

1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #192
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7 COMMISSIONERS

8 Gayle Cameron

9 Lloyd Macdonald

10 Bruce W. Stebbins

11 Enrique Zuniga

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19 May 26, 2016 10:00 a.m. - 12:00 p.m.

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

COMMISSIONER ZUNIGA: Good morning.
I am pleased to call to order the Massachusetts Gaming Commission meeting number 192. Chairman Crosby is on a conference and has asked me to chair the meeting. Commissioner Stebbins will be with us momentarily. He is en route.

First item on the agenda is approval of the minutes, Commissioner Macdonald.

COMMISSIONER MACDONALD: Yes. I move that the minutes of public meeting number 188 held April 26-28, 2016 be approved subject to typographical errors and other nonmaterial matters being corrected.

COMMISSIONER CAMERON: I had one issue that I would like to raise with regard to the minutes. On 10:11, I see that IEB Director Karen Wells provided an update on suitability and stated that MG&E and partner George Carney were previously found suitable and that they continue to find them suitable. Then it goes into the fact that Attorney Donnelly addressed infractions.

1 I think it would be wise to point
2 out that Director Wells brought those serious
3 infractions that were pending in Illinois to
4 our attention which then caused Attorney
5 Donnelly to respond. Just one sentence that
6 talks about the fact that Director Wells
7 brought those to our attention during the
8 suitability discussion.

9 MS. BLUE: We can add that. We'll
10 make that change.

11 COMMISSIONER CAMERON: Great.

12 COMMISSIONER MACDONALD: Subject to
13 that amendment, I re-move for the approval of
14 the minutes.

15 COMMISSIONER CAMERON: Second.

16 COMMISSIONER ZUNIGA: The motion has
17 been made and second all those in favor, aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER ZUNIGA: The ayes have
21 it unanimously. Second item on the agenda we
22 have Ombudsman Ziemba, I believe.

23 MR. ZIEMBA: Thank you,
24 Commissioners. Today, we have two quarterly

1 reports for Wynn Boston Harbor and for
2 Plainridge Park. These quarterly reports are
3 for the first quarter that ended March 31,
4 2016.

5 The quarterly reports are somewhat a
6 little bit later than anticipated due to the
7 flurry of activity we had during the first two
8 quarters of this year. We are working on an
9 effort to try to schedule these many months
10 ahead and will be working with the licensees
11 about making that a little bit more regular
12 schedule.

13 With that, I introduce Bob DeSalvio,
14 President of Wynn Boston Harbor, Jacqui Krum
15 Wynn Senior Vice President and General Counsel
16 and Chris Gordon Wynn Boston Harbor President
17 of Design and Development to give Wynn Boston
18 Harbor's quarterly report.

19 MR. DESALVIO: Thanks, John. Good
20 morning Commissioners. Thanks for the
21 opportunity to present again today. Before I
22 turn this over to Chris to give you the full
23 run-through on where we are from permitting and
24 construction, I did want to take the

1 opportunity to thank both the Commission and
2 the staff for the work that went into the
3 Section 61 Findings and the ultimate vote that
4 you took.

5 We know and certainly respect how
6 much work went into that. Because in a sense,
7 what you guys had was the culmination and
8 consolidation of all of the other findings into
9 one comprehensive report. It's pretty
10 impressive.

11 When we got the final signed version
12 and you back and you look through it, it really
13 reflects a major commitment on behalf of us the
14 licensee but certainly a lot of work that went
15 into it. I just would be remiss without saying
16 thanks to you and in particular the staff for
17 the amount of work they put into that.

18 We are here today to report really
19 very good news on our progress and where we
20 stand. With that, I'm going to turn it over to
21 Chris to take you through where we are from
22 construction, design, development, permitting.

23 MR. GORDON: Thank you, Bob. Good
24 morning, Commissioners. We are starting a page

1 four with the permitting. These are the state
2 permits. We won't go to each and every one,
3 but as you know the MEPA certificate was
4 issued. The Section 61 Finding has been
5 posted. And as Bob said that was a herculean
6 effort, which we appreciate. So, that work we
7 think is done.

8 Chapter 91, as you know, there's a
9 hearing on June 2 for that appeal process which
10 Jacqui is working very hard on that. That is
11 our big issue right now is the Chapter 91
12 hearing.

13 Water quality certification that has
14 been received. The Mass contingency plan, the
15 phase 1, you'll hear in a minute about that
16 remediation but that is complete.

17 The CZM permit that will happen
18 right after the Chapter 91 because they are
19 consecutive, but the work is done. It's just
20 going to issue after the Chapter 91. Historic
21 Commission underwater archaeology are done.
22 The issue with the state permitting is just now
23 Chapter 91.

24 The local permitting -- I'm sorry,

1 federal permitting FAA, those permits have been
2 issued. The US Army Corps of Engineers that
3 will come right after Chapter 91 as well
4 because they are consecutive but that's in very
5 good shape. And also that doesn't affect the
6 land-side work. It affects the waterside work.
7 So, in any event, it's not anywhere near our
8 critical path.

9 The NPDES permit of course, those
10 are ongoing as part of our construction
11 management plans. So, those are in good shape.

12 The local permitting, we continue to
13 work with the city of Boston some of the off-
14 site roadway work. You'll hear about that in a
15 minute. But those meetings are going very
16 well. We've developed a good relationship with
17 Boston's traffic department on the off-site
18 roadway work.

19 Site plan review, that was approved
20 by the city of Everett. We keep them up-to-
21 date on a weekly basis. We meet with them
22 every week. We have other approvals. It says
23 here the access road was just approved on May
24 5. We are now going before them on the 13th

1 for the McDonald's relocation. There's a good
2 rhythm of work with the planning board. And we
3 certainly are in a good position with them.

4 Order of conditions from the
5 Wetlands commission was issued. And our first
6 building permit was issued May 2. So, we have
7 the building permits we need now to get going
8 once we get some of the other issues resolved.

9 COMMISSIONER ZUNIGA: Chris, the
10 site plan review is that the overall site plan
11 or is that only pertaining to what you
12 mentioned McDonald's?

13 MR. GORDON: The site plan was done
14 in several stages. The main resort is done.
15 So, the resort itself is done.

16 We now have several follow-ons. We
17 did the service road as a separate site plan
18 review. And that was approved a couple of
19 weeks ago. So, that's now done. We are going
20 to be following up with the walkway, the DCR
21 connector walkway. For a small piece of work,
22 it's complicated because there's different
23 landowners and that sort of stuff. That'll go
24 sometime this summer or fall. We'll work on

1 that.

2 Then as part of the service road,
3 there's the McDonald's relocation. We filed
4 that. We had our first hearing this Monday
5 night. We'll have our second hearing May 13.
6 So far we haven't heard any concerns on that.
7 So, we're working through those. The resort
8 itself is approved.

9 COMMISSIONER ZUNIGA: Great.

10 MR. GORDON: Site remediation, as
11 you know the big piece of that is what we call
12 phase 1. Those are the removal of three
13 hotspots. That's done. The last truck has
14 left the site. The paperwork is being buttoned
15 up and there's no more work to be done.

16 It finished up on schedule, on
17 budget and we are not aware of any big issues.
18 So, we are happy about that. The site now
19 becomes a lot easier to work with now those
20 three hotspots are done. It's more of a
21 routine industrial site. Sort of typical
22 issues to deal with nothing unusual. So, we
23 are quite happy about that.

24 On the design, the design team is

1 far, far alone. The garage and foundation,
2 those designs have been submitted to the city
3 of Everett. The actual foundation was granted
4 a building permit. They are now reviewing the
5 garage.

6 They are also reviewing the tower.
7 We've submitted the tower for review. They've
8 got a company called Four Leaf that's working
9 with them. They are going through their review
10 process.

11 And then in mid-July, we're going to
12 submit the podium which is the entire
13 horizontal component of the resort which is
14 where frankly is the most complicated part of
15 the building. That's submitted in July. Then
16 the site work and maritime work will be
17 submitted roughly in July or August as well.

18 So, the design is well past the
19 three-quarter stage, headed toward finish,
20 final design. The VE we've been doing has all
21 been incorporated so the new drawings coming
22 out will incorporate all the refinements we
23 made which are all quite minor. So, we think
24 we are in good shape on design.

1 You've seen the model, but this is a
2 photograph of the model which is in our office
3 now. It's been very helpful not just as a
4 pretty picture but people actually understand
5 the project. When they see the model, we walk
6 them around it. We show it to them. It's been
7 a very effective tool in getting folks that
8 don't do this every day to really sort of
9 understand how the place is designed.

10 Off-site infrastructure. As you
11 know, we have a very large off-site
12 infrastructure program that has to be finished
13 before we open. We have two design teams
14 working on it.

15 We have AECOM doing everything
16 except Sullivan Square. Then we have Howard
17 Stein Hudson doing Sullivan Square. AECOM is
18 fully engaged in the off-site work.

19 There's a thing called a roadway
20 safety audit that you have to do for each major
21 intersection. These are complicated because
22 you have to invite all of the local
23 authorities, police departments, fire
24 departments, city, state, highway department.

1 We finished all those now, and they went very
2 well. Very good cooperation.

3 They had good suggestions. The
4 state police are there. The local police are
5 there. And they know the history of some of
6 these intersections. And they know frankly the
7 accident records and all that sort of stuff.
8 So, it was great.

9 And they made some tweaks to signage
10 and lighting and the timing, nothing major but
11 very good work. So, now those all have to get
12 incorporated into final design. So, we are now
13 taking those roadway safety audits and
14 factoring that into the final design, which is
15 good.

16 They are at about 25 percent design
17 on most of those roads, which is the most
18 important milestone because it really lays out
19 how it's going to work. So, now we start the
20 review process with the highway department,
21 DCR, cities and towns that are involved in
22 this.

23 Sullivan Square, same thing. We're
24 almost at 25 percent design. As you know, that

1 took a bit of a pause during some of the Boston
2 discussions. But now we are very much back on
3 track. We meet with the Boston traffic
4 department quite regularly. We are submitting
5 material. They are reviewing it. We're
6 getting good feedback. So, we're catching up
7 on that, and we're in pretty good shape on the
8 Sullivan Square design, because we want to get
9 that done soon as well.

10 Then as you see the last bullet, the
11 Lower Mystic Regional working group which was
12 the subject of quite a bit of discussion early
13 on. That is up and running and functioning.

14 We attend. Bob is a regular member
15 of that. It's doing its thing. They're just
16 getting going but it looks like it's going to
17 be a pretty functional group which is good.

18 COMMISSIONER MACDONALD: Excuse me, Mr.
19 Gordon, you said that the Sullivan Square plans
20 are moving forward. Aren't they subject to
21 some extent the regional group that's ongoing
22 now?

23 MR. GORDON: Of course, we want to
24 make sure they both are consistent but we don't

1 see a link between the regional group running
2 its course and getting approval on the interim
3 mitigation.

4 So, the mitigation plan is about \$11
5 million work in Sullivan Square. The
6 mitigation work is subject to the full-blown
7 PIC process in Boston. So, it will go through
8 hearings. It will go through process. But our
9 understanding is it does not have to wait what
10 could be a multi-year regional study to
11 finalize and get going on doing the interim
12 work.

13 COMMISSIONER ZUNIGA: Remember
14 there's a short-term solution and a long-term
15 solution. When the Wynn people talk about
16 Howard Stein design at 25 percent, the \$11
17 million figure that's what we term as the
18 short-term solution what had to happen as part
19 of the MEPA process.

20 The long-term solution is in
21 parallel track, what's also referred to as the
22 regional working group. We are also observers
23 of that group. That has its own track, if you
24 will. And that's a very important effort, but

1 it's in parallel.

2 MS. KRUM: Just to clarify, the so-
3 called short-term mitigation that we are
4 proposing and we will be implementing prior to
5 opening will all tie into the long-term
6 solution, whatever that may be. So, most of it
7 has been designed. There are two competing
8 designs and there maybe more. But it's been
9 designed to tie into that so it won't be
10 wasted.

11 COMMISSIONER MACDONALD: So, what's
12 the nutshell of the mitigation improvements to
13 Sullivan Square that's going forward?

14 MR. GORDON: It's quite a collection
15 of things. We'd be happy to brief you on the
16 plan. For example, it rebuilds Spice Street
17 and D Street, which is part of Sullivan Square.
18 It rebuilds Cambridge Street, which is where
19 you come off the ramp and you go down to the
20 circle.

21 It adds a signal at the intersection
22 of Spice and Cambridge Street. It rebuilds the
23 access and exit to the MBTA station. It re-
24 signals the whole area, including in some cases

1 new hardware but it really ties it into a
2 unified system.

3 It runs almost a mile of cable back
4 to the Boston Transportation Center so they can
5 actually remotely control the signals. Right
6 now, they are not coordinated with everything
7 else. For example, if there's a Celtics game
8 and they want traffic to flow through there,
9 they at command center and at most
10 intersections in Boston they can just make
11 adjustments if they see something on the
12 camera. They can't do that in Sullivan Square.
13 So, we are going to be running the cables for
14 that so they get that hooked up.

