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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #153

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

May 28, 2015 10:30 a.m. - 2:15 p.m.

BOSTON CONVENTION AND EXHIBITION CENTER

415 Summer Street, Room 107B

Boston, Massachusetts

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

CHAIRMAN CROSBY: We're calling to order the 153rd meeting of the Massachusetts Gaming Commission at the Boston Convention Center on Thursday, May 28 at about 10:30 AM. First item is the minutes, Commissioner McHugh.

COMMISSIONER MCHUGH: Thank you, Mr. Chairman. We have two sets of minutes for consideration and approval today. I'll take them seriatim. The first is the May 6, 2015 minutes. They are in the book. And I would move that they be adopted as they are presented with the usual reservation of the power to correct mechanical and typographical errors.

COMMISSIONER STEBBINS: Second.

CHAIRMAN CROSBY: Discussion? All in favor?

COMMISSIONER MCHUGH: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Opposed? The ayes have it unanimously.

1 COMMISSIONER MCHUGH: And the second
2 set, Mr. Chairman is from last week's meeting
3 -- I mean of two weeks ago meeting of May 14.
4 I'd make the same motion that is to approve
5 them in the form in which they appear in the
6 packet with the usual reservation of rights for
7 mechanical and typographical errors.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER STEBBINS: Second.

10 CHAIRMAN CROSBY: Further
11 discussion? All in favor, aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 COMMISSIONER STEBBINS: Aye.

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

17 COMMISSIONER MCHUGH: I abstained
18 from that because I was not here. It's four,
19 zero.

20 CHAIRMAN CROSBY: Actually, sorry.
21 And I abstained from the first set when I
22 wasn't here, my apologies.

23 COMMISSIONER MCHUGH: That's right.
24 I should have pointed that out.

1 CHAIRMAN CROSBY: So, four to zero
2 vote.

3 COMMISSIONER MCHUGH: On both sets.

4 CHAIRMAN CROSBY: Next up is
5 administrative update, Executive Director Day.

6 MR. DAY: Good morning Mr. Chairman,
7 members of the Commission. This morning we're
8 going to start right off with a bang here.

9 Today we've got Wynn representatives
10 are here with us, Bob DeSalvio and Chris Gordon
11 and then Steve Rusteika is also here from PMA.
12 And if you take a look behind your tab 3(a) and
13 (b), they're here to talk to you and present
14 their first quarterly report and their six-
15 month projection schedule. So, I will turn it
16 over to Wynn.

17 COMMISSIONER MCHUGH: Good morning.

18 MR. RUSTEIKA: Good morning,
19 Commissioners. We are very pleased to be here
20 this morning, and I'm not going to say much.
21 I'm going to turn it over to Bob and Chris.

22 MR. DESALVIO: Good morning,
23 Commissioners, Bob DeSalvio here with Wynn
24 today. I'm joined by Chris Gordon. Thanks for

1 the time so we can provide our update. We had
2 produced a PowerPoint presentation, which we'll
3 want to take you through now. It's the
4 quarterly report as of March 31.

5 And the first topic we want to talk
6 about is permitting. So, actually on page
7 four, we are currently in the process of
8 working on our SSFEIR. And that's the second
9 supplemental filing that we are doing. And the
10 scope of that particular filing was limited to
11 the items that you see here on the PowerPoint.

12 The first was to give a full
13 explanation of the MBTA land transfer including
14 all of the issues surrounding our meetings with
15 the MBTA, the land transaction itself, and
16 ultimately the escrow arrangement. So, that's
17 item number one.

18 The second is to go through the
19 impacts of the MBTA operations.

20 CHAIRMAN CROSBY: Why don't you give
21 us the status of each as you go through them.

22 MR. DESALVIO: Sure. And the status
23 is that the escrow agreement was completed.
24 And that process is over. So, we'll just be

1 reporting on that as part of the filing.

2 CHAIRMAN CROSBY: Is the MBTA
3 redoing the procurement while it's in escrow?

4 MR. DESALVIO: No, it just goes in
5 escrow. The money has been put in escrow. And
6 so it awaits now the MEPA action.

7 COMMISSIONER MCHUGH: Doesn't there
8 have to be -- I don't want to belabor this, but
9 doesn't there have to be a workup of the MEPA
10 environmental impacts of the transfer? Wasn't
11 that the issue? Doesn't somebody have to be,
12 whether it's you or the MBTA or both, working
13 on an analysis of the environmental impacts of
14 that transfer?

15 MR. DESALVIO: Yes, and that will be
16 part of the filing.

17 COMMISSIONER MCHUGH: Okay. It's
18 not just a description of the escrow
19 arrangement, it's a description of the
20 environmental consequences of the transfer.

21 MR. DESALVIO: Yes. It's the entire
22 transaction from start to finish.

23 COMMISSIONER MCHUGH: All right.

24 MR. DESALVIO: The second item is

1 the impacts of the MBTA operations and transit.
2 And that is that by acquiring this parcel
3 through the MBTA, we wanted to make sure that
4 there were no impacts on their operation. And
5 that it can perform the maintenance functions
6 that they normally do in the Everett yard.

7 So, there will be in that filing an
8 analysis that shows that the MBTA operations
9 remain whole and that they are able to do all
10 of the work that they currently do to keep
11 their services up and running.

12 CHAIRMAN CROSBY: And the Orange
13 line subsidy?

14 MR. DESALVIO: The Orange line
15 subsidy, we've now met three times with the DOT
16 with proposals going back and forth. There's
17 another piece of information that we are
18 waiting from the MBTA and then we'll get that
19 to a conclusion obviously before the filing.

20 So, that it's been very productive
21 meetings with the T on that arrangement. So,
22 right now we just have a number -- a small
23 number of open items and then we'll resolve
24 that and we'll report on that in the filing.

1 CHAIRMAN CROSBY: A small number of
2 open items including the subsidy?

3 MR. DESALVIO: Including the dollar
4 amount of the subsidy itself, yes. There are
5 some different calculations. Quite honestly,
6 they are looking at that very carefully. This
7 is a unique sort of process for them. And it
8 is something that probably has some
9 implications well past our project.

10 So, I think they are being very
11 thoughtful about this. So, we've had some very
12 good exchanges back and forth. It's not just a
13 number. In reality there are some conceptual
14 ideas -- Yes, and they've been doing a great
15 job with it.

16 Next is the mitigation and Section
17 61 Findings. So, anytime that you redo one of
18 these statements, we would have to go through
19 and update any of the Section 61 Findings.
20 That's normally a requirement of any these
21 filings. And correct me if I'm wrong Chris,
22 we'll be actually putting in the document the
23 entire. The entire Section 61 Filings will be
24 re-included in this next filing.

1 MR. GORDON: Including any updates.

2 MR. DESALVIO: And including any
3 updates. The next item is traffic and
4 transportation. This particular section is
5 limited to establishing a process for
6 integrating the city of Boston's long-term
7 plans for Sullivan Square and Rutherford Avenue
8 and the impacts of casino related traffic and
9 additional information, and clarification of
10 the modeling development to address any
11 concerns by municipalities.

12 When we say municipalities in
13 plural, there was a number of comment letters
14 that we received as part of the process asking
15 about certain technicalities. So, as part of
16 the normal response to comments, we will be
17 addressing all of those in the next filing.

18 And some of those came in from other
19 surrounding communities. As far as the process
20 with the city of Boston, again, we've been
21 talking to the DOT. And Secretary Pollack has
22 called a meeting to get the interested
23 stakeholders together, and to discuss a process
24 for moving forward to talk about this

1 integration of our plan with the long-term
2 solution for Sullivan Square. So, that process
3 is just beginning. But notifications have gone
4 out for the first meeting on that topic.

5 And then of course the last of the
6 five items is the response to comments. As you
7 do with any other of these filings, anytime a
8 letter is submitted, we go through and we do a
9 detailed response so that we can make sure that
10 any interested stakeholder gets an answer to
11 their question.

12 So, we are in the process of doing
13 that. I'm hesitant to give you a firm date of
14 the filing because there are a few open items.
15 So, I'd rather not peg a date. We've said
16 we're going to file it this summer, but that
17 gives us sort of a three-month window. I would
18 hope that it would be at the frontend of that
19 as opposed to the back-end of that.

20 But there are a couple of open items
21 that we need to resolve before we get the
22 filing in. We want it to go in complete and as
23 accurate as possible. So, we'll wait until
24 it's ready and then submit it.

1 CHAIRMAN CROSBY: Questions?

2 COMMISSIONER ZUNIGA: To the extent
3 you can speak to this, Mr. DeSalvio, the
4 process relative to the long-term planning on
5 Sullivan Square, you also mentioned a first
6 meeting perhaps precipitated by Secretary
7 Pollack. Do you have a date for that yet or
8 would you characterize that to be the first
9 part of that for the process?

10 MR. DESALVIO: Yes. We do have a
11 date. It's this coming Monday, June 1. And so
12 we're going to really take the lead in the
13 Department of Transportation and want to hear
14 how they are thinking about our process. And
15 we'll learn more about that on Monday.

16 COMMISSIONER ZUNIGA: Okay.

17 CHAIRMAN CROSBY: What is your
18 understanding of what the Secretary was looking
19 for when they made that requirement for the
20 process?

21 MR. DESALVIO: From what we
22 understand, the issue of Sullivan Square is not
23 only a Boston issue but it has regional
24 implications with all of the surrounding

1 communities, whether it's Everett or
2 Somerville.

3 And it's an important transportation
4 hub for the region including the T stop that's
5 there. So, I think the idea was to get all of
6 the stakeholders that would be critical to the
7 thought process on it in a room and maybe get
8 some combined wisdom from the group.

9 Again, we'll wait and see what kind
10 of thoughts the DOT has on that. But I think
11 that was it. It was to take a bit of a
12 regional approach because that particular area
13 is so critical for transportation.

14 CHAIRMAN CROSBY: Anybody else?

15 COMMISSIONER CAMERON: Mr. DeSalvio,
16 is a firm consensus necessary to move forward
17 on that issue?

18 MR. DESALVIO: I don't know if I can
19 answer that question yet. I think it's
20 important to get the stakeholders in a room.

21 COMMISSIONER CAMERON: So, after
22 Monday you'll have a better idea?

23 MR. DESALVIO: I think so, in
24 fairness.

1 COMMISSIONER STEBBINS: Bob, just
2 one quick question. The fifth one in terms of
3 responding to comments contained within --
4 responding to comments that were submitted as
5 part of the MEPA process.

6 When I first read that that kind of
7 came across as everybody's required to do it.
8 It's not necessarily a special consideration
9 for this one application. But I also read it
10 to kind of suggest that maybe the responses to
11 comments was something that you were doing all
12 along through the most recent round of the EIR
13 filing. Am I characterizing it wrong or is
14 there something I'm missing?

15 MR. GORDON: You have to do response
16 to comments at each step of the way. We've
17 done the EENF, the DEIR, the EIR, etc. We've
18 done response to comments at each stage. We
19 did see this as routine.

20 There was some language in there
21 about formatting and how to respond to comments
22 for easier sorting and that sort of stuff. And
23 we've talked to MEPA I think three times now
24 about how to actually do this. And we think

1 we're in sync with how to do it.

2 So, we will be responding to every
3 comment that came in from anybody. And the
4 comments will be thorough and answer the
5 question. We didn't see anything unusual in
6 the request.

7 MR. DESALVIO: And I do think though
8 one other comment on that is that at each round
9 there may or may not be some new commenters. I
10 know there might have been some that might have
11 been unique at each round. So, we have to
12 obviously stay up to date and be most current
13 with the responses.

14 COMMISSIONER STEBBINS: Okay.

15 CHAIRMAN CROSBY: Great.

16 MR. DESALVIO: On now page five
17 under permitting, our site plan review
18 application. That's for the actual site plan
19 of the casino project itself. It was submitted
20 to the city of Everett on May 11. And right
21 now there's a proposed hearing date of June 22,
22 2015 for our site plan review in the city of
23 Everett.

24 We also notice of intent, and that's

1 to the Everett Conservation Commission. In
2 early June, we'll be submitting that notice of
3 intent to the Everett Conservation Commission.
4 And again that's for the main project work.

5 And of course, Chapter 91. Chapter
6 91, it's sequential, obviously, with the
7 environmental certificate. So, at the
8 conclusion and after we would potentially
9 receive an environmental certificate, we would
10 then be prepared to file our Chapter 91
11 application.

12 We've actually got the work on that
13 for the most part done. And we are just
14 waiting until we get a final MEPA signoff and
15 get a certificate. And then we'll be
16 submitting that right behind that.

17 COMMISSIONER MCHUGH: You keep
18 referring to page numbers, Mr. DeSalvio.

19 MR. DESALVIO: Oh, I'm sorry. It's
20 not in your book?

21 COMMISSIONER CAMERON: No, it's not
22 in the book.

23 MR. DESALVIO: I'm so sorry.

24 COMMISSIONER MCHUGH: No. I

1 understand.

2 MR. DESALVIO: Now I'm going to turn
3 it over Chris to talk a little bit about the
4 site remediation.

5 MR. GORDON: Thanks Bob.

6 COMMISSIONER MCHUGH: Are you
7 finished the permitting issues?

8 MR. DESALVIO: Yes.

9 COMMISSIONER MCHUGH: On the
10 document I do have which is a document at tab
11 2(b) -- 3(b), it's the Wynn Resort in Everett
12 quarterly report to us. At page four, it says
13 on a separate track Howard Stein Hudson, Wynn's
14 design team for the Sullivan Square
15 improvements has been working since last year
16 on conceptual designs for the improvements and
17 has filed an application with the city of
18 Boston's PIC to advance the design. And that's
19 reiterated on page five, the appendix three.

20 Could you just tell me about that
21 because that was a condition of the license
22 that that be done within 90 days. So, could
23 you just tell me a little bit about that?

24 MR. DESALVIO: Sure. We submitted

1 our application to the Public Improvement
2 Commission on January 30, 2015. A copy of our
3 submission was previously provided to the
4 Commission and it includes the following: an
5 engineering report, a coordination plan in 11
6 by 17, a coordination plan with pavement
7 markings in 11 by 17, a coordination plan in 24
8 by 36, a coordination plan with pavement
9 markings in 24 by 36.

10 Our engineering consultant who
11 prepares these applications on a regular basis
12 prepared our application following consultation
13 with the Public Improvement Commission. A copy
14 of our application was also submitted to 13
15 agencies.

16 While there is no formal
17 application, our application follows the
18 process prescribed by the Public Improvement
19 Commission. We've not received any indication
20 from the Public Improvement Commission or any
21 other agency that our application is deficient
22 in any way.

23 So, I want to make sure that we got
24 on the record what we have done so far. That's

1 good question about the PIC.

2 COMMISSIONER MCHUGH: I would like
3 for you to follow up with staff with respect to
4 what's happened since that occurred. And I
5 would like to understand where we are on that.
6 The 90-day requirement was a requirement -- As
7 you know, we discussed it at the license
8 hearing. -- a requirement designed to get that
9 piece of it moving forward and a concrete
10 proposal on the table and an indication that
11 the other requirements for getting those
12 permits were moving forward.

13 So, I'd like to have staff follow up
14 with you to see where we are on that. And then
15 either have staff or you come back at a future
16 meeting and perhaps tell us further what's
17 going on and what's materialized and what the
18 anticipated next steps are and list some
19 timelines.

20 MR. DESALVIO: Great. We'll be
21 happy to do that.

22 CHAIRMAN CROSBY: Just also while
23 you're on permitting, for anybody who is
24 interested in doing development work in

1 Massachusetts, I would draw anybody's attention
2 to tab 3(c), which has a seven-page list of all
3 of the permits, individual permits required by
4 Wynn, 33 I think if I counted accurately. But
5 it's a stack. It's a staggering proposition.

6 And you hear about it all of the
7 time. You hear people talk about permitting in
8 Massachusetts but it's interesting to look at
9 that seven-page list, just for the record.

10 MR. DESALVIO: Very comprehensive.

11 MR. GORDON: What we're going to try
12 to do later in the schedule is try make it in
13 plain English because it's spaghetti soup after
14 a while. So, try to explain sort of how it
15 flows. It does make sense but it's a
16 complicated path. All set to move on?

17 CHAIRMAN CROSBY: Yes.

18 MR. GORDON: I'm going to give you
19 an update on remediation. It's no secret, the
20 site is historically an industrial site. It's
21 quite contaminated. So, we want to make sure
22 we get ahead of the remediation.

23 So, we've been busy at work since we
24 received our license, doing a lot of work.

1 We've got nearly 2000 borings are done. All of
2 the on-site investigation is finished. All of
3 the water-site investigation is finished. The
4 actual last lab reports came back this week for
5 the water-site work.

6 So, we think we now know about as
7 much as we can about the site. And we've got
8 plenty of information on that. What happens is
9 after you do that investigation, you file your
10 reports with the DEP. The remedial action
11 measures plan has been provided to the DEP for
12 Phase 1, which is the most robust part of the
13 remediation.

14 It's actually removing the hotspots,
15 we call them. If you remember from our earlier
16 briefings, even though the whole site is not
17 clean, there are three areas that are
18 particularly bad that we are going to remove.
19 Two we are going to remove the one we're going
20 to treat on-site before we start construction.
21 So, that's what we're focused on now.

22 We filed our remedial action measure
23 for those. We also received a petition which
24 is called a public involvement petition that

1 means the public would like to know more about
2 the remediation, which we think is a good
3 thing.

4 So, we're working on that process
5 now. I'll talk to you about how that works.
6 And in parallel with that we're actually
7 developing a plan and specifications so we can
8 bid this work out. We can get a contractor to
9 do this first phase remediation hopefully this
10 year.

11 CHAIRMAN CROSBY: Can these RAM
12 phases take place prior to MEPA?

13 MR. GORDON: We're still working
14 through that process with both MEPA and DEP.
15 So, there's a sequence. You mentioned the 33
16 permits. There's a sequence they all have to
17 go in. And we're still working with them on
18 how exactly that sequencing works. But we are
19 assuming we can do all of this work this year.

20 CHAIRMAN CROSBY: But you don't know
21 whether it has to be before or after the MEPA
22 filing?

23 MR. GORDON: Correct. We haven't
24 got the final verifications specifically on the

1 DEP piece, which sequence the permits go in.

2 The public involvement process,
3 again we think this is a good thing. This
4 requires us to provide all of this information
5 in a public repository.

6 So, what we are doing is putting all
7 of our environmental documents, primarily the
8 RAM plan and the PIC plan in two libraries in
9 Everett. And we're also putting them online on
10 our website. We're hosting a public meeting
11 next Tuesday night, June 2, which will be in
12 Everett in city hall.

13 We'll brief anybody who shows up.
14 All of the remediation will be described to
15 them. We've also been interviewing everybody
16 who signed the petition so we know what their
17 thoughts were when they filed the petition.
18 And then after June 2, there's a 20-day comment
19 period where they can give us advice on what
20 they think of both the involvement plan and the
21 remediation plan.

22 So, after that 20 days, we'll
23 obviously take the comments seriously. We'll
24 make any modifications that make sense to the

1 two plans. And then we'll be able to proceed
2 from there. So, that's the process underway
3 now. We'd encourage anybody to participate in
4 that that wants to know more about the
5 remediation. And we'll do that at future steps
6 too. At each step in the way, we'll be having
7 similar hearing, if you will, on the
8 remediation process.

9 CHAIRMAN CROSBY: Excuse me that
10 might be something, Elaine that we would want
11 to shoot out to our people too about the
12 opportunity to be involved in that.

13 MR. GORDON: Sure. And again, it's
14 also virtually online too. So, all of the
15 documents will be also on our website. We've
16 actually added a link on the website where you
17 can go to view all of the documents.

18 Everything anybody could want is out there if
19 they want to review any of the stuff we have.

20 We're also, as I mentioned, putting
21 together a detailed set of plans and
22 specifications for contractors. A lot of
23 questions come up about where is the material
24 going, where are the trucks going to go. So,

1 we are working through all of that.

2 In the plans and specifications that
3 we're doing, we are going to be prescribing
4 truck routes. We are going to be dealing with
5 all of the disposal options. So, that will all
6 be clarified and put it out for contractors.
7 They'll obviously bid on it. And we'll select
8 the best value and make sure we get a good,
9 very highly qualified contractor in order to do
10 that work.

11 On the design process, we have a
12 very large design team that's all over the
13 world working on the design. It's led by a
14 group in Las Vegas, Wynn Design and
15 Development, which are the lead architect,
16 DeRuyter Butler, who's really driving the
17 design from that end of it.

18 Locally we have Jacobs here in
19 Boston who is the local architecture who is
20 doing all of the construction drawings, all of
21 the detailed design. Then we have a series of
22 subconsultants around the world that are doing
23 different pieces of the design.

24 They're making tremendous progress.

1 If you think of the building, it's divided into
2 several different quadrants. The hotel tower,
3 which has its own team designing the hotel
4 tower. We have the foundation. We have the
5 parking garages, which is a large piece of
6 work. It's about a third or quarter of the
7 work.

8 Then we have what we call the
9 podium, which is the most detailed part of the
10 building. That's where the gaming is, the
11 restaurants, the back of house, the delivery,
12 all that sort of stuff. And then we have all
13 of the site work.

14 So, those four teams are working
15 aggressively as we speak. The tower is the
16 furthest along. They're actually into very,
17 very specific details on the hotel rooms, the
18 hallways, the functions. So, we're far into
19 that design.

20 The foundation is coming along very
21 well as well, understanding how that's going to
22 work and the soils working fine. The site work
23 is quite far along, because we had to file that
24 with the city of Everett for our site plan

1 review.

2 And now most of the effort is on the
3 podium. That's where the real details of how
4 the whole first-floor facilities are going to
5 work. It's on schedule. It's on track. Many,
6 many issues as you can imagine but they are all
7 going I think in the right direction.

8 We also met with your consultants
9 including PMA a week ago. They've asked for a
10 detailed design briefing. We're going to do
11 that. So, we're going to bring our design team
12 in and walk them through as much detail as they
13 want on all of the different -- the four
14 different quadrants of the design process.

