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## Meeting Minutes

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- Date/Time:** April 13, 2017 – 10:00 a.m.
- Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts
- Present:** Chairman Stephen P. Crosby  
Commissioner Gayle Cameron  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga
- Absent:** Commissioner Lloyd Macdonald

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### Call to Order

See transcript page 2

[10:00 a.m.](#) Chairman Crosby called to order the 214<sup>th</sup> Commission meeting. He asked Commissioner Zuniga to bring the minutes forward for approval.

### Approval of Minutes

See transcript pages 2-6

[10:00 a.m.](#) *Commissioner Zuniga moved for the approval of the March 30, 2017, Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Commissioner Stebbins asked if the request for a copy of the Suffolk Downs lease was required in the motion or was it added after the motion. General Counsel Catherine Blue responded that Commissioner Stebbins requested a copy of the lease so it was put in the minutes. Motion seconded by Commissioner Cameron. Chairman Crosby inquired about the level of detail and the characterization of conversations in the minutes. General Counsel Blue stated that the level of detail is appropriate and we could review areas in the minutes where the Chairman has questions and make changes. Chairman Crosby tabled the motion until the next Commission meeting.*

## **Administrative Update**

See transcript pages 6-34

- [10:04 a.m.](#) Executive Director Edward Bedrosian, Jr. reported that it was opening day for racing at Plainridge Park Casino on Monday. He noted that a lot of the seasonal employees returned, the racing office space was organized, and there were no backups with licensing. Commissioner Cameron noted that the racing staff is engaged and experienced and it is a well-run organization. Commissioner Stebbins stated that he previously did a walk-through with the racing team and he noted that improvements were made to the stable area. Commissioner Cameron also noted that the weather was beautiful, the crowds were great, and a Chamber event was held in the facility to support racing.
- [10:08 a.m.](#) On behalf of the Commission, Jill Griffin, Director of Workforce and Supplier Diversity, presented a tribute to State Senator Kenneth J. Donnelly who recently passed away. She provided a summary of his achievements which included fighting for the unemployed and underemployed and supporting workforce development and training to advance opportunities for low-wage employees. Director Griffin commended his work and stated that he brought his passion and integrity to changing many lives in Massachusetts.
- [10:14 a.m.](#) Senior Financial Analyst Douglas O'Donnell presented on the new racing revenue software. He stated that the new program, which integrates information from the tote companies and our racing billing system, is user-friendly, efficient, and will save the Racing Division approximately \$55,000 a year. He stated that the system went live on January 1<sup>st</sup> and he commended Dan MacDonald, Manager of Infrastructure and Applications, for creating the new program. He stated that prior to this program they were using a system that was created over 20 years ago.
- [10:18 a.m.](#) Executive Director Bedrosian provided an overview of the Commission's Internal Compliance Working Group. He stated that the group meets monthly and addresses the following areas: main compliance issues, risk analysis for the Commission, and audit functions. Commissioner Zuniga stated that we have significant internal as well as external compliance that the group and different departments look at. He also stated that we need to think about a model for the audit function. Chairman Crosby raised the matter about succession planning and risk assessment. He also suggested adding the Responsible Gaming Framework to the compliance section to ensure the plan is being adhered to by our licensees. Commissioner Zuniga provided an update on the Plainridge Park Casino ("PPC") audit. He stated that a draft of the audit has been sent to PPC for final review and it will come before the Commission.

## **Financial Division**

See transcript pages 34-72

- [10:32 a.m.](#) Chief Financial and Accounting Officer ("CFAO") Derek Lennon presented on the 3<sup>rd</sup> Quarter FY 2017 budget. He stated the Commission approved a fiscal year budget of \$27.17 million which required an initial assessment of \$22.39 million on our licensees. He reported on spending reductions and stated that we are keeping our costs in control. He also reported on regulatory cost spending (Office of the

Attorney General and Research and Responsible Gaming), adjustments, and division expense budgets.

