'll get  
15 incorporated by reference. If they do not, but  
16 adopt it a different way, then the Commission  
17 can take a look at either opening these again  
18 to formally adopt it or to just let it be  
19 incorporated by reference. But this is a local  
20 measure that would be addressed by the city of  
21 Springfield.

22 The local measures get looked at in  
23 the Section 61s, but they are not under the  
24 predominant purview of the MEPA folks.

1                   COMMISSIONER ZUNIGA: How would we  
2 recognize the need to reopen this if necessary?

3                   MS. BLUE: Because any change that  
4 gets made will be coming to us to staff to  
5 review. And if it's a conflict, then we would  
6 advise the Commission and ask you to look at  
7 it.

8                   There's also language in this  
9 document that says that if there is any  
10 conflicting provision that comes up in a permit  
11 or some other way and MGM knows about it, they  
12 need to notify us so we can have it reviewed  
13 and then determine if it needs to be reviewed  
14 by the Commission.

15                   COMMISSIONER ZUNIGA: I think Mr.  
16 Wong spoke about this. I'm on page 15 of the  
17 off-site roadway improvements. My question  
18 here was where? Are they in general or are  
19 these off-site improvements understood to be  
20 the closest to the viaduct therefore East  
21 Columbus?

22                   MS. BLUE: The off-site improvements  
23 they are mentioned in here generally already.  
24 They will also be mentioned again in the DOT

1 findings, I would think. They are related to  
2 the project. They may not necessarily be right  
3 next to the project but they are improvements  
4 that need to be made because of the project.

5 So, they can be signals, timing,  
6 striping, sometimes minor things maybe a few  
7 more larger items. But those are the things  
8 that will get worked out as part of the  
9 Springfield permitting process.

10 COMMISSIONER ZUNIGA: There is a  
11 number of areas here that talk about anti-  
12 idling measures but notably on construction  
13 only. And I believe they should also apply to  
14 the operations for air quality purposes, for  
15 traffic purposes. The first time I saw it here  
16 is on page 17.

17 I guess my question is shouldn't  
18 they apply to operations. There's also on page  
19 traffic related strategies to reduce motor  
20 vehicle traffic and idling, for example. The  
21 schedule says only on operations -- I'm sorry,  
22 on construction prior to and during.

23 That's also on page 18 where it says  
24 to implement traffic related strategies to

1 reduce emissions like charging stations and  
2 designated parking spaces, which to me relate  
3 more to the operations but the reference says  
4 here that it's prior to and during  
5 construction.

6 So, I have a general question  
7 whether this really should apply to during  
8 operations as well, some of this anyway.

9 MS. BLUE: The way these were set  
10 up, they were part of what MEPA reviewed in the  
11 FEIR and the MPC certificate process.

12 We as a Commission could determine  
13 during operation as we look at things like  
14 design change whether we wanted it to have  
15 those included. We could make those license  
16 conditions if we would like. These were  
17 reviewed by the Secretary in the context of  
18 construction.

19 We can certainly ask our consultants  
20 to take a look at them and we can think about  
21 whether during operations we want to include  
22 that.

23 We would also want to look back at  
24 their RFA-2 application, because to the extent

1 that they discussed any of these measures in  
2 their RFA-2 application, they would already be  
3 incorporated into their license as conditions.  
4 So, we'd want to take a look at that too.

5 CHAIRMAN CROSBY: Many of these  
6 conditions states and during operations. Does  
7 one of you know, is there some reason why it  
8 would not have applied to the idling? Is there  
9 some logic to that why they would have singled  
10 other to apply during operations but not  
11 idling?

12 I can imagine idling is a particular  
13 problem because you've got all of these trucks  
14 sitting around with loads. So, it's clearly  
15 enhanced during the construction process.

16 COMMISSIONER ZUNIGA: The buses tend  
17 to idle a lot. If there's buses, passenger  
18 buses, they tend to idle a lot. And sometimes  
19 the operator in the winter to keep warm is just  
20 sitting there, which produces a lot of idling.

21 MS. BLUE: I think one of the things  
22 about these findings, they were proposed by MGM  
23 as part of their FEIR and their notice of  
24 project change. Some of these issues,

1 particularly transportation related, will also  
2 be looked at again in the DOT findings. So, we  
3 will be reviewing them when they come in.

4 But we can certainly consider them  
5 further and have our consultants look at them.  
6 We'll be looking at things like where the buses  
7 go, and how the garage works. The city will  
8 look at them as well. So, we can take another  
9 look at them down the road.

10 COMMISSIONER STEBBINS: I think if  
11 you talk to commercial bus operators, Peter Pan  
12 based in Springfield, the regulations that bus  
13 operators have to operate under in terms of  
14 idling time and everything else, and not  
15 necessarily maybe it needs to be reflected  
16 here, but certainly commercial bus operators  
17 are really aware of really tight and stringent  
18 idling requirements.

19 COMMISSIONER CAMERON: Mr. Ziemba,  
20 you have something?

21 MR. ZIEMBA: In speaking with the  
22 MGM representatives, they recommend that we add  
23 the words and operation to that specific  
24 section of the Section 61s. We can adopt that

1 and incorporate that.

2 COMMISSIONER ZUNIGA: All right.

3 CHAIRMAN CROSBY: That was easy. Do  
4 you have some more?

5 COMMISSIONER ZUNIGA: Another  
6 question on page 21. This is very minor, but  
7 there seems to be a repeat of relocation and  
8 renovation of state registered properties,  
9 which is already in the first bullet as opposed  
10 to the third. Maybe we can just mention that  
11 it's certain properties that get relocated, not  
12 all of them obviously.

13 But the more substantive one on that  
14 page that I had as a question was there is  
15 mention under the construction section that  
16 there's all kinds of schedule that will be  
17 updated by the contractor to affected parties  
18 in local neighborhoods. Who are these parties?  
19 Are they reasonably identified besides  
20 abutters?

21 MS. BLUE: We can ask MGM that.  
22 They are definitely abutters, but they would  
23 also be people beyond just the abutters, people  
24 who are impacted by the construction. And I

1 think one of the things we would want to know  
2 -- We have to remember too, we have our project  
3 oversight process, our regulation number 135.

4 That is a question we can look as we  
5 do the project oversight process as to where  
6 the plans are, who they shared them with, if  
7 there's additional folks that we think that  
8 they should be shared with, we can certainly  
9 have that as part of the process.

10 COMMISSIONER ZUNIGA: I just don't  
11 want to create an unnecessary expectation that  
12 there should be all these outreach beyond  
13 what's reasonable if it's only very broadly  
14 identified, for example.

15 MS. BLUE: I think we would expect a  
16 heightened level of outreach for a project this  
17 size. We'll work with MGM on it.

18 COMMISSIONER ZUNIGA: On page 22  
19 there's another reference to idling but we  
20 covered that because it's also operations. My  
21 final question is on page 23.

22 CHAIRMAN CROSBY: That one says  
23 construction activities, that reference.  
24 Effort be made to minimize the noise impact of

1 construction activities.

2 COMMISSIONER ZUNIGA: Good point.  
3 Where it says establish a goal of 100 percent  
4 diversion of construction waste, it made me  
5 think about demolition waste. Is there  
6 anything to that effect already in the  
7 Secretary's certificate or in these findings.

8 MS. BLUE: I think the construction  
9 waste would be demolition waste as well. It's  
10 all part of the construction.

11 COMMISSIONER ZUNIGA: All of the  
12 demolition?

13 MS. BLUE: I believe so. If MGM  
14 feels differently, they can let us know. But  
15 it's all part of construction, the demo from  
16 day one.

17 COMMISSIONER ZUNIGA: Maybe they can  
18 get back to us if they're going to just divert  
19 everything from the site.

20 CHAIRMAN CROSBY: It's only a goal  
21 for one thing.

22 MS. BLUE: And it's everything that  
23 they aren't going to reuse too. They have  
24 considerable materials that they will be

1 reusing from historic buildings and facades.

2 COMMISSIONER ZUNIGA: Just 100  
3 percent sticks out always.

4 CHAIRMAN CROSBY: Do you want to  
5 check with that with them John and see if  
6 there's anything that needs to get rethought in  
7 that one?

8 MR. ZIEMBA: We certainly can. I  
9 don't know if that would be included within  
10 this sort of scrivener's authority that we were  
11 asking for in terms of the overall authority.

12 CHAIRMAN CROSBY: I would say yes,  
13 Commissioner Zuniga, if you're comfortable  
14 that.

15 COMMISSIONER ZUNIGA: Yes, I'm  
16 comfortable with that.

17 MS. BLUE: So, the process for the  
18 Commission would be in your packet we have two  
19 motions. One is a motion to adopt the Section  
20 61 Findings. Once the Commission does that,  
21 Mr. Ziemba and I will take the steps we need to  
22 clean them up and to get them filed.

23 The second motion is for you to  
24 issue the final license. If you recall, we

1 have stated that the license that was issued  
2 last year was conditional upon the Section 61  
3 Findings. We're at a point now where we can do  
4 that.

5           So, what I would ask is that you  
6 first adopt the resolution that adopts the  
7 Section 61 Findings. You don't have to read  
8 it, but if you could refer to that as it's in  
9 your book. And it'll give us the opportunity  
10 to make any typographical and mechanical  
11 errors. There are some typos in it that we  
12 need to clean up.

13           And then once that motion is  
14 adopted, if we can adopt the second motion in  
15 the same way by referring to the motion that's  
16 in your book. What we will do in the legal  
17 department is after you've adopted the motion,  
18 we will set it up in a certified motion form  
19 and we will attach it to the minutes of this  
20 meeting.

21           So, when we approve the minutes of  
22 this meeting at the next meeting those  
23 resolutions and how the vote went will be  
24 posted and they'll be with our materials.

1 I will also just for the audience  
2 sake, Commissioner Macdonald because he was not  
3 here during this process, the review process,  
4 will abstain from voting on both resolutions.

5 COMMISSIONER STEBBINS: Lucky him.  
6 I had a question before move ahead with these  
7 motions. I understand how important the  
8 document is. I understand how important this  
9 step is. It hopefully allows MGM to begin  
10 moving ahead with construction, the early  
11 demolition steps.

12 I guess what the document brought  
13 out for me and maybe there's the role that  
14 Pinck has in kind of the project management of  
15 this, there are some flags for me in terms this  
16 process going forward. I'm concerned about  
17 traffic on Union Street, the other traffic in  
18 and out.

19 We're not close to it but I'm also  
20 interested in the HLT report with respect to  
21 the retail makeup. I have to admit, I'm a  
22 little disappointed that some of the job loss  
23 information because of the switch in the  
24 design, and I know these things are going to

1 happen. These are big projects. And we may  
2 see an increase in construction jobs but we've  
3 identified some job impacts here.

4 How can we -- Instead of just  
5 blessing this document, letting it go ahead,  
6 how can we as the Commission kind of find our  
7 way to continue to be updated on the Section 61  
8 Findings and the work that is essentially a  
9 follow-up result of our approval of this  
10 document.

11 MS. BLUE: There's a couple of  
12 processes in place to do that in addition to  
13 your ability to have them come in and report on  
14 it at any time that you would like, but there's  
15 two processes. The Section 61s themselves  
16 require MGM to update you on a quarterly basis  
17 as to where they are with these and how they  
18 complying.

19 They also do a regular quarterly  
20 report which I think would probably be the best  
21 place to have them tell us where there are on a  
22 whole group of things. Your question about the  
23 retail, questions about jobs, questions about  
24 all of those things as we go forward would be

1 coming up in their quarterly reports.

2 And then we also have the  
3 construction oversight process where they do  
4 come in. They have to give regular reports.  
5 They can come in more frequently. Again, this  
6 is a much larger project than Plainridge. So,  
7 we may determine that we want more information  
8 or information in a different form and on a  
9 more frequent basis, whatever the Commission  
10 would like. So, I think it is not a situation  
11 where we're putting these out there and we're  
12 not going to come back and revisit them. We  
13 will.

14 COMMISSIONER STEBBINS: Okay. Thank  
15 you

16 CHAIRMAN CROSBY: Any other  
17 discussion?

18 COMMISSIONER ZUNIGA: No.

19 CHAIRMAN CROSBY: Does someone want  
20 to try the motions, not read them all just  
21 refer to them as put in the book.

22 COMMISSIONER ZUNIGA: I'd be happy  
23 to try to summarize what I think is very great  
24 work from our team. Up to this point, it has

1 been many weeks and a lot of hard work, back-  
2 and-forth between a number of parties, a lot of  
3 work on behalf of MGM, our consultants and  
4 especially Ombudsman Ziemba and Counsel Blue.

5 I would therefore move that the  
6 Massachusetts Gaming Commission find that all  
7 feasible measures have been taken to avoid and  
8 minimize the impact to the environment by Blue  
9 Tarp Redevelopment for the reasons stated in  
10 these findings and authorize the Chair to  
11 execute the findings, as well as authorize  
12 General Counsel to take necessary procedural  
13 actions to effectuate these findings in  
14 accordance to MEPA, the Gaming Act and the  
15 regulations.

16 I would also add that we adopt the  
17 proposed findings regarding to the project  
18 pursuant to MEPA and the relevant sections  
19 stated here in the packet.

20 CHAIRMAN CROSBY: As Commissioner  
21 Macdonald had done on an earlier motion, maybe  
22 just amend to that a reference to this so that  
23 the wording is technically correct, add to that  
24 motion a reference as represented in the binder

1 in this appropriate section.

2 MS. BLUE: It's on page 112 of the  
3 electronic version of the packet.

4 MR. ZIEMBA: Counsel, do we have to  
5 reserve the right for the scrivener's changes?

6 MS. BLUE: Yes, and we'll make any  
7 scrivener's changes.

8 CHAIRMAN CROSBY: Are you okay with  
9 that?

10 COMMISSIONER ZUNIGA: Yes. I  
11 thought that was incorporated by the move to  
12 authorize to give you those effectuations.

13 MS. BLUE: We do have that, but I  
14 think if you add to your motion that we are  
15 adopting the motion as described on page 112 of  
16 the electronic packet and that you could give  
17 us the authority to make any scrivener's  
18 changes.

19 COMMISSIONER ZUNIGA: I would move  
20 that that be included in the motion.

21 CHAIRMAN CROSBY: Second?

22 COMMISSIONER CAMERON: Second.

23 CHAIRMAN CROSBY: Any other  
24 discussion?

1                   COMMISSIONER MACDONALD: I just want  
2 to note myself on the record that pursuant to  
3 advise of Counsel for the Commission because of  
4 the fact that I was not present and did not  
5 participate during the initial licensing  
6 period, that I should abstain on this and the  
7 next vote.

8                   CHAIRMAN CROSBY: Okay. Thank you.  
9 Any further discussion? All in favor, aye.

10                   COMMISSIONER CAMERON: Aye.

11                   COMMISSIONER ZUNIGA: Aye.

12                   COMMISSIONER STEBBINS: Aye.

13                   CHAIRMAN CROSBY: Opposed? The ayes  
14 have it unanimously. Do you want to try the  
15 next one?

16                   COMMISSIONER ZUNIGA: Sure. Is that  
17 the next page?

18                   CHAIRMAN CROSBY: Do the short  
19 version of it, just reference --

20                   MS. BLUE: That's on page 113 of the  
21 electronic packet and is the vote to take final  
22 agency action on the Region B Category 1 gaming  
23 license.

24                   COMMISSIONER ZUNIGA: I would move

1 that this Commission find -- that this  
2 Commission take the following action regarding  
3 the Category 1 gaming license for Region B as  
4 described in detail in the packet on page 113.

5 CHAIRMAN CROSBY: Along with the  
6 scrivener --

7 COMMISSIONER ZUNIGA: Yes, along  
8 with the scrivener reservation and authority.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER CAMERON: Second.

11 CHAIRMAN CROSBY: Further  
12 discussion?

13 COMMISSIONER MACDONALD: Only to  
14 note my abstention for the reasons stated.

15 CHAIRMAN CROSBY: Okay. Further  
16 discussion? All in favor, aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

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

22 COMMISSIONER CAMERON: Good work.

23 COMMISSIONER STEBBINS: Good work,  
24 team.

1                   CHAIRMAN CROSBY:  Ombudsman Ziemba  
2                   is still up items 5(c).

3                   MR. ZIEMBA:  Thank you again, Mr.  
4                   Chairman and Commissioners.  Up for  
5                   consideration today are the draft 2016  
6                   Community Mitigation Fund guidelines that were  
7                   discussed by the Commission on November 12.

8                   On that date, you directed me to  
9                   solicit input on the guidelines including a  
10                  public posting on the front page of our website  
11                  was made.  The guidelines were sent to all  
12                  committees under the Gaming Policy Advisory  
13                  Committee, to all regional planning agencies,  
14                  to all Region A, B and Category 2 host and  
15                  surrounding communities.

16                  In the memo, I detail a response to  
17                  comments that we received.  I can provide  
18                  further information on these issues as you  
19                  determine.  One item that I will highlight is a  
20                  suggestion from the Pioneer Valley Planning  
21                  Commission that requests us to -- that requests  
22                  some assistance for regional planning agencies  
23                  in part of their comprehensive review of  
24                  potential transportation planning grants.

1           In our guidelines, we recommend that  
2 we should reach out to regional planning  
3 agencies to help us review transportation  
4 planning grant requests. In the PVPC  
5 memorandum, they note that some of this  
6 assistance could be rather resource intensive  
7 and time intensive.

8           Consistent with how we have dealt  
9 with regional planning agency assistance in the  
10 past, they have provided overwhelming  
11 assistance to us throughout the course of our  
12 evaluation and licensing process and also in  
13 the development of our policies. We have been  
14 able somewhat to recoup some of their costs  
15 through some of our grants as part of our  
16 evaluation processes.

17           So, in that regard I recommend to  
18 the Commission that you ask me or direct me to  
19 try to work with the regional planning agencies  
20 to find an effective mechanism to help  
21 reimburse very significant costs that they may  
22 experience. I can work with Director Lennon in  
23 that regard.

24           One other matter that was

1 referenced, one other matter that I will  
2 reference that is included in the current  
3 guidelines but it doesn't relate to a comment,  
4 but we've had some dialogue recently over the  
5 last couple of days regarding this one matter.

6           In our guidelines we have what is  
7 required, it is a match that is required for  
8 impacts -- a match or a partial match that is  
9 required for significant impact application.  
10 So, if there is a significant impact  
11 application that affects nongovernmental  
12 entities, our current guidelines makes  
13 reference that we would expect that there'd be  
14 at least a partial or a full match of the grant  
15 or assistance requested.

16           That is done so that there will be a  
17 full recognition of all of the roles and  
18 responsibilities of both our local partners and  
19 us in trying to mitigate these specific type of  
20 impacts.

21           One thing I will want to mention is  
22 that we potentially might want to include an  
23 ability to waive this requirement in our  
24 guidelines. As some communities, there are

1 agreements of different ilks throughout  
2 surrounding communities and host communities.

3           Surrounding communities, in many  
4 ways some of their agreements are not as  
5 comprehensive as in host communities. And  
6 potentially the resources that may be  
7 attributable to those agreements are not as  
8 substantial as in host communities. So, to the  
9 degree that we're requiring communities to  
10 provide a match or a partial match in relation  
11 to some of their mitigation responsibilities  
12 that may be very difficult based on the  
13 resources that are included in some of those  
14 agreements, some of the surrounding  
15 communities.

16           So, in that regard what I recommend  
17 is that you allow us to put in the guidelines  
18 an ability for communities to request a waiver  
19 of the specific match. The match would still  
20 remain in the guidelines but it would be up to  
21 the Commission upon its review of applications.  
22 That's something that we could add in the  
23 coming days as we try to get out these  
24 recommendations.

1           In that regard, I'm here to answer  
2 any questions you may have regarding the  
3 revised guidelines. We addressed a few of  
4 these sections since the last review but  
5 primarily they remain intact.

6           One thing I will note is the  
7 guidelines are in a constant state of  
8 evolution. We look forward to working with all  
9 of the communities, including the Gaming Policy  
10 Advisory Committees over the course of this  
11 next year to continue to refine these  
12 guidelines, especially as we get closer to  
13 operational Category 1 facilities.

14           CHAIRMAN CROSBY: Questions?

15           COMMISSIONER ZUNIGA: I have a point  
16 to make that will likely not change any of the  
17 guidelines, a couple of questions and a point  
18 that it's a bit just a food for thought and the  
19 way that I'm feeling about this.

20           Funding for mitigation comes  
21 primarily from Category 1, from the licensing  
22 fees upfront and the gaming taxes -- the taxes  
23 on gaming revenues. For all good reasons,  
24 we've included surrounding communities to the

1 Category 2 facility. And there's a couple  
2 places here, a \$500,000 figure that we have  
3 highlighted. And an example by which some of  
4 these impacts may be on a yearly basis amount  
5 to \$4 million or so, \$4.91 million in terms of  
6 those limits.

7 My worry is that some of the impacts  
8 might take more than a year or more to  
9 materialize or to be evident. And to the  
10 extent that we are spending and we're not, a  
11 lot of this one-time money upfront especially  
12 on surrounding communities to the Category 2  
13 facility, it diminishes our ability to look at  
14 and evaluate the impacts on the Category 1s  
15 that are much larger, and may take time to  
16 materialize, not just because they are lagging  
17 in terms of their construction, but because  
18 their impacts might again be seen or  
19 appreciated until much later.

20 I just want to offer -- And we're  
21 not approving anything in particular now.  
22 There's a little bit of a tie to the prior  
23 discussion. The more we start making reserves  
24 community by community, which is important for

1 a number of reasons including managing  
2 expectations and very fine whether those  
3 impacts are in fact being realized or not, our  
4 ability to address more significant impacts,  
5 and those lagging by definition gets a little  
6 diminished and eroded.

7           So, just coming from my background  
8 I'd like to have always -- I value to having  
9 the option of addressing something that's  
10 unanticipated because we of course don't know  
11 what that may be.

12           And a lot of what I hear in terms  
13 that applies, I think there's alternatives for  
14 us to look at. There are host and surrounding  
15 community agreements that by design should fund  
16 first. The local impact because we might be,  
17 and I think in our position we have to be more  
18 concerned about regional impacts for example,  
19 ones that could not have been addressed, let's  
20 say, by each one of the surrounding  
21 communities.

22           Overall, I think the guidelines are  
23 great. The incremental points that you've  
24 included to satisfy some of the comments are

1 also great, but I think there is great value in  
2 us resisting attempt to spend a lot of this  
3 upfront because both the real impacts happen  
4 much later with the Category 1s. And some of  
5 these by definition might take a while to  
6 manifest themselves.

7 MR. ZIEMBA: Commissioner, in  
8 response to that I'll point to page 11 of the  
9 Community Mitigation Fund guidelines.  
10 Specifically, we include a reservation. It  
11 says the Commission reserves the ability to  
12 determine a funding limit beyond what is  
13 detailed in these guidelines as additional  
14 contributions to the Community Mitigation Fund  
15 will not be made until Category 1 gaming  
16 facilities are operational.

17 In the earlier section that you  
18 referenced the \$4.91 million, I think what we  
19 stated in there is that the Commission  
20 anticipates spending absolutely more than \$4.91  
21 million.

22 From a staff perspective, we  
23 certainly share your perspective on what we  
24 don't know for needs. Certainly, should keep

1 this all in check in what we spend today. And  
2 to date I think we've been very deliberate in  
3 our conversations with communities, the  
4 conversation earlier today I think is exemplary  
5 of that type of approach. But we completely  
6 understand that approach that there can be very  
7 significant needs in upcoming years especially  
8 when we're operational.

9           And in the context of our  
10 conversations with the Gaming Policy Advisory  
11 Committees, we will try to figure how we can  
12 develop policies on what is funded on an  
13 ongoing basis because anything could have a  
14 presidential value that could in essence  
15 bankrupt the fund if it's carried to its  
16 extraordinary extent.

17           So, this is a work in process, but I  
18 think we share your approach wholeheartedly.

19           COMMISSIONER ZUNIGA: Thank you.

20           COMMISSIONER STEBBINS: John, one  
21 quick question as you're budgeting for this  
22 year's amount, does this 4.9 include the money  
23 that we've set aside for Springfield's request  
24 for the historic preservation fund?

1 MR. ZIEMBA: It does.

2 COMMISSIONER STEBBINS: I know last  
3 year the first round of applications we got,  
4 there was I guess some an agreed-upon general  
5 consensus of supporting the relocation of the  
6 Sherriff's facility. Are you taking that into  
7 account as you set that budget number?

8 We don't know what their ultimate  
9 application will be because they haven't  
10 figured out where they're going yet. But what  
11 are your thoughts?

12 MR. ZIEMBA: What's difficult is the  
13 \$4.91 million anticipates funding over the next  
14 three years because we will not have new funds  
15 until 2018. We are hoping that we have at  
16 least a quarter's worth of resources available  
17 to us from that third quarter if indeed the MGM  
18 facility is opening in that September timeframe  
19 that we'll at least have that quarter available  
20 to us, having some funding left in the kitty.

21 In regard to the Sheriff's project  
22 that is a 2015 request. We just received an  
23 update from the Sherriff in last day or so that  
24 potentially that request may be contemplated as

1 part of this year's application.

2 When I originally brought this  
3 before the Commission about a month ago, I  
4 think I anticipated based on conversations with  
5 the Sheriff that that would be more of a 2016  
6 request.

7 So, to the degree that we do  
8 consider this in the next month or two that  
9 would have an impact a little bit on what is  
10 expected to be available for 2016 through 2018.

11 COMMISSIONER STEBBINS: Okay.

12 COMMISSIONER ZUNIGA: Remind me, do  
13 we have a sense of how many of the planning  
14 reserves will be rolling over to 2016?

15 MR. ZIEMBA: We have listed all of  
16 the reserves that will be rolled over earlier  
17 in the guidelines. If you take a look at page  
18 three, all of those reserves will be moved  
19 forward into next year. The only one that has  
20 utilized the full extent of its reserve is West  
21 Springfield. As a result of the action earlier  
22 today, Mansfield has allocated its reserve even  
23 though it's a multiyear grant.

24 COMMISSIONER ZUNIGA: Everyone else

1 is rolling over.

2 MR. ZIEMBA: Everyone else is  
3 rolling over.

4 COMMISSIONER STEBBINS: Rolling the  
5 money over.

6 MR. ZIEMBA: That's right.

7 CHAIRMAN CROSBY: Other comments,  
8 questions?

9 COMMISSIONER STEBBINS: Mr.  
10 Chairman, I would move that the Commission  
11 approve the 2016 community mitigation reserve  
12 fund guidelines as presented here in our  
13 packet.

14 MR. ZIEMBA: Commissioner, if you  
15 would allow me to reserve the same scrivener's  
16 ability just I may have caught most of the  
17 things, but I may not have caught everything in  
18 the guidelines and the application.

19 COMMISSIONER STEBBINS: With the  
20 scrivener's exception.

21 MR. ZIEMBA: Thank you.

22 COMMISSIONER MACDONALD: Second.

23 CHAIRMAN CROSBY: Further  
24 discussion? All in favor, aye.

1 COMMISSIONER MACDONALD: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 COMMISSIONER STEBBINS: Aye.

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

7 COMMISSIONER ZUNIGA: As usual great  
8 work. There's a lot of management of  
9 expectations that goes with it and yours is  
10 always very thoughtful and responsive to the  
11 local comments.

12 CHAIRMAN CROSBY: A lot of work.

13 MR. ZIEMBA: In that regard, I will  
14 add the waiver ability in that one section  
15 regarding the application for waiver which  
16 remains subject to the Commission's approval.

17 COMMISSIONER ZUNIGA: In reality  
18 they always had that because this is more of  
19 the guideline and we don't have the final  
20 request before us.

21 MR. ZIEMBA: That's exactly right.

22 CHAIRMAN CROSBY: Item 5(d).

23 MR. ZIEMBA: Commissioners, I'm here  
24 to provide an update regarding the Sullivan

1 Square working group to which the Commission is  
2 a part.

3 As a reminder, in the MEPA, the  
4 Massachusetts Environmental Policy Act  
5 certificate following Wynn Everett's second  
6 supplemental filing final environmental impact  
7 report that certificate required the  
8 establishment of a regional working group,  
9 which would be led by the Massachusetts  
10 Department of Transportation, MassDOT.

11 And it's purpose would be to assess  
12 and develop long-term transportation  
13 improvements that can support redevelopment and  
14 economic growth in and around Sullivan Square.

15 One meeting has been held and more  
16 planned in the new year. It includes a number  
17 of interested agencies and important state and  
18 federal counterparts including the Commission  
19 and municipalities.

20 The review will involve impacted  
21 municipalities, notably Boston, Somerville and  
22 Everett. The Central Transportation Planning  
23 staff and the Metropolitan Area Planning  
24 Council, MAPC will provide support for the

1 review. They will help analyze the  
2 transportation challenges in the area as well  
3 as the significant economic development  
4 prospects including the Wynn Everett facility.

5 The tasks of this group have not yet  
6 been finalized. However, it is likely that  
7 this group will look at funding options for  
8 this area. The group could look at significant  
9 federal and state funding sources, municipal  
10 sources, innovative financing techniques,  
11 private developer contributions.

12 In regard to the Gaming Commission,  
13 it is likely that the use of Community  
14 Mitigation Funds could be considered. It is  
15 certain that solutions to long present traffic  
16 issues and infrastructure to support growth in  
17 the region will involve numerous of these such  
18 sources.

19 However, in advance of these  
20 conversations, further confirmation about the  
21 use of Community Mitigation Fund may be useful.  
22 Just a short while ago, the Commission  
23 authorized transportation planning grants that  
24 could be utilized for projects such as Sullivan

1 Square.

2 While Sullivan Square benefits from  
3 a significant earmark for planning, the  
4 allocation for transportation planning grants  
5 demonstrates Commission values work on  
6 improving gaming related transportation  
7 networks.

8 Further, the Commission recognized  
9 the value in the Sullivan Square long-term plan  
10 when it allocated millions in its Wynn related  
11 mitigation agreements. In regard to the  
12 mitigation fund, we have conservatively  
13 estimated that Wynn's contribution to the fund  
14 could be approximately \$12 million a year once  
15 the Wynn facility is up and operational.

16 This funding could be very important  
17 in addition to other transportation funds in  
18 the Gaming Act to help potential projects such  
19 as Sullivan Square. Indeed, Sullivan Square is  
20 very important to the economic development and  
21 transportation networks of the region.

22 I welcome your thoughts on this  
23 matter. Indeed as we are just at the beginning  
24 of this long-term group any specifics on

1 funding and priorities and regarding the  
2 ultimate project remain to be discussed.  
3 Obviously, the city of Boston is working  
4 forthwith on its project.

5           However, I believe that the  
6 Commission could play an important role  
7 including through its Community Mitigation Fund  
8 in helping to benefit the region and allow the  
9 Commonwealth to meet the objectives under the  
10 Expanded Gaming Act in regard to this project  
11 in this region.

12           CHAIRMAN CROSBY: Questions or  
13 comments?

14           COMMISSIONER STEBBINS: I feel like  
15 I almost repeat my prior point in this context,  
16 because one thing that everybody agrees needs  
17 mitigation and to look at seems to be traffic  
18 anywhere, but especially in Sullivan Square and  
19 around the Region A license.

20           So, having the option to look at  
21 where the limited dollars we have could go the  
22 longest for regional planning purposes or  
23 regional solutions, etc. is in my view the best  
24 place to put the monies that came to this fund

1 for those very purposes.

2 CHAIRMAN CROSBY: Did you say the  
3 million dollars that we have?

4 COMMISSIONER ZUNIGA: No, whatever  
5 we have the mitigation funds that we have, yes.

6 COMMISSIONER CAMERON: I would agree  
7 that's an appropriate use of the fund.  
8 Sullivan Square is certainly the biggest issue  
9 that has come up through the entire process by  
10 a number of communities. So, it certainly is a  
11 regional issue.

12 And appropriate for us to look at  
13 whatever monies would be available to use  
14 toward the long-term solution.

15 COMMISSIONER STEBBINS: I would  
16 agree. I also think obviously the recent good  
17 news about Congressman Capuano bringing home  
18 some federal funds to find a solution to  
19 Sullivan Square just make it that more likely  
20 that we can see a solution.

21 CHAIRMAN CROSBY: I would add my  
22 two-cents worth also. I don't think there's a  
23 vote required here. And there's nothing  
24 specific on the table, but I think we do want

1 it conveyed that it's the sense of this  
2 Commission that we have a role to play in  
3 solving this.

4 And that DOT needs to know that  
5 we're committed to this and we have resources  
6 to bring to bear. The city of Boston needs to  
7 know that we are committed to this and we have  
8 resources to bring to bear. So, it sounds like  
9 we're all agreeing on that and that should be  
10 conveyed in no uncertain terms that this is a  
11 very big deal, not only because this casino is  
12 a very big deal but because the regional impact  
13 of that location is so extraordinary.

14 MR. ZIEMBA: Great. Thank you.  
15 That provides me guidance for the conversations  
16 during the working group. Thank you.

17 COMMISSIONER MACDONALD: Just so I  
18 run about my comments, I agree wholeheartedly  
19 with what has been said, and specifically with  
20 what the Chairman just summarized.

21 CHAIRMAN CROSBY: Great.

22 MR. ZIEMBA: Thank you very much. I  
23 think that concludes my report.

24 CHAIRMAN CROSBY: Good job.

1 COMMISSIONER ZUNIGA: Thank you.

2 CHAIRMAN CROSBY: All right, Dr.  
3 Lightbaum.

4 DR. LIGHTBAUM: Good afternoon,  
5 Chairman and Commissioners. We have a request  
6 by a new organization, the Massachusetts  
7 Thoroughbred Horsemen's Association, to be  
8 recognized as a group representing the horsemen  
9 in Massachusetts.

10 So, Catherine Blue and I have been  
11 working through this issue. Catherine has  
12 developed this memo that's in front of you, and  
13 I'll turn it over to her.

14 MS. BLUE: Thank you. In your  
15 packet, you have a memo on this matter. As you  
16 may recall, there are two groups on the  
17 thoroughbred horse racing side who have come  
18 before the Commission to ask for recognition in  
19 particular. So, we thought it would be  
20 appropriate to review not only our statutes but  
21 to look at what happens in other jurisdictions  
22 and how this is handled.

23 So, I would say as a general rule, I  
24 looked at the jurisdictions that you'll see in

1 the memo. I looked at New York, Virginia,  
2 Maryland and Pennsylvania. Dr. Lightbaum was  
3 able through her RCI contacts to do a little  
4 survey through them as well to see what other  
5 people do. And what's clear when you look at  
6 this issue is that generally recognition  
7 provides -- it serves really two purposes.

8 It really is to govern the payment  
9 of money, so the payment of purse monies. And  
10 also to govern the payment of any sort of  
11 health and welfare benefits that go to the  
12 horsemen.

13 Very few states specifically require  
14 recognition of a horsemen's group. And by  
15 specifically, I mean have a statute that says  
16 the governing racing body has to recognize a  
17 particular group. It happens more, I think,  
18 organically where there are oftentimes maybe  
19 only one group in that particular jurisdiction.  
20 Or in a number of jurisdictions, there is a  
21 particular horsemen's group for each track even  
22 if there's more than one thoroughbred  
23 racetrack, there could be more than one  
24 thoroughbred group that represents it.

1           The only state that we came across  
2 where there was a specific requirement was  
3 Virginia. That is a relatively new  
4 requirement. It was effective July 1 of this  
5 year. It seems to have grown out of the fact  
6 that there were some issues with the  
7 thoroughbred racetrack, Colonial Downs in  
8 Virginia. And there was a dispute with the  
9 horsemen.

10           And it looks like the Legislature  
11 went ahead and passed the statute. The statute  
12 in Virginia defines what a horsemen's group is.  
13 And that definition is in the memo. So, the  
14 commission there grappled with trying do what  
15 the Legislature instructed them to do.

16           And a couple of things were pretty  
17 clear from read the transcripts of their  
18 meetings, which was even though they didn't  
19 have more than one group there was a certain  
20 disconnect between how the group that applied  
21 to be recognized ran its business and how the  
22 statute required it to be run.

23           So, there's a lot of give-and-take  
24 between the commission and the group with the

1 commission ultimately requiring the group to  
2 rewrite its bylaws to conform to the statute.  
3 So, it was very much a practice driven process  
4 but the statute required a more specific sort  
5 of compliance. And the groups had to kind of  
6 come together to do that.

7           So, it was difficult. It was  
8 certainly difficult. In Virginia, the way they  
9 determined it was they picked a year where they  
10 took all of the licensees that were licensed by  
11 the Virginia commission and they determined  
12 that to be the group of horsemen. And then the  
13 question was did this group represent a  
14 majority of those horsemen?

15           There were some unusual things that  
16 came out of that review. So, in Virginia for  
17 example there were roughly 1400 people on that  
18 license list. Of that 1400 people, only 200 of  
19 them resided in the Commonwealth of Virginia.  
20 There were roughly only about 200 people that  
21 ever voted out of that 1400-person group.

22           So, I think what it made clear to me  
23 was that people who race, they move from state  
24 to state. They are often members of horsemen's

1 groups in other states even though they don't  
2 reside there. So, the list of who's licensed  
3 is generally a much broader list than the list  
4 of the people who are active or part of the  
5 Commonwealth.

6 The other situation that came up not  
7 on the thoroughbred side in Virginia but in the  
8 harness side that was the harness horsemen's  
9 group not only allowed owners and trainers, but  
10 allowed drivers and grooms to be members of the  
11 horsemen's group.

12 And in Virginia, they advised the  
13 harness horsemen's group that they could have  
14 those folks be part of their membership if they  
15 liked, but they could not be allowed to vote  
16 because they weren't horsemen in terms of  
17 owners and trainers as described by the  
18 statute. So in essence, they were going to  
19 have to go back and redraft their bylaws to  
20 change something they had been doing for many,  
21 many years.

22 So, after reviewing all of that,  
23 what it seemed to me would be the best course  
24 is under our statute there is no obligation to

1 recognize a horsemen's group. There is a  
2 description, sort of a broad description of  
3 what a horsemen's group is in different parts  
4 of our statute.

5 And it's basically referred to as  
6 the group that represents the majority of  
7 people who race at the track. There is no  
8 further guidance in our statute on that. We do  
9 not have regulations on this and never really  
10 have had regulations.

11 So, what we wanted to do is bring to  
12 the Commission a suggestion that we draft a  
13 regulation that is an amendment to the  
14 regulation for the Race Horse Development Fund,  
15 because again this is predominantly about the  
16 payment of money more than anything else that  
17 talks about the horsemen's group being the  
18 group that represents the majority of owners  
19 and trainers at a track. And that they have  
20 entered into a purse agreement with that track.

21 Once that has occurred, then the  
22 Commission will obviously make purse money  
23 payments to the track in the amount that the  
24 tracks request. And if there's more than one

1 horsemen's group in the Commonwealth, say  
2 there's more than one track and there's more  
3 than one group and they do enter into a purse  
4 agreement with the track that the Commission  
5 would split the health and welfare portion of  
6 the benefits evenly between the two groups.

7 Dr. Lightbaum and I didn't  
8 particularly feel comfortable coming to the  
9 Commission and suggesting that you do take some  
10 formal action to recognize the horsemen's  
11 group. We think that would be very difficult  
12 to determine who they are, where they belong.

13 One of my concerns was there's  
14 nothing to prevent people necessarily from  
15 belonging to both groups. So, it would be a  
16 difficult situation to try to manage. But we  
17 wanted to bring you the memo and have you think  
18 about it. And then instruct us on how you  
19 would proceed.

20 The other piece that we think is  
21 important is we do have regulations that talk  
22 about issuing owner's licenses. And our  
23 regulation is not entirely clear as to what  
24 percentage of a horse you need to own to get an

1 owner's license.