15 COMMISSIONER MCHUGH: So, this is
16 basically taking the conceptual materials, the
17 renderings and the other kinds of plans that we
18 had at the license award stage with the
19 exception of the reformatted skin, and drilling
20 down and now beginning to put together the
21 actual construction diagrams, plans and
22 drawings that are necessary to build what was
23 presented to us in conceptual form during the
24 licensing process. Is that a fair statement?

1 MR. GORDON: That's exactly it. It
2 takes two paths, if you will, to parallel. One
3 is sort of the design concepts. That's from
4 Steve Wynn on down, including Bob spending a
5 lot of time on the operational impacts, the
6 aesthetic impacts and sort of how the design is
7 going to present itself.

8 The other part is the technical
9 side. We've done a lot of geotechnical work.
10 We've done a lot of mechanical analysis. We've
11 got a utility analysis team. We've got a lot
12 of sustainability issues, environmental issues
13 that sort of stuff.

14 So, those teams are working in
15 parallel. So, when the design comes together
16 in these final documents, it clearly represents
17 the design intent but it also works very well
18 from a technical point.

19 We've also worked out a schedule
20 with the city of Everett on how we're going to
21 submit this for their review. This is a big
22 review for the city of Everett. So, we're
23 working with them. They're actually hiring
24 additional consultants that are going to review

1 this so they can keep up and we can keep up.

2 So, we're laying out a schedule with
3 them on how these are going to be submitted to
4 them and how they're going to review them for
5 building permit purposes. And that's going
6 very well. Other questions on the design?

7 COMMISSIONER ZUNIGA: You've
8 reported in the past about the critical path.
9 Just remind me on having two paths on the whole
10 schedule, remind me those elements and how they
11 work with the design status.

12 MR. GORDON: About the first third
13 of the schedule, third of the path is the
14 permitting. And of those 30 some odd permits
15 the Chairman mentioned, it really goes through
16 MEPA and then Chapter 91. That's what drives
17 the critical path. It's not the remediation.
18 It's not some of the local permitting. It's
19 really MEPA through Chapter 91. That's what
20 we're working really hard on to make sure we
21 can press that.

22 Once we get through those processes
23 then it becomes sort of a physical critical
24 path and construction. Again, remediation will

1 not be the critical path because that will be
2 done early. It then becomes the foundation.

3 You've got to get down to the bottom
4 of the hole, put the caissons in and work back
5 up to the tower. So, right now the tower is
6 really the critical path, and a very close
7 second is back of house. Because we like to
8 get the power plan and all of the temperature
9 control equipment online about a year before we
10 open. So, the building is under climate
11 control long before it opens. So, all of the
12 materials are fine, the gaming, everything's
13 fine.

14 So, the critical path goes up
15 through the tower, but very close behind it is
16 the back of house, the game plan. So, that's
17 got to be tracked very closely. We're
18 estimating, you'll see it in the schedule, it's
19 roughly about 30 months from when we break
20 ground, which is quick but it can be done for
21 sure. So, that's the sequence we're after.

22 CHAIRMAN CROSBY: Is the trigger for
23 break ground the MEPA certificate?

24 MR. GORDON: No, it's actually the

1 Chapter 91. I mentioned the sequencing of all
2 those permit, you can't file your Chapter 91
3 permits until you get your MEPA certificate.

4 We drafted the document. It's ready
5 to go. And we'll have it on their desk the day
6 we get our MEPA certificate. But then there's
7 a six- to nine-month process to get through
8 that. Once we get through that then we can
9 start actually on the construction part.

10 And I should say, as you know on any
11 of these big projects, even though that's the
12 critical path, we consider everything on the
13 critical path. So, it's not like we're not
14 pushing all of the other sides as well.

15 CHAIRMAN CROSBY: Anybody else? In
16 your test borings or any of your other
17 preliminary work have you come across any
18 surprises? There's usually something.

19 MR. GORDON: I would say no. This
20 will be in way more detail than you want to
21 know. For example, there's a fair amount of
22 decomposed peapods down there, the organics
23 that were left over from what used to be part
24 of the harbor. So, there's organics to deal

1 with.

2 There's the contaminants we knew
3 about. There's the tunnel mark. Also, there's
4 a fairly steep drop off in the ledge on the
5 site. No surprises but good information to
6 have. So, it's 1776 borings. There's a map.
7 We bored everywhere. So, we know exactly where
8 the bedrock is. We know exactly where the
9 organics are. We know exactly where the clay
10 area is.

11 So, I would say to answer your
12 question, no surprises but an awful lot of
13 information, which is helpful.

14 CHAIRMAN CROSBY: Great.

15 COMMISSIONER MCHUGH: Just to
16 summarize to make sure I understood, with the
17 exception of the site remediation, the physical
18 site remediation that you've been talking
19 about, the combined MEPA finish process and
20 then Chapter 91 process is projected to run
21 about 12 months; is that fair?

22 MR. GORDON: It's a little less than
23 that because we're on the optimistic side of
24 the 91, but that's sort of six to nine months.

1 We like to think it's six, but it's the next
2 spring timeframe. There is some things --

3 COMMISSIONER MCHUGH: The
4 consequence of that is that apart from the site
5 remediation, which has to be done, the
6 construction really is likely to begin next
7 spring sometime?

8 MR. GORDON: Well, there's a lot of
9 stuff that's outside Chapter 91. And we're
10 evaluating what of that we would do ahead of
11 time. It's not critical path work, but it's
12 got to get done.

13 For example, there's a lot of
14 utility work we can do. There's relocating --
15 We're working with National Grid on relocating
16 the utilities. There's the service road. At a
17 minimum, we're talking about the offsite
18 infrastructure. So, there's plenty to do but
19 you are correct.

20 The critical path that runs through
21 that goes through MEPA, Chapter 91 and then the
22 tower. So, even though there's a lot of work
23 we will be doing in the next 12 months, it will
24 be in that sequence.

1 And the utility work is a good
2 example. We've been meeting regularly with
3 National Grid every couple of weeks. And they
4 have a lot of work to do to provide the
5 utilities as you've seen in our filings. And
6 they're rearing to go. That's all going very
7 well. They'll be doing some of their work
8 ahead of time as well as way outside of Chapter
9 91.

10 COMMISSIONER STEBBINS: A quick
11 question looking at the document that was in
12 our packet talking about one of the permits
13 Chapter 91 waterways license and in the next
14 column you've got some of the dates. It says
15 project August 2015 remediation September 2015.
16 Help me understand project date versus
17 remediation.

18 MR. GORDON: Could you repeat the
19 first part?

20 COMMISSIONER STEBBINS: This was
21 Mass. DEP license Chapter 91 waterways license.
22 I'm just trying to understand in kind of the
23 date column that you provided us project August
24 2015, remediation September 2015. Just tell me

1 what project date is and remediation date
2 means.

3 MR. GORDON: There are several
4 different Chapter 91 permits. So, if you don't
5 mind, if you could just refer. I want to be
6 sure I answer.

7 COMMISSIONER STEBBINS: It's in the
8 bottom of page three. My question really isn't
9 about the license itself.

10 MR. DESALVIO: On the quarterly
11 report.

12 COMMISSIONER STEBBINS: Again, it's
13 not about the license itself, it's more help me
14 understand just project date, remediation date.

15 MR. GORDON: Well, I have to say
16 because project is throughout the filing. In
17 other words, there's a little bit of jargon
18 here that I need to explain.

19 We have a series of Chapter 91
20 permits, a series of (INAUDIBLE) to get. And
21 some of them are for the main project, which we
22 usually call project. And then there's offsite
23 work. There's some of the harbor work. There's
24 some of the gateway work and other stuff. So,

1 what it may mean and I'll try to find it here,
2 it probably means the main project permitting
3 which means the actual resort itself versus
4 some of the offsite work.

5 There's also several different
6 phases of remediation in this schedule. One is
7 these three hotspots, which is Phase 1. Then
8 you've also got next year we'll be doing the
9 work in the river. That will be a different
10 phase. We've also have a RAM plan for the
11 actual foundation construction, which isn't --
12 it isn't technically remediation, but we're
13 treating it as such because some of the soils
14 are contaminated.

15 So, I don't know exactly what you've
16 got in front of you but that's probably what it
17 is.

18 COMMISSIONER ZUNIGA: I think that's
19 it. So, there's more than 35 permits because
20 they all have different phases presumably.

21 CHAIRMAN CROSBY: You explained it.
22 Project refers to the main body and it has one
23 category of work. And remediation refers to a
24 separate set --

1 MR. GORDON: I know what this is.
2 These are two different Chapter 91 licenses,
3 one for the main project. And this is
4 confusing. Where it says project August 15
5 that's our expectation of filing the main
6 project Chapter 91 application. Then
7 remediation, roughly in September we would file
8 the next application, which is totally
9 separate. That's the remediation on the river.
10 The reason we do it separately is one is way
11 ahead of the other. So, we didn't want to
12 wait. We don't need them to be filed at the
13 same time.

14 COMMISSIONER STEBBINS: Okay. All
15 right. Thank you.

16 MR. GORDON: Offsite infrastructure,
17 as you know, we have a very strong program for
18 doing a lot of offsite infrastructure work,
19 places like Broadway, Sweetser, Santilli,
20 Sullivan, Wellington, Revere Beach Parkway, two
21 T stations. So, there's a lot of work to be
22 done offsite, and we want to make sure we get
23 ahead of that.

24 The process we're on right now is in

1 parallel with our final MEPA filing, we're
2 about to put out an RFP for a design firm to
3 design this work. We need to make sure we get
4 a qualified engineering firm that knows how to
5 do highway work in Massachusetts.

6 That RFP is going to go out.
7 They'll be selected hopefully by the end of the
8 summer. We'll then have somebody onboard to do
9 that. We'll be designing and permitting
10 through the end of '15 and into the first half
11 '16. We'd like to break ground on some of that
12 work later in '16 and build it through '16 into
13 '17 so it's done roughly by the end of '17, and
14 certainly done before we open.

15 So, we don't see any big issues
16 there, but of course you want to get ahead of
17 it because some of these even though they're
18 not big dollars values, they're complicated
19 little projects. And there's a whole bunch of
20 them. So, this team would be managing all of
21 that design, all of that permitting, all of
22 that. And then we would put it out for
23 competitive bids to build.

24 It also mentions the key parts here

1 just to remind you the service road that goes
2 around the back goes through what's known as
3 the warehouse site. Since we met you last we
4 actually do own that now. We've taken full
5 possession of that. So, that's not an issue.

6 Project schedule, I wasn't going to
7 go line by line through this, but I'm happy to.
8 I was going to sort of give you the general
9 theme so you'll understand what we're doing.
10 This is a six-month schedule.

11 These are just six or seven pages
12 that are consolidated. The schedule would fill
13 your inbox, but there's a lot of moving parts
14 as you know to something like this.

15 So, the first one we've talked
16 generally about but just to remind you where we
17 are on the permitting front. There's a lot of
18 work right now on the regulatory side with
19 things going quite well. The SSFEIR is the big
20 one, Chapter 91, notice of intent, city site
21 plan approval, those are the big ones we're
22 working on. We're also starting to talk to the
23 city about things like building permits and
24 that sort of stuff.

1 Again, no surprises there but
2 there's a lot of activities you'll see in the
3 schedule for all of the regulatory work that
4 we'll be doing over the next six months.
5 There's then a big section here for design.
6 And it roughly follows the four parts of the
7 project I talked about.

8 The tower being furthest ahead and
9 etc. from there. So, there's a lot of design
10 work going on. There's daily videoconferences.
11 There's daily work going on. The team is doing
12 a ton of work to try to make sure this is
13 coming together. And we're extremely pleased
14 with where the design is going.

15 We're also in the process of
16 updating cost estimates, updating all that sort
17 of stuff to make sure we're where we need to be
18 in that sense.

19 Jumping ahead, we talk about the
20 offsite infrastructure. Again, we'd like to
21 get that team on board this summer and get
22 things started so we'll be able to meet all of
23 the deadlines.

24 Remediation, we talked about that.

1 We want to get that going this year as well.

2 It certainly looks like we can.

3 Site utilities, National Grid, we
4 have to deal with a lot of utilities, but
5 they're the biggest one because they have both
6 gas and power for this site. So, they've got
7 some infrastructure work to do. So, we're
8 meeting with them including a long meeting
9 yesterday about how that all that works. And
10 we're pleased with how that's going. They've
11 got to build power lines, gas lines that sort
12 of stuff and they're ready to go. And we don't
13 see an issue with that.

14 And then we've got a bar here for
15 construction. The only near-term construction,
16 this is little stuff, but we are going to be
17 fencing the site, cleaning the site up, putting
18 the sign on the site, getting rid of the some
19 of the debris that's out there making it look
20 like a real site. So, there's some of that
21 will go on this summer.

22 We'll be fencing the warehouse site
23 we talked about. But as the Chairman
24 mentioned, the heavy construction is really in

1 the spring. That's the end of my section. I'm
2 happy to answer any questions before Bob goes
3 into some workforce.

4 CHAIRMAN CROSBY: It's very
5 exciting. There's a lot of stuff.

6 MR. GORDON: There is.

7 CHAIRMAN CROSBY: Other comments or
8 questions?

9 COMMISSIONER MCHUGH: No. I think
10 it's a very thorough plan and it seems to be
11 moving forward. There are a lot of moving
12 pieces. And of course, the MEPA piece and the
13 permitting pieces are upfront and are
14 critically important for this to move forward.
15 So, I know you're concentrating on those,
16 working with all of the stakeholders to try and
17 ensure that those are secured and secured as
18 quickly as possible.

19 MR. GORDON: Great.

20 MR. DESALVIO: Next I wanted to
21 update you on project resources and diversity.
22 As I know the Commission knows, we're
23 represented on the access and opportunity
24 committee by Jenny Peterson, our development

1 manager who is here today. She's been doing
2 very good work in making sure that we can get
3 ourselves known out there to both folks that
4 are interested in having gainful employment
5 with the resort once it is open or get involved
6 with the construction process.

7 And also trying to pair up folks
8 that want to work on either the design or
9 construction through -- For example, Jacobs is
10 a good example who is our local executive
11 architect. And we're trying to pair up some
12 companies through Jacobs so that we can provide
13 some opportunities to some of the smaller firms
14 who are looking to get involved with our
15 project.

16 Of course, we'll be doing that when
17 the GC is selected ultimately for the job as
18 well. But we've been very actively engaged in
19 trying to make sure that we can bring as much
20 inclusion to the project as possible. And we
21 will be providing regular monthly updates
22 through the access and opportunity committee.

23 As far as workforce goes, we've
24 obviously we've established our goals through a

1 prior process with the Commission. We're
2 including those goals in all of our RFPs so
3 people know exactly upfront kind of what we're
4 looking for along the way.

5 And of course, when contract work
6 does begin on-site those contractors as you
7 know from Penn's project and from MGM, they
8 will be required to have weekly diversity
9 reports and then monthly women, minorities and
10 veterans subcontractor reports that we'll be
11 filing on a regular basis once the main
12 construction does begin.

13 So, we are getting geared up and
14 ready for that process in advance of
15 construction starting.

16 CHAIRMAN CROSBY: There is a status
17 report on that. I guess that's in the second
18 half of your presentation. Are you going to
19 talk about --

20 MR. DESALVIO: It's in the quarterly
21 report, yes.

22 CHAIRMAN CROSBY: Are you going to
23 come back to that? Just curious, you had
24 women, minority and small business. You just

1 now referred to women, minority and veterans,
2 but veterans doesn't show up on the quarterly
3 status report only small business does. I
4 didn't know if that was a typo.

5 MR. DESALVIO: If I am not mistaken,
6 I don't think we've had any engaged yet.
7 Certainly, they will be added to the report as
8 we engage them. I can tell you that as of
9 currently --

10 CHAIRMAN CROSBY: I saw the numbers.
11 You can get to that when you get to it, Bob.
12 Is there a small business requirement too? Did
13 you want to add anything, Jenny?

14 MS. PETERSON: It's veteran business
15 enterprise. That may be a typo on there. It
16 should be women-owned business, veteran-owned
17 business and minority owned.

18 CHAIRMAN CROSBY: I wondered if that
19 was the case. The third category --

20 COMMISSIONER MCHUGH: Mine says
21 contracts -- Are we talking about contracts
22 now? Contract payments to minority, women and
23 veteran business enterprises were the design
24 phase. This is on appendix 5 to the quarterly

1 report. Our own report talks on small
2 businesses. But appendix 5 to the quarterly
3 report talks about minority, women and veteran
4 business enterprise.

5 MR. DESALVIO: Correct. That's how
6 our goals are presented in those three
7 categories. And I might as well just get to
8 this while we're talking about it right now.

9 Through March 31 we've had two
10 minority businesses sign up as part of the
11 design process with a decent size contract
12 value, and then one women-owned business, no
13 veterans yet. But again we've made at least a
14 start on this process.

15 And one of them is fairly
16 significant dollar amount. It would represent
17 about 2.6 percent of our 7.9 percent goal. So,
18 that was a fairly decent contract that was
19 already awarded.

20 CHAIRMAN CROSBY: I apologize, Bob.
21 As Jim just pointed out, I was looking at the
22 wrong thing. Just scratch that whole
23 paragraph.

24 MR. DESALVIO: No problem. We've

1 obviously kicked off the process. And we're
2 obviously going to be trying to add more.
3 We're at the very frontend of this. So, we'll
4 adding more as time goes on. I think we're off
5 to a pretty good start.

6 COMMISSIONER MCHUGH: I agree. It's
7 off to a good start. And we of course have the
8 Penn model behind us. They couldn't start
9 really fresh. You can and you are obviously
10 focused on it. So, I look forward to continued
11 progress in this area.

12 MR. DESALVIO: Right.

13 CHAIRMAN CROSBY: I've said this to
14 you privately but I'll say it in public, Jenny
15 gets high marks for her participation and the
16 seriousness with which she's representing your
17 commitment to this. We appreciate that.

18 MR. DESALVIO: And we'll continue
19 that and thanks Jenny.

20 The next item I wanted to talk about
21 was involving the workforce side of the
22 equation. Of course, right now the main focus
23 is on construction jobs. And we've been
24 working very aggressively with Brian Doherty

1 and the rest of the folks at the building
2 trades to try and make sure that we can get a
3 lot of new faces into their industry.

4 There's so much construction that's
5 going on in the greater Boston area. And of
6 course our project will be one of the major
7 ones. And they're also looking to add to their
8 ranks. And they're looking to diversify the
9 ranks.

10 So, we had an event just recently
11 which was by all accounts was a smash success.
12 It was on May 9. It was at Everett High
13 School. And we ran it from 9:00 AM to noon.
14 In a little bit, I'm going to actually ask if
15 you wouldn't mind, we were going to show a
16 video, because no matter how I could describe
17 it, I don't think I could describe it
18 appropriately. There was probably 100 people
19 waiting when we opened up. And we logged in
20 800 names but the estimate was probably closer
21 to 1000 people that went through there.

22 And it was a really interesting
23 group of younger folks, a very diverse group.
24 A lot of people that did some prep work on how

1 to prepare to go to something like this. They
2 were even asking us questions while they were
3 waiting online about how to make sure they
4 could present themselves in a good way to some
5 of the trades.

6 It was very encouraging to see that
7 much participation. We had a lot of outreach
8 beforehand. We used Career Builder. We went
9 to the local Hispanic and Latino media. We
10 were on Urban update. We had some cable access
11 shows that were really widely watched. We got
12 a lot of good feedback on it. I think it
13 showed in the results that if you put the
14 effort behind it you can attract some new
15 folks. And I think the trades were very happy
16 to see that.

17 So, if you wouldn't mind, I'll stop
18 talking. We have a short video. Will you be
19 able to see it on your monitor down front?

20 Okay.

21

22 (Video played)

23

24 MR. DESALVIO: Isn't that great to

1 see? And I really want to thank the building
2 trades. As you saw as part of the video, that
3 was Brian Doherty actually greeting with myself
4 was greeting the folks as they were coming in.
5 And we tried to make it really a personal
6 approach to it. And we got a lot of support
7 from the trades. And we'll continue to do
8 events like this as time goes on.

9 But it's important for them because
10 you can't just show up, want to get involved
11 with the trades and go right to work. There's
12 a whole procedure that you have to go through
13 in terms of signing up, going through their
14 program.

15 So, they need to do that now for our
16 building process as it moves forward over the
17 next couple of years. But I thought we were
18 off to a very good start. And that really
19 concludes our formal remarks. We are open for
20 any questions that you might have.

21 CHAIRMAN CROSBY: Is there a way,
22 Bob, to track how many of those 800 to 1000
23 people end up in the pipeline?

24 MR. DESALVIO: We have about 800

1 names of folks that actually logged in. So, we
2 are currently putting them in our database.
3 So, we'll be able to take a look at that.
4 Ultimately, we could wind up asking the
5 building trades to ultimately see how many
6 conversions maybe they got out of that.
7 Something if they were willing to share that
8 information. But certainly we tracked all of
9 their names for the folks that want to keep in
10 touch with us. We have a talent network that
11 we go back out to regularly for any information
12 on jobs.

13 CHAIRMAN CROSBY: This is, as you
14 know, an absolute central part of the access
15 and opportunity strategy. As you say, you
16 can't just say okay send me some women or send
17 me some minorities in the pipeline. In your
18 case, you've got time in the pipeline. So, it
19 would probably take a little work, but finding
20 out how many do translate actually into
21 participation would be tremendously meaningful.

22 MR. GORDON: I don't know exactly
23 how we'll do that, but we'll certainly look
24 into it. And if there's a way to do it, we'll

1 certainly do it.

2 CHAIRMAN CROSBY: Jenny that could
3 be something the access and opportunity
4 committee might want to ask of the unions.

5 MR. GORDON: It also lets us test
6 the effectiveness of some of these events we're
7 hosting where we get the biggest catch.

8 CHAIRMAN CROSBY: Right.

9 COMMISSIONER ZUNIGA: Not only ask
10 but contribute. The access and opportunity
11 committee can also contribute in the effort to
12 get people into the pipeline --

13 CHAIRMAN CROSBY: Right.

14 COMMISSIONER ZUNIGA: -- with ideas,
15 with outreach, with incentivizing people to
16 sign up to their apprenticeship programs,
17 explaining what the things all about. It's not
18 immediate. They have to sign up, understand
19 where they are, etc. So, they could also be a
20 big help.