15 And then there's a lot of what we
16 would call sort of smaller stuff, moving
17 curbing, signage, some striping that sort of
18 stuff. So, the bulk of it is rebuilding of
19 those several intersections, which is a fairly
20 major amount of work. And then running this
21 cable all of way back to make this a smarter
22 intersection from a central command point of
23 view.

24 We are also looking, not part of

1 this but separately the city is also very
2 interested in running cables under the river
3 over onto Alford Street. And a big chore, but
4 it looks like there may be some spare capacity
5 as part of the new bridge. So, we're working
6 with both the city of Everett and the city of
7 Boston to try to link those signals as well.

8 Because most of Boston and frankly
9 some of the cities around it are coordinated.
10 They're in a computer system that allows them
11 to coordinate the signals. Sullivan Square is
12 not. And Alford Street is not. So BTB,
13 working with us is trying to figure out if they
14 could connect all of these electronically.

15 MR. DESALVIO: And I'm going to add
16 one other point we learned at some of the early
17 meetings with the community that there were
18 some improvements that needed to be made for
19 pedestrians. So, there were some areas out there
20 that had almost no curbing, sidewalks better
21 ADA access and those kinds of things. So, they
22 will all be incorporated in our own plan as
23 well.

24 MR. GORDON: There is also a

1 landscaping plan. It's pretty extensive.
2 Right now, the area is not well-kept. So, part
3 of this is to put -- We know it's interim,
4 because part of that gets removed when the
5 permit goes in, but we thought it was
6 definitely and the community asked for us to
7 landscape some significant areas around the
8 circle.

9 On the schedule, there are two
10 versions. There's a look ahead, which I'll go
11 through now. And then there's quite a few
12 pages of detail which I wasn't going to go
13 through but I'm happy to if there's questions.

14 But on the big picture looking down
15 the road six months, obviously the big issue
16 for us is the Chapter 91 hearing on the second.
17 We're hoping that we get a ruling on that
18 fairly quickly. And that allows us to really
19 accelerate everything that is going on the site
20 for construction. That's our biggest issue.

21 We talked about design. That's far
22 along, going well. So, there's no big issues
23 on design. Utility relocations have started.
24 This is to relocate the utilities that go right

1 through out site and to move them off to the
2 side.

3 A lot of work and it's fairly
4 finicky work. So, we're starting that now.
5 It's fully permitted. And we're working
6 through that as we speak.

7 Preconstruction activities, as you
8 saw from your recent site tour, there is a lot
9 of preconstruction work going on. We are pre-
10 excavating to check for obstructions. We're
11 putting in some flowable fill-in areas. We
12 want to make sure that the material is proper.

13 We're getting ready, mobilizing, the
14 trailers are up. The gate is up now. The
15 horrified tags went in this week. So, we are
16 getting ready so we are ready to move.

17 Also, the service road has started.
18 So, the service road that goes all around the
19 MBTA that's underway as well. So, there's a
20 fair amount of preconstruction activity going
21 on.

22 Off-site transportation, as we
23 mentioned at this point that's all designed.
24 Then we're hoping, depending on the Chapter 91

1 resolution that as soon as that's resolved, we
2 will be starting right up very quickly.

3 We bid out the early packages. We
4 have real subcontractors. They're under
5 contract. We are ready to go. So, once we get
6 the green light, we will be moving very
7 quickly.

8 COMMISSIONER ZUNIGA: Can I ask a
9 question on that Chris? The hearing is
10 scheduled for June 2, but the determination
11 will not come for 30 days maybe?

12 MS. KRUM: The presiding officer has
13 up to 45 days to issue a determination or a
14 ruling on that. Then it has to be signed off
15 by the commissioner. So, depending on whose
16 schedule, we hope to get it a little bit
17 sooner.

18 MR. GORDON: Behind that there's a
19 very detailed schedule. I'm happy to go
20 through it if you want or if there's any
21 questions, but it's sort of the nuts and bolts
22 of how it works. I should say also that we are
23 meeting now with your staff every week. And a
24 lot of the details of this are subject to those

1 meetings which is a good way to keep everybody
2 on the same page as far schedule goes.

3 Again, right now -- I don't want to
4 say this to curse us. -- but other than the
5 Chapter 91, we don't have any big schedule
6 issue to talk about, sort of routine
7 preparation work.

8 Unless there's detailed questions on
9 the bar chart, I'm going to go ahead and end
10 here. And Bob is going to talk to you about
11 the workforce and project diversity.

12 MR. DESALVIO: So, I'm picking up on
13 page 26. And to give you an update on the
14 design phase, we are doing actually quite well
15 on the design phase so far. As far as the
16 MBEs, we have a goal of 7.9 percent. And when
17 we look at where we are right now, which is
18 about 8.3 percent and what's in the pipeline,
19 we're still expecting to come in around 10.7
20 percent on the MBEs for the design phase.

21 WBEs, the goal is 10 percent. We
22 are at 4.1 now but with what's in the pipeline
23 we think we'll get to about 7.2. So, we are
24 little short on WBEs and still working to see

1 whatever we can do as we get into the final
2 phases of design.

3 And we actually did extremely well
4 on the veteran side. We had a goal of one
5 percent, but it looks like we'll come in about
6 6.6 percent.

7 So, when you blend it out overall
8 for the entire design phase, right now -- And
9 this is roughly about \$50 million worth of
10 work. -- we are looking at between what's
11 already been contracted and what's in the
12 pipeline, it looks like we'll come in at about
13 24.5 percent on a goal of 18.9. So, we felt
14 pretty good about that, which is again I think
15 very hard to do on the design front. So, kudos
16 to the team that's been working on that.

17 As far as the actual construction
18 phase, again at this point we've done mainly
19 just the first phase of remediation and some
20 early work. So, the numbers are off the chart
21 and that's because Charter Contracting of
22 Boston, which is a minority-owned firm got the
23 bulk of the phase 1 remediation work.

24 So, right now we're about 90 percent

1 of the work but of course that number will
2 obviously decrease as we get into the heavy
3 lifting of the big project.

4 And then on woman business
5 enterprises, goal 5.4 percent and so far in the
6 early work about 4.7 percent of the work so
7 far. And on veterans businesses a goal of one
8 percent and .3 percent.

9 So, I think we are off to a pretty
10 good start on the construction phase. We were
11 happy that we were able to work with Charter,
12 which was great to get an early start on this.
13 And then under the woman business owned, we
14 wound up connecting with the Everett security
15 company that is doing site security that is a
16 woman-owned business. So, that gave us a nice
17 early push on that front as well.

18 So, we've been working aggressively
19 with Suffolk on this. They beefed up. They
20 added somebody on their team to work with us as
21 part of the diversity program. We know Suffolk
22 will treat this very seriously as we start to
23 go through the early packages for the work on
24 the site.

1 As far as the actual workforce for
2 those that participated in the early phase,
3 here as well I think we are doing very well.
4 On the minority front, a goal of 15.3 percent
5 and right now with total hours worked we're at
6 about 16.1 percent. Again, it's relatively
7 small numbers, 17 workers on that phase.

8 For women on the site a goal of 6.9
9 percent, right now we're about 7.3 percent.
10 For veterans there was a goal of three percent,
11 we're about 8.9 percent for that early phase on
12 the remediation side. So, again we are off to
13 a good start in that area as well.

14 As far as the community outreach
15 goes, beginning on page 30, I'm not going to go
16 through all of these, but I will highlight a
17 couple of the events. We had a very active
18 first quarter as you'll see from this.

19 It started out with something that
20 Jenny and I did with the Center for Women's and
21 Business Enterprise. They had their event out
22 in Lexington. We were involved with the Dr.
23 Martin Luther King scholarship breakfast in
24 Everett. We've been reaching out to the Asian

1 community in Boston through Chinatown Main
2 Street and their gala. The BSO and some other
3 trade and business trade meetings we went to.

4 On page 31, I want to focus for a
5 minute on the Massachusetts Girls in Trades
6 career day. This event was partly put on
7 through the efforts of Jenny Peterson who is on
8 our team along with the help of the trades.
9 And it was highly successful. They had about
10 400 young women who were involved in this first
11 outreach program. Now they are doing a follow-
12 up on that as well. So, it was a very
13 successful meeting trying to get more women to
14 get involved in the trades.

15 A couple of other Everett events we
16 attended. On page 32, we met again with the
17 Hispanic American Institute. They came out to
18 our offices for an update. We had our phase 2
19 public hearing. We are working with the voc.
20 techs. as well. Of course, the MassDOT Section
21 61 public hearings.

22 On page 33, Mr. Wynn was in town in
23 March to meet with some mayors and legislators
24 and unveil the models.

1 We had a meeting that was the
2 discussion at some previous Commission meetings
3 with some residents from Charlestown to discuss
4 lighting. We thought that was actually a very
5 helpful meeting. End result of that, we made
6 some tweaks to the lighting package,
7 particularly around some comments on the podium
8 level and toned down something that was we
9 thought even might've been a little bit too
10 bright. That's all been incorporated.

11 Chris is working on the final
12 package and then ultimately the final lighting
13 package will be submitted to the city of
14 Everett and then with a copy over to the
15 Commission.

16 I thought that was helpful to get
17 some residents. We brought them out to the
18 office. We showed them the model and then we
19 had quite a long discussion about the lighting
20 plan, which is something I know you guys asked
21 us to take a look at.

22 COMMISSIONER ZUNIGA: What was their
23 general reaction?

24 MR. DESALVIO: Good. They were

1 happy were happy that we were willing to listen
2 and make some tweaks to the plan.

3 COMMISSIONER CAMERON: Great.

4 COMMISSIONER STEBBINS: Bob, some of
5 these events, they certainly demonstrate your
6 efforts to be good corporate citizen in
7 addition to things you'll benefit from. You
8 have the Mass Girls in Trades career day which
9 we heard and read a lot about. Going to a gala
10 and things like that do you find yourself
11 having the opportunity to just network about
12 the project, network about finding some of the
13 businesses that can help you meet some of your
14 diversity goals?

15 I mean, it's good corporate citizen
16 stuff. I'm trying to find out how you kind of
17 leverage that for some of your goals.

18 MR. DESALVIO: They are excellent
19 opportunities. The only mistake I made early
20 on was not bringing enough business cards. So,
21 we learned early on they kind of gather around
22 when they hear Wynn is in the room, especially
23 anyone that might be able to connect with us on
24 the business side for doing work on the

1 project.

2 Also, what we find and hopefully we
3 will get away from this soon, most people don't
4 think that we live here. I say that kind of as
5 a little bit of a joke but it's somewhat
6 serious. I think a lot of people come up and
7 say oh, are you living in Las Vegas. No, we
8 have a whole team that's on the ground here.

9 So, I think the more and more that
10 people learn that we've got a team of folks
11 over in the office that we are part of the
12 community. We don't just fly in for events.
13 We are really here. They're very pleased to
14 know that there's residents of the local
15 community at the events. I think as more and
16 more people learn that, the better off we'll
17 be.

18 Plus having the model over in the
19 office now gives us an opportunity to invite
20 people out and come see what the project will
21 look like and meet some of the folks. So,
22 that's been very helpful as well just so that
23 they know there's a local team here.

24 MS. KRUM: It also gives us an

1 opportunity to speak with the residents in a
2 more relaxed surrounding. A lot of them are
3 interested in the project and want to know
4 what's going on. And it's a good opportunity
5 for us to update them one-on-one.

6 COMMISSIONER STEBBINS: Thank you.

7 MR. DESALVIO: Then on the last page
8 of the list of meetings on 34 we had the public
9 involvement process meeting again in Everett.
10 I stopped over at Lasell and they had a career
11 day over there for some of their hospitality
12 students.

13 Everett United, we've been
14 continuing to make sure that we keep the local
15 Everett home-based group informed. They've
16 been tremendous supporters, and we want to make
17 sure that we stay connected with them. They've
18 been a vital part of our effort.

19 Then Mayor DeMaria and I filmed a
20 cable access show which was very -- got very
21 good marks from the community because what we
22 are finding is even though we schedule these
23 Everett United meetings, you have a tendency to
24 reach a lot of the same people that come. And

1 what we found and what the mayor heard was that
2 some people can't go. Trouble getting out of
3 the house. They can't get babysitters.

4 So, somebody gave him the suggestion
5 of doing something on cable access. So, we
6 filmed it in the office. We had the model
7 there. Then they ran it like crazy on their
8 local cable access. The mayor said he got very
9 good feedback in City Hall as a way to reach
10 more of the residents without having to ask to
11 come out to a meeting.

12 So, we think that was successful.
13 And I think what we will do is as the project
14 develops, we will probably do some more of
15 them. Maybe even go out to the site at some
16 point and do one live -- not live, but we'll
17 tape it on the site and then put it out for the
18 residents to see. So, it's a good way to reach
19 a lot more residence.

20 COMMISSIONER ZUNIGA: Can I mention
21 something, because now you mentioned the model
22 a couple of times. I believe all of us had an
23 opportunity to go out to your offices and see
24 the model and tour the site.

1 And it's really quite something to
2 appreciate it at close length and see it from
3 the street view and see all the detail that
4 goes around it. And I might add that it's two
5 models. You have the one in the picture but
6 another one right across the hallway there that
7 has the casino with all of its interior flow.
8 It's really great that you have it in your
9 office and that you're having people come
10 appreciate it at close point.