[10:48 a.m.](#) Agnes Beaulieu, Finance and Budget Office Manager, provided an update on diversity spend. She stated that the Commission reached and surpassed the benchmark for small businesses and we are on target to reach the benchmark for minority-owned businesses. She reported the current encumbrances to date for FY17 are \$305,000 for minority-owned businesses, \$615,000 for small businesses, and \$305,000 for women-owned businesses. She also reported that they are struggling to meet the benchmark for women-owned businesses but they are working with contractors and the Supplier Diversity Office. CFAO Lennon stated that we have met and surpassed the state benchmarks but not our own. He stated we are working daily to reach our higher benchmarks.

[10:59 a.m.](#) CFAO Lennon presented on the selection of Eastern Bank for the Commission's depository accounts. He stated that the racing fees will remain with the Bank of America because that bank is closer to Plainville. He stated that Eastern Bank is a bank approved by the State. Chairman Crosby stated that Eastern Bank is a local bank that is notable for its diversity and inclusion. He stated that we wanted to use a vendor that aligned with our mission for inclusion and diversity. Commissioner Cameron requested information about equal pay and leadership roles for women at Eastern Bank. She stated that Director Griffin found that 25% of Eastern Bank's Board Directors are women and they are very good with equity pay. Commissioner Zuniga stated that we are not losing any functionality with this move. CFAO Derek Lennon thanked Maria Bottari for her work on the bank move.

11:09 a.m. The Commission took a short recess.

11:15 a.m. The meeting resumed.

### **Ombudsman's Report**

See transcript pages 72-94

[11:15 a.m.](#) Ombudsman John Ziemba presented on a request from the Town of Foxborough for the use of its mitigation reserves. They requested \$1,180 for a module that will enable them to extract data and participate in the ongoing crime study. Commissioner Cameron stated that she met with the new Foxborough Police Chief and he expressed a need for the module and a willingness to participate in the crime study.

[11:18 a.m.](#) *Commissioner Cameron moved that the Commission approve the Foxborough Community Mitigation Reserve Fund being used for this purpose, which is the module needed to extract data. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

[11:20 a.m.](#) Ombudsman Ziemba provided an overview of the following pending legislation that is of interest to the Commission: horse racing and wagering, horse park feasibility study, Race Horse Development Fund and the Community Preservation Trust Fund, thoroughbred breeding program, simulcast racing, municipal and regional planning agency, employee participation in advisory committees, limited slot machine license for Veteran's organizations, charitable gaming, stickers on slot machines describing their addictive nature, education fund, requirement for the Commission

to procure products and services from Massachusetts businesses, certain game machines not to be governed by the gaming statute, gaming local aid fund, CORI (Criminal Offender Record Information), online gaming, budget sections related to the Commission, sale of alcohol on the casino floor from 2:00 to 4:00 a.m., and the Bureau of Substance Abuse name change. Ombudsman Ziembra stated that they will watch the budget and the amendment filed relating to the Race Horse Development Fund. Chairman Crosby stated that he receives frequent requests for the Commission's opinions on bills. Commissioner Zuniga stated that the Chairman has a process that he can rely on and he can also continue to exercise discretion.

### **Investigations and Enforcement Bureau (IEB)**

See transcript pages 94-131

[11:37 a.m.](#) General Counsel Blue presented on the Amended Small Business Impact Statement and final draft for amendments to regulation 205 CMR 152 (Individuals Excluded from a Gaming Establishment). She reported that no comments were received at the public hearing. She requested approval for staff to complete the promulgation process.

[11:38 a.m.](#) *Commissioner Stebbins moved that the Commission approve the Amended Small Business Impact Statement, the final version of 205 CMR 152 that's included in the packet, and authorize staff to take all of the steps necessary to file a regulation with the Secretary of the Commonwealth and complete the regulation promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

[11:38 a.m.](#) IEB Director Karen Wells presented on licensee (Wynn, MGM, and Penn National) outside director background checks. She stated that the Commission conducts background checks on outside directors. Consultants Michael & Carroll prepared an analysis on how other jurisdictions treat outside directors. Director Wells provided an overview of the analysis. She also went over reasons for and against having directors go through the suitability process. Chairman Crosby stated that this matter was brought to his attention by the CEO of Penn National who stated that he would like to see this area changed. Commissioner Zuniga stated that he liked the Pennsylvania approach and believes that there is already a lot of scrutiny that exists on public companies. There was a discussion about what public information is available for company directors. Commissioner Cameron stated that doing what we do gives us the most information but if we are going to make a change, she prefers the Pennsylvania model. Chairman Crosby suggested that we put this issue out to our licensees and others for comments.