2           It implies that you have to have 20  
3 percent to get an owner's license. We think  
4 that perhaps we've issued owner's licenses to  
5 people who own significantly less than that  
6 which then creates sort of this artificial pool  
7 of owners. And we would like to clarify our  
8 current regulations to say that unless you own  
9 20 percent of a horse we are not going to issue  
10 you an owner's license. That would at least  
11 put some parameters around the number of  
12 owners.

13           CHAIRMAN CROSBY: Comments,  
14 questions?

15           COMMISSIONER CAMERON: General  
16 Counsel Blue, we are not voting on this  
17 document, but you are recommending some changes  
18 in regulation. So, we wouldn't be authorizing  
19 either group but we would be indicating that  
20 they are each free to operate in the  
21 Commonwealth.

22           MS. BLUE: That's correct. What  
23 we're looking for today is guidance from you to  
24 go back and draft regulations that we would

1 bring back to you for your review and comment,  
2 and comment by the public too that would  
3 basically set up a structure like that. That  
4 would say the recognized horsemen's group is  
5 the group that represents the majority of  
6 people who race at the track -- And they would  
7 have to work that out with the track. It  
8 wouldn't be with the Commission. -- and who has  
9 entered into a purse agreement with that track.

10 COMMISSIONER CAMERON: The only two  
11 pieces that would distinguish the two would be  
12 the two references at 128A giving the NEHBPA a  
13 seat on the race horse committee as well as the  
14 approval for simulcasting.

15 MS. BLUE: That's right. There's  
16 only two places in our statute where they  
17 mention a particular horsemen's group. One is  
18 in the race horse committee that they have a  
19 seat. And I think that's fine but I would say  
20 that we would then instruct the Commission's  
21 member, if there's more than one horsemen's  
22 group to think about the needs of the second  
23 horsemen's group as part of their job on that  
24 committee, which I think would make sense.

1                   And then in terms of the  
2 simulcasting, what the language says is that if  
3 that organization approves simulcasting for one  
4 track, they need to approve it for all. They  
5 can't just approve it for one. So, my hope  
6 would be that they would work that out.

7                   CHAIRMAN CROSBY: Your hope would be  
8 what?

9                   MS. BLUE: That they would work it  
10 out with both tracks because there is no  
11 incentive to have one track simulcasting and  
12 another not, but the statute would require that  
13 approval anyways.

14                  COMMISSIONER CAMERON: You believe a  
15 change in regulation can accomplish these  
16 goals.

17                  MS. BLUE: I think they can. We're  
18 going to also look at fact that the statutes  
19 sunset this July. And at that point, if we  
20 want to make recommendations for new  
21 legislation or we create all new horse racing  
22 regulations, we could address it there as well.

23                  But for the time being, we think  
24 this would at least set a framework and we

1 could proceed with that.

2 COMMISSIONER ZUNIGA: Under this  
3 scenario, what might the dynamics be if say a  
4 very small group of people enter into a purse  
5 agreement with a track? That's the hook in  
6 your recommendation.

7 MS. BLUE: Yes.

8 CHAIRMAN CROSBY: And represent 51  
9 percent of the licensees.

10 MS. BLUE: They have to represent  
11 the majority because a track is not going to  
12 enter into a purse agreement with a group that  
13 represents less than the majority because the  
14 purse agreement cover use of the funds not only  
15 for purses. So, we had that change in our  
16 statute this year but that really just codified  
17 past practice.

18 COMMISSIONER ZUNIGA: Okay, two  
19 criteria. I've always struggled with the  
20 denominator piece, which the example of  
21 Virginia may be very relevant to the other  
22 Commonwealth of Massachusetts where there's  
23 however big group here, people who have lived  
24 here and had raced here for many years and who

1 knows how large but seemingly larger group of  
2 people that leave and race elsewhere.

3 What does the majority -- what does  
4 that 51 percent can be best calculated on?

5 MS. BLUE: In our statute, it's  
6 described as people who race at the track. We  
7 are in a unique situation here because we have  
8 had a very small pool of people race at Suffolk  
9 Downs in the last year and will most likely  
10 have a small pool this year.

11 And if we were back say two years  
12 ago that's probably an easier decision to make,  
13 but I think that when you think about the point  
14 of having a horsemen's group, the point is to  
15 let them enter into purse agreement to get  
16 their funds. And in our legislation the funds  
17 go both to purses and they go to administrative  
18 and organizational expenses. That was the  
19 change from last year.

20 So, the group that can show the  
21 track that they are the best person to use  
22 those funds that they have the members that are  
23 going to get the use out of those funds I think  
24 is probably in a better place to make that case

1 than perhaps the Commission.

2           COMMISSIONER ZUNIGA: I get that and  
3 that may be. But you can imagine the claim  
4 that well, we are 51 percent of fill in the  
5 blank, because we calculated it this way from  
6 2012 to 2013 or whatever. And somebody else  
7 bringing up a point well, that's not how I  
8 would calculate the 51 percent because if you  
9 count something else it comes out to be 49  
10 percent.

11           MS. BLUE: What my recommendation  
12 does is it puts that burden on the track. The  
13 other way to do it, which I think Maryland does  
14 it. Maryland doesn't require recognition but  
15 it has a dispute resolution process if there is  
16 dispute between more than one group.

17           The Maryland commission takes their  
18 license list at a certain point. They create  
19 the ballots. They send out the ballots. They  
20 take them back in. They count them. It is  
21 something the Commission could do.  
22 Conceivably, we could pick a year and say based  
23 upon the license list of this year, these are  
24 the people who are the owners and trainers.

1 So, they are the horsemen's group.

2 That may not necessarily be what  
3 each bylaws include. That's the problem that  
4 Virginia ran into. But the Commission could  
5 hold the election if it wanted to do that. We  
6 would need to craft regulations that spell that  
7 out. But that is one way when there's a  
8 dispute, some states have done that.

9 COMMISSIONER CAMERON: With the  
10 sunsetting, I wouldn't think that's appropriate  
11 for us to do.

12 CHAIRMAN CROSBY: But the problem is  
13 we're asking the tracks to do it.

14 COMMISSIONER CAMERON: They've  
15 pretty much already done it, Mr. Chair.

16 CHAIRMAN CROSBY: How could they?  
17 How do they know who represents the majority of  
18 the owners and trainers?

19 COMMISSIONER CAMERON: There's a  
20 preferred group at each track that has made  
21 application.

22 MS. BLUE: This is in essence what  
23 the track does every year. They haven't  
24 necessarily had rival groups, but every year

1 under our statute they talk about payments and  
2 purse agreements to the horsemen's group that  
3 represents the majority of people that race at  
4 the track.

5 So, every year the track should look  
6 at that and say, is this the horsemen's group.  
7 Practically, we have not had more than one  
8 group here. And in other states what usually  
9 happens is there's one group per track. So,  
10 Kansas had that, New York has that currently.

11 COMMISSIONER ZUNIGA: That could be  
12 a scenario here. You're referencing two  
13 applications, Commissioner, right?

14 COMMISSIONER CAMERON: I am.

15 COMMISSIONER ZUNIGA: That could be  
16 a different group per track.

17 CHAIRMAN CROSBY: Because there's  
18 one application for Suffolk and one application  
19 for Raynham -- for Carney.

20 MS. BLUE: For Brockton, yes.

21 CHAIRMAN CROSBY: This is really a  
22 figment, isn't it? In the past, it's been a  
23 figment. It's been that somebody has come in  
24 and said that we represent everybody. And in

1 the old days when there was no controversy  
2 everybody went along with it.

3 Now they come in and say we  
4 represent everybody, there's controversy. And  
5 a lot of people say no, they don't represent  
6 us. I don't know that the track or we at this  
7 stage of the game know who represents what  
8 percent of what. And the what is ill defined.

9 So, it seems to me we would either  
10 better off to just stay out of it. But if we  
11 write it this way then there's a burden that  
12 the track and the race horsemen's group has to  
13 demonstrate according to our reg. that they  
14 represent 51 percent of the people that race at  
15 the track.

16 COMMISSIONER CAMERON: But the track  
17 is the key, Mr. Chair because different groups  
18 would race at different tracks. So, I don't  
19 think it would be a hard burden.

20 CHAIRMAN CROSBY: In that case why  
21 would we put in something which is unnecessary  
22 is what you're saying. You're saying there's  
23 only one group that is applying to Suffolk at  
24 this point, only one horsemen's group. And one

1 horseman's group that's applying elsewhere.

2           So, there's really no -- We might  
3 need to vote to split the pot in half, but I  
4 don't know why we would want to vote to put in  
5 a compliance rule which they couldn't possibly  
6 comply with and what you're saying is  
7 unnecessary anyways.

8           COMMISSIONER CAMERON: Well, I think  
9 it speaks to Commissioner Zuniga's point that a  
10 very small group doesn't come in. So, what  
11 they're certifying to us is that the group they  
12 are negotiating with represents the majority of  
13 the horsemen who would race at that track.

14           COMMISSIONER ZUNIGA: By virtue of  
15 whoever it is, it may be 100 percent, right?  
16 Forget about the 51, we represent everybody who  
17 is going to race here because that's who we  
18 have.

19           CHAIRMAN CROSBY: So, the way to  
20 comply with this is for the track to certify to  
21 us that they comply with this?

22           MS. BLUE: And to enter into the  
23 purse agreement.

24           COMMISSIONER ZUNIGA: I believe

1 that's a real hook. At least the prior year,  
2 refresh my memory, there was no purse agreement  
3 before the actual meet.

4 MS. BLUE: Before the meet, no. The  
5 purse agreement was entered into at the end of  
6 the meet. And the purse agreement is the  
7 primary conduit for the purse monies that come  
8 out of the Race Horse Development Fund, what it  
9 can be used for.

10 I just personally and I just think  
11 Dr. Lightbaum would agree, it's a very  
12 important to have that purse agreement in place  
13 before the meet starts because it really lets  
14 everyone know what the share is going to be,  
15 how things are going to work.

16 There was a great deal of contention  
17 at the very last day of the meet last year  
18 about whether in fact the meet could go forward  
19 because there was no purse agreement.

20 COMMISSIONER ZUNIGA: But leaving it  
21 at 51 percent, for example, would also allow  
22 for say a purse agreement to be reached and  
23 someone else sitting on the sidelines saying  
24 you're not negotiating hard enough let's say on

1     behalf of the horsemen, after the fact come out  
2     and say on that I might be able to jump in and  
3     run for those purses, let's say, if it's  
4     something that's of interest.

5             MS. BLUE: They could. It's a  
6     difficult situation. I think we all  
7     acknowledge that. I think it would be  
8     certainly much preferable for the horsemen to  
9     work together as one group.

10            I think if you think what the  
11     Commission does, the Commission pays out monies  
12     to the horsemen's group in two ways. One is  
13     through the purses and that goes to the track.  
14     And then the purse agreement decides how it  
15     gets divided.

16            And then the Commission does pay  
17     directly to the horseman's group what I call  
18     the health and welfare benefit money. For  
19     that, that's a little easier for the  
20     Commission. No matter how many horseman's  
21     groups you had, you could determine you were  
22     just going to split that four percent evenly if  
23     you wanted to.

24            The bigger issue is who gets to

1 enter into a purse agreement.

2 CHAIRMAN CROSBY: Why wouldn't we  
3 just say that whoever enters into a purse  
4 agreement? Why put in the thing about the 51  
5 percent?

6 MS. BLUE: Our statute while it  
7 doesn't define it, does talk about the  
8 horseman's group who represents a majority of  
9 the horseman who race at the track. So, by  
10 doing that we would be consistent.

11 We don't have to say 51 percent. We  
12 could track the language in our statute. It's  
13 fuzzy because it's not put in there as a  
14 definition but it's in there as kind of a  
15 description of what the horsemen's group would  
16 be.

17 CHAIRMAN CROSBY: Right. We don't  
18 want to get in the -- At this stage, we can  
19 either get in the midst of trying to mediate  
20 this, which is another a way to go or don't get  
21 in it and let the market, if you will, resolve  
22 it itself. If you can get a purse agreement,  
23 if you're a horsemen's group and you can get a  
24 purse agreement with the track ipso facto you

1 represent the horsemen and you qualify.

2 COMMISSIONER CAMERON: It's our  
3 understanding that those decisions have already  
4 been made.

5 CHAIRMAN CROSBY: That's what I'm  
6 saying. So, why would we put in a clause  
7 that's just not necessary?

8 COMMISSIONER CAMERON: Because our  
9 regulations don't call for that at this point  
10 and it should be the majority of the horseman.

11 COMMISSIONER ZUNIGA: Which is what  
12 the statute says.

13 MS. BLUE: We don't have any  
14 regulations at all on this. We don't have to  
15 say 51 percent. We can say majority because it  
16 should realistically be at least the majority  
17 of people who race at the track because that's  
18 their voice. They're being heard on issues  
19 like simulcasting and divvying up of proceeds.

20 CHAIRMAN CROSBY: What do we do if  
21 somebody comes to us and says they don't  
22 represent the horsemen, we represent the  
23 horsemen?

24 MS. BLUE: Then we would say you

1 have to make that argument to the track. The  
2 track has to enter into a purse agreement with  
3 the horsemen who represent a majority of the  
4 horsemen.

5 COMMISSIONER ZUNIGA: Could the  
6 track enter into more than one purse agreement  
7 for different dates?

8 MS. BLUE: I didn't come across that  
9 situation. I think that would be hard, and  
10 Alex you can jump in. You have to have a  
11 consistent application of purse monies to  
12 everyone who races there. So, you would run  
13 the risk of having different terms apply to  
14 different people who would end up in the same  
15 race. So, that probably wouldn't work.

16 COMMISSIONER MACDONALD: Are we not  
17 under the present circumstances by deferring to  
18 the individual tracks simply kind of kicking  
19 the can down the road? And that we can  
20 anticipate almost with certainty that the  
21 tracks aren't going to be capable or least  
22 inherently the decision by the track would be  
23 hotly disputed?

24 We have in our materials today

1 letters from two people purporting to represent  
2 the horsemen's organizations, both of which  
3 claim to represent the majority of the horsemen  
4 in the Commonwealth. Isn't that a prescription  
5 for --

6 MS. BLUE: I think to your point  
7 would it be hotly disputed that wouldn't  
8 surprise me. Do I think the tracks know --  
9 these are a long-standing -- this is a long-  
10 standing group of people who have worked with  
11 the track in the tracks in this Commonwealth.  
12 They are certainly well known to each other and  
13 I think well known to the people who run the  
14 tracks. I think they have a far better ability  
15 to make a decision than we do.

16 And I think if you look at the  
17 Virginia example, what I think will happen in  
18 Massachusetts is that it is the owners and  
19 trainers who reside in Massachusetts who have  
20 the biggest interest in this as they should.  
21 Those will be the folks that will be talking to  
22 the track and talking about who they represent.

23 There is probably a large number, if  
24 we looked at it, of people who belong and who

1 race at the track in Massachusetts who come  
2 from New York, Maryland, Delaware because this  
3 is a ride the circuit kind of process.

4           So, I think what the tracks in  
5 Massachusetts may feel is that they will look  
6 for someone who represents the majority of  
7 people who reside in Massachusetts. And they  
8 will enter into a purse agreement with those  
9 folks. And the people who don't reside in  
10 Massachusetts will have lesser of an interest.  
11 They could have an interest but probably will  
12 have lesser of an interest.

13           CHAIRMAN CROSBY: Just for the  
14 minute, let me just explore the alternative.  
15 What Commissioner Cameron said, right now we've  
16 only got six months left under the law. None  
17 of us knows what will happen in six months.

18           And I would agree that if we were  
19 pretty confident that this was going to be over  
20 in six months, why go to all of the trouble to  
21 try to really sort this out.

22           But another way to look at it is  
23 chances are pretty good this isn't going to die  
24 June 30. Chances are pretty good there's going

1 to be an extension, another extension, another  
2 one-year thing or there'll be a new scenario or  
3 whatever. And that the Legislature will not  
4 simply let the thoroughbred industry die on  
5 June 30.

6 And if we think that's a pretty high  
7 degree of probability whatever form it comes  
8 in, then we could consider biting the bullet  
9 and having a real election, do like they do in  
10 Maryland and get this solved once and for all.

11 MS. BLUE: Before we would do that  
12 we would need to write regulations to do it,  
13 because we don't have any authority statutory  
14 or otherwise to do it. But we could do it by  
15 regulation.

16 That would most likely have to be a  
17 racing regulation, which then takes longer to  
18 promulgate. We have that 60 days that it has  
19 to sit in front of the Legislature before we  
20 can promulgate it.

21 So, we could. We wouldn't have it  
22 done maybe until March or April, which is still  
23 ahead of time for the thoroughbred season as we  
24 know it or understand it.

1           CHAIRMAN CROSBY: It's the last  
2 thing that we want to do. It's a pain in the  
3 neck. But it sounds to me like there's a  
4 pretty good chance we're going to have to do it  
5 sometime. And maybe we ought to do it now.

6           COMMISSIONER CAMERON: Maybe not.  
7 Sometimes these things have a way of working  
8 themselves out. Right now, we have one group  
9 who is interested in racing at one track and  
10 another group who is interested in racing at  
11 the other track.

12           They each have different goals. So,  
13 this is a way to because the law doesn't  
14 require us to certify one over the other,  
15 authorize one over the other, this is a way to  
16 recognize informally and allow them to do  
17 business with that particular track, if both of  
18 them end up racing this summer.

19           That's the other thing. There's  
20 just not clarity as to each of these  
21 applications moving forward at this time.

22           So, I actually agree with this  
23 recommendation that we do not have to authorize  
24 one over the other. They will both be free to

1 do business. We just observe the process and  
2 make sure we are giving money in the  
3 appropriate fashion and write those new  
4 regulations which are much less comprehensive.

5           And even what Maryland did is very  
6 difficult to do, because then we are in the  
7 business of finding out if a vote is  
8 legitimate, if a ballot was filled out  
9 legitimately, if those people in fact live  
10 where they say they live. It is not an easy  
11 thing to do.

12           So, an official ballot is one thing  
13 but trying to make heads or tails out of what's  
14 legitimate and all of those claims that would  
15 come in to say this is not legitimate is an  
16 undertaking that I don't see us a need to take  
17 this year.

18           CHAIRMAN CROSBY: Other thoughts?

19           COMMISSIONER ZUNIGA: Yes. I agree  
20 with Commissioner Cameron. However difficult  
21 this is in terms of what we understand the  
22 dynamics and tensions between the groups, we  
23 might be better off certainly at least for now  
24 with this notion.

1           The real hook is these two  
2 principles that you outlined in the packet,  
3 which I think they are entirely appropriate,  
4 the purse agreement and the clarification in  
5 the ownership percentage which are appropriate.

6           CHAIRMAN CROSBY: To me we either  
7 ought to do it right or we ought to get out of  
8 the way. And if we're going to get out of the  
9 way, which I'm comfortable with for a while  
10 least then it ought to be just the purse  
11 agreement.

12           Let the track tell us by virtue of a  
13 purse agreement who they want to do business  
14 with. We don't make any representations as to  
15 who they represent because we have no idea who  
16 they represent.

17           And it's going to be just as hard  
18 for the track for all of the reasons you just  
19 said they are not going to know who they're  
20 going to represent. So, let's get out of the  
21 representation business and let the execution  
22 of the purse agreement be the measure of who's  
23 going to be the horsemen's association for that  
24 track. That's fine. So, if you fix the

1 ownership criteria and do it on purse alone,  
2 then I would be okay with that.

3 COMMISSIONER ZUNIGA: I still think  
4 that the 51 percent is important.

5 COMMISSIONER CAMERON: The majority.

6 COMMISSIONER ZUNIGA: Or to speak to  
7 the majority one because that's statutory.

8 CHAIRMAN CROSBY: Wait, wait.  
9 What's statutory?

10 MS. BLUE: In our statute we don't  
11 have an expressed definition of the horsemen's  
12 group. We don't have a requirement to  
13 recognize one. But the horsemen's group is  
14 described in our statute. And generally, it's  
15 the majority of the horsemen who race at the  
16 track. That's all we say. It's not a  
17 definition. It's part of broader paragraphs  
18 that aren't dealing with this issue.

19 CHAIRMAN CROSBY: There is no  
20 statutory obligation for us to recognize.

21 COMMISSIONER ZUNIGA: No, there  
22 isn't, but I stand corrected there's statutory  
23 language that speaks to the horsemen's group  
24 that represents the majority of those racing at

1 the track.

2 DR. LIGHTBAUM: I believe it also  
3 become important in the simulcasting rights.  
4 That's Interstate Horse Act, it mentions  
5 majority of horsemen.

6 MS. BLUE: The federal law that  
7 governs simulcasting does have a definition of  
8 horsemen's group.

9 CHAIRMAN CROSBY: Simulcast isn't up  
10 for discussion. That's mandated under the  
11 statute.

12 MS. BLUE: This group has to approve  
13 it. That's what they do in the purse  
14 agreement. They approve the ability of that  
15 track to send out its signal.

16 CHAIRMAN CROSBY: I thought NEHBPA  
17 approved simulcast?

18 MS. BLUE: That's mentioned in our  
19 statute. And it says if they approve it for  
20 one track, they have to approve it for all.

21 But just to put it kind of in  
22 context of what the federal statute does, the  
23 federal statute is actually a little more  
24 difficult than ours, it talks about the

1 majority of the horsemen who race at a track on  
2 that day. So, we know that that's not workable  
3 on a daily basis.

4 But the horsemen's group has to  
5 approve it. And it would be important for the  
6 purse agreement to have sort of the majority  
7 idea that comes through the federal law to come  
8 through to us.

9 But you are correct, Chairman  
10 Crosby, we don't have to say it's majority. We  
11 could say if you enter into a purse agreement,  
12 you're the horsemen's group. You get that  
13 purse money through the purse agreement that we  
14 agree to pay and we split the rest.

15 COMMISSIONER CAMERON: I think  
16 Director Lightbaum's point is it helps the  
17 horsemen's association with their negotiations  
18 with the purse agreement to have the ability to  
19 withhold the signal. So, that's been a key  
20 negotiating point in purse agreements is the  
21 ability to use that leverage. This would give  
22 each group the ability to use that leverage in  
23 their purse agreement.

24 CHAIRMAN CROSBY: Is that right? I

1 thought NEHBPA has the authority to authorize  
2 simulcast and it has to do it for everybody.

3 MS. BLUE: They do. But what has  
4 held up purse agreements in prior years is  
5 that's the leverage for horsemen's group. So,  
6 in our statute that is one of the two places  
7 where they specifically mention the horsemen's  
8 group.

9 So, the idea would be that if they  
10 were to track and they asked to enter into a  
11 purse agreement that they would. And they  
12 would approve simulcasting for that track but  
13 automatically they would be required to approve  
14 it for the other track even if another  
15 horsemen's group entered into it.

16 CHAIRMAN CROSBY: That's what I'm  
17 saying. So, it doesn't give leverage to the  
18 non --

19 MS. BLUE: To the other necessarily,  
20 no.

21 CHAIRMAN CROSBY: Why would we  
22 require something which is impossible to  
23 deliver which is a true assertion that somebody  
24 represents a majority of something?

1           COMMISSIONER CAMERON: I don't know  
2 how that's impossible at that track. All we're  
3 saying is, okay, if you're going to race for  
4 example at Brockton, you are the group that  
5 represents the majority of horsemen at that  
6 track. The same thing would be at Suffolk  
7 Downs.

8           CHAIRMAN CROSBY: The way that would  
9 work would be the horsemen -- So, we know it's  
10 the NEHBPA goes to Suffolk says we represent a  
11 majority of the people who will be racing at  
12 this track. And Suffolk can say yes and then  
13 that does it. They come to us. So, whether  
14 they do or not --

15          COMMISSIONER CAMERON: We've never  
16 required proof in the past.

17          MS. BLUE: That's true. We have  
18 not. We basically said if you enter into a  
19 purse agreement that rules, that governs.

20          CHAIRMAN CROSBY: What does that add  
21 of value besides just using the purse  
22 agreement?

23          MS. BLUE: What the purse agreement  
24 gives us is when we pay the purse money --

1           CHAIRMAN CROSBY: I know. But what  
2 does the assertion of majority representation  
3 add to this process rather than just taking the  
4 purse agreement as the proof?

5           DR. LIGHTBAUM: I think it gets back  
6 to what Commissioner Zuniga said. You don't  
7 what to just have a track decide to deal with  
8 five people and say I'm agreeing to a purse  
9 agreement with these five owners and trainers  
10 and that's it. So, that's where the majority  
11 comes in.

12           COMMISSIONER ZUNIGA: You prevent a  
13 bit of a moral hazard, I think, in economic  
14 terms.

15           CHAIRMAN CROSBY: We should at least  
16 make them sign under oath. That just makes no  
17 sense, Alex. Anybody could come in, we don't  
18 know how many people anybody represents. We  
19 really don't. I don't anyway. Whether they're  
20 representing five people or 500 people, a  
21 majority, I don't think any of us knows.

22           If we're saying there's no  
23 controversy because there's only going to be  
24 one then we don't need to put in the red

1 herring well there might be five. The whole  
2 thing just doesn't make any sense to me.

3 If we want the purse agreement to be  
4 the sine qua non, then let the purse agreement  
5 be the sine qua non. And don't complicate it  
6 with something which is we all agree a figment.

7 COMMISSIONER CAMERON: I don't know  
8 that it's a figment, because I do think they  
9 have required people to sign with one group or  
10 the other. So, we have evidence that each  
11 group has a body of members and a significant  
12 body of members. So, we are dealing with two,  
13 in my mind, groups that have worked hard to  
14 gain a membership.

15 So, I do think we would know who we  
16 were dealing with. We know the individuals.  
17 We know what they stand for. We know a good  
18 deal about the body of membership, the  
19 meetings, the newsletters all of those things.

20 So, we have two groups that are  
21 reputable here. I think that language, all it  
22 does is say okay this is a group that has the  
23 majority in membership at that track to  
24 negotiate the purse agreement with.

1                   CHAIRMAN CROSBY: My last statement  
2 is I think we remember from all of the  
3 testimony a while back that a lot of people who  
4 were opposed to NEHBPA went to the race.  
5 They're not going to not race because they  
6 prefer the other leadership.

7                   COMMISSIONER CAMERON: Many of them  
8 didn't have the opportunity to race because of  
9 the quality horses that came in from the  
10 outside.

11                  CHAIRMAN CROSBY: That's a different  
12 issue. That's a different issue. You sort of  
13 made it sound as if only the NEHBPA people are  
14 going to go to Suffolk and the other folks are  
15 going to go to Carney's. So, what's the  
16 problem? I give up. I'm done. I'm finished.  
17 I've said my piece.

18                  COMMISSIONER MACDONALD: At the risk  
19 of exposing my ignorance here, but being so  
20 new, I'm not too embarrassed about it. What  
21 relationship does the discussion have to the  
22 Race Horse Development Fund?

23                  MS. BLUE: So, the predominant share  
24 of purse money now comes from the Race Horse

1 Development Fund. Before the Gaming Act was  
2 created, purse money came from a couple of  
3 places, partially from the takeout of each  
4 wager and then the track would oftentimes throw  
5 in purse money.

6 Because nine percent of Plainridge's  
7 gross gaming revenues gets deposited into the  
8 Race Horse Development Fund, there is a very  
9 much bigger source of purse money. That Race  
10 Horse Development Fund is split between harness  
11 and thoroughbred on a level that is determined  
12 by the race horse committee.

13 We've had some staffing issues in  
14 terms of who's on that committee. We need to  
15 get that committee back out there. And we need  
16 to get that committee to look at the split  
17 again because we have had a request to look at  
18 the split.

19 But right now, it's split 75/25 with  
20 75 percent of that Race Horse Development Fund  
21 money going to thoroughbreds.

22 And then by statute, of that 75  
23 percent, 80 percent has to go to purses, 16  
24 percent goes to breeders. We do know who the

1 breeders' organization is. So, we don't have  
2 that issue there. And then four percent goes  
3 to the organization that represents the  
4 horsemen for health and welfare benefits.

5 So, there is a big chunk of purse  
6 money, I think for last season we gave Suffolk  
7 \$1.2 million, I think Alex --

8 DR. LIGHTBAUM: Yes.

9 MS. BLUE: -- for the three days of  
10 racing that they had. This year if they were  
11 coming us on comparable terms, they'd look for  
12 about \$2.4 million.

13 So, that money that \$2.4 million  
14 gets spread across all of their races. And  
15 then a certain piece of that by statute, which  
16 they have to agree on, would then go towards  
17 that horsemen's group for what's called  
18 administrative and organizational expenses.  
19 So, expense to pay their executive director, to  
20 pay their rent, to keep the lights on, stuff  
21 like that.

22 So, that's really what's at issue  
23 here. It is about the payment of money. The  
24 purse money, because it's per race, is a little

1 bit more complicated. The health and welfare  
2 benefits that's four percent. We could  
3 determine that we want to divide that -- If  
4 there's more than one group, we could divide it  
5 evenly. I have less of a concern about the  
6 health and welfare benefit.

7 COMMISSIONER MACDONALD: So, health  
8 and welfare benefits are a separate category  
9 altogether?

10 MS. BLUE: They are. They're four  
11 percent of the share.

12 COMMISSIONER MACDONALD: So, in the  
13 memorandum where it says it's recommended that  
14 the regulation provided that in the event there  
15 is more than one horsemen's organization the  
16 monies will be split evenly between the  
17 horsemen organizations?

18 MS. BLUE: That's right. So, that  
19 would be that four percent. They would get  
20 half of it equally.

21 COMMISSIONER MACDONALD: Would that  
22 be regardless of the membership numbers or the  
23 constitution of those horsemen's groups?

24 MS. BLUE: Yes, because the goal of

1 that money is to provide some insurance  
2 benefits to this group of folks who are largely  
3 self-employed type folks. So, I think it  
4 furthers the statutory intent that they get  
5 some money to try and do that.

6 COMMISSIONER MACDONALD: So, as to  
7 the two existing and competing horsemen's  
8 organizations, namely the Massachusetts  
9 Thoroughbred Horsemen's Association and the New  
10 England one, you're recommending that we  
11 approve a regulation that would split the  
12 benefits evenly between those two  
13 organizations?