11 MR. DESALVIO: And we have some more
12 upcoming meetings schedule. Now the word is
13 starting to get around, we're getting groups
14 actually calling and saying can I have -- We
15 have a bank board meeting coming out in the
16 near future, Chamber of Commerce groups have
17 now called and said can we schedule a night
18 where we bring our folks out.

19 I wasn't sure how this was all going
20 to flow but it's actually turning out to be I
21 think a real advantage to have it there. It's
22 pretty easy to get to since we're in Station
23 Landing. It works out very well. There's
24 Mass. transit right there.

1 COMMISSIONER CAMERON: It sounds
2 like the more you're educating people the
3 better they're accepting the project.

4 MR. DESALVIO: Absolutely.

5 MR. GORDON: Oh, yes. I do some
6 presentation. We did one on the real estate
7 group last week. And they hadn't focused on
8 it, which amazed me. They read the headlines,
9 but now that we explained the project to them
10 and told them it was real they were very
11 pleased. And this is a group of 150 real
12 estate brokers around the area that really
13 hadn't paid that much attention to it.

14 COMMISSIONER ZUNIGA: And a lot of
15 other things you've done, I also had the
16 opportunity to see more renderings as only
17 certain renderings make it into presentations
18 and things like that. The view that was very
19 important for residents in Everett, coming down
20 Broadway from the other side, you often get the
21 front view, which is what most people are
22 interested, but there is another perspective.
23 It also starts to bring the project to the
24 mind.

1 MR. DESALVIO: It's more real and
2 brings it to life for the community.

3 COMMISSIONER MACDONALD: Excuse me,
4 Chris is there any indications of a
5 repercussion on the real estate market on the
6 surrounding community?

7 MR. GORDON: We hear folklore that
8 prices have gone up in Everett. We are not as
9 clear as Medford, Malden some of those areas
10 because they may be moving for other reasons.
11 But we haven't seen new data yet for this year
12 because it isn't available.

13 We are hearing that prices in
14 Everett for various things, especially some of
15 the industrial properties has moved up. Some
16 of that is because of us. As you know, we've
17 had to buy a couple of properties around us
18 like the McDonald's. So, we've driven the
19 market ourselves. And we're seeing that. So,
20 we'll see if it sustains itself, but we're
21 seeing prices go up.

22 We're also seeing more interest.
23 For example, right behind us is the apartment
24 building, the Batch Yard that was recently

1 built which has become very popular. They just
2 broke ground on another hotel in Everett which
3 frankly has been a long, long time since
4 they've had hotels going up.

5 Maybe it's not us. Maybe it's just
6 the Boston economy but it's moving. The other
7 thing on the flipside is we also got the new
8 data this week that Boston they rank as the
9 most expensive construction in the country.
10 So, we're trying to work through that.

11 COMMISSIONER ZUNIGA: Let me add
12 something that is relevant to the point and the
13 question you're asking, Commissioner. Chairman
14 Crosby, Mark Vander Linden and I were at the
15 annual meeting of the research project that we
16 have. It was up in Amherst. And a big
17 component of that is the economic piece.

18 One of the things that they are
19 looking and tracking because this is all
20 secondary data that's available is housing and
21 real estate prices. We are getting nuance as
22 in not just when the casino comes in, prior to
23 the casino, but prior to the announcement of an
24 award of a license. We're going to see what

1 happens. We're going to track it. And we will
2 be able to see how that goes at the local and
3 surrounding area.

4 MR. GORDON: As the Commissioners
5 know, we talked about it before, our immediate
6 real estate around us on Broadway, we tracked
7 that. Our estimate is that before we existed
8 until when we are done, it will be between a 2X
9 and 3X multiplier. So, we think that property
10 will go up probably double and some will go up
11 threefold on lower and upper Broadway, which is
12 not unusual.

13 It's been a medium priced area.
14 When you put a five-star resort across the
15 street, it's going to be more expensive. The
16 data isn't there yet, but that's what we'll
17 expect to see.

18 MR. DESALVIO: Then I wanted to end
19 this segment with a couple of photos. This
20 first photo is from the Girls in Trades event.
21 Again, this shows you the crowd. They had a
22 really good crowd. Then the next photo --

23 COMMISSIONER CAMERON: Bob, were
24 they high school kids?

1 MR. DESALVIO: Yes, but there is
2 some really strong interest in this, which was
3 great. And then next is Jenny with some of the
4 ladies that were in attendance. And then the
5 last photo is from when I was the keynote
6 speaker for the Chelsea Chamber of Commerce,
7 their annual dinner and meeting. We went with
8 Suffolk and Rich Petty was there from the
9 Carpenters. We had a nice group there. The
10 Hispanic American Institute was represented.
11 It was a good group, Suffolk.

12 Then we wanted to close with a
13 video. This is actually a drone shot that was
14 taken from what would be the equivalent of the
15 top floor of our hotel. So, we thought instead
16 of having you go up on a lift 386 feet in the
17 air, it might be easier if we gave you a drone
18 shot.

19 MR. GORDON: The question comes up
20 all the time, what kind of a view do you get
21 from Everett. The answer is you get a
22 spectacular view. Even the foreground, the
23 power plan we think it's all a good situation.

24 You can see Boston Harbor. You can

1 see the high-rise. You can see the river. So,
2 the 360 we think it's going to be a very
3 nice --

4 MS. KRUM: Unfortunately, it's low
5 tide.

6 MR. DESALVIO: That's the tip of our
7 retail esplanade and the outdoor public areas.
8 That's Assembly Row across the way. There's
9 the dam. There's the Gateway Connector Park.
10 And now you are moving over towards the Gateway
11 Center. And then looking back towards the rest
12 of Medford, Malden out that way. Look at the
13 views that you get at top there. It's pretty
14 impressive.

15 MR. GORDON: We have a drone view
16 now that they went floor by floor up and down
17 the elevators. So, you can -- If somebody
18 said, show me the 12th -- And this stuff is
19 very inexpensive. -- show me the 12th floor.
20 If Bob said show me the 12th floor view, we can
21 just show him the 12th floor view.

22 So, it's very simple stuff. And we
23 will be doing this a lot during construction.
24 Drones are cheap and easy, so you'll see this

1 on a fairly regular basis.

2 COMMISSIONER ZUNIGA: Remind me the
3 number of floors, Chris.

4 MR. DESALVIO: Twenty four.

5 MR. GORDON: In the hotel we've got
6 24. And then of course we've got three floors
7 below that. We've got the spa and the gaming
8 floor. The whole building is about 386 feet
9 high.

10 MR. DESALVIO: So, that is our
11 update for this quarter. We are available for
12 any questions you may have.

13 COMMISSIONER ZUNIGA: Thank you for
14 that update. Any questions?

15 COMMISSIONER CAMERON: No. The
16 diversity numbers look great. It's really
17 apparent that you are paying attention to those
18 issues and you are taking it seriously. So,
19 thank you for that.

20 MR. DESALVIO: Sure.

21 COMMISSIONER ZUNIGA: Great update.
22 Thank you. It's interesting to see. I was
23 thinking when you were giving your update, the
24 site plan review is all behind you. In our

1 other licensee that was a big to do for a
2 number of reasons at MGM with abutter's
3 concerns. And some of the struggles over there
4 don't translate into these one, but clearly it
5 is perhaps an example of all the work you've
6 done in the meantime when you give these
7 updates. So, thank you.

8 MR. GORDON: It's also encumber on
9 Everett. Everett is very supportive. Meeting
10 after meeting after meeting, they're rigorous.
11 We don't get a free pass. It's very solid
12 process in Everett.

13 COMMISSIONER STEBBINS: The
14 quarterly report included in our package, the
15 first three months talks about the project
16 labor agreement. Can you forecast a little bit
17 as to where you hope to be by the end of the
18 second --

19 MR. GORDON: PLA is signed and done.
20 So, the PLA is in place. The trades are
21 totally onboard. As I've said many times, we
22 continue to fret about making sure that there's
23 enough workers. We need 4000 workers. And we
24 peak at about 2200 all at one time on-site.

1 And everybody we talk to said no
2 problem. But we don't want to take that for
3 granted. So, we are doing all the recruiting
4 we can. We are trying to make the site easily
5 accessible. We're trying to make sure there's
6 food and there's bathrooms, because union
7 construction workers today have a choice. So,
8 they can go downtown and work on a high-rise or
9 they can go to Everett. We want to make sure
10 going to Everett is a good thing.

11 They all want to work on the project
12 because it's a fun, glamorous project. But we
13 want to make sure it's easy to get there.
14 They've got access. So, we see no issues so
15 far, but we are going to continue for three
16 years to be working closely with the trades to
17 make sure we get enough workers. Because if
18 the workers dry up, the work slows down. So,
19 that's a big focus of ours.

20 MS. KRUM: And in particular we've
21 been focusing on how the unions are going to
22 recruit from the local communities, our host
23 community and our surrounding communities as
24 well as of course diversity goals.

1 MR. GORDON: In the early bidding,
2 we see no shortage of subcontractors. Even
3 though they're busy, they all want to work on
4 this. So, on the early slurry, excavation,
5 facade that's stuff we've had five, six, seven
6 bidders. We've had competent bidders. We've
7 had almost nobody that's been pushed out
8 because of lack of qualifications.

9 The Gaming Commission will start to
10 see them because they're all going to be
11 notified of who they are. We've been very
12 pleased with the bidding pool. We've been
13 pleased with the prices. So, again I think
14 we're in good shape.

15 And the labor issue again, we see no
16 problems but we're going to stay on it, because
17 if we run short of qualified workers that will
18 be a problem.

19 MR. DESALVIO: We think what we're
20 hearing too is there's a lot of pride in saying
21 that you're working on this project because of
22 the high quality of the construction. These
23 are incredibly talented tradespeople that are
24 in this region.

1 And I think they just like sinking
2 their teeth into something as complicated as
3 this but also as sophisticated and it'll turn
4 out to be a beautiful project that they'll be
5 able to take their family and friends to and
6 say look I had a hand in building this. We
7 hear that over and over again.

8 There's lots of really neat office
9 buildings but this is very, very different kind
10 of a project. I think pride is the word that
11 we are hearing loud and clear.

12 MR. GORDON: One question that came
13 up during the site tour about some of the other
14 properties, as you know, we're about to open a
15 new property in China in the next few months.
16 So, we are taking part of my team and a big
17 chunk of the Suffolk team are going to China in
18 a couple of weeks.

19 And we're going to kick the tires,
20 walk the project, meet the contractors. We're
21 going to meet the subcontractors. And we're
22 not going to just hear the nice stories. We're
23 going to try to make sure we understand exactly
24 how the building was built and bring back

1 lessons learned so that we try to know as much
2 as we can on this one.

3 COMMISSIONER ZUNIGA: It's easy to
4 believe what you just said, Bob. Having been
5 in construction myself, there's a lot that
6 comes through, there's a lot of that culture in
7 the construction workers. The all feel like
8 they had a hand or they built it themselves
9 which is true.

10 Some of this is the means and
11 methods of the contractor but are you hearing
12 about or have an idea about double shifts,
13 overtime?

14 MR. GORDON: There will be triple
15 shifts. There will be one main shift where the
16 majority of the work is worked. That's the
17 regular daytime shift. There will be a second
18 shift that will still be construction work but
19 will be less. And then there will be a third
20 shift, which is mostly cleaning and stocking.

21 So, in the middle of the night,
22 there will be people out there restocking sheet
23 rock and equipment and moving scaffolding. So,
24 we'll probably have a couple hundred people on

1 the third shift which is not as much -- it's
2 not construction per se.

3 It's mostly cleaning, organizing,
4 cleaning out dumpsters, restocking the job.
5 And then the other two shifts will be where
6 most of the work is done. And the main daytime
7 shift is when by far the majority of the work
8 will get done.

9 MS. KRUM: Thank you.

10 MR. DESALVIO: Thank you. Have a
11 good holiday.

12 MR. ZIEMBA: Commissioners, I'd like
13 Lance George, Plainridge Park Vice President
14 and General Manager and Eli Huard, Purchasing
15 Manager for Plainridge Park to join us for
16 their quarterly report.

17 COMMISSIONER ZUNIGA: Thank you very
18 much, welcome to our guests.

19 MR. GEORGE: I will move quickly as
20 I tend to do, so please feel free to stop me
21 along the way.

22 Employment. No material changes
23 from previous updates in this area. Full-
24 time/part-time mix remains largely consistent

1 currently sitting in 67 percent to 33 percent
2 and the number of employees is at 522.
3 Additional information on the composition of
4 the workforce can be seen on the following
5 slide here.

6 Continued good news as it relates to
7 diversity hiring. At the end of Q1, the
8 property was at 18 percent exceeding a goal of
9 10 percent. In addition, Massachusetts
10 residents comprise 74 percent of Plainridge
11 Park's workforce. Property continues to place
12 a priority on diversity hiring and hiring in-
13 state. And the results to date have certainly
14 been encouraging.

15 Though not part of the goal,
16 additional detail has been added at the request
17 of both Jill and Commissioner Stebbins. You
18 will see male-female percentages of 53 percent
19 to 47 percent. And the percentage of employees
20 who are veterans at three percent. We are
21 attempting to track down the number of
22 individuals who are members of the National
23 Guard however that is an optional field when
24 employees fill out that box.