21 COMMISSIONER STEBBINS: I know this
22 followed in some similar meetings that the
23 mayor had organized I think in partnership with
24 you guys over the last previous month targeting

1 high school students. This event looked
2 successful obviously, but the mayor's efforts
3 also I know sparked some interest for the Mayor
4 of Springfield to think about doing the same
5 thing as the MGM project kind of moves ahead.
6 But it will be interesting.

7 I'm sure the unions will be
8 certainly interested to see where they're
9 getting the bang for their buck in terms of
10 time spent in recruiting and seeing if some of
11 these people actually enter the apprentice
12 programs or training programs as they have them
13 laid out.

14 MR. GORDON: We also got a fair
15 number of people who showed up wanting to talk
16 about permanent jobs. So, we were able to give
17 them information as well. That wasn't the
18 intent of the function, but it worked fine.
19 They were interested in all kinds of jobs
20 inside the facility.

21 MR. DESALVIO: They came loaded with
22 resumes and figured they'd take a shot that
23 some of us might be there. And I applaud the
24 effort. So, that's great. Great to see that

1 many folks interested.

2 COMMISSIONER STEBBINS: So, I'm
3 clear, some of the construction RFPs, some of
4 the early work, all of these RFP opportunities
5 are posted on your website inviting anybody to
6 go and check those out?

7 MR. GORDON: On some of the RFPs, it
8 isn't just anybody. For example, remediation,
9 we're going to have a very specialized list of
10 contractors qualified to do it. So, the
11 information will be available but the bid list
12 won't anybody in the world. It'll be
13 contractors that we feel are qualified to do
14 things like remediation.

15 MR. DESALVIO: Let me just is
16 clarify what will be posted on the website as
17 part of the public involvement plan that Chris
18 was talking about, all the documents related to
19 the remediation aspect were going to go up next
20 week. As soon as we finish all of those
21 documents they'll be posted probably by
22 Tuesday.

23 MR. GORDON: Before the hearing
24 Tuesday.

1 MR. DESALVIO: Before the hearing
2 Tuesday night, we'll put the first set up and
3 then all of the responses to that.

4 COMMISSIONER STEBBINS: Okay.

5 CHAIRMAN CROSBY: Great.

6 MR. DESALVIO: Great. Thank you
7 very much for the time this morning.

8 COMMISSIONER MCHUGH: Thank you very
9 much.

10 COMMISSIONER CAMERON: Thank you.

11 CHAIRMAN CROSBY: Let's take a quick
12 break and we'll come back in five minutes.

13

14 (A recess was taken)

15

16 CHAIRMAN CROSBY: We are ready to
17 reconvene the 153rd meeting of the Gaming
18 Commission. It's about 11:30. We are to item
19 3(c) I believe.

20 MR. DAY: Mr. Chairman, we are, the
21 third quarter budget report and the diversity
22 update. With us, we have Derek Lennon our CFAO
23 and his team. So, I'm just going to move it
24 over to Derek. By the way, the items are under

1 tab (c) and (d). There's a series of reports
2 that begins with a memorandum from Derek.
3 Derek.

4 MR. LENNON: Thank you Director Day.
5 Good morning, Mr. Chairman and Commissioners.
6 I am pleased to be joined by Agnes Beaulieu,
7 Trupti Banda and Dean Ventola this morning.
8 We're here to provide you with our fiscal year
9 2015 third budget update as well as our
10 diversity updates.

11 Before I begin, I'd like to mention
12 that our licensees have paid their full
13 assessments for FY15. Last time I was here,
14 you approved us to ask for the final payment
15 against those assessments. They're in house
16 right now, which has allowed us to transfer
17 \$17.5 million to the Community Mitigation Fund.
18 So, that fund is restored. All of the
19 licensing fees have been transferred to the
20 appropriate places. And we are now operating
21 on our licensees' payments.

22 COMMISSIONER MCHUGH: That's great.
23 That's a big nonstop.

24 CHAIRMAN CROSBY: And you did a nice

1 job of helping us wind our way through the cash
2 issues.

3 MR. LENNON: I think a thoughtful
4 process in which both the staff and the
5 Commissioners came up with a good solution.
6 So, thank you.

7 COMMISSIONER MCHUGH: And all of the
8 initial borrowed funds from the Rainy Day Fund
9 have been restored long since.

10 MR. LENNON: Correct. \$20 million
11 has been restored as well as every single fund
12 that was supposed to receive their percentage
13 share of the license fees have been paid now.

14 COMMISSIONER MCHUGH: Right.

15 CHAIRMAN CROSBY: Great.

16 MR. LENNON: So, with that I'd like
17 to move on to the budget update. In your
18 packet you have a brief memorandum from me, our
19 monthly revenue and spending spreadsheet that's
20 updated on our website regularly, a detailed
21 list of the proposed budget amendments, a
22 report of each division's budget and current
23 spending against their budget.

24 For this update, I mainly have good

1 news to report. We have no changes projected
2 right now for our FY15 revenue estimates.
3 However, we have spending changes proposed that
4 led up to a decrease in anticipated spending by
5 about \$1.3 million -- \$1.03 million.

6 To go into detail on those by object
7 class, in our JJ we have reduced the
8 anticipated chargeback for fingerprints from
9 the state police by about \$150,000. This is a
10 result of the state police were nice to us this
11 year and were only charging us for half the
12 costs, half-year costs.

13 So, that item cut back to what we
14 were actually going to use, but to offset that
15 slightly, we've brought on some temporary help
16 to help with licensing and processing all of
17 the applications, processing our vendor
18 applications. So, that item was increasing by
19 \$66,000 which nets out \$84,000 in the JJ object
20 class.

21 Once we get into facilities
22 equipment, we are asking for an increase of
23 \$130,000. That would complete purchasing
24 cubes, desks for the build-out of the 24th

1 floor. This will alleviate us spending that
2 money in FY16. So, if we have money available
3 right now, we're proposing this.

4 We also have a \$26,000 reduction in
5 that item as we won't be buying one of the
6 fingerprint units that we thought might need if
7 other casinos were opening up earlier. So,
8 we'll push that off until '17 or '18. We have
9 enough units right now. MSP has enough.
10 Licensing Unit has enough to get us through
11 this initial push and then the next two years,
12 two and a half years.

13 COMMISSIONER ZUNIGA: Derek, is the
14 fingerprint chargeback related to the
15 fingerprint machines?

16 MR. LENNON: No. We actually get
17 charged by the federal government for
18 processing these, MSP does and they push it
19 back to us.

20 COMMISSIONER ZUNIGA: Right.

21 MR. LENNON: Under our grants line,
22 we are decreasing by \$80,000. We weren't able
23 to get the small business grants for business
24 development and training in Regions A and B up

1 off the ground. We've been focusing mainly on
2 getting that effort in the slots region. We
3 have a high hope that this will be done next
4 year with Commissioner Stebbins and Jill
5 Griffin.

6 COMMISSIONER STEBBINS: Most of the
7 program is we've been developing it. We're
8 going to be helping the small businesses who
9 would be ultimately vendor suppliers to the
10 operation in the casinos. Those are two years
11 away. I think we have a window of time, but
12 happy to see the money hopefully as part of the
13 budget for FY16.

14 MR. LENNON: It is part of the
15 current budget for FY16. Then under our IT and
16 technology side, we have a decrease of
17 \$850,000. GTECH, our vendor for the central
18 management system has determined that they
19 would like the payments to start with the go-
20 live date.

21 So, all of the work they are doing
22 right now on implementing and startup has no
23 cost to the Commission. It won't be until
24 September approximately of next year that we'll

1 start paying that monthly fee.

2 We had decreases since the last
3 budget meeting. This is what was left for the
4 year. We're just pulling it all off the table
5 right now. We also had money left in the LMS
6 project for Phase 2, which we haven't begun
7 yet. We keep tapping it for Phase 1 complete,
8 which I think has been very helpful with the
9 number of applications that we've entered into
10 the LMS and the ability of our temps to enter
11 in these applications with no prior experience
12 on that system.

13 So, what we're doing is we're adding
14 some money to finish out Phase 1. And then the
15 remaining amount that's left, which is
16 \$239,000, which we had dedicated for Phase 2
17 we're just not going to spend this year. So,
18 we're taking that off the spending column.

19 And then the last piece under the
20 technology was we had set aside money in our
21 last update for opening up the Plainridge
22 floor. Our estimates from our independent test
23 labs came in higher than what we had set aside.

24 We're using some of that savings

1 from the \$850,000 in the LMS Phase 2 to
2 increase that budget item by \$112,000. We just
3 had an update this morning that I think two-
4 thirds of the machine are tested or
5 approximately 1000 machines are tested, which
6 is well ahead of schedule from where we had
7 anticipated to be. So, this item may come in
8 lower on the spending side.

9 COMMISSIONER ZUNIGA: Will there be
10 more testing for Plainridge on Fiscal Year '16?
11 Or does this increase finish up effectively
12 that testing?

13 MR. LENNON: That should finish up
14 this testing. What we've done is we've
15 purchased two Kobetron machines for the gaming
16 agents in the time period before the CMS comes
17 live where our gaming agents can walk around
18 with a manual process checking the chips on the
19 machines, making sure it's the right software,
20 making sure it's what we've approved for that
21 specific device.

22 Then once the CMS comes online, it
23 does a daily ping of the machines to make sure
24 that the software is an approved software

1 platform. So, this should for that type of
2 startup testing should be it. Sorry for a long
3 answer.

4 COMMISSIONER ZUNIGA: No, it's a
5 complicated process.

6 MR. LENNON: While this review is
7 relatively good news, there's one piece, damper
8 I have to put on. Still not heard official
9 word from the Governor's office of
10 Administration and Finance on our indirect
11 waiver request. Our indirect waiver request
12 has been approved for the last two years.

13 CHAIRMAN CROSBY: Explain what that
14 is Derek.

15 MR. LENNON: Indirect cost
16 agreements are mainly generated with an entity
17 that receives direct federal funding. What
18 it's anticipated to do is to take the cost of
19 office space, overhead, general support staff
20 and allocate those costs -- take a piece of
21 each federal grant to make up for that grant
22 percentage share of the total portion of
23 funding that doesn't come from federal funds or
24 doesn't come from state appropriated funds.

1 Any agency who doesn't have a direct federal
2 grant has an automatic 10 percent assessment
3 billed against it.

4 CHAIRMAN CROSBY: It's an overhead
5 charge.

6 MR. LENNON: It's an overhead
7 charge.

8 COMMISSIONER ZUNIGA: Commonwealth
9 overhead.

10 MR. LENNON: Commonwealth overhead
11 charge. We have a waiver request in because we
12 don't receive any state funding. So, there's
13 nothing to recuperate. We're paying directly
14 for all of our -- well, the industry is paying
15 directly for all of our costs.

16 We pay our fringe benefits for the
17 contribution to the retirement fund, which
18 makes sense. But on the overhead, we pay
19 chargebacks for every single state service that
20 we use. So, if you look in our budget, we have
21 a state accounting chargeback. We have our
22 human resources chargeback. We have an IT
23 chargeback. We have A&F IT support chargeback.
24 We pay all of those. We pay MSP. We're paying

1 our share.

2 So, our waiver request is basically
3 to say this doesn't apply to us. Even though
4 there's a law on the books, would you please
5 approve it.

6 So, it could be 10 percent of our
7 spending in the salary object class, our
8 consultant object classes, which could add
9 between \$1 million and \$1.3 million to our
10 budget. We think there's a very good
11 likelihood and we have a very good case,
12 especially with past precedent. But I just
13 wanted to put this on the record.

14 CHAIRMAN CROSBY: Where does that
15 stand at the moment?

16 MR. LENNON: Right now it stands
17 with our analyst. And we had a conversation
18 with A&F about it. And they understand our
19 case. But it's also a tough revenue year for
20 the state. So, to take this off the books
21 would be revenue that they haven't.

22 So, I just wanted to put that on the
23 record that we may come back with this million
24 may not be sitting there at the end of the

1 year. It may be going towards the indirect--

2 COMMISSIONER ZUNIGA: We've had this
3 request before Derek got here. It was me and
4 Director Day talking to the budget people at
5 A&F. I understand that it's pretty
6 straightforward. They can only approve it on a
7 yearly basis.

8 So, I would much rather had that
9 settled once and for all but that's not how
10 that works. So, this is also being a
11 transition year of a new administration and
12 finding out who we need to talk to, etc. We're
13 paying for all of those chargebacks.
14 Everything we utilize from the Commonwealth, we
15 pay directly, IT, MMARS, etc. So, there's a
16 straightforward business case for that.

17 CHAIRMAN CROSBY: Right. If we end
18 up having to pay the 10 percent, then we should
19 be stop paying the chargebacks.

20 MR. LENNON: That's one way to look
21 at it.

22 COMMISSIONER ZUNIGA: That's a
23 separate waiver request.

24 COMMISSIONER MCHUGH: They'll turn

1 off the lights on us.

2 CHAIRMAN CROSBY: Great thanks. Go
3 ahead.

4 MR. LENNON: That concludes my FY15
5 third budget update. Do you have any
6 additional questions?

7 COMMISSIONER ZUNIGA: It's very
8 concise and well reported. The templates that
9 you use make it very easy to at least for me to
10 understand and follow.

11 You have in your memo relative to
12 what we do with this overage if you will
13 whether we change this as of this year or roll
14 it over to the next year, which would be my
15 preference. Decrease as we make the assessment
16 for the next year decrease it, offset it in the
17 \$1.03 million and just go from there,
18 especially since you have just received
19 payments from this year. But I think it's
20 great work. Great work to the teams you have
21 too.

22 COMMISSIONER CAMERON: Yes, I
23 concur. It's very easy to follow, to read, to
24 understand. I think your judgment is sound.

1 The advice you give us with regard to this has
2 been right on. So, I thank you and the team
3 for the hard work.

4 COMMISSIONER MCHUGH: Substantively,
5 it's a milestone because we are now out of
6 debt, the Commission is out of debt, and
7 operating on a budget that sustains us, and
8 also that is created as a result of a process
9 that includes those who are paying the fees
10 that go into create our budget. So, a
11 participatory process for creating a budget, a
12 transparent way of distributing it. And a
13 result that sustains us in our operations. I
14 think that's a real milestone.

15 CHAIRMAN CROSBY: Just to be
16 absolutely clear on that so everybody
17 understands, the Gaming Commission was
18 originally funded by a loan from the Rainy Day
19 Fund. That was the original funding mechanism.
20 That loan of \$20 million has now been paid back
21 in its entirety.

22 MR. LENNON: Correct.

23 COMMISSIONER MCHUGH: Yes. If I
24 could just add a footnote to that. We got 15

1 of the \$20 million. The Governor got \$5
2 million to negotiate the compacts. We paid
3 back the entire 20. So, we've in effect paid
4 for the compacts as well, the compact
5 negotiations.

6 COMMISSIONER ZUNIGA: And all of the
7 funds that had destined to be funded are
8 funded, not just the Rainy Day Fund. The Rainy
9 Day Fund we paid back a while ago. It's all
10 funds including the Community Mitigation Fund
11 now have all the right balances.

12 MR. LENNON: And you won't see that
13 on the spreadsheet here because that happened
14 on May 5. And we are only tracking through
15 April on this overall spreadsheet. But it did
16 happen on May 5. I have confirmation from
17 Maria that it happened on May 5. You'll see it
18 when the next update hits the website.

19 COMMISSIONER CAMERON: The other
20 thing that really isn't identified clearly on
21 the spreadsheet is that this is not just an
22 exercise in recording numbers.

23 I personally appreciate the
24 continual reassessment. Where are we spending

1 money? Is it necessary? Looking at
2 priorities. Looking at our business model
3 continually. And I see that happening. It's a
4 very good practice, and I know one that you
5 have worked hard to bring to our attention when
6 you have an idea of a different plan or a
7 couple of options to give us to present to us.
8 So, that's appreciated. It's not just here it
9 is. This is how we're spending money. I
10 appreciate that as well.

11 MR. LENNON: I think that goes back
12 to what you, the Commission, and Director Day
13 have told us, always be open-minded and you
14 need to think about what's best for the
15 business environment as well as the regulatory
16 environment.

17 And our licensees have let us know
18 when they have ideas on how we could do things
19 better. They do have good ideas. We just went
20 through a long meeting to go over the FY16
21 budget with them which we will be presenting to
22 you at the next Commission meeting. And
23 they've got some very good input. They took
24 time to do their research. They took in all of

1 the information we provided to them. And they
2 had very thoughtful comments.

3 So, I think whether we agree with
4 all of those thoughtful comments, I would say a
5 good 80 percent we agree with. So, it's been a
6 very good process. It's been eye opening to
7 see it from both sides of the table.

8 COMMISSIONER MCHUGH: Good.

9 CHAIRMAN CROSBY: Great. Okay, next
10 up.

11 MR. LENNON: I don't know if we need
12 a vote to approve those changes, Catherine?

13 MS. BLUE: No.

14 MR. LENNON: So, I'll just make
15 those changes to our budget and update it for
16 this month. With that I'd like to turn it over
17 to Agnes who will go over a quick presentation
18 on where we are with our benchmarks.

19 Just as a reminder, these are the
20 benchmarks that are set for us on the state
21 level for minority, women, small-business
22 spending. I know we want to add veteran
23 services to it, but the state still doesn't
24 track that.

1 Agnes is trying to work with Jill on
2 how to get to veteran vendors and how we can
3 work that in with our requirements to stick
4 with statewide contracts, which is I think
5 where, Mr. Chairman, you took a look at our
6 report and saw there was no veteran status on
7 there. We do acknowledge that. We do
8 acknowledge that's a place we have to continue
9 to work on. With that, I'll turn it over to
10 Agnes.

11 MS. BEAULIEU: Good morning. This
12 year so far we are at about 83 percent of the
13 year has gone by. And with our benchmarks for
14 minority businesses we've expended about 23
15 percent of that number so far, which is
16 \$108,000. We've encumbered 603. So, if the
17 spending comes in in the last two months, which
18 normally in our accounts payable period, we
19 should probably hit that benchmark of \$473,000.

20 The women-owned businesses, we've
21 already exceeded that by 152 percent with \$1.4
22 million. Our benchmark was at \$947,000.

23 And the small business benchmark
24 we've exceeded at 228 percent at \$450,000 and

1 the benchmark was only at 197. We have
2 encumbrances that will increase those numbers
3 even further as the end of the year and
4 accounts payable period comes to a close.

5 The veterans that you were speaking
6 of earlier that was at three percent for the
7 service disabled veterans, which is a very
8 small category which the state does not track.
9 There's only about six or seven companies that
10 are registered at this point. But I have
11 contacted Coleman Nee who is the previous
12 Secretary of Veterans Services for the state.
13 And he has provided me with a list of 92
14 veteran-owned companies throughout the
15 Commonwealth which we are researching.

16 Many of them are in a construction
17 services field like that. But there are
18 several legal consulting firms, auditing firms
19 things like that that we are researching to see
20 whether or not they would fit in with us.
21 That's where we are today.

22 COMMISSIONER CAMERON: Excellent.

23 COMMISSIONER STEBBINS: Help me
24 understand the small-business benchmark. Are

1 some of the small-business benchmark numbers
2 floating over into the women and minorities?

3 MS. BEAULIEU: Yes. In all three
4 categories they count for all three. So, even
5 New England Office Supply would fit into both
6 small business and the women-owned business.
7 So, the expenditures there count for both of
8 those benchmarks.

9 COMMISSIONER STEBBINS: Thank you.
10 Does this still go with the state definition of
11 a small business?

12 MS. BEAULIEU: Yes.

13 COMMISSIONER STEBBINS: 500
14 employees or less.

15 MS. BEAULIEU: Yes.

16 COMMISSIONER STEBBINS: Just because
17 we're talking about it and let's take the
18 opportunity to hopefully have our message be
19 transmitted out over the airwaves to veterans
20 who own a business, step forward and identify
21 yourself. Not only think of some of the
22 opportunities that we might have but again as
23 we talk to our licensees, they are anxious to
24 find you as well for any number of services,

1 both in the construction phase and the ultimate
2 operation phase.

3 We've talked about ad nauseum here.
4 It's a new thing. The Legislature was very
5 thoughtful in putting this into the statute.
6 We have found a way within our licensing system
7 to allow somebody to identify themselves as a
8 veteran. But again, the drumbeat needs to go
9 on.

10 They've never been asked before and
11 now they have an opportunity to expand their
12 business and secure some business opportunities
13 for themselves, but they've got to step
14 forward. And Commissioner Zuniga and I met
15 with the Secretary Urena, Mr. Nee's successor.
16 Again, just look for every opportunity we can
17 to talk this up on our website, our licensees'
18 website, but more obviously needs to be done.

19 COMMISSIONER ZUNIGA: This is great.
20 We are clearly exceeding the benchmark in every
21 aspect. And I know where the calculation comes
22 from, the 278 because it takes into account
23 exceeding the prior benchmark.

24 But it would be really helpful to me

1 to have the projection of the total as in where
2 the six percent is either at or projected to be
3 at. Perhaps we could do this for the end of
4 the year. We know we're going to exceed by
5 some percentage, but maybe that's going to be
6 nine percent, if I did my calculation roughly
7 right if we're exceeding it by 150 percent.
8 But having those measures, which is something
9 that we also ask our licensees in the context
10 would also be very helpful.

11 MS. BEAULIEAU: We could do that as
12 well.

13 CHAIRMAN CROSBY: Commissioner
14 Stebbins, am I right that we do not let our
15 licensees to double count. You can only
16 qualify for one of the categories.

17 COMMISSIONER ZUNIGA: No.

18 CHAIRMAN CROSBY: I'm wrong on that?

19 COMMISSIONER ZUNIGA: You're wrong
20 on that. Yes.

21 CHAIRMAN CROSBY: You're positive?

22 COMMISSIONER ZUNIGA: Yes.

23 COMMISSIONER ZUNIGA: If you're a
24 woman and a minority, do you want to choose

1 what to be?

2 CHAIRMAN CROSBY: I've never had
3 that problem.

4 COMMISSIONER ZUNIGA: If a woman and
5 a minority is competing against just a minority
6 should that person have advantage over the
7 other one or preference, I would argue yes.