14 MS. BLUE: The benefit money, yes,  
15 not the purse money. The purse money would be  
16 based on a purse agreement. The Commission  
17 would determine how much purse money goes out.

18 When the Legislature created this,  
19 the thought would be that there would be a full  
20 slate of racing both on thoroughbred and  
21 harness. And there would be no question that  
22 the Commission would just send the 80 percent  
23 to the track for purses.

24 There has not been a full slate of

1 racing, this will be the second year. So, what  
2 the Commission has done is not give out that  
3 whole 80 percent but to give out what's been  
4 requested by each track.

5 CHAIRMAN CROSBY: This is  
6 complicated. It's taken us three years and  
7 we're still having a hard time.

8 COMMISSIONER ZUNIGA: At any rate,  
9 you would draft us some regulation to this  
10 effect to this discussion and we would hear a  
11 lot and likely get a lot of public comment both  
12 in writing --

13 COMMISSIONER MACDONALD: The  
14 decision today is to authorize the legal  
15 department to draft the regulations that would  
16 then come back to us and then be subject to  
17 public hearing.

18 COMMISSIONER ZUNIGA: Precisely.

19 MS. BLUE: That's right.

20 CHAIRMAN CROSBY: Just a question,  
21 Catherine -- sorry, Bruce.

22 COMMISSIONER STEBBINS: I had more  
23 of a technical question. Is there any  
24 prescription around the structure of the

1 organization itself, nonprofit status,  
2 compliance with all required state regulations,  
3 incorporation bylaws, etc., etc.?

4 MS. BLUE: Not in the statutes that  
5 we are responsible for. My understanding is  
6 they are incorporated in certain ways. So,  
7 there are statutes that govern that format that  
8 they would have to report.

9 COMMISSIONER STEBBINS: But there's  
10 nothing that we prescribe to say you have to do  
11 this, this and this.

12 MS. BLUE: No. That's another  
13 reason why it's so complicated.

14 CHAIRMAN CROSBY: In your  
15 recommendation, it says recommended that the  
16 reg. be amended and that it could provide for  
17 the determination of the appropriate horsemen's  
18 association be based upon the organization's  
19 provision to the track of a list of its members  
20 representing more than 51 percent of the owners  
21 and trainers who race at that track. In  
22 addition to providing proof of majority  
23 representation, which would be that list they  
24 would also have to have a purse agreement. Is

1 that what you're going to put in the reg.?

2 MS. BLUE: My initial thought of the  
3 reg. is simply put in the reg. that they  
4 provided some proof to the track that the  
5 tracks deemed acceptable. If the track finds  
6 that be acceptable and they enter into a purse  
7 agreement, then we would pay the purse monies  
8 to that track.

9 CHAIRMAN CROSBY: Okay. Do we need  
10 a vote?

11 MS. BLUE: No, you just need to  
12 instruct us to go forth and draft.

13 CHAIRMAN CROSBY: Go forth and draft  
14 even though I disagree with what you're  
15 drafting. All right. We need a very quick  
16 break. I thought we were going to be done at  
17 4:00 and we're not and I need to change some  
18 plans. We'll take a real quick break and be  
19 right back.

20

21 (A recess was taken)

22

23 CHAIRMAN CROSBY: We are again  
24 reconvening at 4:05 the 173rd meeting of the

1 Gaming Commission. We are back to General  
2 Counsel Blue.

3 MS. BLUE: So, the last item on our  
4 agenda is small business impact statements. As  
5 you may recall, we got the go-ahead from the  
6 Commission to begin the promulgation process  
7 for the proposed transfer reg.

8 And the transfer reg. is now not all  
9 in one reg. It's basically amendments to a  
10 couple of different provisions. So, that's the  
11 first small business impact statement that  
12 addresses the transfer reg. as you have  
13 approved for promulgation in a prior meeting.

14 Then the next three small business  
15 impact statements each individually address the  
16 emergency regulations we brought to you in the  
17 last meeting. As you might recall, you  
18 approved some emergency regulations to the  
19 licensing reg. lengthening the terms of some of  
20 the licenses, granting authority to the  
21 Director of the IEB to issue temporary  
22 licenses, and this whole question of having a  
23 new qualifier be able to assume their role  
24 before their license is issued.

1           So, if you would approve these small  
2 business impact statements, we will file them  
3 and we'll just keep moving through the  
4 promulgation process. We'll schedule the  
5 hearings. We'll post them for comment and do  
6 all the normal promulgation that we do.

7           COMMISSIONER MACDONALD: Can I ask a  
8 question? What is the factual basis upon which  
9 we're making this determination of no impact?

10          MS. BLUE: We go through the  
11 criteria that are in the requirements for the  
12 small business impact statements. So, the  
13 legal department reviews it.

14          When you see each section in the  
15 small business impact statement that's to  
16 respond to a question that we're supposed to  
17 answer. So, that's our response.

18          By-and-large these regulations do  
19 not impact small businesses. The transfer  
20 regs. are for transfers of our gaming licenses.  
21 And they are all by definition large  
22 businesses. And then the other regulations by-  
23 and-large impact individuals but I would say in  
24 a good way in letting their license

1 applications go forward or letting them have an  
2 additional benefit in terms of length of the  
3 license.

4 So, there really are no small  
5 businesses involved in these regs.

6 COMMISSIONER MACDONALD: These are  
7 representations that result from advice from  
8 the legal department on the basis of diligent  
9 inquiry or consideration of the factual record  
10 by the legal department?

11 MS. BLUE: That's correct. We  
12 review the statutory requirements and we review  
13 the regulations to determine whether it impacts  
14 those requirements.

15 COMMISSIONER MACDONALD: Okay.

16 MS. BLUE: You can move them all at  
17 once if that makes it simpler.

18 CHAIRMAN CROSBY: Do them as one.

19 COMMISSIONER STEBBINS: All right.

20 Mr. Chairman, I move that the Commission  
21 approve the following small business impact  
22 statements as included in the packet, small  
23 business impact statement for 205 CMR 102, 116  
24 and 129, the small business impact statement as

1 included in the packet for proposed amendments  
2 to 205 CMR 134, the small business impact  
3 statement as included in the packet for  
4 proposed amendments to 205 CMR 134 and the  
5 small business impact statement for proposed  
6 amendments in 205 CMR 116 as presented in the  
7 packet.

8 CHAIRMAN CROSBY: Well done.

9 COMMISSIONER CAMERON: Second.

10 CHAIRMAN CROSBY: Any discussion?

11 All in favor aye.

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 COMMISSIONER STEBBINS: Aye,

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

18 MS. BLUE: Chairman Crosby, if I  
19 could ask the item that we did not consider  
20 today, if you could just note for the record  
21 that we will consider at the next appropriate  
22 date so that the folks watching us will know  
23 that we purposely did not consider it.

24 CHAIRMAN CROSBY: Right. Thank you.

1 There was an item under the responsible gaming  
2 part of the dimension, which as voluntarily  
3 self-exclusion where the Commission will be  
4 considering some of the terms of its  
5 application. That is an important issue that  
6 we want to get to, but we have decided to  
7 postpone it because it's getting late and we  
8 will take it up at the soonest possible time.

9 MS. BLUE: Thank you.

10 CHAIRMAN CROSBY: You're welcome.

11 COMMISSIONER ZUNIGA: Motion to  
12 adjourn, Mr. Chair.

13 CHAIRMAN CROSBY: All in favor, aye.

14 COMMISSIONER MACDONALD: Second.

15 Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: Commission  
20 Macdonald seconded it.

21

22 (Meeting adjourned at 4:10 p.m.)

23

24

1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission December
  - 4 17, 2015 Notice of Meeting and Agenda
  - 5 2. Massachusetts Gaming Commission December
  - 6 3, 2015 Meeting Minutes
  - 7 3. December 9, 2015 Letter from Tracy
  - 8 Marzelli
  - 9 4. SEIGMA Project Overview December 17, 2015
  - 10 5. 205 CMR 133 Voluntary Self-Exclusion
  - 11 6. Massachusetts Gaming Commission December
  - 12 15, 2015 Memorandum Regarding Mansfield
  - 13 2015 Community Mitigation Reserve Fund
  - 14 with attachments
  - 15 7. Massachusetts Gaming Commission Vote to
  - 16 Adopt Section 61 Findings to MGL Chapter
  - 17 30 section 61 and MGL Chapter 23K
  - 18 8. DRAFT - Massachusetts Gaming Commission
  - 19 2016 Community Mitigation Fund Guidelines
  - 20 9. Massachusetts Gaming Commission December
  - 21 17, 2015 Memorandum Regarding Recognition
  - 22 of Thoroughbred Horsemen's Group with
  - 23 attachments

24

1 10. Small Business Impact Statement 205 CMR

2 102, 205 CMR 116, 205 CMR 129

3 11. Small Business Impact Statement 205 CMR

4 134

5 12. Small Business Impact Statement 205 CMR

6 134

7 13. Small Business Impact Statement 205 CMR

8 116

9

10

11 GUEST SPEAKERS:

12 Rachel Volberg, UMass Amherst

13 Mark Melnik, UMass Donahue Institute

14 Rod Motamedi, UMass Donahue Institute

15 Marlene Warner, Massachusetts Council on

16 Compulsive Gambling

17 Amy Gabrila, GameSense Info. Center Plainridge

18 Terence Murphy, GameSense Info. Center Plainridge

19 Ronald Sellon, Mansfield Police Department

20 William Ross, Town of Mansfield

21 Mike Fitzgerald, Pinck & Co.

22 Rob Scarpelli, HLT Advisors

23 Rich Maher, Perry & Associates

24 Wing Wong, Green International Affiliates

1 MASSACHUSETTS GAMING COMMISSION STAFF:  
2 Catherine Blue, General Counsel  
3 Alex Lightbaum, DVM, Director of Racing  
4 Mark Vander Linden, Director Research and  
5 Responsible Gaming  
6 Karen Wells, Interim Executive Director/  
7 Director IEB  
8 John Ziemba, Ombudsman  
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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 21st day of December, 2015.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018