1 Continuing at the topic of
2 employment, a few numbers relating to
3 promotions and transfers, good news for
4 employees in both cases. Promotions, number of
5 employees earning a promotion and taking on a
6 larger role for the property number that number
7 was at seven for Q1. And the number of
8 internal transfers department to department
9 occurred for 16 individuals.

10 Procurement. 63 percent of the
11 eligible spend for Q1 was spent in
12 Massachusetts. The remainder is split among
13 several other states. Coordination between us,
14 our purchasing team along with the Commission
15 staff continues to yield positive results in
16 this area. We are delighted with these
17 numbers. We expect to see more of the same as
18 we move forward here.

19 COMMISSIONER MACDONALD: Can I take
20 a step back? In employment, did you lose any
21 employees?

22 MR. GEORGE: There's constantly
23 turnover, nothing unusual for us. The high
24 turnover areas tend to be in the hospitality

1 side, cooks, waiters, waitresses, hostesses.

2 It's more of a transient job. Some are
3 students. Some have it as part-time work.

4 COMMISSIONER MACDONALD: Any sense
5 of a percentage?

6 MR. GEORGE: I don't have it off the
7 top of my head. We certainly have a goal. I
8 would tell you that not unusual what we see is
9 the preponderance of turnover occurs within the
10 first 90 days of employment. Upwards of 75
11 percent of all of the turnover, of the 100
12 percent occurs within the first 90 days of
13 employment.

14 COMMISSIONER ZUNIGA: On that note,
15 Lance what about your turnover over time for
16 overall has it been decreasing a little bit?

17 MR. GEORGE: Certainly.

18 COMMISSIONER ZUNIGA: Naturally, it
19 could be high, people expect certain things and
20 they don't realize that standing up all day is
21 not their cup of tea perhaps.

22 MR. GEORGE: Yes. I think we talked
23 about this at opening. People have a
24 perception of what it's like to work in the

1 casino industry. We certainly try to
2 overemphasize the 24-hour nature of our
3 business, seven days a week, holidays. And I
4 think that people nod their head and say yes,
5 but it's a bit different when you are there on
6 Christmas and Thanksgiving and really
7 understand it and it really settles in.

8 So, we certainly see a lot of that.
9 I think that goes back to the turnover within
10 90 days. I think the focus for us is ensuring
11 that when we are out hiring and interviewing
12 and recruiting there's a better grasp and
13 understanding of what the job is and what the
14 job isn't. The benefit for us is to reduce
15 turnover.

16 COMMISSIONER STEBBINS: I also think
17 it's an interesting number. You're talking
18 about internal transfers, 16 in the first
19 quarter of 2016. That to me shows people get
20 into the job, get into your industry and at the
21 same if they're not experiencing what they're
22 doing at that time they're looking to stay with
23 the company and try to find another opportunity
24 in a different area or what have you. That's a

1 pretty important figure in the big scheme of
2 things.

3 MR. GEORGE: Agreed. I think people
4 try to find the right fit. Sometimes that's us
5 trying to work with them and sometimes it's
6 them raising their hand saying hey, there's an
7 opportunity over here. Can I apply for this
8 opportunity? And to your point they certainly
9 want to stay with the company.

10 COMMISSIONER CAMERON: Can I ask a
11 question about your spend by state? It's
12 pretty specific to those other states. Do you
13 have other properties there? Is that why it's
14 that specific to Michigan, Pennsylvania,
15 California, Illinois?

16 MR. GEORGE: I'll defer to Eli for
17 this one.

18 MR. HUARD: For this, I chose the
19 top five or six states by spend. No specific
20 reason why, it is just those are where vendors
21 are located. It will change. I think Q4 of
22 2015 was a different mix of states. It just
23 depends on the percentage of spend in those
24 particular states for those vendors selected.

1 COMMISSIONER ZUNIGA: Just in
2 general, that figure no longer includes big
3 purchases that you made at the beginning, for
4 example slot machines and software and things
5 like that. This is more commodities.

6 MR. GEORGE: This is all operating,
7 yes. I see we've left it open for category
8 name, value name and percentage for
9 Massachusetts.

10 COMMISSIONER ZUNIGA: You did give
11 the update of 63 percent, yes.

12 MR. GEORGE: Digging a little bit
13 deeper into the property's procurement for Q1
14 provided a breakdown of local spending. As a
15 reminder, our host and surrounding communities
16 are Plainville, Wrentham, Foxboro, Mansfield,
17 Attleboro and North Attleboro. 61 of the local
18 spend occurred with businesses in North
19 Attleboro for Q1 followed by Mansfield at 25
20 percent and then Foxboro at nine percent.

21 Vendor diversity, encouraging
22 results with that said the property continues
23 to pursue opportunities in each area. Across-
24 the-board Plainridge is at target or modestly

1 below. This is particularly the case when
2 those companies awaiting verification are
3 included. No significant red flags to report.
4 And the continued assistance by Commission
5 staff in this area is greatly appreciated.

6 COMMISSIONER STEBBINS: When you're
7 talking about, Eli, you're talking about
8 awaiting verification that is awaiting -- You
9 are doing business with them but they are also
10 on a parallel going through a certification
11 process?

12 MR. HUARD: That's correct. They
13 are completing and submitting the veteran
14 business enterprise form supplied by the Gaming
15 Commission.

16 COMMISSIONER ZUNIGA: Do any of
17 these awaiting verification mean the licensing
18 that we do?

19 MR. HUARD: Their licenses are
20 already in place. And we are currently
21 procuring goods from them, however they have
22 not submitted their veteran enterprise form
23 yet.

24 COMMISSIONER STEBBINS: So, it's a

1 case you really can't count them but you are
2 actively doing business with them. We kind of
3 have chicken and an egg arrangement, go get
4 this and then we'll do business.

5 MR. HUARD: Exactly right.

6 MR. GEORGE: Revenue, taxes.
7 Revenue by month and a quarterly total has been
8 provided as well as a 2015 number. Positive
9 results can be attributed to a variety of
10 factors. Seasonality, improved awareness,
11 marketing certainly come to mind. All in for
12 the quarter, a combination of taxes paid to the
13 Commonwealth and fees paid to the horsemen at
14 49 percent totals just under \$19 million with
15 gaming revenue just over \$38.7 million -- I'm
16 sorry, just under \$38.7 million.

17 Successful quarter, net win per unit
18 is exceeding \$340 in March, climbing to over
19 \$350 in April. So, good three or four months
20 under our belt now.

21 COMMISSIONER ZUNIGA: Can I ask and
22 emphasize that figure? I know through our
23 consultants that win per unit always hovered
24 nationally around \$300. You said \$349?

1 MR. GEORGE: \$340 in March and then
2 over \$350 in April.

3 COMMISSIONER ZUNIGA: How does that
4 in general rank with other properties, other
5 Penn properties?

6 MR. GEORGE: That's a big number.
7 The number for when you start to consider how
8 much product you need on the floor, at least in
9 the Penn world is about \$200 win per unit
10 before you say I probably need more or before
11 you can determine you can probably remove
12 product.

13 This certainly places us number one
14 in the company by a longshot. It's a big
15 number. \$350 is one of the bigger numbers,
16 certainly the biggest number I've worked with.

17 COMMISSIONER ZUNIGA: And what's at
18 play here, of course, is the limit that you
19 have, because from a business standpoint if you
20 start to see that number you start adding
21 machines because it makes business sense.

22 MR. GEORGE: That is exactly right.
23 If in other markets -- If it were unlimited, we
24 would certainly be adding product, yes.

1 COMMISSIONER MACDONALD: For my
2 benefit as the new person here, the win per
3 unit what does that mean?

4 MR. GEORGE: Win per slot machine
5 per gaming device per day. It's a standard
6 metric that people in our industry use.

7 COMMISSIONER MACDONALD: That means
8 the amount, I'm just stating the obvious, I
9 guess. It's the amount of winnings that comes
10 out of the machine on the average per day?

11 COMMISSIONER ZUNIGA: The winnings
12 for the casino.

13 COMMISSIONER MACDONALD: For the
14 casino, on a net to the casino?

15 COMMISSIONER ZUNIGA: Yes.

16 MR. GEORGE: That's net.

17 COMMISSIONER ZUNIGA: It's drop
18 minus payouts.

19 MR. GEORGE: Compliance with
20 regulations, good work by the team in the
21 prevention of underage gaming, clean quarter,
22 no underage gaming, no underage drinking
23 occurring. Two individuals who made it onto
24 the gaming floor were identified within minutes

1 and escorted promptly from the facility.

2 Coordination and cooperation between
3 the property, Commission agents, the state
4 police has been tremendous. I see no reason
5 for that not to strengthen as time goes on and
6 the property matures. Good work.

7 COMMISSIONER ZUNIGA: Just one thing
8 on the prevention, again also in general. You
9 start to kind of notice trends so that you keep
10 an eye on those trends, if you will? If you
11 retain 30 or 40 people is it fair to say that
12 you know what the usual times might be?

13 MR. GEORGE: Sure. Not
14 surprisingly, it's going to be the weekend
15 Friday night, Saturday nights when our volumes
16 pick up as well, nothing unusual. So that
17 would include underage. What is not included
18 in those numbers are expired IDs, invalid IDs
19 that's specific to underage. Certainly on a
20 Friday and Saturday night, you'll see some
21 folks we have to turn away.

22 COMMISSIONER STEBBINS: As we get
23 into the season of when school is out, does
24 this typically kind of uptick over the next

1 three months?

2 MR. GEORGE: Yes. I think we'll see
3 that in June and July. I also think that
4 though there is a greater level of awareness,
5 Twin River is 20 minutes down or 25, and they
6 are 18 and over. So, sometimes it's a genuine
7 misunderstanding. Sometimes it's not. But
8 there is some confusion with folks who are
9 coming from Rhode Island.

10 Compliance with agreements, lottery
11 sales, significant uptick. Quarterly results
12 came in at \$705,000, 47 percent increase over
13 Q4. The property and the Lottery joined forces
14 for a lottery ticket giveaway in February and
15 March, which really helped drive that increase.
16 A great example of how the casinos and the
17 Lottery can work in a way that is mutually
18 beneficial, a big number.

19 COMMISSIONER ZUNIGA: No doubt.

20 COMMISSIONER MACDONALD: How does
21 the work, Lance? What part of the casinos
22 operation is there, the interface with the
23 lottery people?

24 MR. GEORGE: So, they visit us on a

1 weekly basis. They are there to restock. They
2 are there to address any technical concerns.
3 Their PALs, I believe, I'm probably getting
4 that wrong, but they have those units
5 throughout the property. In addition, we have
6 it in our retail store.

7 COMMISSIONER ZUNIGA: They call them
8 PATs, P-A-Ts, player activated terminals.

9 MR. GEORGE: Thank you. I better
10 write that down for next time. Company
11 overview, no issues or significant changes to
12 the company. The company remains in a strong
13 financial position.

14 We added something a bit different
15 this time. Charitable focus for us right now
16 and for Penn is Relay for Life. Around the
17 country, Penn has partnered with the American
18 Cancer Society where they focus on Relay for
19 Life. Not surprisingly, this has led to a
20 variety of initiatives for all properties to
21 raise money.

22 Externally, we've partnered with
23 NESN. If you watched a Sox game on a Wednesday
24 night, you'll see and hear that Plainridge Park

1 donates \$777 for every game the Sox win on
2 winning Wednesdays. Internally, jeans days for
3 employees, if they donate five dollars we'll
4 let them wear jeans for the day.

5 We had a chili cook-off. I think we
6 had 50 entrants. That's too much chili to
7 sample in one day just as an FYI. But the
8 majority of donations are being driven by those
9 employees who will participate in the Walk.
10 And I believe the Walk is on June 10 and June
11 11.

12 The goal here as for all of the Penn
13 properties is to be the property who raises the
14 most money. So, there's a nice competition,
15 friendly, not friendly to raise the most money
16 as the Penn property.

17 Events and promotions for Q1,
18 several marketing initiatives rolled out for
19 Q1. Focus for us continues to be on growing
20 the database through Play \$500 on Us promotion.
21 Mixed in throughout the quarter were several
22 giveaways and promotions.

23 Calendar planning is always
24 interesting in Q1 given the unpredictable

1 weather. You're at the mercy of Mother Nature.
2 So, trying to strategize good days to have a
3 large-scale promotion, sometimes you win,
4 sometimes you get a snowstorm of six inches and
5 nobody is there. That's always in the back of
6 your mind when you're trying to strategize
7 promotions.

8 Q2, a lot going on. In April, we
9 partnered with Bass Pro Shops for several
10 giveaways. There is a car giveaway mixed in
11 there, I think a motorcycle giveaway. Racing
12 season has kicked off for us in April. We've
13 enjoy two legs of the Triple Crown, both
14 brought out tremendous crowds. We are looking
15 forward to the Belmont in a few weeks.

16 And then finally, we are the
17 official sponsor of the Plainridge Park Casino
18 Fenway concert series, a tremendous opportunity
19 for us to drive continued awareness. I've set
20 aside Kid Rock tickets for you and you guys as
21 well.

22 COMMISSIONER ZUNIGA: Let the record
23 show that's a joke.

24 MR. GEORGE: Fair enough. Projects,

1 wrapping up here, Play Management is on track
2 for next week, I believe May 31. Should be in
3 good shape. Capital improvements occurring at
4 the property. High definition video tote board
5 was installed and turned on last week on the
6 racing side. In addition, the racing paddock
7 received an overhaul, improvements made to
8 flooring, to the stalls, to signage as well as
9 to the lounge.

10 COMMISSIONER CAMERON: If I can say,
11 I was out there and saw all of the upgrades.
12 It really is looking good. The paddock in
13 particular, those mats were terrific. And the
14 board, I know there are some challenges but it
15 really does --

16 MR. GEORGE: Looks good.

17 COMMISSIONER CAMERON: -- it looks
18 great and it really adds the environment.
19 There were lots of people there. So, it was
20 really good work.

21 MR. GEORGE: Thank you for that.
22 I'm happy to answer any questions.

23 COMMISSIONER ZUNIGA: Yes. I'm
24 curious. You have a one year anniversary

1 celebration. Any details or are you working
2 that out?

3 MR. GEORGE: Working that out. For
4 the employees, a lot going on for the employees
5 starting June 9, I believe. Employee Olympics,
6 so a lot of -- What do we have? Carnival, we
7 have some races in there. There will be horse
8 races on the track. So, a nice way for us to
9 recognize all of the employees and the hard
10 work that they've done over the last year for
11 us.

12 Externally and to the customer, some
13 work being done there. We'll announce that in
14 the coming weeks. But certainly there will be
15 festivities commemorating one year almost one
16 month from today.

17 COMMISSIONER ZUNIGA: It has gone
18 very quickly.

19 MR. GEORGE: It is amazing how
20 quickly it's gone.

21 COMMISSIONER ZUNIGA: Thank you very
22 much. Any other questions?

23 COMMISSIONER CAMERON: No. Thank
24 you, excellent report.

1 MR. GEORGE: Thank you guys.

2 MR. ZIEMBA: That concludes my
3 report.

4 COMMISSIONER ZUNIGA: Excellent. Do
5 we need a break or should we continue?
6 Especially the Chairman who likes to break
7 after one hour. Let's go to the administrative
8 update by Executive Director Bedrosian.

9 MR. BEDROSIAN: Good morning,
10 Chairman pro tem and members of the Commission.
11 Just a couple of brief updates, a couple of
12 comments on the updates you heard. I heard Mr.
13 DeSalvio's comment that folks didn't realize
14 that the Wynn executives actually live locally.
15 I think we will advise them to start working on
16 more Red Sox paraphernalia that will help them.

17 And for Mr. George's comment about
18 the chili cook-off, I would just say while pure
19 chili cook-off is good, a chili and chocolate
20 cook-off is very good. So, they'll have to
21 work on that.

22 For my substantive update, I will
23 just tell the Commission that it is getting
24 towards end of the fiscal year. So, CFO Lennon

1 and I are working on the FY17 budget. I
2 probably talked to a bunch of you individually
3 about that process.

4 The plan would be for us to come
5 back to the Commission after one more
6 interaction with our licensees with a draft
7 budget during the first meeting of June for you
8 to consider, look at and consider before
9 actually taking substantive action on the
10 budget during the second meeting in June. So,
11 it would be in place for obviously the
12 beginning of fiscal year '17.

13 And then the last comment is just in
14 response to Mr. Chairman pro tem, your comment
15 about going out to see the model at Wynn. Of
16 course, I'll just remind folks, of course,
17 there was no quorum that went out there. As we
18 always, we do it in two-by-twos at a site
19 visit. With that that is the end of my update.
20 Thank you very much.

21 COMMISSIONER ZUNIGA: Thank you.
22 Next on the agenda is the racing division, Dr.
23 Lightbown.

24 DR. LIGHTBOWN: Good morning,

1 everybody. I'll do a brief update on the
2 thoroughbred end of racing. And then after
3 that we'll get into the standardbreds.

4 Suffolk has put in their purse
5 agreement and so has the group that's working
6 with Brockton. So, both horsemen groups have
7 agreements with the tracks that they're going
8 to race at. Suffolk has put in a request for
9 the Race Horse Development Fund. And that will
10 plan to be on the next agenda for you all.

11 And their racing office has
12 contacted me regarding getting the applications
13 for their racing officials and all. So, we're
14 moving forward on getting that going, because
15 that's the beginning of July. So, that's
16 coming up soon.

17 With the Brockton license, there's
18 legislation to move 30 days of racing for
19 Middleborough. Right now, they've turned in
20 their Brockton license. So, there would only
21 be 15 days of racing. So, we are waiting to
22 see what happens legislatively with that.

23 They are beginning work on the track
24 already. Like I said, they've got a purse

1 agreement. And they're working on completing
2 their application. That was one of the
3 requirements that we put on them when they were
4 granted the license. Hopefully, before the
5 next meeting, we'll have that information in on
6 them also.

7 COMMISSIONER CAMERON: I know I saw
8 the report, the positive report regarding
9 Plainridge and their safety inspection, and the
10 other two potential racing thoroughbred racing
11 facilities are aware as well what they will
12 need to have those completed.

13 DR. LIGHTBOWN: Yes, they are.

14 COMMISSIONER ZUNIGA: Alex, you
15 mentioned briefly there's a purse agreement for
16 both Brockton and Suffolk.

17 DR. LIGHTBOWN: Suffolk and
18 Brockton.

19 COMMISSIONER ZUNIGA: The Brockton,
20 is that only for the 15 day for the Brockton?

21 DR. LIGHTBOWN: I believe it covers
22 the period of the 30 days and then if they
23 don't get it, they will reduce it.

24 COMMISSIONER ZUNIGA: You said you'd

1 come back to us with actual numbers for the
2 requests?

3 DR. LIGHTBOWN: Right. They have to
4 formally request it of the Commission what
5 moneys they want out of that. Suffolk has
6 already put their request in. And I've
7 notified Brockton when they are ready, which
8 will probably be before the next meeting also
9 have that in.

10 COMMISSIONER ZUNIGA: But we saw
11 some figures when they first submitted their
12 application, didn't we?

13 DR. LIGHTBOWN: And the Suffolk
14 figures were just like what they had asked for.
15 It's in line with the \$400,000 a day plus money
16 for the horseman's group. Then they'll also on
17 top of that have the money that goes for the
18 Mass. bred stake races. So, they're figuring
19 to give out about \$500,000 in purses a day.

20 COMMISSIONER CAMERON: So, we'll
21 have recommendations when it's time to make
22 those approvals?

23 DR. LIGHTBOWN: Yes.

24 COMMISSIONER ZUNIGA: Very good,

1 excellent.

2 DR. LIGHTBOWN: Now basically for
3 Plainridge, Doug has run some numbers. So,
4 I'll let him go ahead and give you the numbers.
5 And Steve O'Toole is here also to give you an
6 update.

7 MR. O'DONNELL: Good morning,
8 Commissioners. This is the third annual report
9 for the racing division.

10 DR. LIGHTBOWN: We're still on the
11 update.

12 MR. O'DONNELL: On the update, okay.
13 Before we get started on that. We had some
14 good news regarding the handles thus far this
15 year. For live racing at Plainridge, year-to-
16 date we are at \$331,000 compared to last year
17 which is \$236,000. So, we're about 28 percent
18 compared to last year.

19 COMMISSIONER ZUNIGA: Is that a
20 cumulative figure or per day?

21 MR. O'DONNELL: That's based on a
22 cumulative figure. That's a nice increase that
23 we had there. Obviously, we don't have it for
24 Suffolk. They haven't been running yet.

1 In terms of overall handles at the
2 four locations that we have, Plainridge has
3 done approximately a little over \$13 million
4 compared to \$8.5 million last year. That's up
5 48 percent, which is a big jump.

6 COMMISSIONER ZUNIGA: For the same
7 period?

8 MR. O'DONNELL: For the same period,
9 yes.

10 COMMISSIONER ZUNIGA: Year over
11 year?

12 MR. O'DONNELL: Yes, from January 1
13 through May 26 compared to last year '15. So,
14 we are up considerably.

15 COMMISSIONER MACDONALD: What was
16 that percent again?

17 MR. O'DONNELL: 48 percent. Suffolk
18 Downs, they are at \$17 million this year
19 compared to \$11.7 million. So, they're up 32
20 percent. Wonderland is at \$1.8 million
21 compared to 1.2, so they're up 34 percent. And
22 Raynham is actually down nine percent, \$12
23 million this year compared to \$13.2 million
24 last year.

1 The reason being for these numbers
2 too we had the beginning of last year, there
3 was an issue with the Monarch Group. There was
4 a dispute. Plainridge and Suffolk and
5 Wonderland are part of the Monarch Group. And
6 they were not receiving certain signals for a
7 certain amount of time. So, that kind of
8 reduced our overall handle. That coupled with
9 the weather the beginning of last year too,
10 they were closed down a few days.

11 And Raynham's numbers were up
12 because they're not part of that Monarch Group.
13 So, they were receiving those handles.

14 COMMISSIONER CAMERON: So, if we
15 compare it to say the year before, are they
16 comparable or is there some increase?

17 MR. O'DONNELL: There's a little bit
18 of an increase this year from two years ago.
19 So, it looks like the trend we have gone up a
20 little bit. But it's a significant jump with
21 Plainridge and the casino being a part of that.

22 COMMISSIONER CAMERON: Mr. O'Toole,
23 are we attributing that to purses and an
24 upgraded facility?

1 MR. O'TOOLE: For the live?

2 COMMISSIONER CAMERON: Yes.

3 MR. O'TOOLE: For the live, it's a
4 combination of a couple of things. Purses are
5 up and it drew a lot of new interest at the
6 beginning of the season as well as days of the
7 week. We raced on Sundays last year, which
8 tends to have a little bit of a lower handle
9 because of competition of simulcast signals.
10 So, that day is out of the mix.

11 For the month of April, we had
12 pretty full fields and that always adds to a
13 healthier handle at the end of the day.

14 COMMISSIONER CAMERON: Thank you.

15 COMMISSIONER ZUNIGA: Are you still
16 racing Sundays?

17 MR. O'TOOLE: No, not this year. We
18 are doing Monday, Tuesday, Thursday and then
19 when we add a fourth day in May, we added
20 Fridays. Just the question you asked about the
21 overall simulcast handle, to compare apples to
22 apples, the Kentucky Derby on Kentucky Derby
23 day we were up 19 percent. It's probably more
24 of an accurate barometer of comparisons. And

1 for Preakness we were up 15 percent. And
2 that's about the trend that we've been
3 experiencing in our overall handle about 15
4 percent up.

5 COMMISSIONER CAMERON: It's a good
6 number.

7 MR. O'TOOLE: We are happy with it.

8 COMMISSIONER ZUNIGA: Was that item
9 (a)?

10 DR. LIGHTBOWN: Yes.

11 COMMISSIONER ZUNIGA: Do want to
12 take us through item (b)?

13 DR. LIGHTBOWN: Would it be all
14 right if we went ahead and did item (d) next
15 while Steve is up here on the pentafecta
16 request?

17 COMMISSIONER ZUNIGA: Yes.

18 DR. LIGHTBOWN: So, I think
19 Catherine's going to speak to that.

20 MS. BLUE: In your packet today, you
21 have a new section that we're going to add to
22 205 CMR 6 that's on wagering. The pentafecta
23 is a type of wager. When we adopted our
24 wagering rules, we adopted I think almost of

1 the RCI wagering rules. Somehow this one for
2 some reason we didn't adopt.

3 But this is a new product that both
4 Plainridge and Suffolk will be able to offer
5 should they choose to.

6 So, what I'm asking the Commission
7 to do today is to vote on it and approve it on
8 an emergency basis so they can use it right
9 away. And then we will take it through the
10 formal promulgation process.

11 COMMISSIONER CAMERON: So, I move
12 that we approve the pentafecta pools as
13 outlined in our packet.

14 COMMISSIONER ZUNIGA: The motion has
15 been made. Is there a second?

16 COMMISSIONER MACDONALD: Second.

17 COMMISSIONER ZUNIGA: Any comments?
18 I just like the name. Is there a tetrafecta,
19 by the way or is that part of the trifecta?
20 No. This is great. It gives the licensee an
21 ability to offer more product that might help
22 them. That would be great.

23 COMMISSIONER STEBBINS: One quick
24 question, when you offer the pentafecta, do you

1 need to tell bettors which option you're using
2 for the distribution of winnings?

3 MR. O'TOOLE: Yes. We'll publish
4 those.

5 COMMISSIONER ZUNIGA: All right.

6 MR. O'TOOLE: We'll also provide
7 that to Alex and the Commission.

8 COMMISSIONER ZUNIGA: All those in
9 favor, aye.

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: It seems like
14 that would be a very difficult pool to win.

15 COMMISSIONER ZUNIGA: Yes, the odds
16 are very long.

17 COMMISSIONER CAMERON: Five in the
18 exact order.

19 MR. O'TOOLE: They put on it twist
20 at Gulfstream Park. It's called the Super High
21 Five. And pools get very big and there is a
22 lot of interest in it. But the kicker to that
23 one is you have to be the only ticket for the
24 carryover.