[11:52 a.m.](#) Paul Connelly, Director of Licensing, presented on changes to the license and registration forms. He stated that the licensing forms are tools to collect contact information for individuals and to support the background investigation. He provided highlights of the changes which included the following: created consistency across all forms, simplified and streamlined questions, added a "not applicable" check off feature, added a request for a driver's license number, added an out of state residency field, removed references on the key standard form, and removed offices and positions. He also went over the Non-Gaming Vendor Forms and noted that they tried to streamline questions, simplify instructions, and highlight the process. Director Wells stated that Director Connelly did reach out to

the licensees for their comments on the forms. Executive Director Bedrosian stated that the Commissioners can review the forms and it will be brought back for final approval.

[12:10 p.m.](#) Executive Director Bedrosian stated that the Commission will release Plainridge Park Casino's monthly gross gaming revenue on April 18<sup>th</sup> because April 15<sup>th</sup> falls on a Saturday and April 17<sup>th</sup> is a Holiday.

### **Racing Division**

See transcript pages 131-141

[12:10 p.m.](#) Director Alexandra Lightbown thanked Steve O'Toole and Don Longabody for their cooperation in getting the first meet up and running. Steve O'Toole stated that the biggest feedback they received on opening day was on Mike Sangalang's Twitter video from the starting cart.

Director Lightbown presented on a request from Plainridge Racecourse for approval of their special events pursuant to M.G.L. c. 128C. She recommended that the Commission approve the 15 special events.

*Commissioner Cameron moved that the Commission approve the request of Plainridge Park Casino to simulcast the 15 races listed on their letterhead dated April 8<sup>th</sup> as special events. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[12:14 p.m.](#) Senior Financial Analyst Douglas O'Donnell presented on the 2015 reimbursement of unclaimed tickets for the horse tracks and dog simulcasting tracks in the following amounts: \$208,279.26 for Sterling Suffolk Downs, \$158,701.82 for Plainridge Racecourse, \$17,216.75 for Wonderland Greyhound Park, and \$180,953.94 for Raynham Taunton Greyhound.

[12:16 p.m.](#) *Commissioner Cameron moved that the Commission approve the request to distribute the checks from Sterling Suffolk Downs, Plainridge Racecourse, Wonderland Greyhound Park, and Raynham Taunton Greyhound back to those tracks. Motion amended by Chairman Crosby to reflect that the distribution goes back to the purse accounts for the horses and the Racing Stabilization Fund for the dogs. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[12:17 p.m.](#) Mr. O'Donnell presented on the quarterly local aid distribution to the cities and towns where racing activities take place for a total of \$232,961.07.

[12:17 p.m.](#) *Commissioner Cameron moved that the Commission approve the payments of the local aid quarterly payments through March 31<sup>st</sup> back to the appropriate cities and towns. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

### **Legal Division**

See transcript pages 141-146

[12:18 p.m.](#) John Glennon, Chief Information Officer, presented on amendments to 205 CMR 143 and the adoption of new GLI (Gaming Laboratories International) Standards 3.0. He stated the new version includes technical standards around skill-based

gaming and improvements in the structure of the regulations. He stated that he will post the draft for informal public comment.

[12:21 p.m.](#) Deputy General Counsel Todd Grossman presented on draft amendments to regulations 205 CMR 143.02 (transfer of progressive jackpots) and 136.08 (names on alcoholic beverage license) and a request to move them through the formal promulgation process. He stated that the draft amendments were circulated for informal public comment and no comments were received.