8 CHAIRMAN CROSBY: There's two
9 different questions. If it's the same -- What
10 I was concerned, I thought we were holding the
11 licensees to a different standard from which we
12 were holding ourselves. In fact, if you can
13 double count, it totally diminishes the
14 significance of your numbers.

15 You're getting credit for every
16 dollar you spend, you're double counting.
17 You're getting credit for two dollars. It's
18 not. And I don't think that's what this was
19 all about. This is not meant to figure out a
20 way to shortcut the number of dollars actually
21 put out to suppliers, to nontraditional
22 suppliers by virtue of double counting.

23 Maybe there's no way around that.
24 But for starters, if we're doing the same with

1 our licensees then my concern is reduced. If
2 that's right, we can think about this on our
3 own. If this is the way the state does it and
4 if we're doing it this way for our licensees,
5 but I don't think we can pat ourselves on the
6 back quite as much if we know that there's
7 double counting going on because it's just a
8 much less significant accomplishment.

9 COMMISSIONER MCHUGH: I don't know
10 that it's a much less significant
11 accomplishment. We don't know what percentage.
12 If there is some double counting, we still
13 don't know the percentage of double counting.
14 And therefore we don't know what single
15 counting are due to these numbers.

16 So, I don't want to trash what we've
17 done here without having facts with which to do
18 it. And I think the double counting, triple
19 counting discussion is an interesting one to
20 have, but we set this up and we need to explore
21 that. But we've still done it, I think,
22 through some aggressive outreach and thoughtful
23 work a really good job here.

24 COMMISSIONER ZUNIGA: The

1 spreadsheet for us is on the next page where
2 you can see you if there's any double counting.
3 Right there that page. It'd be very easy to
4 calculate what if anything is in two columns.
5 For the most part, most of it is only one.

6 MR. LENNON: This is a regular
7 discussion. I can tell you I've been a member
8 of the supplier diversity team or a designee.
9 I was secretary of supplier diversity designee
10 for a while when I was on the executive branch.
11 This is a discussion that we have, the same
12 discussion you're having over and over again,
13 year after year.

14 What percentage to put to it if you
15 qualify for both categories? Are you going to
16 split it 50-50? So, it's usually just done
17 with a disclaimer. And the group always come
18 back to a disclaimer. There are some areas
19 where we've had some double counting, but to
20 get to Commissioner Zuniga's point where do you
21 put more of an emphasis? Where do you put less
22 of an emphasis? So, you just say here's some
23 double counting.

24 Now I don't know if we did similar

1 to our licensees. I can check with Jill to
2 make sure we did a similar process with our
3 licensees so we're not holding them to a
4 different standard.

5 CHAIRMAN CROSBY: It sounds like
6 from what other Commissioner are saying that
7 that is right. But just for the heck of it,
8 let's do double check. Eight of the 18 are
9 double counted.

10 COMMISSIONER CAMERON: I've never
11 looked at it as double counting. I don't think
12 the phrase is accurate. I think we're talking
13 about representing a community. And that
14 person brings value into the areas. That's
15 what we're talking about.

16 Whether it be a woman who happens to
17 be a minority whatever the case may be, I think
18 you're absolutely bringing -- you're
19 representing what we're trying to do here in a
20 couple of different areas. I just have never
21 looked at it or used it that way. I think it
22 can be insulting frankly to someone who adds
23 value to your organization.

24 CHAIRMAN CROSBY: Okay. Anyway just

1 for the heck of it, just double check to make
2 sure we're consistent.

3 MR. LENNON: Absolutely. And with
4 that I think we'll move onto Trupti for an
5 update on our employee diversity report.

6 MS. BANDA: Good morning. This
7 morning I'm here to provide you an update on
8 diversity and some of the staffing that we've
9 done since December.

10 So, since I was here last, I'm
11 pleased to report that we've hired 21
12 additional employees in the gaming area and 18
13 seasonal folks within racing. If you recall,
14 we have one track now. So, many of those who
15 we've hired in racing are rehires. Sixteen of
16 the 18 were rehires.

17 And within the 21 that we've hired,
18 we're at staff level, so gaming agents, gaming
19 agent supervisors, licensing folks all of the
20 areas who are having a high-volume of work and
21 need due to the Penn opening coming up.

22 So, with that said, I am thrilled to
23 report that of the 21 we've hired, 38 percent
24 were diverse candidates or diverse hires shall

1 I say. And then if we were to include all of
2 those numbers together, if you recall when I
3 was before you in December, we were at 21
4 percent diverse for the agency as a whole. And
5 we've been able to hit our goal of 25 percent
6 that we were working towards.

7 Much of that has been through
8 continuing to work with various associations,
9 having a broad-based network to reach a variety
10 of candidates for our hiring that we intended
11 to do over the last I would say six months or
12 so. And working very hard to qualify
13 candidates through phone screens and in-person
14 conversation. And bringing in a broad pool of
15 candidates or a high number of candidates to
16 ensure that we can have a broad diverse pool of
17 candidates for our hiring and identify
18 qualified candidates.

19 That's the most important, making
20 sure that we have the qualified candidates and
21 having some difficult decisions, actually as a
22 matter of fact, for managers where we have
23 several strong qualified candidates to consider
24 from. So, we work very hard with the managers

1 to do that. And I think we've had some great
2 successes within our staff level. And that's
3 the hiring that we did do.

4 One of the things that we are
5 looking ahead to utilizing is a tool that we've
6 implemented recently Taleo. We've partnered
7 with the state Human Resources Division to
8 implement an applicant tracking system. And by
9 using this system, we'll be able to ensure that
10 we have a broad pool of candidates.

11 As a diversity officer, I can take a
12 look at the pool of candidates and ensure that
13 we have that as part of our hiring. And we'll
14 have better metrics around where we're
15 identifying candidates from. So, I think that
16 we will have more information to come in the
17 coming months and years.

18 I don't anticipate a huge swing in
19 any direction as I look ahead at the FY16
20 hires. We don't have plans to hire many
21 positions for FY16, but our goal is to continue
22 to keep an eye on it. This will be our
23 opportunity to work with various associations,
24 working with the Director of Workforce and

1 Development, Jill, and continue to build a
2 network and relationships and share the type of
3 hiring we intend to do and have a broad pool of
4 candidates for the positions we intend to hire
5 for. Do you have any questions?

6 COMMISSIONER MCHUGH: This new
7 system that you're describing will also help us
8 test the success of our outreach efforts. I.e.
9 if we reach into a certain area to find
10 candidates, it would tell us what the yield was
11 on that outreach effort, right?

12 MS. BANDA: Exactly. Say if I were
13 to say where did you hear about this particular
14 position, I can say at the XYZ Association.
15 And then we can start to do more work. Well,
16 okay, we're not having successes in this
17 particular area, let's do additional outreach.
18 Let's work with different associations to get
19 the positions out there. Yes.

20 And this will also allow candidates
21 to self-identify which is something we don't
22 have at the moment. So, we'll be able to be
23 sure we have a diverse pool. So, it's the
24 initial starting point for us.

1 COMMISSIONER MCHUGH: Good.

2 MS. BANDA: Any other questions?

3 COMMISSIONER MCHUGH: Thank you very
4 much.

5 MR. LENNON: I think that's it for
6 us. Thank you Commissioners.

7 CHAIRMAN CROSBY: Thank you. Next
8 up item 3(c) Region C update, Director Wells.

9 MS. WELLS: Good morning, Mr.
10 Chairman, members of the Commission. On the
11 agenda item (i) you have the KG Urban update.

12 As you may recall, two weeks ago I
13 was in front of you and presenting what the
14 status was for KG Urban. I can report to you
15 today that yesterday I received one proposed
16 term sheet, which was unsigned at approximately
17 1:20 in the afternoon, and then a second
18 proposed term sheet with some significant
19 changes at about 4:20 in the afternoon.

20 So, we've had a cursory review of
21 those and taken a look at the conditions on
22 that. Those proposed term sheets however, both
23 are still unsigned. So, my understanding from
24 Mr. Conroy who I have had communications with

1 is they are still in negotiations.

2 I have not received any forms from
3 GLPI as was suggested at the last meeting to
4 help expedite the process so the delay in
5 signing the deal would not further delay the
6 RFA-2 process. But I have not received
7 anything from GLPI to date.

8 So, that's really where we are right
9 now, still waiting.

10 CHAIRMAN CROSBY: The other, the KG
11 and Scott Butera and Foxwoods, you've got the
12 stuff?

13 MS. WELLS: What we would do with
14 those would be similar to what we did with Mass
15 Gaming and Entertainment. Where they had been
16 found suitable prior to -- in the prior
17 analysis when we were doing the slots parlor,
18 well, for Foxwoods, it was the Milford project
19 but for Mass Gaming, it was the slots parlor.

20 In any event, we would do a
21 suitability update. So, it's similar to what
22 we did with Mass Gaming and Entertainment.
23 There's been some changes obviously with the
24 LLC with Foxwoods. We did have a call

1 scheduled for Friday and that was canceled.

2 So, we need to get an idea of
3 because of that change if that would mean any
4 change in qualifiers. But we could do that as
5 part of the suitability process. I'm not as
6 concerned about the Foxwoods piece because they
7 had been through the process already. So,
8 we're somewhat familiar with the players there.
9 We just need to do some adjustments, which
10 would be normal as part of the suitability
11 investigation is ongoing.

12 CHAIRMAN CROSBY: I think
13 Commissioner Zuniga amended our motion to find
14 KG's team pretty much substantially complete to
15 say that they should come back in two weeks and
16 give us an update. And I gather Attorney
17 Conroy is here to do that.

18 MS. WELLS: Yes.

19 MR. STERN: I feel I made the
20 promise two weeks ago. Andrew Stern, managing
21 partner, KG Urban. Good morning. Good
22 afternoon, Mr. Chairman, Commissioners, Judge.

23 Commissioner Zuniga did add his
24 codicil or whatever you legally call it to

1 substantially complete last week for what I
2 believe was incremental progress and to report
3 in two weeks.

4 We do not have a signed term sheet.
5 The purpose of showing the various drafts, one
6 although it was provided yesterday, I apologize
7 that it was provided so late. That was dated
8 May 20, which came in after our de facto
9 General Counsel in New York, Mark Larer
10 (PHONETIC) and his joint-venture specialist and
11 REIT partner spent days and hours on that term
12 sheet with GLPI, which was the roll up our
13 sleeves -- The roll up our sleeves meeting that
14 I promised didn't actually require him to get
15 on a train, it was all done by telephone and
16 email.

17 And then another draft that was
18 actually done yesterday, a new draft during the
19 day before it was forwarded. So, the first one
20 is actually a week old forwarded yesterday.
21 The second one forwarded yesterday was a few
22 hours old. That was done to show the
23 incremental progress that's been made.

24 And for the purposes of

1 demonstrating, I think, more meat on the bones
2 for structure, which was one of the major
3 issues for Director Wells in determining the
4 need for the entity qualifier. So, that is the
5 answer to our incremental progress with the
6 caveat to the vote that was taken two weeks
7 ago.

8 As for the question of the need for
9 the application from GLPI, and obviously I'm
10 not an officer or employee of GLPI, I have been
11 personally working with Senior Vice President
12 Steve Snyder and to a slightly lesser extent
13 with Brendan Moore who is their General
14 Counsel. I don't function in a legal capacity,
15 so I try to leave -- lawyers will laugh at
16 this, but I try to leave the legal work to the
17 lawyers, which is difficult as a recovering
18 prosecutor, but I try.

19 GLPI's position, they're not
20 refusing so much to submit an application or do
21 the work. They are in this business and
22 obviously are licensed in many jurisdictions.
23 So, they have the wherewithal obviously to fill
24 out an application. They are taking the

1 position to which I am not unsympathetic to be
2 frank with the Commission. That the very
3 essence of what a REIT is makes them by
4 definition a landlord and a funding source.

5 I even had this conversation with
6 our banker David Berman at Macquarie who is one
7 foremost gaming advisors in the industry that
8 they are unique in what they do.

9 And as a landlord and funding source
10 they will have no role in any part of the
11 operation. They will own or lease no slot
12 machines, chips, tables. They will not employ
13 anybody. They will serve no food or drink, do
14 no marketing or promotion nor have any role in
15 it, provide no gifts to winners or at least no
16 hotel rooms.

17 In addition to no employment of
18 people, they will have no vendor relationships
19 with any vendors who are certified by the
20 Commission to vend or lease the machines, the
21 tables, the equipment, kitchen equipment,
22 anything else.

23 And as a result, their position is
24 they feel they shouldn't have to prove a

1 negative that they are not a qualifier as an
2 entity. That somehow the regs. should be,
3 somebody should demonstrate to them. And this
4 is with great respect to Director Wells who's
5 been a terrific facilitator and worked closely
6 with our lawyers and with GLPI and its lawyers.
7 That is their position as best as I can state
8 it at this time.

9 COMMISSIONER CAMERON: Mr. Stern,
10 you started your conversation by telling us
11 that they have been found suitable or have done
12 this before in other jurisdictions in order to
13 move forward in other jurisdictions and then
14 you go on to tell us that they don't want to do
15 it here. Could you explain that?

16 MR. STERN: I should rephrase. Some
17 of their officers who were --

18 COMMISSIONER MCHUGH: Penn National?

19 MR. STERN: Yes, they were officers
20 as they were with this Commission have been
21 qualified before.

22 MR. CONROY: Commissioner, it's a
23 good question. This is Kevin Conroy. I think
24 we're a little bit in a Catch-22 here which is

1 Director Wells needs a completed term sheet in
2 order to determine whether GLPI is a qualifier.
3 We do not have a completed term sheet to give
4 to Director Wells for her to make that
5 determination.

6 GLPI however would like the
7 opportunity when Director Wells is ready when
8 we've got a completed term sheet to show
9 Director Wells, to make an argument to Director
10 Wells as to why they should not be subject to
11 suitability.

12 If Director Wells says that they are
13 subject to suitability, GLPI has told us that
14 they will file the applications. So, we
15 haven't had an opportunity yet to have a good
16 discussion with Director Wells about whether
17 GLPI is a qualifier or not because Director
18 Wells needs a completed term sheet to do that.
19 That's the point.

20 CHAIRMAN CROSBY: Are the debating
21 points in the term sheet the points that you
22 just got through saying are the points that
23 would exempt them from being a qualifier? Are
24 you debating whether or not they're going to

1 have a management role?

2 MR. STERN: No, no not at all. They
3 do not -- a REIT cannot own -- does not own the
4 license. They are not the owner of the license
5 and they do not own any fixtures or equipment.

6 CHAIRMAN CROSBY: So, the terms of
7 the term sheet, which are not yet concluded
8 don't in your judgment at least have anything
9 to do with the reasons why the REIT would not
10 be a qualifier?

11 MR. STERN: No, they're economic.

12 CHAIRMAN CROSBY: What's your
13 perspective?

14 MS. WELLS: I will say, I'm a little
15 hesitant to opine about their agreement when
16 they don't have an agreement because I don't
17 think the Commission should be in the position
18 of impacting negotiations between the other
19 parties.

20 If I say X, Y or Z, they may change
21 the direction that we are telling them in
22 effect how to the deal. That was why I'm
23 waiting to see for certain what their deal is
24 then I'll make a determination. That's the

1 correct approach from a regulatory perspective.

2 COMMISSIONER MCHUGH: I think that's
3 absolutely essential. The events of default
4 for example, may have an impact on a lot of
5 things. A lot of the terms, although they
6 don't give them an ownership interest in the
7 facility could have an impact on how the
8 facility operates. So, I think that's
9 absolutely right.

10 I think Mr. Conroy's suggestion as
11 to the sequence that needs to be followed is
12 absolutely right. It's not substantially yours
13 Mr. Stern, but we need to see what the term
14 sheet says. And then figure out from the term
15 sheet at least whether or not they're a
16 qualifier and if not give them an opportunity
17 to say why not.

18 MR. STERN: I think the only point I
19 was making about the term sheet we submitted,
20 the draft we submitted and the reason why we
21 submitted them was to demonstrate what GLPI
22 does and that it can't go beyond what it does
23 as a REIT. It can't own a license and it
24 doesn't operate.

1 COMMISSIONER MCHUGH: But that
2 doesn't necessarily end the inquiry.

3 MR. STERN: No. But we submitted
4 the drafts so that Director Wells could see
5 that things that cannot and that won't and
6 can't change for GLPI as a REIT are not
7 changing as the drafts change. The structure
8 is the structure. And to the extent there were
9 substantial changes, it was to show -- That was
10 for the purpose of also showing the incremental
11 progress that Commissioner Zuniga asked us to
12 demonstrate.

13 COMMISSIONER MCHUGH: I thought, and
14 although I wasn't here at the last meeting, I
15 thought that the premise was that the GLPI/KG
16 Urban deal had been done long ago. So, this
17 comes as a bit of surprise to me. Maybe I
18 didn't read closely or listen attentively, but
19 I thought the last time I checked in on this
20 was that KG Urban was happy to announce that
21 the land purchase by GLPI and that deal was
22 done. And the equity financing would come from
23 them from you as well.

24 Maybe that was an aspirational

1 statement, but I thought it was a done deal.

2 MR. STERN: Far more than
3 aspirational. By the way, it's not the land,
4 it's the land and the improvements to it,
5 meaning the buildings itself.

6 COMMISSIONER MCHUGH: I understand.

7 MR. STERN: If I can step back here
8 for a moment and just ask for the
9 Commissioners' forbearance for a moment.
10 Obviously, I played a very personal and major
11 role in pushing to have Region C open to
12 commercial licensing in the first place. And I
13 think it's fair to owe this Commission just a
14 little bit of context about the last six weeks
15 now.

16 When I had sat here with Bary Gosin
17 and the extension was asked for and obviously
18 it was needed to satisfy the equity
19 requirement. That was the reason for the need
20 for it. And what we had as a result of having
21 the -- plus we needed as I said last time,
22 Commissioner McHugh wasn't here, was that gave
23 us the ability to tell equity sources or
24 somebody like GLPI two things that we've not

1 been able to previously say. What can we build
2 in terms of density, height. And what will our
3 local payments be which is the equivalent of
4 telling someone what your real estate taxes
5 will be.

6 But there was another aspect to that
7 in terms of what we had to do, which was
8 different than why we needed the extension for
9 regulatory purposes. We had been at a
10 standstill for 18 months because of the impasse
11 with the mayor in terms of design engineering
12 and cost estimating, all of the things that go
13 to the moving parts that go to putting a
14 finance deal together of any kind to build
15 anything.

16 The Mayor has been a terrific ally
17 beyond our -- and has exceeded any expectations
18 since we signed the deal. He has put his
19 people at our disposal. And I will say we
20 filed our ENF the day after I was last here.
21 The city spent three days it needed to review
22 our draft.

23 But the problem was we were at a
24 dead standstill for 18 months because sitting

1 in a room together with Charette, ourselves
2 designing things and hoping that if the Mayor
3 ever met with us he would like them wasn't
4 going to help us. We knew what the last mayor
5 liked. That's simply sitting there doing an
6 academic exercise and paying architects and
7 engineers doing the cost estimates for whatever
8 the design was of no use to anybody.

9 So, when we finally made our deal
10 with the Mayor, from a dead stop we had to take
11 what we had agreed to with the Mayor in terms
12 of density, layout, programming and put our
13 design team -- not back together. It was
14 together. But one of our lynch pins, our
15 casino architect out in Las Vegas had retired
16 in the interim. On the 20 March, we signed the
17 deal on the 19th. On the 20th, I retained a
18 rock star architect from Las Vegas who had a
19 long history doing work for Steve Wynn and
20 building Rio, redesigning the RIO with Tony
21 Marnell.

22 He jumped in right away with our
23 team in New York. And we started the
24 programming based on the agreement with the

1 Mayor and all of the square footages that our
2 HCA allowed. And designed based on the
3 program. We had to go back to Tishman's Casino
4 Group which has built the City Center, Borgata,
5 Water Club, all over the country. They've been
6 working with us for seven years.

7 I've put eight years of my life into
8 this. And it was like compressing everything
9 that we had done in seven or eight years back
10 into the 45 days. All of the discussions with
11 potential equity sources including Scott
12 Butera's discussion with GLPI, which eventually
13 bore fruit were dependent essentially like a
14 giant machine, depending on the machining of
15 individual parts.

16 So, we were talking to the equity
17 sources showing the HCA but also redoing the
18 program, the design and engineering and cost
19 estimating all at the same time that we were
20 trying to do that and working with the Mayor to
21 plan for a referendum on a project that we were
22 reprogramming and redesigning at the same time.

23 And that is why I'm not sitting here
24 with a signed term sheet with GLPI today only

1 drafts of it have been continuously updated
2 since what we gave Director Wells, I guess on
3 the -- before the last time I was here and then
4 yesterday from the 20th and yesterday from
5 yesterday.

6 There's been no lack of effort or
7 lack of work and lack of, to use a cliché, nose
8 to the grindstone and burning the midnight oil.
9 We're trying really hard after eight years of
10 this. We're pushing very hard to give us this
11 opportunity. But we couldn't do anything until
12 19 March. And then suddenly we had to do
13 everything after the 19 March and we have been
14 doing everything.

15 COMMISSIONER ZUNIGA: You know, Mr.
16 Stern I simply don't buy it. I buy that you
17 have to do reprogramming and do a lot of things
18 contingent of the HCA, but I don't think that's
19 dependent on the equity sources, identifying
20 your equity sources.

21 You've had three years to put at
22 least a general financing piece, the equity
23 piece. That's what we always needed for Phase
24 1. And that only came about very recently.

1 And you still don't have a signed term sheet.

2 Let me mention something about what
3 I am amended last meeting. And the incremental
4 progress hinged on two things, a term sheet, an
5 executed term sheet or the submission of
6 additional qualifiers from whomever GLPI or
7 whomever was going to be your equity source. I
8 understand, as you described, Mr. Conroy, that
9 one is dependent on the other. That leaves us
10 only with the term sheet, which you still don't
11 have executed. Where are you on that?

12 MR. STERN: The whole point I think
13 of giving you the latest draft yesterday
14 afternoon, which was done yesterday was
15 forwarded as soon as it came back from GLPI.

16 COMMISSIONER ZUNIGA: Where are you
17 on executing it?

18 MR. STERN: On signing it?

19 COMMISSIONER ZUNIGA: Yes.

20 MR. STERN: I think we're pretty
21 close. I don't have any reason to believe
22 otherwise.

23 COMMISSIONER ZUNIGA: That's what
24 you told us two weeks ago.

1 MR. STERN: I said we had work to
2 do. I said we were going to roll up our
3 sleeves. We said incremental progress. I
4 think we've made better than incremental
5 progress. It's not signed, but I'd like to
6 respond to the other thing since you said you
7 don't buy what I told you.

8 COMMISSIONER ZUNIGA: The piece
9 about identifying your equity source dependent
10 on a host community agreement.

11 MR. STERN: It's more than dependent
12 on the host community agreement, because when
13 you build anything as you know probably better
14 than I do whether it's an apartment building or
15 an office building or a shopping mall or cold
16 storage, you have to know what you can build in
17 terms of floor area ratio or density or
18 whatever the jurisdiction calls it.

19 You have to know what your real
20 estate taxes are going to be. And you have to
21 know what it's going to cost to build. You
22 can't know what it's going to cost to build
23 until you know what you're going to be
24 permitted to build, how high you can go whether

1 you have to go out wider instead of taller.

2 When the Mayor insisted that the
3 hotel be only 11 stories and no taller, the
4 footprint of the hotel became bigger in order
5 to put 300 rooms in it. We knew we needed 300
6 rooms. His gaming analyst agreed that we
7 needed 300 rooms. But he wouldn't let us go
8 higher than 11 stories for reasons that he's
9 the mayor.

10 That meant the footprint of the
11 building, if you can't go up, you've got to go
12 out. So, the footprint of the building became
13 wider. That meant more steel. We had to go
14 back to Tishman for the first time since 2013.
15 Every equity source you can identify and you
16 can know who they are, GLPI, I could name the
17 others. I don't think it's fair to them to
18 name them since we didn't bring them to you,
19 but they are going to ask all of the same
20 questions.

21 What can you build? What are the
22 payments to the locality and the state gaming
23 tax, which everybody knows and what is it going
24 to cost to build it? And the biggest question

1 we got after the HCA was what is this project
2 going to cost? And the most recent estimates
3 we had were number one, two years old. And
4 number two, for something other than what we
5 had just agreed with the Mayor that he had said
6 that we had agreed okay, we'll build it the way
7 you want it built.

8 I'm telling you the God-honest
9 truth. I've never told this Commission or the
10 media or anyone else in Massachusetts anything
11 else. That is a fact. Equity sources want to
12 know what it's going to cost to build something
13 because that affects their returns. I'm not
14 even a finance person, you are. You know this.

15 COMMISSIONER ZUNIGA: I am.

16 COMMISSIONER MCHUGH: Do you want to
17 pursue that? I want to jump in and see if we
18 can move the conversation in a little bit
19 different direction. But I don't want to jump
20 on you --

21 COMMISSIONER ZUNIGA: The only
22 thing, you arrived at your modeling everything,
23 your pro forma, your enterprise on the cost
24 approach. I get that. But you could also do

1 that on the revenue approach and you could
2 reconcile the two.

3 MR. STERN: The revenues have not
4 changed as much but the costs changed based on
5 what we can build.

6 COMMISSIONER ZUNIGA: Yes. And
7 that's where you make your decision as to how
8 much risk you can take, what the equity sources
9 can take. But there's market studies that have
10 been done for that region and population and
11 number of people that visit that casino that
12 could actually get you or the equity sources
13 that name comparable as to what that overall
14 total cost can be.

15 MR. STERN: Every one of them wants
16 cost estimates. They want construction
17 estimates. Every one of them said fine. This
18 is great. Give us the cost estimates.

19 COMMISSIONER MCHUGH: Let me just
20 see if I can jump in here. I apologize if I'm
21 jumping at the same time jumping off because I
22 wasn't here at the last meeting.

23 But as I read the condition here, it
24 was to come back with a status on progress of

1 the term sheet or the submission of additional
2 qualifiers. And the purpose of this, as I
3 understand it, is to allow the IEB to begin to
4 think about and plan for the investigations
5 that are necessary in order to do the
6 qualification, the suitability before the end
7 of time.

8 So, you still have a way to go on
9 the term sheet. I've not heard you say that
10 that was GLPI's draft to you and you're
11 prepared to accept it. I haven't heard
12 anything that would remotely suggest that. But
13 it seems to me that if this deal is going to be
14 done, it's a deal with GLPI.

15 I understand GLPI is reluctant to
16 put itself out as a qualifier. But at the same
17 time the IEB needs to plan. So, what is wrong
18 with getting on the phone and saying to GLPI we
19 need to tell the Commission that you're
20 prepared to be a qualifier if you get this
21 deal?

22 And give us a list so that Director
23 Wells can begin the planning for the
24 investigation. And then there would be a

1 meeting at which GLPI or the individuals could
2 say and convince if they could Director Wells
3 that they need not be qualifiers. I don't know
4 whether that would satisfy you, Director Wells.
5 I'm just trying to move this thing forward.

6 MS. WELLS: I think for timing, I
7 think what might be helpful if the Commission
8 is inclined to go forward based on what they
9 are hearing today, is that we could identify if
10 GLPI is a qualifier there would be qualifying
11 entities and qualifying individuals associated
12 with them. It's not as if GLPI just submits
13 one BED. Do that list. They should have those
14 forms done and ready to go.

15 My concern is the delay in okay, you
16 get the term sheet. Then you have a meeting.
17 Then you talk about who is going to qualify.
18 Then they need three, four, five weeks to fill
19 out the forms. Then we get those and then we
20 start the investigation. It's that piece of
21 it.

22 What I'm trying to do is to expedite
23 the process and so far we're still in the same
24 place.

1 COMMISSIONER MCHUGH: So, the
2 condition last week was not just the
3 identification of qualifiers it was the
4 submission --

5 MS. WELLS: I'm not sure of the
6 exact language that was in there.

7 CHAIRMAN CROSBY: That was a big
8 part of our conversation. I was very explicit.
9 Give us the qualifiers and let us get started
10 and work your deal out later.

11 MR. STERN: I think it was the
12 identification. I'm prepared to satisfy this
13 Commission as best I can. And here's what I
14 can offer. I can push on the business side for
15 the term sheet to get from where it is to
16 executed. I don't think there's a chasm
17 between the two sides.

18 And I can have Kevin Conroy, who is
19 sitting next to me reach out to counsel of GLPI
20 and push for what I'm hearing which is through
21 Director Wells, which is to tee up the dominoes
22 so that if or when they are determined to be a
23 qualifier, the names are known of who the
24 individuals are. I can't imagine it would take

1 four to five weeks to do applications.

2 COMMISSIONER ZUNIGA: I thought
3 that's exactly what we asked you two weeks ago.
4 I thought you told us that the term sheet is
5 imminent and we're going to roll up our sleeves
6 and execute it. And/or as that was the part of
7 the condition we will show some incremental
8 progress in getting you either the list or the
9 applications of all those qualifiers.

10 MR. STERN: I thought we were asked
11 to show incremental progress on the term sheet.
12 And I think two drafts of a term sheet with
13 substantial redlined changes is better than
14 incremental progress.

15 COMMISSIONER ZUNIGA: You'll
16 remember my comments and I reread these
17 recently from our meeting from our transcript
18 that I have seen in my previous life any number
19 of drafts of agreements that are not executed
20 are as good as the paper that they are written
21 on. Until they are executed you have no deal.

22 MR. STERN: I agree with you, but
23 that doesn't mean we haven't made incremental
24 as was demanded of us. And we've been working

1 our tails off to make incremental progress.

2 I am not denying that it's not
3 signed today. But I believe we've made the
4 incremental progress that was demanded of us,
5 which is between where we were which was simply
6 a structured term sheet from GLPI about how
7 their deals work with our property integrated
8 into it and one with extremely specific
9 participation rent clauses in it and a whole
10 number of other terms that apply very
11 specifically to KG and GLPI put in there by
12 their attorneys and three lawyers that
13 specialize in REITs and joint ventures from our
14 side.

15 Where we were several weeks ago was
16 something submitted to Director Wells to
17 demonstrate how GLPI deals work from a
18 structure standpoint. And we were very
19 straightforward then that was simply what we
20 called a dummy term sheet to show how their
21 deals work. That we had not rolled up our
22 sleeves yet.

23 I said we were going to roll up our
24 sleeves. We have. We have spent a lot of

1 money on lawyers to do it. I'm not
2 disagreeing. I'm not contesting that it isn't
3 signed and executed, but incremental progress,
4 I do not believe that was being defined as
5 signed and executed. And I apologize if I
6 misunderstood.

7 COMMISSIONER ZUNIGA: I believe I
8 know where you stand. Thank you.

9 MR. STERN: I believe we can have it
10 signed quite soon.

11 CHAIRMAN CROSBY: Does any of us
12 know whether GLPI is and its individuals and
13 institutions are a qualifier are licensed
14 elsewhere in any other jurisdictions?

15 MR. CONROY: My understanding is
16 GLPI in certain states is a qualifier, in
17 certain states is treated as a gaming vendor.
18 In certain states is not a qualifier or a
19 license.

20 CHAIRMAN CROSBY: The question was
21 are they considered a qualifier in some and it
22 sounds like they are.

23 MR. CONROY: I believe that's the
24 case.

1 CHAIRMAN CROSBY: What troubles me
2 here that it seemed to me that if GLPI shared
3 with you the optimism that this going to get
4 done pretty soon and cared at all about this,
5 rather than putting you in a position of having
6 to come back here and telling us after all we
7 said about give us a list of your qualifiers
8 they have you come back here with not a happy
9 position of trying to explain to us on their
10 behalf why they don't want to be a qualifier.

11 But if they're already qualifiers,
12 the forms have got to be pretty well near
13 filled out. A hint of good faith and
14 commitment on their part would be either forget
15 about not being a qualifier or give us the
16 stuff on a contingent basis. It's got to be
17 two-thirds done and indicate some good faith.
18 But instead you are here hanging by thread.

19 MR. STERN: I have to say they are
20 blameless. I will take the hit for this. They
21 have been acting in very good faith. Steve
22 Snyder said to me yesterday hoped we would be
23 further along at this point. They are not
24 acting in any sort of bad faith. We did not

1 ask them to come here and explain anything. I
2 didn't ask them to join us today.

3 CHAIRMAN CROSBY: If that's the case
4 and they're a qualifier elsewhere, why not just
5 give us the stuff?

6 MR. STERN: In Maryland, which was
7 one of their most recent, they were found not
8 to be a qualifier. And there is sort of new
9 world here and how the gaming REIT functions as
10 they do. Virtually nobody else does what they
11 do. And they are being treated, as Kevin said,
12 there's been some head scratching going on.
13 They're a vendor in some places. And Maryland
14 said they're a funding source and a landlord,
15 not Massachusetts, that's Maryland.

16 But this is not a lack of good faith
17 on their part. They forwarded us that marked
18 up final term sheet yesterday specifically so
19 that the Commission would have their very
20 latest comments on where their heads are on the
21 term sheet in response to our latest proposal
22 on various terms.

23 It doesn't change what they do or
24 how things are structured. And we wanted

1 Director Wells, like I said, to see the
2 structure of the REIT deal is sticking where it
3 is.

4 I go back to New York today and say
5 what I told my folks this morning is we have
6 got to get this thing signed. The Commission
7 is going to demand of me today if it's not
8 executed now, when is it going to be executed.

9 COMMISSIONER MCHUGH: What was the
10 answer to that question?

11 MR. STERN: I can't necessarily
12 predict the future but the answer is there's no
13 reason it shouldn't get signed.

14 COMMISSIONER MCHUGH: I know that,
15 but one could have said that all along. And
16 that's not to say anything -- And I know these
17 things are tough. These negotiations are
18 tough.

19 The motion, because we've been
20 talking about this for some time, the minutes
21 reflect that the motion that was passed last
22 week said that you were required to come back
23 in two weeks with the status of the progress of
24 the term sheet or the submission of additional

1 qualifiers as discussed. Those were phrased in
2 the alternative. And it seems to me, I know
3 there was more discussion but that was the
4 motion.

5 And it seems to me that you've come
6 back with status on the progress of the term
7 sheet. It also seems to me that this has the
8 potential to go on forever. And it seems to me
9 therefore that the Commission's next step ought
10 to be to set the drop-dead date.

11 COMMISSIONER ZUNIGA: We've done
12 that. We've done the drop-dead date a number
13 of times in the past. We've had a number of
14 discussions about substantial completion. And
15 I could go into all of those dates but that's
16 not the point.

17 I thought the way that I recall the
18 conversation in addition to what's in the
19 minutes was that we were deeming the qualifier
20 -- I'm sorry the applicant substantially
21 complete. I amended it to include subject to
22 that update. I would ask that we take that
23 vote now or later and deem them substantially
24 complete or not based on the information that

1 we now have.

2 COMMISSIONER CAMERON: I think it's
3 more helpful to be specific and to understand
4 exactly where this team is and what our
5 expectations are. I think frankly it was a
6 little unclear. It's not as clear as just
7 saying yes or no.

8 I have found this conversation to be
9 helpful. I think there is an understanding, as
10 the Chairman said last time, our patience is
11 not something that is unlimited. We understand
12 the needs of IEB.

13 We also have another applicant here
14 who is -- we have to be fair to everyone in the
15 process. Some of those earlier votes were when
16 the whole region was unsettled and we did not
17 have clear direction. But I think at this
18 point we are looking at very clear two
19 applicants and we need to give very clear
20 direction here.

21 If we are looking at moving this
22 ahead but we want to be very clear about it, I
23 really did like the idea of a deadline here so
24 we are not having the same conversation a month

1 from now. That would not be productive.

2 COMMISSIONER ZUNIGA: I am getting
3 worried about a pattern here. I'm getting
4 worried that we've extended this deadline all
5 incrementally and for a number of reasons all
6 in the spirit of competition.

7 But I think this pattern can be
8 troublesome. If it's only for the spirit of
9 competition, let me talk a little bit about
10 that. It's not just the current applicant.
11 There's somebody out there potentially who
12 could have used all this time to put together a
13 proposal just in theory. There is a third
14 applicant that dropped two weeks ago who could
15 say, at least hypothetically, I could have used
16 four more weeks to finalize my own deal.

17 The ongoing extension of this
18 deadline, and I understand there's this whole
19 notion of substantial completion, this to me is
20 a little troublesome in the context of
21 everything that we've done.

22 CHAIRMAN CROSBY: Are you saying
23 that we should cut it off today?

24 COMMISSIONER ZUNIGA: Yes.

1 CHAIRMAN CROSBY: That's the bottom
2 line.

3 COMMISSIONER ZUNIGA: That's the
4 bottom line.

5 CHAIRMAN CROSBY: You want a
6 deadline and you want it to be today.

7 COMMISSIONER ZUNIGA: Yes.

8 COMMISSIONER CAMERON: I think all
9 of our decisions in every region have been
10 fact-based. And there have been differences in
11 every region for a number of reasons. So, we
12 really haven't had any, that I'm aware of, any
13 circumstance in which it wasn't a fact-based
14 decision. That's what I'm taking into
15 consideration here today.

16 COMMISSIONER ZUNIGA: And the fact
17 is they don't have a deal. They don't have a
18 signed -- And the other piece of the condition
19 was depending on having a deal apparently or
20 not.

21 So, as the motion from last week was
22 to deem them substantially complete. You were
23 prepared to go along and you did. And I
24 amended it to include to show progress that I

1 don't see now. I would like to have us another
2 vote again now or later that we are effectively
3 redoing that vote of deeming them substantially
4 complete.

5 COMMISSIONER CAMERON: I think
6 there's a gray area in what we said two weeks
7 ago. And I actually would like before we take
8 a vote, I'd like to hear more about
9 Commissioner McHugh's idea on being clear in
10 our expectations.

11 COMMISSIONER MCHUGH: I would, to be
12 clear, propose, hypothetically, I'm not making
13 this motion now that we deem KG Urban
14 substantially complete provided that we have a
15 completed term sheet by a week from today.
16 That's what I would do.

17 You know this is like a lot of other
18 deals. It's like a lot of other things. And
19 one of the problems with trying to tailor the
20 deadlines to the circumstances of the case is
21 that the deadlines lose their deadline
22 potential.

23 CHAIRMAN CROSBY: Because they're
24 not credible.

1 COMMISSIONER MCHUGH: Because
2 they're not credible. And I share Commissioner
3 Zuniga's concern about that.

4 On the other hand I've seen the ENF.
5 There's a lot of work that's been done on this.
6 This is not just somebody's wishful thinking.
7 And there's been a lot of money obviously put
8 into it. And there's a lot of energy put into
9 the deal. And even though I haven't seen the
10 term sheet I can imagine what energy has been
11 put into that.

12 But at some point there is a cost-
13 benefit to trying to make the deal perfect.
14 And if the cost is that perfection is going to
15 mean you can't meet a deadline, then perhaps --
16 and the whole deal is going to be no force and
17 effect, then that has to be taken into account
18 in terms of who surrenders what when.

19 And it seems to me the time has come
20 now. And with all sympathy for your position
21 to say a very short time -- here it is. This
22 is the time. Now factor that piece into your
23 cost reward, ROI, whatever it is, calculus.
24 That's a piece that's now in play and in place.

1 That would be my approach.

2 COMMISSIONER STEBBINS: If you're
3 suggesting that is to go back to your first
4 comment about setting a week from today as a
5 hypothetical deadline for having in our hands a
6 copy of the signed term sheet between the two
7 parties, I'd be curious to know I guess with
8 Director Wells is to whether a week after that
9 which be our next regularly scheduled meeting
10 that we would have -- we could call for some
11 element or some progression in the discussion
12 of the -- of whether GLPI would be deemed a
13 qualifier. And setting that next meeting date
14 as a time for GLPI to be present instead of Mr.
15 Stern carrying their water for them to argue
16 for or against whether they would be deemed a
17 qualifier.

18 MS. WELLS: Yes. I think that's an
19 IEB decision. I don't think that's a
20 Commission decision.

21 COMMISSIONER STEBBINS: It's a
22 decision that starts with you. I guess my
23 question is term sheet a week from today.

24 MS. WELLS: Set up a meeting Friday.

1 We'll have a discussion on the term sheet.

2 We'll make a determination about the
3 qualifiers. And then they can get their
4 paperwork in seven days from then.

5 COMMISSIONER ZUNIGA: I would go
6 along with something very crisp and clear,
7 which is an executed term sheet one week from
8 today, which can then -- because seemingly that
9 is the critical path here. Because without it,
10 we don't know the qualifiers. Because without
11 it we don't know if they can -- they will
12 submit applications etc., etc.

13 So, if we seem to have left it one
14 week from today with an executed term sheet
15 then the IEB goes to work. There is meetings.
16 They will report as early as a week after. But
17 we no longer have what ended up being a bit of
18 a not clear enough amendment to the motion you
19 made from two weeks ago.

20 This one would be a lot more clearer
21 and it hinges on whatever the latest draft is
22 but with the signature of the parties at the
23 bottom.

24 CHAIRMAN CROSBY: My two cents worth

1 on that. I happen to agree with Commissioner
2 Zuniga that we would be well within our rights
3 to say that we didn't get what we are looking
4 for. This was not enough of incremental
5 progress. We would be well within our rights
6 to cut it off today.

7 I happen to not think that would be
8 appropriate because I do agree that this has
9 been a useful conversation. I think things
10 like the ENF are non-trivial.

11 But I also agree that it's time for
12 a deadline. I could live with either a week or
13 our next meeting. The question that I have
14 about doing it this week as a practical matter
15 the Commission can't do anything. The staff
16 can but the Commission can't do anything.

17 So, if something is presented a week
18 from today there could easily be a week go by
19 where nobody knows what's happening. Is it
20 over or not? Because we can't get together to
21 talk about it. And I don't think that is good
22 for anybody.

23 So, as a practical matter I don't
24 want to make it a week just sort of to be tough

1 and then have another second week which is just
2 kind of a waste of time. So, I would be
3 inclined to say pick a day or two prior to our
4 next meeting say for the sake of discussion
5 July 9 in order that Karen has a chance to
6 review it.

7 COMMISSIONER MCHUGH: June.

8 CHAIRMAN CROSBY: I'm sorry, June 9.
9 And staff has a day or two to look at it so we
10 can then be advised at a meeting where we can
11 act on whether this has been satisfied or not.

12 COMMISSIONER STEBBINS: I don't
13 necessarily agree with that. I'm looking one
14 to give Director Wells more time. I think two
15 days before the meeting --

16 CHAIRMAN CROSBY: Excuse me, Bruce.
17 Not to do what all you were talking about
18 doing. You were talking about resolving the
19 issue of whether they're a qualifier or not. I
20 wasn't suggesting that that get done. I was
21 just suggesting that Karen and others could
22 opine and analyze whatever is submitted, the
23 term sheet presumably and be prepared to advise
24 us. It would postpone the start of the

1 qualifier discussion by five days is what I'm
2 talking about. She could start it but she
3 would start it on June 9 rather than on June 4.

4 COMMISSIONER MCHUGH: If there is a
5 signed term sheet.

6 CHAIRMAN CROSBY: If there is a
7 signed term sheet. That would be my two cents.

8 MS. WELLS: I think that what would
9 be helpful to me in the process is to really
10 get a defined date and almost a time that it
11 would be noon on whatever date. I guess the
12 question if there is a delay between then and
13 the Commission meeting, what happens if there's
14 a deadline --

15 COMMISSIONER ZUNIGA: Then they miss
16 the deadline. No, no. What we are considering
17 here is a hard stop. The iron curtain will
18 close.

19 COMMISSIONER MCHUGH: There's a
20 guillotine instead of the butter knife.

21 CHAIRMAN CROSBY: If you're
22 comfortable with it. You were the one talking
23 about this motion. If you're comfortable with
24 it, Tuesday is the ninth, right?

1 MR. DAY: Chairman, I was just going
2 to mention trying to get information into the
3 packet and process actually our deadline is
4 Monday the eighth to get information into the
5 packet.

6 COMMISSIONER ZUNIGA: We wouldn't
7 need the term sheet into the packet. All we
8 would want is Director Wells to give a verbal
9 report that she's got the signed term sheet.

10 CHAIRMAN CROSBY: If we made it 5:00
11 close of business on Tuesday June 9 and give
12 Director Wells the authority to determine
13 whether or not she gets what she wants on that
14 date. If she doesn't it's over.

15 If she does, she then has Wednesday
16 to take a look at it and staff to take a look
17 at it and then to be able to talk with us on
18 Thursday. We will know since once we get
19 whatever we get by that date and time you will
20 know whether you need to invite the applicant
21 to come.

22 MR. STERN: Can I just add that the
23 onus is entirely on KG to deliver that executed
24 term sheet not GLPI. The buck stops with us on

1 the term sheet but that if we should be so
2 fortunate that we deliver it to you and we've
3 executed a term sheet and an executed operating
4 partner, GLPI made it very clear to us and I
5 think they did with Director Wells in one phone
6 call, the scoping call that they would be
7 extremely cooperative in both helping determine
8 qualifiers and in hashing out whether the
9 entity is a qualifier.

10 Then if they are determined to be,
11 providing the application. I don't have any
12 doubt that once we deliver your term sheet.

13 COMMISSIONER MCHUGH: Right.

14 CHAIRMAN CROSBY: Right. On that
15 issue, it's the old proof in the pudding is in
16 eating, but we'll take what you're saying at
17 face value.

18 COMMISSIONER MCHUGH: We've dealt
19 with a number of the principles before. So,
20 there is a reason for optimism there.

21 CHAIRMAN CROSBY: Sure. If you are
22 in agreement with that would you frame the
23 motion?

24 COMMISSIONER MCHUGH: I move that

1 the Commission deem the application of KG Urban
2 substantially complete provided that KG Urban
3 submits to the Investigations and Enforcement
4 Bureau no later than 5:00 PM on Tuesday, June
5 9, 2015 a completed signed term sheet, signed
6 that is by all parties to the contract.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER CAMERON: Second.

9 CHAIRMAN CROSBY: Further
10 discussion?

11 COMMISSIONER ZUNIGA: What happens
12 if they don't?

13 COMMISSIONER CAMERON: We'll have a
14 report from Director Wells on Thursday.

15 COMMISSIONER ZUNIGA: Ask for
16 another extension?

17 COMMISSIONER MCHUGH: That's a
18 legitimate question. Let me restate the motion
19 to put in the self-executing piece that will
20 obviate the need for this conversation again if
21 it doesn't happen.

22 So, let me withdraw that motion and
23 say that I move that the Commission consider
24 the application of KG Urban substantially

1 complete provided that no later than 5:00 PM on
2 Tuesday, June 9, 2015 they submit to the
3 Investigations and Enforcement Bureau a term
4 sheet signed by all parties to the contract and
5 further provide that if they fail to provide a
6 term sheet of that description by that date and
7 time that the Commission deem their application
8 not substantially complete.

9 CHAIRMAN CROSBY: Do you second that
10 one?

11 COMMISSIONER ZUNIGA: I second that
12 one.

13 CHAIRMAN CROSBY: This is pretty
14 high-stakes. Does the staff anybody thought
15 we're missing anything? Okay. Further
16 discussion? All in --

17 COMMISSIONER STEBBINS: Maybe John
18 might know this question or the attorneys here.
19 Just thinking in terms of timing for cost and
20 expenditures for the city of Bedford in
21 preparing for host community referendum vote.
22 Printing the ballots, the cost of the ballots,
23 the cost of connecting with the voters.

24 MR. ZIEMBA: Pursuant to our

1 regulations shall cover the cost of that
2 election. And I would assume that the
3 applicant here agrees that under any
4 circumstances that they would cover those costs
5 for the city, regardless of the outcome here.

6 MR. STERN: This applicant is bound
7 by the regulations that cover applicants. I
8 don't have it in front of me but I'll take the
9 attorney's word for it that whatever the
10 regulations say apply to us.

11 MR. ZIEMBA: But one curiosity would
12 be what happens if they're no longer an
13 applicant by the date of the referendum.

14 COMMISSIONER ZUNIGA: That's right.
15 When is the referendum?

16 MR. ZIEMBA: June 23.

17 COMMISSIONER ZUNIGA: And when would
18 they need a waiver to move forward prior to?

19 MR. ZIEMBA: They would need to have
20 a notice before us at our next regularly
21 scheduled meeting by June 11. They need at
22 least more than four days to submit the notices
23 to the citizens under election law.

24 MR. CONROY: I'm pretty sure your

1 regs. state clear that we have to pay the costs
2 even if we are no longer an applicant. I may
3 be wrong about that but I think you had a
4 provision that says that just because you were
5 nervous about this purpose.

6 And certainly we're going to -- KG
7 is going to abide by the regulations that are
8 laid out. Attorney Silverstein is here. We
9 have had some conversations about the
10 referendum and costs. I think this is
11 something we can work out with the city even if
12 the city's got concerns we can work them out.
13 I do think your regulations address this issue.

14 COMMISSIONER STEBBINS: I'll go with
15 Attorney Conroy's word.

16 MR. STERN: If you want to hear
17 Attorney Silverstein is right behind me.

18 CHAIRMAN CROSBY: Do you have
19 something to add?

20 MR. SILVERSTEIN: No, Commissioners.
21 I would just say that we provided cost
22 estimates for the election and various
23 components to KG. KG Urban has committed to
24 paying those costs. The most immediate cost is

1 the notice regarding the pre-suitability vote.
2 I think a month or so ago a draft of that was
3 provided to the Ombudsman.

4 My understanding is that that will
5 be taken up at the Commission's next meeting
6 for approval. The form of that notice hasn't
7 changed, just some details filled in terms of
8 times of the election.

9 So, I am hearing a renewed
10 commitment by KG Urban that those costs will be
11 covered. They're not only required to be
12 covered under your regulations and the statute
13 but also in the host community agreement.

14 CHAIRMAN CROSBY: Okay. Is that
15 satisfactory?

16 COMMISSIONER STEBBINS: Yes. Kind
17 of a side question.

18 CHAIRMAN CROSBY: Any further
19 discussion on Commissioner McHugh's motion?
20 All in favor, aye.

21 COMMISSIONER MCHUGH: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

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

3 COMMISSIONER MCHUGH: Okay.

4 CHAIRMAN CROSBY: Have a good flight
5 home.

6 COMMISSIONER ZUNIGA: Twelve more
7 days.

8 COMMISSIONER MCHUGH: Good luck, I
9 know how much hard work you put into this.

10 CHAIRMAN CROSBY: It's one o'clock.
11 We could probably get through everything in
12 less than an hour and get done. Woud you
13 rather do that? Let's take a five or 10-minute
14 break and come back to it. We'll take a quick
15 break and reconvene in five or 10 minutes.

16

17 (A recess was taken)

18

19 CHAIRMAN CROSBY: We are reconvening
20 at 1:05 for hopefully not too much more. We
21 have Director Wells back.

22 MR. DAY: Mr. Chair, if I might if
23 we could just go to item number five Plainridge
24 Park Casino update. I just have a few things I

1 wanted to mention real quick.

2 One is on June 11 as well we'll have
3 the alcoholic beverages license set. The date
4 set for the Commission to consider their
5 license application and if acceptable approve
6 it. Also, I want to let you know on internal
7 controls we have about 60 submitted from
8 Plainridge Park Casino with about 40 reviewed
9 and pending approval.

10 Others are in the process of either
11 being reviewed and under variance or other
12 considerations. I wanted to go real quickly to
13 kind of give the Commission a glimpse. I'm
14 pretty sure you're all aware of this but I
15 wanted to put June in perspective. It's going
16 to be a very busy month for the Commission.
17 And we'll start off with weekly preopening
18 meetings. There will be two licensing events
19 to assist with licensing and make sure we get
20 that completed down at the casino.

21 On June 11, I mentioned the ABC
22 license. On June 11 we're also going to have
23 to take a look at the DOR intercept MOU.

24 On the 22nd there will be tests and

1 then we'll have to do consideration of the
2 operational tests that were there and determine
3 whether or not there's a preopening operation
4 certificate.

5 June 24 of course is the grand
6 opening. June 25 we have the operations
7 certificate final approval. And we still may
8 have to try to fit in an exclusion list there
9 before we get out of the end of the month in
10 June.

11 What I'd like to do is pause just a
12 minute to go back to yesterday as well. We
13 talk about the licensing events quite a bit.
14 Yesterday our Licensing Division and the
15 Massachusetts State Police team along with
16 Plainridge Park Casino staff completed our
17 second licensing day at the PPC.

18 I might add that preparation is
19 oftentimes an issue for those. And they had
20 about 105 applicants, only one wasn't ready
21 with their forms when they came in. So, that
22 gives you a little bit of an idea of the
23 background of the work that was done. I've
24 also heard from our team that the process went

1 smoothly.

2 CHAIRMAN CROSBY: Only one had their
3 forms or only one did not?

4 MR. DAY: Only one did not have
5 their forms. Our MGC team processed about 105
6 applications on the 27th. They had already
7 possessed 60 on the 15th. So, that's about 165
8 applications in two days.

9 So, at this point what I'd like to
10 be able to do is to refer to Karen Wells
11 because I believe she has a new member of her
12 team she would like to introduce to the
13 Commission. As well, I know he will have some
14 additional details to share with you.

15 MS. WELLS: Good afternoon. I am
16 extremely pleased to introduce Paul Connelly as
17 the new Director of Licensing at the
18 Massachusetts Gaming Commission. He just
19 started last week and has already hit the
20 ground running.

21 Paul does come to us with a wealth
22 of both public and private sector experience
23 specializing in systems and protocol
24 developments. He has been an extremely good

1 match for us and things are going extremely
2 well since he started.

3 Most recently, Paul was the Vice
4 President of Global Solutions at xFact,
5 Incorporated, a public-sector management firm.
6 And prior to that he served as the Assistant
7 Secretary for Homeland Security at the
8 Executive Office of Public Safety and Security
9 and also was the Director of the Commonwealth
10 Fusion Center.

11 So, I'm very happy that he's on
12 board. The staff is very happy. He's been
13 working very well with the entire team. And I
14 think he's coming in at a critical juncture.
15 And he definitely has the enthusiasm and the
16 positive attitude to get things going. So,
17 we're very pleased to welcome him here this
18 afternoon.

19 COMMISSIONER MCHUGH: Welcome.

20 COMMISSIONER STEBBINS: Welcome
21 aboard.

22 MS. WELLS: He's just getting up to
23 speed now. He's got some information just to
24 give you some highlights of what he's seeing as

1 he is taking over the division.

2 MR. CONNELLY: Exactly. And I'd
3 like to just take the opportunity to elaborate
4 on some of the comments that Director Day has
5 made as well.

6 First, I want to start with it's
7 been wonderful. And I want to say that any
8 successes I've had so far are completely the
9 result of the great staff and tremendous
10 colleagues who have been helping me along the
11 way. So, I just wanted to note that at the
12 outset. It's been a very busy but easy
13 transition into this position because of that.

14 On the vendor side, so as I look at
15 the applications there's really two sides being
16 the new guy in is how I split it. But on the
17 vendor side I just wanted to give a highlight
18 as it pertains to Plainridge. Some of the
19 applications that are coming in, a total of
20 over 600 applications that have come in, 366
21 non-gaming vendors, 16 primary vendors 15 of
22 whom have been identified by Plainridge as
23 vendors that they are going to utilize. Nine
24 secondary or gaming vendor secondary level.

1 145 gaming vendor employees, and
2 what that is is primarily slot technicians and
3 people who do a lot of the technical aspect of
4 the business during the operations. And 69
5 subcontractors being those that are
6 subcontracting primarily around getting the
7 actual physical infrastructure both planned for
8 and up and ready.

9 So again, a lot of work, a
10 tremendous amount have come in. But also we're
11 working through those applications at a very
12 good pace.

13 To speak again directly to what
14 Director Day had mentioned, the licensing event
15 yesterday went quite well. I want to note that
16 Plainridge did indeed really have their
17 employees well prepared and we had a very good
18 system up and running.

19 The state police did an incredible
20 job getting people fingerprinted, which is not
21 always an easy duty which I can attest to when
22 I was giving my prints as part of the pre-
23 employment process. It can take a while
24 despite everyone's best efforts.

1 Plainridge has indicated that
2 they're going to hire about 501 employees. We
3 have so far as the close of business yesterday
4 received 302 license applications and
5 registration applications. So, that means we
6 have 199 approximately remaining.

7 We have been working through those
8 applications to get to that 302 level both in
9 steady-state as applications come in as well as
10 through these two licensing events which again
11 have been again highly collaborative events
12 between Plainridge, the Licensing Division and
13 the State Police.

14 Fifty-three on the 15th and just
15 yesterday again over 100 applicants came
16 through, very seamless process. Everyone was
17 well prepared. And again, I want to highlight
18 that and reiterate that because it is the
19 reflection of a lot of planning and work ahead
20 of time to make it happen.

21 We have two more events scheduled,
22 one on June 5 and one on June 12. We have
23 every expectation that they will go just as
24 smoothly. As a matter fact, as the numbers

1 reflect from the previous two, we intend to
2 bring in more than 100, somewhere perhaps to
3 150 if indeed we can manage that flow.

4 So, we're making very good headway.
5 Being very mindful that we want to get
6 everything -- do our part to get everything up
7 and running in advance of the opening on the
8 24th.

9 COMMISSIONER STEBBINS: As I
10 understand it, I got shared some interesting
11 information from our partners at the community
12 college yesterday. Since mostly the trainees
13 are probably going to be on the food and
14 beverage side of the house, I think it's
15 Bristol Community College who is taking the
16 lead is doing a lot of TIPS training. Seven to
17 10 sessions of TIPS training they're going to
18 offer in the month of June to support Penn
19 National to hopefully train about 250 to 300
20 employees. That's a good number.

21 MR. CONNELLY: Just a commentary
22 being out there for the event yesterday, I was
23 saying it was very nice to see the enthusiasm
24 and the receptiveness of the employees entering

1 this process. It was a nice event from a
2 number of sides, not the least of which was
3 doing the work but also getting to meet the
4 people who will take advantage of the
5 opportunity.

6 COMMISSIONER STEBBINS: It's great.

7 COMMISSIONER MCHUGH: Yes. That's
8 really exciting. So, the people get hired and
9 then Bristol Community College does the
10 training of the people who are actually going
11 to be doing the jobs?

12 COMMISSIONER STEBBINS: I think
13 Bristol is offering the TIPS training sessions
14 to (1) accommodate maybe Penn National's needs
15 but also other businesses within the region.
16 So, it may not be only specific to Penn, but
17 they're trying to have a more regional
18 collaborative approach with other restaurants,
19 hotels and anybody else in the region that
20 needs the workforce.

21 COMMISSIONER CAMERON: I know that
22 the intake is critical, the process, the flow.
23 I know that that only leads to additional work
24 obviously by IEB as far as background

1 investigations. Director Wells, what do you
2 anticipate having to complete before opening in
3 order to make sure every employee is
4 credentialed?

5 MS. WELLS: All of the employees
6 that are key levels and the GEL levels need to
7 be licensed. So, they have to have either a
8 temporary license or a permanent license. They
9 will have either of those.

10 Gaming service employees, they just
11 need their application completed and they can
12 get to work and then we'll be doing those
13 backgrounds. We'll be prioritizing the keys
14 and the GELs and then working on the service
15 employees as we go through that.

16 COMMISSIONER ZUNIGA: Do you have,
17 and forgive me if you already mentioned this in
18 your remarks, but to you have a sense of how
19 many more keys and GELs?

20 MS. WELLS: The way we structured it
21 with Plainridge, the keys and the GELs are on
22 the frontend. So, most of these that are
23 coming in at the backend are gaming service
24 employees. So, that actually works very well

1 with our process.

2 COMMISSIONER ZUNIGA: Those are the
3 ones that once they submit their application is
4 complete, they can start work.

5 MS. WELLS: Correct.

6 COMMISSIONER CAMERON: Thank you,
7 both.

8 COMMISSIONER ZUNIGA: It's really
9 good to have you.

10 COMMISSIONER CAMERON: Welcome.
11 It's apparent you've jumped right in. You're
12 on the issues, paid attention to the workflow
13 and the people. So, I thank you for that.

14 MR. CONNELLY: Thank you. It's a
15 pleasure.

16 COMMISSIONER STEBBINS: On his
17 second day we had him out talking to a group of
18 chambers of commerce about vendor requirements.
19 We let him handle all of the questions.

20 COMMISSIONER MCHUGH: There's
21 something to be learned there. That's great.

22 CHAIRMAN CROSBY: Thank you.

23 MR. DAY: Mr. Chair, if I could get
24 Nancy Stack to join us up front. While Nancy

1 is coming forward, I would like to refer you to
2 your packet. You should be in tab 3(e). Under
3 that tab you should have a memorandum from me
4 pertaining to the potential RFA-2 revisions,
5 spreadsheets including comparisons of previous
6 questions and proposed revisions and also
7 something that's identified as an errata sheet
8 which is actually a couple of questions that we
9 missed.

10 So, we put that in so we make sure
11 that it was all part of your motion as you talk
12 today. And a series of templates, I want to
13 stress that all of this has really been put
14 together by Nancy Stack from Pinck and Company.

15 As you move forward here, let me
16 briefly address the documents. Those documents
17 include Commissioners' proposed revisions to
18 RFA-2 for questions in all five categories.
19 That doesn't mean that there's changes to all
20 of the questions in the packet, but there have
21 been changes in all five of the categories.

22 The spreadsheet captures the
23 original text of the questions alongside the
24 proposed revised text. The revisions are based

1 on experience during casino evaluations for
2 Region A and B and modifications made to the
3 questions after the slot parlor evaluations.

4 The goal in this process was to
5 streamline the review process. In general,
6 each Commissioner worked with his or her
7 advisors to identify questions where there had
8 been difficulties in interpreting information
9 provided by the applicants or one or more
10 requests for clarification were required or
11 regulations have now been adopted MGC and where
12 there seemed to be unnecessary repetition.

13 As with the previous revisions, the
14 templates were developed, were updated to
15 standardize the information that comes in from
16 the evaluation.

17 Some of the more substantial
18 revisions or proposed revisions I should say
19 are in category one in the overall questions
20 where they minimize the repetition and overlap
21 by reducing from nine questions to four.

22 And for responsible gaming questions
23 in category five mitigation, questions were
24 updated to bring them in conformance with the

1 regulations and the responsible gaming
2 framework and related regulations resulting in
3 the reduction of questions from 10 to six.

4 After the Commissioners' review
5 today, if you approve the revisions, we may
6 need to complete nonmaterial edits to prepare
7 the revisions for the applicants. Copies of
8 new templates are also attached. We may need
9 to confirm to make sure those templates match
10 the questions that were approved here today.

11 Finally, the revisions will be
12 discussed with the applicants themselves when
13 they come into MGC for a meeting to review the
14 mechanics of the RFA-2 application process,
15 which is the same process that was followed by
16 the slots, Region A and Region B.

17 I did mention that the two questions
18 were omitted and are documented on that errata
19 sheet that you will see in there. That's
20 question 4-19 quality of amenities and 4-24 a
21 question about the existing transportation
22 infrastructure. Those should be considered
23 part of the revisions for today's discussion.

24 In the end, we are hopeful as we

1 have a recommendation that the Commission will
2 approve the drafts, allow further clarification
3 with individual Commissioners for us to make
4 sure we haven't missed a question or misaligned
5 it. And then allow us to complete nonmaterial
6 edits so we can prepare these questions for the
7 applicants. With that it is up to the
8 Commission.

9 COMMISSIONER MCHUGH: Nancy do you
10 want to add anything before we start to that?
11 You were sort of the coordinator of this
12 process. This display I would say is very easy
13 to follow. It really helps us focus in on the
14 changes without an irrelevances.

15 MS. STACK: Other than just to
16 acknowledge all of the work that a lot of the
17 people did including each Commissioner and
18 their advisors.

19 Stan Elkerton is here who worked
20 closely with putting together the materials
21 with the building and site design team. So, if
22 there's any questions particularly in that
23 area, he can look things up.

24 This is really just a work in

1 progress to try to make it simpler for your
2 reviews. We are available to make any tweaks
3 or clarify anything.

4 I think there are a number of these
5 changes that will facilitate the review as we
6 go forward. Although, I'm reminded as
7 Commissioner Zuniga reminded me that it doesn't
8 mean we won't have any requests for
9 clarification, but we do recognize that even as
10 we update our templates based on the
11 experiences we've had that everybody prepares
12 information slightly differently and that there
13 may still be a need to make sure that we're
14 interpreting the information they submit
15 correctly.

16 CHAIRMAN CROSBY: Questions,
17 thoughts?

18 COMMISSIONER MCHUGH: No. I should
19 acknowledge Stan Elkerton is here. He was the
20 scribe and the driving force for a number of
21 these changes and performed as usual in an
22 admirable fashion in that regard.

23 COMMISSIONER CAMERON: I thought the
24 process, it was very smooth. Just really

1 focused on issues that we had learned in the
2 past that the answers were -- the questions
3 were hard to understand and the answers were
4 not in a format where we could judge apples to
5 apples between applicants.

6 So, I thank you for the work. It
7 was smooth. It's well done, well prepared.
8 And I think adds the clarity that we were
9 looking for.

10 COMMISSIONER STEBBINS: I think the
11 process helped as I was going back through my
12 questions. I appreciated and the input of our
13 team appreciated we were erasing some of the
14 duplicity in our answers. Some of our
15 questions are so closely aligned that there was
16 a lot of cut-and-paste material. And let's not
17 go through that exercise if we don't have to or
18 have our applicant do that.

19 As I was going back through these
20 again last night, it's a small provision, and
21 I've got to ask my colleague Commissioner
22 Cameron about it because we had under question
23 3.9 on HR practices, information associated
24 with gaming employees being taught to identify

1 or intervening customers exhibiting a problem
2 gaming behavior. And I would feel in the
3 realignment on some of your questions on
4 responsible gaming that that's probably
5 something we can take out from our question if
6 you have it covered.

7 COMMISSIONER CAMERON: Let me just
8 reread that Commissioner, 3.39?

9 COMMISSIONER STEBBINS: 3.9 page
10 four. The last box before question 3-10. It
11 talks about the employee assistance programs
12 and then we had some language in there at the
13 end talking about training gaming employees to
14 identify and intervene with customers with
15 problem gaming behavior.

16 COMMISSIONER ZUNIGA: May I suggest
17 something, because I had a similar thought with
18 this also may be cut across more than one
19 example the one you just mentioned. It also
20 hit me when I read the packet and saw the
21 detail of the other sections, not the one that
22 I was familiar with, which was the finance one.
23 And there are a number of questions where there
24 are similar information, for example, the cost

1 of infrastructure is relevant in finance as
2 well as building and site design. We always
3 knew that. And that was also part of the
4 process.

5 Just like the one you just mentioned
6 there's a HR element in that workforce in that
7 one question but there's also a mitigation
8 element. I wonder if it might be helpful for
9 those two or any others like that to simply do
10 what you've done in other question which is
11 make a reference. That if you're answering
12 this question, we still want it here but
13 there's a tie, if you will, where there's a
14 reference to another section elsewhere in the
15 application because we know that there's a bit
16 of an overlap. Maybe we could leave it --
17 rather than trying to resolve any one of those
18 either here or there by ourselves.

19 MS. STACK: I can defer to Catherine
20 on this a little bit, but I know that when the
21 meetings were held with the other applicants
22 when they were required to be walked through if
23 you will the mechanics of the RFA-2 when we got
24 down to the details of how to mark an

1 attachment confidential and things like that we
2 did talk a little bit about what I understood
3 to be a fairly intentional overlap amongst the
4 different categories, and encouraged people to
5 repeat things if necessary from one to the
6 other.

7 But I like your idea of perhaps a
8 cross-reference that could simply be see also
9 questions X, Y, Z in mitigation related to
10 responsible gaming. Or make more explicit that
11 cross-reference on a lot of cost info. and
12 finance.

13 We've handled it in reviews by
14 simply getting the reviewers together to
15 compare as necessary. Actually, in this
16 revision we had a really effective, I think,
17 joint meeting between the mitigation and the
18 building and design team because there was so
19 much overlap on the traffic impacts and traffic
20 mitigation.

21 So, I think that was a very useful
22 kind of thing. But I think an explicit cross-
23 reference would be fine just to sort of help
24 people to make sure that it's not only answered

1 there.

2 COMMISSIONER CAMERON: I think that
3 makes sense. To answer your question,
4 Commissioner, you are correct in that the
5 historical efforts, that's question 5.33,
6 historical efforts against problem gambling.
7 The applicants in the past have described their
8 training methods with employees and how to
9 identify and what to do once they do identify.

10 So, I'm sure -- We don't have it
11 specifically covered but many of the applicants
12 do in fact speak to the training in their
13 answer here. I don't know that's necessary to
14 delete yours. Just the cross-reference would
15 be appropriate.

16 CHAIRMAN CROSBY: Anything else? Do
17 we need to vote to adopt these as subsequently
18 edited?

19 MS. BLUE: Yes.

20 CHAIRMAN CROSBY: Commissioner
21 Stebbins?

22 COMMISSIONER STEBBINS: Mr. Chair, I
23 move that the Commission adopt substantively
24 the changes as provided in the packet to the

1 RFA-2 application subject to some smaller edits
2 or changes as directed between the individual
3 Commissioners and staff.

4 COMMISSIONER CAMERON: Second.

5 CHAIRMAN CROSBY: Further
6 discussion? All in favor, aye.

7 COMMISSIONER MCHUGH: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

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

13 COMMISSIONER MCHUGH: Thank you,
14 very much.

15 CHAIRMAN CROSBY: You are on item
16 number four, welcome back.

17 MS. WELLS: Yes, I'm back. And the
18 first item on the agenda for the IEB is the
19 gaming agents training plan. And I'm going to
20 turn that over to Assistant Director Band.

21 But before I to that I just want to
22 really publicly acknowledge the tremendous job
23 he did in putting that training together. He
24 really exceeded all expectations. And he's

1 really developed an excellent team not only
2 with the trainers but also in the hiring that
3 he's done. He and (INAUDIBLE) have been
4 working extremely hard in putting this
5 together. It's been very well received. It's
6 extremely thorough, extremely comprehensive.
7 And I could not be more grateful for the work
8 that he's done on this project.

9 MR. BAND: Thanks, Karen. You kind
10 of stole my thunder.

11 COMMISSIONER ZUNIGA: Mr. Band, may
12 I say something. I was able to attend one of
13 the internal controls meeting training
14 sessions. I had that impression as well. In
15 addition, a lot of that is being recorded. So,
16 I now look forward to the sessions that I've
17 missed because I was not be able to attend too
18 many of them.

19 CHAIRMAN CROSBY: Oh my God,
20 Commissioner.

21 COMMISSIONER MCHUGH: Just one other
22 footnote, it seems to me that it's been a lot
23 of fun too. It seems to me that you picked a
24 group that's bonded well together. And they

1 are going to operate as a team down there. And
2 it's great to see the esprit and the fun.

3 COMMISSIONER CAMERON: I'd like to
4 speak to that as well. Content is one thing.
5 Looking at a lesson plan and saying wow, this
6 looks like great training. But actually -- My
7 office is right outside where the training is.
8 And on breaks, the enthusiasm, the interest
9 that both the troopers, the local police, the
10 ABCC and the gaming agents will talk about what
11 they've just learned and really are excited
12 about starting their jobs and feel like they're
13 getting the best training they can in order to
14 be prepared. So, that's equally as important
15 as what it says in lesson plan. So, the
16 delivery is also superb. And I thank you as
17 well.

18 COMMISSIONER STEBBINS: I just want
19 to add. It's been interesting during those
20 breaks to just introduce myself to some of the
21 members of the team and just kind of get their
22 various backgrounds what they studied, what
23 they've been doing prior to applying for this
24 position. It's a good well-rounded group of

1 people. I did sit in on a session too.
2 Because I'm a non-mathematician I probably
3 shouldn't have picked random number generator
4 session. Everybody else was attentive to the
5 topic.

6 MR. BAND: Source code might've been
7 the better choice for you. This being the
8 first gaming agent class, we have about 34
9 agents and police involved in it. The makeup
10 is from of course our IEB gaming agents, the
11 state police, some input from the Attorney
12 General's office, the Plainville Police and
13 ABCC agents.

14 I couldn't have asked for a better
15 group and for people to have melded together
16 that well. As any new situation kind of
17 starts, it's a little tense to begin with.
18 Everybody seems to be best friends now. And
19 that's really important when you have a group
20 of investigators to be willing to share
21 information, help everybody along in the
22 process. So, I couldn't be more pleased.

23 The training itself was pretty
24 intense. Mark and I specifically designed it

1 that way. Some of the areas might actually be
2 over some of their heads or the level that they
3 are capable of going to, but it was important
4 to expose them.

5 I mentioned source code. I don't
6 think I necessarily have future programmers in
7 there but they understand what source code does
8 in a slot machine and how it affects the
9 outcome of the game. So, we covered things.

10 We had gaming case presentations
11 from Mohegan Sun and Foxwoods. They're actual
12 cases that they're currently working on to
13 expose everybody to know what they are going to
14 come in conflict with. The Attorney General's
15 office gave presentations on 23K and 271
16 crimes, money-laundering, drugs, human
17 trafficking, asset forfeiture and enterprise
18 crime relating to gaming establishments.

19 We did bits of report writing. We
20 had four intense days of internal control
21 training. I don't know if they'll ever forgive
22 me for that but they've had it.

23 They had four in-depth days on slot
24 machines. And I say in-depth, I've done this

1 in other jurisdictions and in these other
2 jurisdictions I was not exposed to this depth
3 of training. I think it was excellent for the
4 staff. We did a self-exclusion, responsible
5 gaming sessions. Had a session on active
6 shooter scenarios.

7 Today and tomorrow we're actually
8 out at Plainridge going through the facility.
9 Next week we do basic table games and two days
10 of games protection and finishing up with some
11 surveillance training out of Plainridge. I
12 think they'll be ready. Training will be
13 ongoing as they were.

14 COMMISSIONER MCHUGH: That really
15 sounds like a robust lineup and although
16 they're not going to be dealing with all of
17 those things, as you said source code, it's
18 really important to have that kind of overview
19 to put things in perspective.

20 MR. BAND: Yes.

21 COMMISSIONER MCHUGH: It's great.
22 It's very exciting. We're ramping up now for
23 the last month before the deployment. And
24 these are all of the steps we need to take day

1 by day to get there.

2 MR. BAND: Thank you.

3 COMMISSIONER MCHUGH: Thanks very
4 much.

5 MS. WELLS: The next item on the
6 agenda is just the update I have that I've been
7 doing every two weeks for you on the temporary
8 primary vendor and key gaming employee licenses
9 that have been issued. We've issued three key
10 gaming employee licenses Christine Slick, Slot
11 Shift Manager at Plainville, Jamie Lee Fromal,
12 Slot Shift Manager at Plainville and Roberta
13 Lynn Gregorie, Compliance Manager at
14 Plainville. And we've also licensed two
15 additional primary vendors, Global Cash and
16 Central Credit.

17 As per our regulations and the other
18 temporary licenses we've issued, they were
19 deemed complete by the Division of Licensing
20 and the petitioner being Penn National
21 certified and the IEB found that after
22 reviewing the plan the facility that the
23 temporary licenses were necessary for the
24 operation of the gaming establishment giving

1 their opening date and were not designed to
2 circumvent the normal licensing procedures.

3 We also found that the licenses for
4 those three individuals and two companies were
5 reasonably likely to be issued on the
6 conclusion of the investigation.

7 COMMISSIONER ZUNIGA: Remind me how
8 long are the key gaming --

9 MS. WELLS: Six month temporary.

10 COMMISSIONER ZUNIGA: So, it's the
11 same as a vendor.

12 MS. WELLS: Right. I would expect
13 their full license would be issued before that.

14 CHAIRMAN CROSBY: Thank you very
15 much.

16 COMMISSIONER CAMERON: Thank you.

17 CHAIRMAN CROSBY: Last item, legal
18 division.

19 MS. BLUE: Commissioners, we have
20 before you two different sets of regulations.
21 First, I will do (a) first. Brief update on
22 the Suffolk Downs racing application.

23 As you probably know Suffolk Downs
24 is filing an application. They requested three

1 days of live racing. We have a public hearing
2 on the application scheduled for June 11 in the
3 afternoon. That notice has been posted. The
4 application has been posted too for comments as
5 well.

6 So, we are reviewing that and we
7 will have our public hearing. And then the
8 Commission can consider the application
9 formally at the next available Commission
10 meeting. That's where we are on that. We're
11 collecting comments. We'll make sure all of
12 the Commissioners have those as well.

13 CHAIRMAN CROSBY: Those aren't
14 coming to us piecemeal I gather, because I have
15 not seen anything. You'll collect the stuff
16 and we'll get it all as a packet?

17 MS. BLUE: Yes, we'll collect it all
18 together. Under section (b) and (c), we have a
19 number of regulations. This is the biggest
20 part of the regulations we have to complete to
21 open at Penn.

22 Under section (b) these are the
23 regulations that we've already had a hearing
24 on. The hearing was May 21. Commissioner

1 McHugh presided over that hearing and Deputy
2 General Counsel and Cecilia Porche were there.

3 We did receive some comments on
4 those regulations. And there were some changes
5 that came from those comments. I will talk to
6 you briefly about the hearings regulation, but
7 what we are looking for under item (b) is to
8 vote to have those finalized so we can file
9 them and then they will be through the
10 promulgation process.

11 The first regulation 205 CMR 101
12 hearings, this was the hearing regulation.
13 This creates the overall hearing process for
14 all of the matters that come up through the
15 hearing officer and then to the Commission.
16 There were no comments on this. So, we've made
17 no changes to this regulation since you last
18 saw it. That one is ready to go.

19 And then I'll let Mr. Grossman speak
20 to the balance in item (b).

21 MR. GROSSMAN: Good afternoon. So,
22 we are on 205 CMR 136, which is the sale and
23 distribution of alcoholic beverages. There are
24 a couple of points that I thought we should

1 bring to your attention.

2 The first as you'll see is on page
3 two and it's in red. These are changes made
4 subsequent to the last time you have seen this.
5 We received a number of or a public comment and
6 then we had discussions with the Plainridge
7 counsel about their application that led to
8 this particular recommended change.

9 And there are a number of changes in
10 here that touch on this topic. And that is
11 where exactly one could consume an alcoholic
12 beverage that was lawfully served in a licensed
13 area.

14 What we do here is we clarify that
15 an alcoholic beverage can be consumed anywhere
16 on the premises of the gaming establishment
17 whether being in a licensed area or not in a
18 licensed area, subject to any restrictions that
19 are placed on the license by the Commission.

20 So, for example, in the case of
21 Plainridge, presumably there would be
22 restriction on one taking an alcoholic beverage
23 into the parking garage. That would have to be
24 a condition of their alcohol license even

1 though the parking garage is part of the gaming
2 establishment.

3 So, there are some restrictions that
4 will have to be placed on the transportation
5 and consumption of alcoholic beverages. But
6 this will allow a patron to take a drink from a
7 licensed area to either another licensed area
8 or to an area that is not a licensed area and
9 consume it. So, that was the major change that
10 was made to these regulations.

11 COMMISSIONER ZUNIGA: Is the
12 commission that places those restrictions this
13 Commission or the ABCC?

14 MR. GROSSMAN: The entire oversight
15 is subject to license issued by this
16 Commission. The agents of the ABCC do have
17 authority to enforce.

18 COMMISSIONER MCHUGH: So, this
19 change that you've described succinctly, in
20 effect allows the Commission to tailor the
21 consumption piece of the license to the actual
22 geographic layout of the facility.

23 MR. GROSSMAN: That's correct. I
24 think it's also consistent with the statute

1 which talks about alcoholic beverages being
2 drunk on the premises. So, it seems to
3 envision that one could drink a drink anywhere
4 on the premises of the gaming establishment.
5 But there certainly are some restrictions that
6 should be placed upon this.

7 And I think that's what this does.
8 This also would require the applicant in the
9 first insistence to tell us where they think
10 the restrictions should be but ultimately it
11 will be incumbent upon Mr. Connelly who will
12 give it the first review and then the
13 Commission ultimately to impose the condition.

14 COMMISSIONER MCHUGH: Right.

15 MR. GROSSMAN: So, that was the
16 first issue.

17 COMMISSIONER ZUNIGA: Mr. Connelly,
18 the Director of Licensing?

19 MR. GROSSMAN: Yes. So, the process
20 here, as Mr. Day touched on a little bit, is
21 that they will -- Plainridge will submit an
22 application. And we have a meeting scheduled
23 with them tomorrow to go through their
24 application. Mr. Connelly will make any

1 recommendations to them first that he thinks
2 need to be made to tweak the application, to
3 bring it into compliance with the regulations,
4 to ensure the public safety and otherwise.

5 And then it'll come to you with a
6 recommendation for approval. Or if for some
7 reason the licensee doesn't agree with one of
8 his recommendations, they could come to you for
9 a final decision. That's on its way.

10 The only other issue I thought I
11 would mention is that -- this is on page six.
12 It deals with the insurance provisions. We
13 have received a variance request -- It's not
14 before you at the moment. -- that pertains to
15 the Penn National insurance policy. And what
16 their petition is, and again, you haven't seen
17 it, so you don't need to rule on it, but you
18 should be aware of it as it relates to this
19 provision. They are saying, to make a long
20 story short, that their policy does have an
21 aggregate limit on it. The regulation here
22 says that the policy shall have no aggregate
23 limit on it. What they say though is that they
24 have an umbrella policy of \$4 million as the

1 case is that they argue should satisfy the
2 concerns that were intended by this provision.

3 So, I think it would be appropriate
4 certainly just to make you aware of this
5 provision of the regulation and the variance
6 request that will be coming your way. I would
7 just note that the state law Chapter 138 that
8 applies to other alcoholic beverage licensees
9 does not have a provision that says that their
10 policy can't have an aggregate limit. That was
11 something we included. So, that's where we are
12 at the moment.

13 CHAIRMAN CROSBY: You changed it to
14 no an annual.

15 MR. GROSSMAN: I think that
16 clarifies what an aggregate limit really means.

17 COMMISSIONER MCHUGH: We're saying
18 these are the minimums. If there's 100
19 accidents, God forbid, they apply to all 100
20 accidents.

21 MR. GROSSMAN: That's right, which
22 is not what the state law is as it applies to
23 other licensees. The limits are the same but
24 the aggregate is just a part of these

1 regulations.

2 COMMISSIONER MCHUGH: Yes, okay.

3 CHAIRMAN CROSBY: All right.

4 Anything else?

5 MR. GROSSMAN: We also added in a
6 line provision that we discussed last time.
7 Otherwise, there is nothing you haven't either
8 seen or that needs further explanation.

9 CHAIRMAN CROSBY: So, CMR 151.

10 COMMISSIONER MCHUGH: 150, right?

11 CHAIRMAN CROSBY: Yes, sorry.

12 MR. GROSSMAN: 150, the underage,
13 there were changes made to that.

14 COMMISSIONER MCHUGH: Just where to
15 the money goes. Identifiable winnings or
16 losses as a result of such prohibited gaming
17 are remitted to the Commission for deposit into
18 the Gaming Revenue Fund.

19 CHAIRMAN CROSBY: That seems
20 noncontroversial. All right, 151.

21 MR. GROSSMAN: 151 deals with the
22 operations certificate. There are a couple of
23 points to be made here. I would start with a
24 provision that we are going to recommend be

1 added. It's not in here at the moment.

2 What it would do would be to allow
3 the Commission to designate to anyone or a
4 specific Commissioner the authority to approve,
5 to conditionally approved the issuance of the
6 certificate of operations subsequent to the
7 test period being completed, which would also
8 include a review of the floor plan that we talk
9 about here that would allow licensee to operate
10 prior to a full file review being conducted by
11 the Commission. So, it's really just an
12 interim step before you sign off. And I think
13 it's really a timing issue.

14 COMMISSIONER MCHUGH: So, you have
15 one person do it because we can't be meeting
16 around-the-clock.

17 MR. GROSSMAN: Right. So, it would
18 require you to designate someone to do that,
19 but otherwise subject to your approval we would
20 add that actually probably at the end of the
21 first paragraph on the first page.

22 If you're interested in discussing,
23 there was a public comment that came in that
24 suggested we separate nongaming issues out of

1 this section. As you've observed this
2 operations certificate combines a review of
3 gaming issues with nongaming issues. And
4 ultimately rolls it all up into the final
5 issuance of an operations certificate.

6 The alternative would be to separate
7 out gaming issues and say that you need an
8 operations certificate based upon having
9 satisfactory gaming controls in place and your
10 internal controls. And then create a separate
11 section that deals with things like the
12 infrastructure and your amenities and things of
13 that nature.

14 What this does is it just rolls them
15 up together, which I think is a more efficient
16 way to do it. But you did receive a public
17 comment that suggested I think essentially that
18 you separate those two functions.

19 CHAIRMAN CROSBY: Okay, next.

20 MR. GROSSMAN: That's all on that
21 one. We are onto 152, which is individuals
22 excluded from a gaming establishment. There
23 was a public comment that raised civil rights
24 issues with this provision. I can tell you

1 that I reviewed this with an individual that
2 has some background in civil rights issues.

3 They did make one recommendation,
4 which is on page two, which just kind of
5 broadens the areas in which you could not
6 exclude someone based upon. But otherwise
7 their sense was that the statute says what that
8 the statute says. And it seems to be
9 constitutional on its face. So, there is no
10 reason not to move forward with this provision.

11 CHAIRMAN CROSBY: I had a couple of
12 questions on this one. First of all, where is
13 the public officials' exclusion?

14 MR. GROSSMAN: That's at the very
15 end. It's the last provision. It's page five
16 at the bottom. It's section 10. It's,
17 obviously, the other major issue that the
18 Commission should address.

19 CHAIRMAN CROSBY: So, you now have
20 public comment. You've received the public
21 comment. You thought about it and you think it
22 should stay in. Is that your recommendation?

23 MR. GROSSMAN: Not necessarily. I
24 have a personal opinion on this. It's not a

1 legal opinion. As has been suggested, I don't
2 necessarily think this is an essential element
3 to include here. I think it could be left to
4 each individual host community to determine
5 whether restrictions should be placed upon
6 their elected officials wagering in a gaming
7 establishment.

8 We were fortunate to get some input
9 from Michael and Carroll, and they made a
10 couple of good points. One recommendation if
11 the Commission is inclined to move forward with
12 this, the first thing to understand was they
13 suggested, and I think this is consistent with
14 my review as well, is that there is no such
15 provision like this anywhere else in any other
16 jurisdiction exactly on point.

17 There are some tribal rules under
18 the National Indian Gaming Regulatory Act that
19 do either that or individual rules that do
20 restrict some tribal members from gambling at
21 tribal casinos. So, it's not necessarily
22 unprecedented altogether.

23 In some jurisdictions, and I don't
24 have them here to cite for you, do place

1 restrictions on elected officials being
2 extended credit or being issued comps. But
3 apparently there are no jurisdictions that
4 prohibit elected officials from wagering
5 altogether.

6 If the Commission is inclined to
7 move forward with this provision, it was
8 recommended, and I think this makes good sense
9 to be more precise with which exactly elected
10 officials we are concerned with. The mayor
11 versus the school committee and things of that
12 nature.

13 COMMISSIONER MCHUGH: Versus the
14 viewer of fences, right?

15 MR. GROSSMAN: The viewer of fences,
16 the dogcatcher whoever it is. So, that's one
17 way of going about doing this. The overall
18 concern here I think is also important just to
19 think about, and that is it really is just a
20 perception issue. We don't, I don't think,
21 have any actual concern with elected officials
22 wagering.

23 It's just the perception that would
24 come along perhaps with the mayor or some

1 selectman or something hitting a jackpot in a
2 casino and what the general public may think
3 about that and whether there was some type of
4 collusion or something of that nature. I
5 suppose that is the concern.

6 So, when you weigh it all together,
7 my personal opinion is that it could be very
8 well just left to each host community to
9 determine how to go about doing that.

10 COMMISSIONER CAMERON: The other
11 piece though that Michael and Carroll pointed
12 out, which makes us different than other
13 jurisdictions are those host community
14 agreements. So, those public officials do in
15 fact have agreements with the gaming operators.

16 So, there is more to this than just
17 there happens to be a casino in my town. So,
18 that was a point they thought led some credence
19 to excluding.

20 And I think certainly the comps and
21 the credit makes perfect sense. And certainly
22 not excluding them from coming in, going to the
23 restaurants or all of the other amenities,
24 really is just the gaming piece that could be a

1 perception issue. I really do think it is an
2 issue if the mayor wins the jackpot.

3 COMMISSIONER MCHUGH: I hear that.
4 And I think it may be an issue. I also think
5 however that cities and towns who are the host
6 communities are perfectly capable of taking
7 care of this themselves.

8 We've already seen one host
9 community enact an ordinance that prohibits
10 employment in a casino for a certain time after
11 you leave office. And to the extent this is a
12 concern in particular host community, it seems
13 to me that the host community can have a
14 prohibition. The host community can have a
15 disclosure requirement. The host community can
16 let it go.

17 And the statute places a lot of
18 control over operations and other things in the
19 host community. And it seems to me that this
20 is an area they could deal with as well and
21 probably are better to deal with. Because they
22 understand a lot more, they're a lot closer to
23 the ground I guess.

24 A one size fits all prohibition may

1 not really be the thing that's necessary in
2 order to prevent the stakes from rising. So,
3 I'd be inclined not to put it.

4 COMMISSIONER ZUNIGA: I would agree
5 with that. From the comments I thought a lot
6 about this, and I personally have evolved from
7 an initial position of restriction. And
8 perhaps the most critical piece really is
9 extension of credit and comps.

10 If we simply, not simply, but if we
11 had a regulation against that prevent the
12 casino -- because we the ability to regulate
13 the casino and the extension of comps and
14 prepay for example that we have left up to the
15 discretion of the operator, to limit that to
16 nonpublic officials that may suffice for that
17 perception concerns.

18 We have to think a little bit more
19 about who qualifies just to your other point,
20 many of these public official could be very
21 different between city and town, for example.
22 Many of them are volunteers in the case of
23 towns, etc. And that opens the area to a lot
24 of politics, but if we were going to go

1 restricting I would say that the piece that
2 might be the most critical is comps, credit and
3 free play. And we could impose that on the
4 casino.

5 CHAIRMAN CROSBY: Commissioner.

6 COMMISSIONER STEBBINS: I've thought
7 a lot about this issue too having been a former
8 local elected official. It is tough I think
9 for us to find a one-size-fits-all because we
10 have communities with different forms of
11 governance.

12 We have Plainville as a town. You
13 have an elected planning board. Springfield is
14 an appointed planning board, all officials who
15 may or may not have some role in impacting the
16 relationship between the licensee and the
17 community going forward.

18 I've looked at this as more -- This
19 kind of follows in line with state ethics
20 guidelines that local municipal officials have
21 to follow just like we do, and saw this more,
22 again as we're just getting gaming up off the
23 ground in Massachusetts, more of just a
24 protective measure.

1 This isn't maligning anybody. It's
2 not maligning our licensees. It's not maligning
3 any local official. It just help us help you
4 help our licensee avoid any headaches that
5 could come from a local official that goes in
6 play slots and wins ae nice jackpot while their
7 neighbor is sitting two machines away and is
8 not experiencing the same luck. It kind of
9 takes on a whole different feel when you have
10 table games when our larger licensees come
11 onboard.

12 So, trying to come up with something
13 -- I was trying to wrestle with how something
14 as all-inclusive I thought about the officials
15 that you had talked about, people that may not
16 have a direct role in a municipality's
17 relationship with a licensee.

18 But I know from being a local
19 official, there's a school committee member.
20 And a school committee member in any of these
21 towns wouldn't have a direct relationship in
22 their formal role with a licensee. However,
23 I'm sure most school committee members will be
24 happy to see a little bit of an impact on their

1 school budget by the virtue presence of a
2 licensee and community payments that they're
3 making.

4 As a local elected official, you get
5 asked questions all of the time whether they're
6 related to your department or not. We know in
7 five years when Plainville comes back hopefully
8 to have their license extended, we're going to
9 have a lot of feedback and thoughts from people
10 in the community including elected officials, I
11 would suspect.

12 Again, I'm in favor of keeping this
13 in there as kind of just a preventive and a
14 protective measure for all of us involved, our
15 licensees, this Commission, local elected
16 officials. As Commissioner McHugh said it's
17 nice to see some communities that take on their
18 own initiative to put some thoughtful
19 ordinances in place about the relationship
20 between a licensee and the community. I read
21 all of the comments, but at this juncture I
22 kind of lean in favor of keeping the provision
23 in.

24 COMMISSIONER ZUNIGA: Keeping it as

1 is?

2 COMMISSIONER STEBBINS: Keeping it
3 as is.

4 CHAIRMAN CROSBY: As is? So, the
5 elected librarians can't pursuant to what you
6 have said.

7 COMMISSIONER STEBBINS: I would
8 include it just as it is.

9 CHAIRMAN CROSBY: I've gone back and
10 forth on this too. And I think I've ended up
11 thinking that this was -- The only thing that I
12 think I could feel sort of okay about would
13 maybe if we had a statute that said to the
14 licensees that they may not give comps, free
15 play or whatever to town officials, maybe a
16 narrower definition of town officials beyond
17 the ordinary course of events.

18 So, we do have a piece of paper that
19 says, hey, you can't go to your town a year
20 before the renewal is coming up and start
21 giving them out a whole bunch of stuff, some
22 sort of catchall thing like that, which is
23 already probably covered by extortion and
24 bribery laws anyway. But that would be sort of

1 a very mild figment -- figment, no, fig leaf.

2 But the rest of it, I do sort of
3 sympathize. We didn't get a lot of outpouring
4 objections. So, I sort of sympathize. For
5 folks, it's just an everyday run-of-the-mill
6 fun kind of thing to do. And it's tough enough
7 to be an elected official.

8 Virtually none of these folks are
9 paid, few of them. And it does do again to
10 public servants what we often do, which is kind
11 of operate with a presumption of guilt or a
12 suspicion a guilt.

13 So, taken altogether, unless it were
14 that very mild kind of prohibition against
15 extraordinary goods and services to elected
16 officials, I would be disinclined to do it too.

17 COMMISSIONER ZUNIGA: Would you be
18 disinclined to do what I was suggesting, place
19 a restriction on comps, credit and free play
20 any one of those?

21 CHAIRMAN CROSBY: In the absolute,
22 yes. If an elected official wants to get
23 credit because they are a pretty big player and
24 likes to play, it seems, yes --

1 COMMISSIONER ZUNIGA: What about
2 free play?

3 CHAIRMAN CROSBY: If they have a
4 player card and they play at a level that
5 qualified them for free play just like
6 everybody else at that level, I wouldn't have a
7 problem with them getting that free play.
8 That's why I say you can't go beyond that.
9 That clearly would be an issue.

10 COMMISSIONER MCHUGH: The state
11 ethics laws deal with reporting and other kinds
12 of requirements for that kind of stuff, right?

13 COMMISSIONER ZUNIGA: Yes, they do.

14 COMMISSIONER MCHUGH: There's a form
15 you have to file at the end of the year. If
16 you think about it, you probably have to put a
17 lot of that stuff in there. Surely, if the
18 consummate free play are given in the
19 expectation that you're going to act favorably
20 then that's a prohibition that's treated
21 seriously.

22 COMMISSIONER STEBBINS: It can't be
23 more than \$50 in value.

24 COMMISSIONER MCHUGH: More than \$50

1 in value under any circumstances. So, it seems
2 to me that if we're going to do that that we
3 really ought to do the sort of prohibition on
4 particular kinds of comps and gifts, we really
5 need to think that through and look at where
6 the state ethics laws already breach or make a
7 decision that we're going to do something
8 independent. I'm saying that I don't think we
9 ought to do that today.

10 CHAIRMAN CROSBY: If we're going to
11 do something -- You'd be okay with doing
12 nothing today?

13 COMMISSIONER MCHUGH: I would like
14 to take -- Because this regulation that we're
15 voting on putting into effect, I would like to
16 take 152.10 out. That's where I'm going to
17 sort of go. And then think about if we need to
18 as to something along these lines that we ought
19 to put in.

20 And if so, we can do it on an
21 emergency basis and put it out for comment. If
22 we're convinced it's the wrong thing to do, we
23 can take it out right away. It won't last very
24 long.

1 MR. DAY: Commissioner, for
2 practical purposes this as well as the
3 exclusion list, this whole set of rules is
4 about exclusion list. And those on that
5 exclusion list are not that great of
6 individuals. That's what got them on there in
7 the first place.

8 So, it is a little bit odd for us to
9 have this section about public officials here
10 as well. I know as I listen to the discussion,
11 the whole concept of enforcement is the other
12 side of the equation, which if the licensee
13 would allow someone to play and we've had a lot
14 of discussion about who actually is an elected
15 official, it could be real problematic to
16 actually effectively enforce it in the first
17 place anyway.

18 If I might, Enrique -- Commissioner
19 Zuniga --

20 COMMISSIONER ZUNIGA: Enrique is
21 fine.

22 MR. DAY: -- the whole suggestion
23 about impacting possibly the comps or the
24 rewards programs and those kinds of things most

1 likely need to come back and look at those
2 programs again and any restrictions we might
3 put in them again before we open up the larger
4 casinos. And that may be an opportunity to
5 actually refocus on that and make sure that
6 we've got the right kind of policy in place for
7 that.

8 COMMISSIONER ZUNIGA: That's exactly
9 what I was going to say. I would go along
10 perhaps with the majority here and strike that
11 at this point, and come back and revise it and
12 phrase it, if there is such a way in which we
13 can place either a limit or somewhere else when
14 it comes to credit or defining what is outside
15 of the normal course of their own procedures
16 and place it somewhere else.

17 COMMISSIONER CAMERON: I would be
18 interested in looking comps, credit, free play.
19 I really would. I understand that we should
20 take our time and not rush to that and really
21 look at it and see what else impacts that. But
22 I think that that's worth us looking at.

23 CHAIRMAN CROSBY: So, we've agreed
24 this one is out.

1 COMMISSIONER ZUNIGA: For the time
2 being, this one is out.

3 COMMISSIONER STEBBINS: I'm not in
4 agreement.

5 MS. BLUE: If you would vote on the
6 removal of 152.10 and then vote overall on
7 these and the amended small business impact
8 statements that go with them to proceed to
9 final promulgation.

10 COMMISSIONER MCHUGH: So, let me
11 make a motion then in anticipation of the final
12 motion that 152.10 be removed from the draft
13 regulation of 205 CMR 152, period.

14 COMMISSIONER ZUNIGA: I second that.

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

17 COMMISSIONER MCHUGH: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 CHAIRMAN CROSBY: Opposed?

21 COMMISSIONER STEBBINS: No.

22 CHAIRMAN CROSBY: Four to one. I
23 had a couple of other questions on this. I
24 know it's really late for lunch, but is there

1 any issue about -- When the Commission is
2 considering whether someone should go on the
3 list, particularly somebody who is an associate
4 of an individual who falls into one of these
5 categories, this seems to me like kind of a
6 tough conversation to have in a public meeting.

7 You may decide -- You talk about the
8 guy. You talk about who he knows, what he's
9 done. Then you decide not to put him on the
10 exclusion list. Is there any flexibility or is
11 there any point about whether that would be a
12 conversation we should or should not have in
13 public? Is there any flexibility? Is that an
14 issue? Could it be done in executive session
15 for example? Or is it done in some other way?

16 COMMISSIONER CAMERON: I don't think
17 it's our responsibility to vote on every
18 person, right?

19 MR. GROSSMAN: I think you do have
20 to vote on every one on the list.

21 COMMISSIONER CAMERON: Every single
22 person needs an individual vote?

23 MR. GROSSMAN: Because they are
24 entitled to process.

1 COMMISSIONER CAMERON: Right. But I
2 didn't know if it was like other things or it
3 could be appealed, but that's the way that
4 reads? Where are we reading, which one?

5 MR. DAY: Page two.

6 MR. GROSSMAN: At the bottom of page
7 two. Mr. Chairman, I suppose the answer would
8 begin with I'd have to look at the executive
9 session statute to answer that part of the
10 question.

11 As far as the report is concerned,
12 there may be pieces of personal information in
13 there that we may want to redact if it were to
14 become public and the Commission may become
15 sensitive to that and not discuss it. But it
16 seems as though this was anticipated by the
17 Legislature to be discussed publicly.

18 CHAIRMAN CROSBY: So, that's in the
19 statute?

20 MR. GROSSMAN: It does say that
21 people, yes, the vote of the Commission which
22 would be in public. If you look at the way
23 other states do it --

24 CHAIRMAN CROSBY: Well, a vote of

1 the Commission would not have to be in public,
2 right?

3 MR. GROSSMAN: Generally it is.

4 MS. BLUE: Generally, it is. If for
5 example there were an investigation that was
6 done on someone who was going to go on this
7 list, some discussion of the investigation may
8 be eligible for executive session. The vote
9 itself would be in public. You may not have
10 the discussion but the vote would be in public.

11 CHAIRMAN CROSBY: I don't want to
12 make a mountain out of a molehill. If this
13 doesn't trouble anybody else, I'm happy to --

14 COMMISSIONER MCHUGH: I must say I
15 didn't read it carefully and it does trouble
16 me. And it's a little late in the game. I
17 wouldn't mind enacting this now, but I don't
18 see why we couldn't have a process under which
19 -- These are involuntary exclusions. These are
20 bad guy exclusions. -- why we couldn't have a
21 proceeding in the IEB level with a hearing by
22 the hearing officer in the ordinary course the
23 way we do other things with the right of appeal
24 to the Commission if the excluded person wants

1 to do it.

2 I apologize. I just didn't read
3 this carefully enough. I thought this provided
4 a hearing. That last sentence would do that.
5 Maybe it does. And if it does then that's
6 fine. That's why I say I don't have any
7 problem approving this today, but I would like
8 to revisit that to see if this is broad enough
9 to encompass that process. And if it doesn't
10 clearly encompass that process then amend this
11 regulation to make that kind of a provision.

12 MS. BLUE: We could think about
13 handling this the way that we handle
14 suitability determinations where there is a
15 report to the Commission. And obviously
16 personal information or appropriate information
17 is redacted where required.

18 And in the suitability context,
19 there is no right of review but under this
20 regulation perhaps we could say that it comes
21 to the Commission. The Commission votes. If
22 you vote to exclude, then there is our hearing
23 process that can then go forward. That might
24 be one way to think about it.

1 COMMISSIONER MCHUGH: But the point
2 Steve made is the one that concerns me. If you
3 take all of the personal information out, all
4 of the Social Security numbers, everything
5 else. You bring up Joe Jones.

6 Joe Jones is a real bad guy. So, we
7 talk about Joe Jones being a good guy or a bad
8 guy or a real bad guy. And then we say, well,
9 he's not bad enough to exclude but you know Joe
10 Jones has been trashed in the meantime. And a
11 lot of those cases, not a lot, some of those
12 cases will never get to us if we have a
13 preliminary hearing. But the hearing examiner
14 comes down and says no.

15 MR. GROSSMAN: The process just to
16 be clear is set up so that the IEB essentially
17 conducts an investigation. And they make the
18 threshold determination. So, there's no
19 hearing per se. In fact the Commission doesn't
20 have to conduct a hearing before excluding
21 someone. You don't have to notify the person.
22 You don't have to provide them any process
23 whatsoever before the decision is made. It's
24 not until after the decision is made that the

1 person is entitled to due process and appeal.

2 CHAIRMAN CROSBY: Todd, excuse me,
3 just in the interest of time, can we just agree
4 with what Commissioner McHugh said. We vote it
5 in. Let the staff think about here the issues
6 are. Is there a way we can accommodate these
7 issues within the statute -- the reg. as it
8 stands? If not, then we will consider an
9 amendment rather than talk about --

10 MS. BLUE: I think we can do that,
11 yes.

12 COMMISSIONER MCHUGH: I think that's
13 the way to go because I would not like to wing
14 it with this one here. And I'm content to have
15 this go into effect preliminarily. And I
16 regret that I didn't read it more carefully, to
17 talk to you beforehand.

18 CHAIRMAN CROSBY: That's it for the
19 regs. Can we just lump all of the SBISs
20 together? Or is there anything that you need
21 to draw our attention to?

22 MS. BLUE: For the first group under
23 (b), you can vote on all five of those together
24 as well as their amended small business impact

1 statements. The vote is to move them through
2 the final promulgation process.

3 We have a little different situation
4 under (c) I think but that won't take too long.

5 COMMISSIONER STEBBINS: Mr. Chair, I
6 move that the Commission in the final
7 promulgation process for regulations and the
8 amended SBIS for 205 CMR 101, 136, 150, 151 and
9 152.

10 COMMISSIONER MCHUGH: Would you
11 accept an amendment to say adopt those? Those
12 have been through the final promulgation.
13 They've been through the process. This is a
14 vote to adopt them. So, would you accept an
15 amendment to that motion?

16 COMMISSIONER STEBBINS: Yes, I'm
17 sorry. I thought it was the final promulgation
18 process. It's final adoption process, yes.

19 COMMISSIONER CAMERON: Second.

20 MR. DAY: Just one question is
21 Attorney Grossman identified an addition in the
22 operations, that additional authority.

23 MS. BLUE: So, it would be subject
24 to the changes that were discussed, yes.

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

3 COMMISSIONER MCHUGH: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 CHAIRMAN CROSBY: The ayes have it
8 unanimously.

9 MS. BLUE: And then under section
10 (c) these are the regulations that you have
11 previously approved to be filed on an emergency
12 basis. This was the change to the variance
13 section and then the addition on the training
14 employees to be able to come in to assist in
15 training.

16 What we are asking here is for you
17 to allow us to start the promulgation process
18 by voting to approve the small business impact
19 statements.

20 CHAIRMAN CROSBY: Do we have a
21 motion, Commissioner Stebbins?

22 COMMISSIONER STEBBINS: Sure, Mr.
23 Chair. I move that the Commission approve the
24 amended small business impact statements for

1 emergency regulations 205 CMR 102 and 205 CMR
2 134.

3 CHAIRMAN CROSBY: Second?

4 COMMISSIONER ZUNIGA: Second.

5 CHAIRMAN CROSBY: Further

6 discussion? All in favor, aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 COMMISSIONER STEBBINS: Aye.

10 CHAIRMAN CROSBY: Opposed?

11 COMMISSIONER MCHUGH: Nay?

12 CHAIRMAN CROSBY: We have four yes

13 and one confused.

14 COMMISSIONER MCHUGH: I voted yes.

15 CHAIRMAN CROSBY: We have five

16 yeses. Do we have a motion to adjourn?

17 COMMISSIONER CAMERON: So moved.

18 CHAIRMAN CROSBY: All in favor, aye.

19 COMMISSIONER MCHUGH: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 COMMISSIONER ZUNIGA: Was there any

24 new business?

1 MS. BLUE: No. I would ask you to
2 second the motion to adjourn.

3 COMMISSIONER ZUNIGA: I second that.

4 CHAIRMAN CROSBY: All right. Thank
5 you.

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7 (Meeting adjourned at 2:15 p.m.)

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- 1 ATTACHMENTS:
- 2 1. Massachusetts Gaming Commission May
- 3 28, 2015 Notice of Meeting and Agenda
- 4 2. Massachusetts Gaming Commission May 6,
- 5 2015 Meeting Minutes
- 6 3. Wynn Everett Master Schedule
- 7 4. Wynn Resort Everett Quarterly Report as of
- 8 March 31, 2015
- 9 5. Massachusetts Gaming Commission May 28,
- 10 2015 Memorandum Regarding Fiscal Year 2015
- 11 rd
(FY15) 3 Fiscal Update
- 12 6. Massachusetts Gaming Commission May 27,
- 13 2015 Memorandum Regarding RFA-2 Questions
- 14 7. Massachusetts Gaming Commission Gaming
- 15 Agent Training for IEB Gaming Agents,
- 16 State Police, Attorney Generals Gaming
- 17 Unit, Plainville Police and ABCC Agents
- 18 8. Massachusetts Gaming Commission May 28,
- 19 2015 Memorandum Regarding Temporary
- 20 Primary Vendor and Key Gaming employee
- 21 Licenses Issued
- 22 9. 205 CMR 101 Adjudicatory Proceedings
- 23 205 CMR 136 Sale and Distribution of
- 24 Alcoholic Beverages at Gaming

- 1 Establishments
- 2 205 CMR 150, Protection of Minors &
- 3 Underage Youth
- 4 205 CMR 151 Requirements for the
- 5 Operations and Conduct of Gaming at a
- 6 Gaming Establishment
- 7 205 CMR 152 Individuals Excluded from a
- 8 Gaming Establishment
- 9 10. Amended Small Business Impact Statement
- 10 205 CMR 101, Amended Small Business Impact
- 11 Statement 205 CMR 136, Amended Small
- 12 Business Impact Statement 205 CMR 150,
- 13 Amended Small Business Impact Statement
- 14 205 CMR 151, Amended Small Business Impact
- 15 Statement 205 CMR 152, with attachments
- 16 11. Amended Small Business Impact Statement
- 17 205 CMR 102, Amended Small Business Impact
- 18 Statement 205 CMR 134
- 19
- 20
- 21
- 22
- 23
- 24

1 GUEST SPEAKERS:

2 Robert DeSalvio, Wynn Resorts

3 Chris Gordon, Wynn Resorts

4 Jenny Peterson, Wynn Resorts

5 Stephen Rusteika, PMA Consultants

6

7 Andrew Stern, KG Urban

8 Kevin Conroy, Esq., for KG Urban

9

10 Nancy Stack, Pinck and Company

11

12 MASSACHUSETTS GAMING COMMISSION STAFF:

13 Catherine Blue, General Counsel

14 Bruce Band, Assistant Director IEB

15 Trupti Banda, Human Resources Manager

16 Agnes Beaulieu, Accounting and Finance

17 Paul Connelly, Director Licensing

18 Richard Day, Executive Director

19 Todd Grossman, Deputy General Counsel

20 Derek Lennon, CFAO

21 Karen Wells, Director IEB

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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 1st day of June, 2015.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018