1 So, if there's multiple winners,
2 they share. So, those pools have grown to be a
3 pretty good size. I remember one last year was
4 up around \$600,000 for a winning wager. So,
5 they can hit it, but on occasion it gets down
6 to just one person.

7 COMMISSIONER CAMERON: Thank you.

8 COMMISSIONER ZUNIGA: For the
9 record, the ayes have it unanimously. Thank
10 you for that. Thank you, Steve.

11 Do you want to go back to item 5(b)
12 then?

13 DR. LIGHTBOWN: Yes, we'll talk
14 about the annual report now. Instead of going
15 page by page through there, I'm just going to
16 do some general observations for the past year.
17 And then Doug will go through some of the
18 financials.

19 Last year was kind of the year of
20 moving for the racing division. We moved out
21 of Suffolk. We moved back into Suffolk. We
22 moved out of our office at Plainridge so that
23 that could become part of the gaming floor and
24 into a trailer. Then once the white building

1 got built, the racing building, we moved into
2 there.

3 I just want to thank the IT staff
4 here Dan and John were very good about getting
5 all of our needs hooked up at the different
6 places again. So, that was quite a deal with
7 all the different moves.

8 Also, we worked with HR, IEB and the
9 legal staff as far as getting our seasonal
10 employees on each year. We streamlined that
11 process and made it so we can do it all kind of
12 in one day, one-stop shopping. They can get
13 their fingerprints done, get their ethics
14 training and all that. So, I want to thank
15 those groups for helping us with that.

16 Under the licensing division, we
17 offered a few new things last year. For the
18 first time, we offered credit card payment,
19 which was very popular. Maria set that up for
20 us from here. We offered two- and three-year
21 licenses as well. In the past we've always
22 just offered a one-year license. That also
23 became very popular.

24 So, at Plainridge, about a third of

1 the people ended up picking that choice. It
2 made licensing this year a little easier
3 because a lot of people all they had to do when
4 they come in was pick up their badge. They had
5 already paid for it the year before and all
6 that.

7 It did change our figures. In the
8 licensing section, you'll see some of that.
9 The number of licenses was down because of
10 Suffolk only running the three days. But our
11 overall income from it was up because people
12 were paying at Plainridge for a three-year
13 license. So, we got that money in. So that's
14 why there are some differences there.

15 Also, we started fingerprinting for
16 the first time and worked with Sergeant
17 Somerville and his troopers. It was a new
18 program, so it was kind of a challenge to get
19 it off the ground. And we tweaked it some and
20 it worked very well.

21 The auditing staff right now is
22 Doug. So, Doug has a lot on his hands with
23 that. As far as the veterinary department, we
24 brought the blood gas testing completely under

1 the Commission control. We ended up being able
2 to hire a few of the veterinarians that had
3 worked at Suffolk in the past. They were well
4 received.

5 Our test barn coordinator, Chris
6 Miller, did a great job in coordinating all
7 these efforts. There was a lot going on in the
8 test barn. She does a great job.

9 We also instituted a Lasix program
10 where we operate 15-minute window where we
11 wouldn't scratch the horse but the trainers
12 would be fined if they were late. And that
13 enabled quite a few horses to be able to race
14 when they otherwise would have been scratched.
15 So, that program also went very smoothly.

16 The judges and stewards did a great
17 job in enforcing the regulations. We worked
18 very well with Steve and Chip from the two
19 different tracks. We had a lot of good
20 cooperation with getting what we needed done
21 through them and their staff.

22 And as you all know, with the
23 different hearings we had, there was a lot for
24 the horsemen to deal with last year. At

1 Plainridge, there was the construction going on
2 and things like that. With Suffolk and the
3 Brockton issues, the thoroughbred industry
4 horsemen had a lot to deal with.

5 So, I'd just like to give my thanks
6 to them for being so cooperative as we brought
7 out some new programs and tried to work through
8 the different issues that came up.

9 COMMISSIONER CAMERON: I'd like to
10 add and actually commend Dr. Lightbown for her
11 leadership. I spent several hours out there
12 last week and very professional environment.
13 All of our employees are in really sharp golf
14 shirts. Every day, there are minor issues. I
15 would say most of them are minor, but some of
16 them more than minor. And quietly, they get
17 addressed. They get solved under Dr.
18 Lightbown's leadership. Morale, tremendous
19 morale with the staff. The racing building,
20 signage, posters, it really looks professional.

21 DR. LIGHTBOWN: It turned out very
22 nice.

23 COMMISSIONER CAMERON: You working
24 to get that done as well. I know you had help,

1 but it really looks professional. The staff is
2 extremely professional. We've implemented so
3 many changes outside labs, accredited labs,
4 accredited officials. None of those were easy
5 to just implement.

6 Change is difficult, but I do credit
7 you with continuing to educate folks, all of
8 the RCI changes to medication, whatever it may
9 be. It's a continual job and I see that
10 firsthand. And I just want to commend you for
11 that.

12 DR. LIGHTBOWN: Thank you. I've got
13 a great staff.

14 COMMISSIONER ZUNIGA: I just want to
15 view on that because not only is it really the
16 right thing to do for a number of reasons, but
17 also for the business model for the product,
18 the quality of the product. If there's happy
19 people, happy regulators the product ultimately
20 improves.

21 And although it would be very hard
22 to try to assign it to any kind of results,
23 increased purses, fields or handle, I know that
24 all of that eventually has come to fruition in

1 those aspects. And I think it's really good
2 that you've taken all these steps incrementally
3 like you've been doing.

4 DR. LIGHTBOWN: Thank you very much.
5 Now we'll let Doug over some of the financial
6 figures from last year.

7 MR. O'DONNELL: As Alex said, we'll
8 touch on the relevant points here. If you can
9 go to page 14. What we have here is just kind
10 of stats of each of the racing facilities that
11 we have.

12 And 14 is Suffolk Downs. The big
13 changes this year compared to last year were
14 that Chapter 10 of the Acts of 2015 section 59
15 allowed them to race from 1 to 50 days where
16 they were approved to race for three days in
17 2015 compared to 65 in 2014. So, that will
18 obviously change their numbers in terms of
19 their starts, purses. For example, their
20 purses this year for 2015 were \$1,620,200
21 compared to last year's of \$6,929,000. That's
22 a significant difference.

23 COMMISSIONER ZUNIGA: I have a
24 question on that. The Acts of 2015, it says

1 here that they expire on July 31. But it says
2 that they were authorized to conduct simulcast
3 for the entirety of any year or is that really
4 just for that year?

5 MS. BLUE: It's for the years that
6 the statute is in effect.

7 COMMISSIONER ZUNIGA: Okay.

8 MR. O'DONNELL: If we go to page 15
9 which has Plainridge, they kind of went in the
10 opposite direction. They raced in 2015 105
11 days compared to 80 days the prior year. And
12 you can see the footnote there, the Mass.
13 General Laws Chapter 23K section 24. Just for
14 example also, their purses in 2014 were
15 \$2,581,000 compared to 2015 which were
16 \$4,210,636. So, that's a significant
17 difference as well.

18 And on page 16, we show the
19 information on the two simulcast greyhound
20 facilities that we have. Below there we make
21 mention of the Mass. General Laws Chapter 23K
22 section 60, the Race Horse Development Fund.
23 2015 was the first year that we used those
24 funds to contribute to the purses. And it'll

1 show the thoroughbred accounts and harness
2 accounts what were distributed.

3 COMMISSIONER ZUNIGA: Where is that
4 Doug?

5 MR. O'DONNELL: Page 16 down the
6 bottom.

7 COMMISSIONER ZUNIGA: I had a
8 question on that. Let's just take Plainridge,
9 if there was \$3.9 million to purses that came
10 from the Horse Race Development Fund, why did
11 it only increase a million to \$4.2 million that
12 year? Am I reading that correctly?

13 DR. LIGHTBOWN: I think that was the
14 total amount that was distributed. So, some of
15 that also went to the breeders and some of it
16 went to the horsemen for welfare and insurance.

17 MS. BLUE: So, there's three
18 different components to the Race Horse
19 Development Fund. And if that is the total
20 number, which I believe it is, only 80 percent
21 that number went to purses and then 16 percent
22 went to the breeders and then four percent of
23 horsemen.

24 COMMISSIONER ZUNIGA: They're split.

1 MS. BLUE: Yes. And then also the
2 split is 75/25 too. So, the Race Horse
3 Development Fund is first split between the two
4 types of racing. And then each split is split
5 between the 80, 16 and four.

6 COMMISSIONER ZUNIGA: I get all of
7 that. So, when I read the harness accounts,
8 that's already the result of the 25 percent
9 split right, \$3.9 million for that year?

10 MS. BLUE: Yes.

11 COMMISSIONER ZUNIGA: Now that has
12 to be split between the breeders and all the
13 rest. But from that number can I get to the
14 increase directly or are there other things
15 that the Horse Race Development fund
16 substitutes in those purses between last year
17 and this year?

18 DR. LIGHTBOWN: We haven't done the
19 purse analysis for 2015 yet. That's probably
20 what we're going to try to get done next week
21 or the week after. And it'll be interesting to
22 see from that. We don't want to talk about
23 numbers until we've gone through that process.

24 We might want to come back maybe in

1 August or something when we finished a whole
2 year of getting the money in from the casino.
3 We have the purse agreement, the review
4 finished. Then we can talk about where the
5 Race Horse Development Fund money actually
6 went.

7 COMMISSIONER ZUNIGA: Sounds good.

8 DR. LIGHTBOWN: Some of it's
9 regarding the purse agreements too as to what
10 the total purse money in general where that
11 goes to.

12 COMMISSIONER ZUNIGA: I guess that's
13 where I was going. The source to the purses is
14 not limited to the Horse Race Development Fund
15 because the operator includes --

16 DR. LIGHTBOWN: At Plainridge, it
17 includes the regular statutory things from
18 simulcast handle and the live handle and all.

19 COMMISSIONER STEBBINS: Doug, you
20 gave some pretty compelling information, kind
21 of looking year-to-year. I'd just offer the
22 suggestion that maybe when we do this report
23 for next year that we have the year-to-date
24 from the previous year.

1 You've gone back and shared that
2 with us but for somebody to be able to read the
3 report, look at the different days, look at the
4 different number of races. Kind of year-to-
5 date I think would be interesting information.
6 We see it on a corporate annual report.

7 MR. O'DONNELL: We've always done
8 calendar year comparison. Further in the
9 report we'll touch on that. We haven't done
10 year-to-date. We can certainly do that.

11 COMMISSIONER ZUNIGA: It's always a
12 challenge that we've been doing this on a
13 calendar basis and we have on the other hand
14 our fiscal year.

15 MR. O'DONNELL: There's always a
16 carryover in terms of certain funds and what we
17 do because it's fiscal year compared to
18 calendar year.

19 COMMISSIONER ZUNIGA: But there's a
20 number of statutory directives from a calendar
21 year perspective, which is why we do a lot of
22 these report on a calendar basis.

23 MR. O'DONNELL: Which will bring us
24 to the racing division financials which are

1 based on a calendar year. That's on page 27.

2 The revenue receipts for calendar
3 year 2015 were a total of \$3,109,412.55
4 compared to last year's which were \$3,205,969.
5 This is a decrease of three percent from 2014
6 to 2015. And with the expenditures calendar
7 year 2015, it was \$1,753,074.77 compared to '14
8 which is \$1,935,346. And that was a decrease
9 of 10 percent. So, we reduced our expenses
10 approximately 10 percent.

11 COMMISSIONER CAMERON: Can we just
12 quickly outline what those decreases were?

13 MR. O'DONNELL: The biggest
14 percentage of that was the employee
15 compensation. That was reduced considerably.
16 Then our indirect charges came down from last
17 year as well, which are still I think they're
18 high. Just to let you know, this year the
19 indirect charges for racing alone is \$186,144.

20 COMMISSIONER ZUNIGA: Those payroll
21 decreases have to do with the less number of
22 live racing in Suffolk, doesn't it in general?

23 DR. LIGHTBOWN: Yes, in general.

24 MR. O'DONNELL: Yes, that's a big

1 part of it. Then we had administrative staff
2 shift a little bit too. So, there were some
3 changes there.

4 COMMISSIONER ZUNIGA: This is on the
5 next page but the difference between the
6 receipts and the expenditures is a little
7 elusive because there's a big number that goes
8 to other funds, right?

9 MR. O'DONNELL: You'll see the
10 additional program expenses on page 28. That's
11 the unclaimed tickets that we pay out. That's
12 really a wash because we collect those monies
13 and then we distribute those. Those are two
14 years in arrears. So, for the 2015 report here
15 those would be the 2013 outs. And also
16 included in that is the local aid payments to
17 local cities and towns.

18 COMMISSIONER ZUNIGA: Which also
19 have a direct reflection on the revenue piece,
20 right?

21 MR. O'DONNELL: Yes. Although this
22 year, fiscal year 2016, we are not obligated to
23 pay those local aids to the general fund. This
24 is the first year. In essence, a comparison of

1 next year we will have that \$781,766. That
2 will basically be an increase of what is coming
3 in for revenues to us because there will not be
4 an outflow of that money.

5 COMMISSIONER ZUNIGA: Okay.

6 COMMISSIONER CAMERON: Question.
7 Bottom of page 26, I think Dr. Lightbown if you
8 have the answer, if not you can get me
9 information later, I see significant increase
10 in fines in particular to 2014 from '13 and
11 somewhat consistent in '15. Is that the
12 regulatory reform we put in place, all of the
13 new RCI? Is that the reason for that or is
14 there something else there?

15 DR. LIGHTBOWN: The judges have
16 really tried to get everybody, all the drivers
17 on the same page as far as the whipping
18 regulations go. Plainridge has one of the more
19 aggressive --

20 COMMISSIONER CAMERON: So, we've
21 done a better job of enforcing.

22 DR. LIGHTBOWN: Yes. They really
23 did a lot of enforcement on that last year.
24 Some of it was the Lasix program where we

1 instituted the fines for that. That was where
2 some of the increase came from.

3 COMMISSIONER CAMERON: And a
4 significant decrease in suspensions last year.
5 Do we have an idea? Or do you need time to
6 research that?

7 DR. LIGHTBOWN: I think there might
8 be a slight increase in suspensions this year
9 because one of the things we found was that
10 maybe people were paying the fines and then
11 doing the same thing again.

12 So, the judges and I, we looked at
13 that issue. If we fine somebody for something
14 we're hoping whatever the fine is for that
15 behavior will end. So, this year they're being
16 a little more aggressive. If somebody gets --
17 I don't want to say exactly what their program
18 is, but it's something like if you've gotten
19 fined once or twice for the same thing, there's
20 a warning, but the next time you're probably
21 going to get a suspension.

22 COMMISSIONER CAMERON: So
23 progressive discipline.

24 DR. LIGHTBOWN: Exactly. We're

1 doing more progressive discipline this year.

2 COMMISSIONER CAMERON: The decrease
3 is that because in '15 --

4 DR. LIGHTBOWN: I think last year
5 they were just doing more fines instead of
6 suspensions.

7 COMMISSIONER CAMERON: Thank you.

8 COMMISSIONER MACDONALD: On these
9 financials is there a reason they are not
10 presented in a year-over-year so that we can
11 have the year before and the current year?

12 MR. O'DONNELL: For comparison
13 reasons, we can certainly do that.

14 COMMISSIONER ZUNIGA: That would be
15 very helpful. I was thinking that when you
16 were verbally updating us on those figures.
17 It's particularly helpful if you can see them
18 side-by-side.

19 COMMISSIONER STEBBINS: That was the
20 point I was trying to make. Look at year-to-
21 year because we've seen some improvement.

22 MR. O'DONNELL: If we move forward
23 to page 32 that will give you a handle
24 comparison, which we've always done from the

1 prior year. This shows again the comparisons
2 from '14 to '15. We already touched on the
3 comparison from 2016 to '15.

4 As you can see in live racing,
5 Plainridge 2014 to 2015 were up 13 percent.
6 That has a lot to do with the additional days
7 that we had. We had 80 days racing in 2014
8 compared to 105 in 2015.

9 COMMISSIONER ZUNIGA: Oh, that's
10 right.

11 MR. O'DONNELL: Suffolk Downs we
12 know what that is. That was 65 days in 2014
13 compared to three days in 2015. So, that's
14 down significantly.

15 If we go to the imports
16 simulcasting, as we mentioned the situation
17 with the Monarch Group where Raynham is not
18 part of that group. Their handle was up
19 approximately 10 percent. Wonderland, their
20 handle was down approximately 13 percent.
21 Plainridge's handle from 2014 to '15 was down
22 about 10 percent. And Suffolk including the
23 ADWs was down about four percent, which would
24 give us a total comparison down from 2014 to

1 2015 down about three percent.

2 And with the exports, Plainridge was
3 up significantly because of the additional
4 days. And again with Suffolk they were down
5 significantly because of the only three racing
6 days.

7 COMMISSIONER ZUNIGA: Is it fair to
8 say -- I think that is the most dramatic
9 number, the increase on the export on
10 Plainridge. Is it fair to say that's also due
11 to the purses and the product or is it hard to
12 parse those out?

13 MR. O'DONNELL: That I'm not sure
14 of. I don't know if Steve would be able to
15 enlighten us on this if he's still here.

16 COMMISSIONER ZUNIGA: He's back
17 there. It depends if he can or wants.

18 MR. O'TOOLE: Overall, I think it
19 was positive, but there was a couple reasons
20 why there was a big influx in handle in 2015
21 versus 2014.

22 The first one would be we raced --
23 In 2014, we raised Saturdays and Sundays and
24 Wednesdays. We did that to stay away from the

1 construction that was going on Monday through
2 Friday. And on Saturdays and Sundays there's
3 probably about 60 or 70 racetracks that are
4 going. And because of capacity, signal
5 capacity at other tracks and OTBs, we just got
6 lost in the shuffle.

7 COMMISSIONER CAMERON: You get
8 bumped by the bigger tracks?

9 MR. O'TOOLE: We don't always get
10 bumped but there's just so much product to be
11 bet on. That's why we race weekdays at the
12 time slot that we do because we identified that
13 a long time ago to be a niche for our product.

14 Years ago, it was called the bridge
15 signal. I think actually at Foxboro originated
16 what was called the bridge signal where
17 simulcasting had become a new phenomenon. And
18 there was a way to carry the signal from the
19 afternoon cards, the 1:00 cards to the
20 nighttime cards. So, the 4:00 customers could
21 come in at any time of day and we used to be
22 called that bridge signal. And then that
23 became a popular niche as well. Now there's
24 actually three segments to simulcasting. You

1 have your daytime cards, your twilight cards
2 and your nighttime cards.

3 So, when we made that change, our
4 export suffered for that change but we thought
5 it was a necessary thing to do. With the
6 traffic for racing and the horses, at one time
7 we had some cranes hovering over the racetrack.
8 So, we made a deal with Turner at the time that
9 on Wednesdays, they would knock off early,
10 bring their cranes down. Then on the weekends,
11 we didn't have to worry about it because they
12 weren't working then. So, that was one
13 significant change.

14 Then in 2015, there was a lot of
15 interest. We had the renovated racing area.
16 We went back to our regular pattern. Export
17 and live play off of each other because it's
18 all about pool growth. So, those are some of
19 the reasons that '14 was so dramatically
20 different than '15. But the racing was better
21 in '15 than '14 due to purse increases as well.

22 So, there's a lot of different
23 factors that went into it. Overall, we were
24 very happy.

1 COMMISSIONER ZUNIGA: Thank you for
2 that explanation.

3 MR. O'DONNELL: On page 33, it's
4 again a recap of the totals of the handles and
5 the variance, which is what we discussed on the
6 prior page. On 34, it'll give you an analysis
7 of purses paid. This is for the prior year of
8 2014.

9 Alex had mentioned it earlier, we
10 are still in the process of getting financials
11 from the racetracks in order to do our purse
12 analysis for 2015. Just to give you an
13 indication here, purses paid in 2014, if you
14 wanted to look at the bottom of the page, it'll
15 show for Plainridge \$2,574,902 and the minimum
16 statutory requirement which is above that which
17 is \$1,550,984. That means they paid an
18 additional \$900,788 to the purse account.

19 With Suffolk it was the same. With
20 their statutory minimum requirements for 2014,
21 they paid an additional \$857,315 to the purse
22 accounts.

23 Page 35, it will be Suffolk's
24 financials which we had gone over. They were

1 down again from last year approximately --
2 total revenue approximately five percent.

3 On page 36, it gives us an update of
4 their cap. fund, which we are in the process of
5 trying to make some changes with. This has
6 their projects through fiscal. And right now
7 they have approximately \$500,000 today in that
8 cap. fund which they will be submitting a
9 request for reimbursement on that.

10 COMMISSIONER ZUNIGA: What is the
11 negative on this? Are you looking at 36, Doug?

12 MR. O'DONNELL: Page 36, yes.

13 COMMISSIONER ZUNIGA: What is the
14 negative 923?

15 MR. O'DONNELL: That's through June
16 30, 2015 to finish that particular project of
17 what's been submitted. Since then they have
18 taken monies -- monies have increased and
19 monies have been taken out of that since then.
20 So, they had put in a request for consideration
21 and a request for reimbursement in there to get
22 the projects done.

23 COMMISSIONER ZUNIGA: So, this
24 almost like the project liability. As the

1 capital fund gets funded, they'll pay them
2 themselves back. We'll pay them. It's their
3 money.

4 MR. O'DONNELL: They will put a
5 project in for X amount of dollars. They will
6 put that in. So, we will have to work down
7 from that total amount. When sufficient funds
8 are in there, they will put another request in
9 to receive those funds.

10 COMMISSIONER ZUNIGA: We'll sort of
11 effectively reimburse it. But the 923 in
12 negative means that's how much they have
13 planned to do or have done?

14 MR. O'DONNELL: Yes. They have put
15 a request in. What's been issued to date
16 that's additional funds that they will have to
17 put in in order for us to fulfill the
18 obligation for that contract. So, that will
19 pay that contract off.

20 COMMISSIONER ZUNIGA: Okay.

21 MR. O'DONNELL: The next page 37 is
22 their promotional trust fund. They're actually
23 closing out -- Today we'll have to vote on it
24 to close out the project that they have in

1 existence now. After that is done they'll have
2 about \$50,000 in their promotional trust fund.

3 Next to the Plainridge financials,
4 which we had gone over. Again, they were down
5 overall from 2014 approximately two percent.
6 Again, with them the capital fund and the
7 promotional trust fund, they have been issuing
8 RFRs this year. Today, they have approximately
9 \$350,000 in their capital fund. They have a
10 minimal amount in their promotional fund right
11 now.

12 The following pages touch on
13 greyhound racing. The financials for Raynham
14 Park, which as we know they were up due to the
15 Monarch situation. Their revenues were up
16 approximately 18 percent. And Wonderland for
17 2015, the financials that we had gone over,
18 they were down approximately 11 percent for
19 total revenue.

20 COMMISSIONER ZUNIGA: That's good.
21 Thank you for that. Any questions for Doug or
22 Alex?

23 COMMISSIONER CAMERON: No. Well
24 done report. I know it's much upgraded from

1 what it used to be. And I know every year you
2 do a little more work. So, very well done.

3 MR. O'DONNELL: We would also like
4 to thank Mike Sangalang because we have driven
5 him nuts the past week trying to put everything
6 together. And he did a terrific job for us.

7 COMMISSIONER ZUNIGA: There is no
8 action needed, right? There is no vote on
9 this. Thank you for all your efforts. I have
10 a typo that I'll later tell you about with my
11 bio.

12 COMMISSIONER CAMERON: With your
13 bio?

14 COMMISSIONER ZUNIGA: Yes. I put in
15 the number in my bio when I came 17 years ago
16 to New England. But what happens is when you
17 put in a hard number, time passes. It should
18 say 1995 not 17 years ago.

19 Thank you for that update. Next
20 item -- Does that conclude the report for the
21 racing division? Oh, no. Sorry about that.
22 Let's go to item (c) that does require a vote
23 for Suffolk Downs promotional fund request.

24 MR. O'DONNELL: Yes. As we just

1 discussed the promotional fund, this is a
2 request reimbursement from Suffolk Downs
3 promotional trust fund project number SPT2010-
4 1. The request for this reimbursement is
5 \$64,417.78, which will actually closeout this
6 project. And to date they have -- It changes
7 every day, but \$105,061.37 left in their fund.

8 So, we do need the Commission's vote
9 on this. And attached to this also is a letter
10 from Chip Tuttle, the COO at Suffolk Downs
11 requesting this money.

12 COMMISSIONER ZUNIGA: Do we normally
13 get invoices attached to this?

14 MR. O'DONNELL: We do but this
15 project was taken out in 2010. So, we have
16 copies of all of the paid invoices from this
17 particular project. They have three more
18 projects in-house now that they had paid the
19 receipts for too.

20 COMMISSIONER ZUNIGA: Those projects
21 are ongoing?

22 MR. O'DONNELL: They are done. We
23 are just waiting to accumulate funds in the
24 promotional funds so we can reimburse them.

1 COMMISSIONER ZUNIGA: Any other
2 questions or a motion?

3 COMMISSIONER STEBBINS: Mr. Chair,
4 I'd move that the Commission approve the
5 request for reimbursement from Suffolk Downs
6 promotional trust fund for the total of
7 \$64,417.78 to closeout project SPT2010-1.

8 COMMISSIONER CAMERON: Second.

9 COMMISSIONER ZUNIGA: The motion has
10 been made and second. Any other discussion?
11 All those in favor, aye.

12 COMMISSIONER MACDONALD: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER STEBBINS: Aye.

15 COMMISSIONER ZUNIGA: Opposed? The
16 ayes have it unanimously. That's item (c).
17 There's another one here on the agenda for item
18 (d). We did that already. Does that conclude
19 the racing division update?

20 DR. LIGHTBOWN: It does. Thank you
21 very much.

22 COMMISSIONER CAMERON: Thank you
23 very much.

24 COMMISSIONER ZUNIGA: The legal

1 division is next, item 6, Counsel Blue.

2 MS. BLUE: In your packet today, you
3 have a draft decision for the Region C
4 evaluation. Consistent with what we've done
5 with the other decisions in other regions.
6 There is no action required on this today. It
7 is in draft form.

8 We will give you the opportunity to
9 review it. In a couple weeks' time, we will
10 bring it back with any changes or comments that
11 the Commissioners have. You should provide
12 those comments to me or to Attorney Grossman.
13 And we will incorporate them and then come
14 back.

15 Just to remind folks, the decision
16 that you made in Region C was effective as of
17 the date of the vote. So, it is in place and
18 effective. This is just our written decision
19 so that we can post it and we have a written
20 decision out there.

21 Our statute also does not require us
22 to issue a written decision if it's a denial,
23 but we have issued written decisions in every
24 region since. So, we are going to be

1 consistent and do it in this one as well.

2 So, we just ask that you review it.

3 Let us know if you have comments or changes.

4 And then we will bring it back to you probably
5 in about two weeks for a final review and final
6 approval.

7 COMMISSIONER CAMERON: Thank you.

8 COMMISSIONER ZUNIGA: Thank you,
9 very much. As always as usual, it's a very
10 thorough and thoughtful write-up. Our next
11 item on the agenda would be 205 CMR slot
12 machine draft regulations John or Todd.

13 MR. GLENNON: Good morning,
14 Commissioners. Just about a year ago, with the
15 assistance of our certified independent testing
16 laboratories, we opened Plainridge Park Casino
17 using the regulations that you have in front of
18 you. In the interim, we have implemented a
19 central management system and become a digital
20 regulator.

21 We have had discussions with both
22 our licensees and the industry about some
23 changes to the regulations, which would bring
24 us more in line with standard practices, would

1 make the process simpler to get gaming machines
2 into the Commonwealth too. So, we are
3 recommending here changes to the regulations to
4 effectively streamline them, make them
5 operationally more manageable, I think and
6 easier for everybody to work with.

7 In addition to that, we've made some
8 of the language more consistent, calling out
9 electronic gaming devices where we had
10 previously called them slot machines.

11 And I think also we've defined what
12 is it we want to take a look at when something
13 changes to the configuration of a slot machine.
14 At what point does the Commission want to have
15 a role in reviewing the certification provided
16 by the lab and doing secondary testing related
17 to interoperability with our central management
18 system, etc.

19 So, that's what these changes are.
20 We are prepared to go through the details. I
21 don't know, Floyd, do you have anything to add.

22 MR. BARROGA: John a pretty much
23 summed up everything. We wanted to go with the
24 opening of Plainridge Park Casino last June,

1 and the completion of the CMS stand-up five
2 months later. It's in an effort to follow
3 industry standard, follow our actuals compared
4 to our regulations.

5 COMMISSIONER ZUNIGA: Perhaps to
6 also emphasize in following the protocol that
7 we normally do, this is a presentation in
8 draft. There is no action by us today.

9 We will review them, have questions.
10 They are available if people want to comment
11 but we can begin the actual promulgation
12 process at a later time after we had a chance
13 to review.

14 MR. GLENNON: I actually believe
15 that we want to begin the formal process and
16 open it up to formal comment rather than
17 informal comment today. Attorney Grossman?

18 MR. GROSSMAN: They are prepared to
19 do that if that's the course. It was suggested
20 that these might not be tremendously
21 controversial. Certainly, something that folks
22 will want to comment on and have a look at.
23 So, beginning the promulgation process would be
24 appropriate.

1 COMMISSIONER ZUNIGA: Let me just
2 say this, we did not notify in the agenda that
3 there would be a vote.

4 MS. BLUE: That's correct. This is
5 not for you to take action on today. You have
6 not seen these amendments before. So, I think
7 what would be appropriate is for the
8 Commissioners to review it. Then we can bring
9 it back and ask you to start the formal
10 promulgation process.

11 We can also put it out for informal
12 comment if you think that's appropriate and
13 you'd like to direct us to do that at this
14 point. But you have not had a chance to review
15 these amendments yet.

16 COMMISSIONER ZUNIGA: They can be
17 posted on the website as far as I'm concerned
18 like we normally do. But let's hold off on
19 taking action and continue with the protocol
20 we've done.

21 COMMISSIONER MACDONALD: Is there
22 any reason not to invite informal comment at
23 this point?

24 MS. BLUE: No. We can certainly ask

1 for informal comments. They are the Commission
2 package. So, they are available to the public
3 now. We can post them separately too if you
4 like. It's not a problem.

5 COMMISSIONER ZUNIGA: Oftentimes,
6 the best informal comment we get is from
7 licensees or interested potential license
8 parties. Okay. Any other questions? Any
9 other reasons to talk in general about or in
10 detail about any of these from the Commission?

11 MR. GLENNON: I frankly think that
12 the industry is going to be pleased with these
13 changes because I think it's going to
14 streamline the process of getting new machines,
15 new prototypes in place and in play in the
16 Commonwealth.

17 COMMISSIONER ZUNIGA: Whatever makes
18 us be as streamlined and easy to do business --
19 straightforward to do business with I think is
20 good for this Commission and Massachusetts.
21 Okay, thank you. We'll give you comments as we
22 see them.

23 Does that conclude section 6(b)?
24 All right. Let's go to item 7 on the agenda,

1 Investigations and Enforcement Bureau, Director
2 Wells.

3 MS. WELLS: Good morning,
4 Commissioners. On the agenda for your
5 consideration this morning is the key gaming
6 employee executive application for licensure
7 submitted by Mr. Andrew Plante. Mr. Plante was
8 hired by the Plainridge Park Casino as its
9 director of security.

10 The director of security is
11 designated as a key gaming executive position.
12 Mr. Plante has submitted all the required
13 forms, responded to all of the IEB's
14 supplemental requests information and
15 documents.

16 Investigators conducted the rigorous
17 background check that is protocol for key
18 executives in our licensed casinos. He was
19 interviewed in-person by the IEB state police
20 and financial investigator. The investigation
21 included an evaluation of Mr. Plante's
22 integrity, honesty, good character and
23 reputation and his financial stability,
24 integrity and background as required by law.

1 Mr. Plante has a background in
2 security. He's been working in the security
3 field since 2006 working his way up the ladder.
4 He is a Massachusetts native and his position
5 with the Plainridge Park Casino is the first
6 time he has worked in a gaming environment.

7 Mr. Plante has been working under a
8 temporary license, which was issued
9 approximately 10 months ago. Mr. Plante is
10 very enthusiastic about his position at PPC and
11 has told investigators this is his dream job.

12 Mr. Plante was open and candid with
13 investigators in all aspects of the
14 investigation. Initially, investigators raised
15 some concerns about his ability and commitment
16 to meeting past financial obligations. The
17 most concerning of which were incurred during
18 his college years and included two civil
19 judgments.

20 These caused the IEB initially to
21 deny the application. Mr. Plante subsequently
22 took prompt affirmative and significant steps
23 to remedy his prior financial obligations and
24 he demonstrated an earnest commitment to doing

1 so. The investigators verified through
2 document review and discussions with third-
3 parties that he had in fact addressed those
4 issues.

5 Mr. Plante has been working at PPC
6 under a temporary license with conditions
7 imposed by the IEB that facilitated our
8 monitoring and our evaluation of his
9 suitability for full licensure. No information
10 or issues of concern have surfaced during this
11 period.

12 The IEB has considered all of the
13 information revealed during the investigation
14 in the light most favorable to the applicant, a
15 view which the IEB is required to take under
16 205 CMR 134.09. We also weigh the policy
17 objectives of Chapter 23K to ensure public
18 confidence in the licensing process and the
19 integrity of the licensing process. And also
20 to provide new employment opportunities to our
21 Massachusetts residents.

22 I should also mention we are in
23 close working relationship with PPC management
24 who value Mr. Plante's contributions to the

1 casino highly. And importantly the IEB gaming
2 agents and state and local police have had the
3 opportunity to work with Mr. Plante over these
4 past months and have found him to be
5 professional and responsive in all regards.

6 Taking into account the entirety of
7 the investigation, it's the IEB's opinion that
8 Mr. Plante has demonstrated rehabilitation and
9 has demonstrated by clear and convincing
10 evidence that he is suitable for approval as a
11 key gaming executive employee. Therefore, the
12 IEB is recommending Mr. Plante for licensure.

13 As will all licensees, suitability
14 is ongoing in nature and the IEB will continue
15 its monitoring and enforcement role in this
16 regard.

17 This is a matter up for a vote for
18 the Commission. The Commission under our
19 current regulations approves the key gaming
20 executive licenses.

21 COMMISSIONER CAMERON: Director
22 Wells, you mentioned concerns by the
23 investigative team, members of the IEB mainly
24 concerning Mr. Plante's issues that he had in

1 college during those college years.

2 I think I know as one Commissioner I
3 share those concerns in reading this report,
4 but did have an opportunity to speak at length
5 about the report and about the work done by the
6 IEB.

7 I know as one Commissioner, I am
8 convinced that the IEB did a very thorough job
9 in reviewing and considering all of the issues
10 of concern and had the opportunity to evaluate
11 his maturity moving forward and his
12 acknowledgement of those past financial
13 obligations.

14 So, I am convinced and in agreement
15 with the IEB's recommendation for approval
16 here.

17 COMMISSIONER STEBBINS: I agree. I
18 had the chance to also talk to the IEB about
19 this case. I'm assuming Director Wells,
20 especially in key gaming executive positions
21 where issues start to percolate up during the
22 investigation that we are always kind of in
23 direct communication with our licensees as to
24 how an investigation is going, issues that

1 might pop up so that they are aware of it as
2 well. Obviously, they're mindful of the
3 ongoing suitability, especially at this level.

4 MS. WELLS: Correct. There are some
5 privacy concerns when you are doing an
6 investigation of an employee. You can't
7 disclose certain things to others but it was
8 interesting. PPC was very committed to keeping
9 Andrew Plante and keeping his position open and
10 spoke very favorably of him and genuinely
11 supported his candidacy for this license.

12 COMMISSIONER ZUNIGA: Other comments
13 Commissioner? Yes. I agree with all that. I
14 agree with the recommendation. I think a big
15 take away for me is the evolution that you
16 describe in your report not just in your
17 remarks today in terms of not just your
18 evolution but the applicant's evolution in
19 thinking about corrective action, the totality
20 of factors.

21 There's a number of factors in my
22 opinion here that are really important. They
23 come across in your verbal update. The fact
24 that this is a dream job for Mr. Plante. It is

1 what he wants to do. The casino is really
2 behind -- The employer thinks he's doing a
3 good job.

4 So, as part of my learning, my own
5 learning in all of this there is never a black-
6 and-white. There's shades of gray in all of
7 this. I ultimately agree with your
8 recommendation and I think it's a good overall
9 outcome.

10 COMMISSIONER CAMERON: So, I move
11 that we approve Mr. Andrew Plante for licensure
12 as a key gaming employee.

13 COMMISSIONER MACDONALD: Second.

14 COMMISSIONER ZUNIGA: Motion has
15 been made and second. Any further discussion?
16 All those in favor, aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER STEBBINS: Aye.

20 COMMISSIONER ZUNIGA: Opposed? The
21 ayes have it unanimously. Thank you Director
22 Wells. Does that conclude? Is there other
23 other business for us?

24 MR. BEDROSIAN: I do not believe so.

1 COMMISSIONER ZUNIGA: Is there a
2 motion?

3 COMMISSIONER CAMERON: Move to
4 adjourn.

5 COMMISSIONER ZUNIGA: Is there a
6 second?

7 COMMISSIONER MACDONALD: Second.

8 COMMISSIONER ZUNIGA: All those in
9 favor, aye.

10 COMMISSIONER MACDONALD: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER ZUNIGA: We are
14 adjourned.

15
16 (Meeting adjourned at 12:00 p.m.)

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1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission May 26,
3 2016 Notice of Hearing and Agenda
- 4 2. Massachusetts Gaming Commission Meeting
5 Minutes April 26-28, 2016
- 6 3. Wynn Boston Harbor Quarterly Report March
7 31, 2016
- 8 4. Plainridge Park Casino Q1 Report March 31,
9 2016
- 10 5. Third Annual Report of the Division of
11 Racing of the Massachusetts Gaming
12 Commission
- 13 6. Massachusetts Gaming Commission Division
14 of Racing May 26, 2016 Memorandum
15 Regarding Request for Reimbursement,
16 Suffolk Downs Promotional Trust Fund
- 17 7. Plainridge Park Casino Pentafecta Request
- 18 8. Draft Mass Gaming and Entertainment
19 Licensing Decision
- 20 9. 205 CMR 138
- 21 10. 205 CMR 144

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1 GUEST SPEAKERS:

2 Bob DeSalvio, Wynn Boston Harbor

3 Chris Gordon, Wynn Boston Harbor

4 Jacqui Krum, Wynn Boston Harbor

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6 Lance George, Plainridge Park Casino

7 Eli Huard, Plainridge Park Casino

8 Steve O'Toole, Plainridge Park Casino

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11 MASSACHUSETTS GAMING COMMISSION STAFF:

12 Floyd Barroga, Manager of Gaming Technology

13 Ed Bedrosian, Executive Director

14 Catherine Blue, General Counsel

15 John Glennon, CIO

16 Todd Grossman, Deputy General Counsel

17 Karen Wells, Director IEB

18 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 31st day of May, 2016.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018