[12:22 p.m.](#) *Commissioner Zuniga moved that the Commission approve the following regulations, 205 CMR 136, as well as 205 CMR 143 as included in the packet and direct staff to start the formal promulgation process. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### **Research and Responsible Gaming**

See transcript pages 146-162

[12:23 p.m.](#) Director Mark Vander Linden provided an update on the Public Health Trust Fund (“PHTF”). He stated that the PHTF Executive Committee was created out of an MOU (Memorandum of Understanding) between the Massachusetts Gaming Commission and the Executive Office of Health and Human Services (“OHHS”) and it consists of the following five members: Chairman Crosby, Lindsey Tucker from the Department of Public Health, Michael Sweeney from the Mass State Lottery, Rebekah Gewirtz from the Mass Public Health Association, and Jennifer Queally from the Executive Office of Public Safety and Security. He stated that the PHTF Executive Committee was created to align the efforts of the Commission’s Research and Responsible Gaming initiatives and the OHHS (Department of Public Health) problem gambling services. He stated that the PHTF Executive Committee recently met and they are focused on developing an agenda for FY18. Director Vander Linden stated that once the budget is adopted by the PHTF Executive Committee it will be brought before the Commission for consideration.

Director Vander Linden provided a brief update on the Research and Responsible Gaming Framework. He stated that they want to revisit and update the framework. He reported that he is being assisted by Dr. Jeff Marotta who has met with the Commissioners, licensees, GameSense Advisors, and the recovery board. He stated that feedback from the recovery board highlighted a need for the GameSense program.

### **Commissioner’s Update**

See transcript page 163

[12:42 p.m.](#) No updates were reported.

### **Other Business Not Reasonably Anticipated**

See transcript page 163

[12:42 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

## **List of Documents and Other Items Used**

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated April 13, 2017
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated March 30, 2017
3. Massachusetts Gaming Commission, Memorandum dated April 13, 2017 regarding Fiscal Year 2017 (FY17) Third Budget Update, with attachments
4. Town of Foxborough, 2017 Community Mitigation Fund Grant Application
5. Massachusetts Gaming Commission, Memorandum dated April 10, 2017 regarding Foxborough 2015 Community Mitigation Reserve Fund
6. Massachusetts Gaming Commission, 2017-2018 Racing and Gaming Bills
7. Amended Small Business Impact Statement, 205 CMR 152.00: Individuals Excluded from a Gaming Establishment
8. Final Draft Amendments to 205 CMR 152.00: Individuals Excluded from a Gaming Establishment
9. Treatment of Outside Directors in Other Jurisdictions (Casino Companies), Chart
10. Draft Non-Gaming Vendor Registration Form
11. Draft Gaming Service Employee Registration Form
12. Draft Gaming Employee License Application Form
13. Draft Key Gaming Employee-Standard License Application Form
14. Massachusetts Gaming Commission, Memorandum dated April 9, 2017 regarding Plainridge Special Events Request, with attachment
15. Massachusetts Gaming Commission, Memorandum dated April 13, 2017 regarding 2015 Reimbursement of Unclaimed Tickets – Horse Tracks, with attachment
16. Massachusetts Gaming Commission, Memorandum dated April 13, 2017 regarding 2015 Reimbursement of Unclaimed Tickets – Dog Tracks, with attachment
17. Massachusetts Gaming Commission, Memorandum dated April 13, 2017 regarding Local Aid Distribution, with attachments
18. 2015 Reimbursement of Unclaimed Tickets – Horse Tracks, with attachments
19. Draft amendments to 205 CMR 143.00: Gaming Devices and Electronic Gaming Equipment
20. Draft amendments to 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls
21. Draft amendments to 205 CMR 139.00: Continuing Disclosure and Reporting Obligations of Gaming Licensees
22. Draft Amendments to 205 CMR 136.00: Sale and Distribution of Alcoholic Beverages at Gaming Establishments
23. Draft Amendments to 205 CMR 143.00: Gaming Devices and Electronic Gaming Equipment

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary