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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #231

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

December 21, 2017 10:00 a..m.

MASSACHUSETTS GAMING COMMISSION

101 Federal Street, 12th Floor

Boston, Massachusetts 02110

1 CHAIRMAN CROSBY: All right. We are
2 calling to order the 231st public meeting of
3 the Gaming Commission on December 21st, our
4 last meeting before the new year, at our
5 offices at Boston at 10 o'clock. First up is
6 approval of the minutes. Commissioner
7 Macdonald.

8 COMMISSIONER MACDONALD: Yes. I
9 move, Mr. Chairman, that we approve the
10 minutes of the December 7, 2017 meeting, as
11 they appear in the packet, subject to
12 corrections for typographical errors and for
13 other nonmaterial matters.

14 COMMISSIONER CAMERON: Second.

15 CHAIRMAN CROSBY: Any discussion?

16 COMMISSIONER STEBBINS: Yeah,
17 Mr. Chairman. At the 2:48 mark, where we got
18 into some of the horseracing, the split vote
19 and then the retroactive vote, I'd really
20 appreciate if we could just put a comment in
21 there that -- the fact that I wound up on one
22 dissenting vote. I believe I explained why it
23 was just my objection of the retroactivity,
24 but there was some comment that went on prior

1 to the vote. I just didn't want it have it
2 standing out there that -- usually, our votes
3 are unanimous, most points. So if we can
4 just, kind of, reflect that ahead of the
5 motion and the vote.

6 And then, under Commissioner's
7 Updates, just a couple of typos that -- words
8 that probably wouldn't have gotten caught by
9 spellcheck but means something else, when we
10 put it in the context of the sentence. And I
11 won't mention what they are. I'll tell
12 Catharine offline.

13 CHAIRMAN CROSBY: Are there two?
14 Are there two of them?

15 COMMISSIONER STEBBINS: I
16 acknowledge the great work to both Paul and
17 Jill. And then, later on about reviewing the
18 license application, just a typo after that.

19 CHAIRMAN CROSBY: Okay.

20 MR. BEDROSIAN: We'll get those
21 fixed.

22 CHAIRMAN CROSBY: All right.
23 Further discussion? All in favor? Aye.

24 COMMISSIONER MACDONALD: Aye.

1 COMMISSIONER STEBBINS: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously. So we are on to
6 Director Bedrosian.

7 MR. BEDROSIAN: Good morning,
8 Mr. Chairman, members of the Commission.
9 Welcome to the shortest day of the year, first
10 day of winter.

11 CHAIRMAN CROSBY: Oh, is it really?

12 MR. BEDROSIAN: It is.

13 COMMISSIONER STEBBINS: The 21st.

14 MR. BEDROSIAN: It is.

15 COMMISSIONER ZUNIGA: That's right.

16 MR. BEDROSIAN: So I don't have a
17 general update. We do have items underneath
18 us, B, C and D, which I am going to suggest
19 maybe we take up a little later, the agenda,
20 because we have visitors with us today. And
21 if we go on to Mr. Ziemba, the ombudsman, we
22 get some of those matters out of the way.

23 But before we do that, I do have one
24 notice you may know. We have a team member,

1 Amy MacLachlan, who is leaving us today --
2 tomorrow's her last day. On for new
3 adventures. Obviously, like to thank her for
4 all the hard work she's done for us over the
5 years. And wish her happy holidays and all
6 the best in future endeavors.

7 CHAIRMAN CROSBY: You bet.

8 COMMISSIONER MACDONALD: You bet.

9 CHAIRMAN CROSBY: We agree.

10 COMMISSIONER STEBBINS: Good luck,
11 Amy.

12 CHAIRMAN CROSBY: We agree. You'll
13 be missed.

14 COMMISSIONER CAMERON: Thanks, Amy.

15 COMMISSIONER ZUNIGA: Good luck,
16 Amy.

17 MR. BEDROSIAN: So as long as
18 Commissioner Zuniga and Stebbins are
19 agreeable, because they have their own items
20 under me, I think we can go to Mr. Ziemba and
21 then circle back to the other items.

22 CHAIRMAN CROSBY: Everybody okay
23 with that?

24 COMMISSIONER STEBBINS: Mm-hmm.

1 COMMISSIONER CAMERON: Yes.

2 COMMISSIONER ZUNIGA: Fine.

3 CHAIRMAN CROSBY: Okay.

4 Ombudsman Ziemba.

5 MR. ZIEMBA: Good morning,
6 Mr. Chairman and Commissioners. I have
7 several items up for consideration today. Up
8 first, we have the quarterly report for MGM
9 Springfield for the third quarter of this
10 year, ending September 30th. I'll ask the MGM
11 team to join us.

12 But before they begin their
13 presentation, I just wanted to give an update.
14 We and the MGM team are very actively engaged
15 in the review of MGM's -- the status of MGM's
16 commitments, which are numerous, and we're
17 actively engaged in taking a look at their
18 schedule.

19 At the conclusion of this next round
20 of our reviews, obviously we continue our
21 review throughout the whole year, and
22 especially as we get closer to the opening,
23 but as we conclude this stage of the review,
24 we will come back to the Commission with a

1 report. It would be in the new year. Likely,
2 not in January, but very soon after the
3 beginning of the new year.

4 So with that, joining us today as
5 part of the Springfield team, are Mike Mathis
6 president and COO, MGM Springfield;
7 Brian Packer, Vice President Construction and
8 Development; Alex Dixon, general manager, MGM
9 Springfield; and Courtney Wenleder, vice
10 president, CFO for MGM Springfield. And I
11 turn it over to Mike.

12 MR. MATHIS: Thank you, John, thank
13 you Commissioners. Appreciate you -- oh.
14 Yes. Thank you, John, thank you
15 Commissioners. And appreciating you reworking
16 the schedule to allow us to get our update up
17 earlier in the program. I'm going to save
18 some of my closing comments after my team
19 presents. And it's nice to have a team. As
20 you know, it used to be just me. The meetings
21 were shorter and the decisions a little
22 quicker but not as good. So let me turn it
23 over to Brian for a construction update, and
24 then we'll let the rest of the team report out

1 and I'll come back with some closing comments.

2 Go ahead, Brian.

3 MR. PACKER: Good morning.

4 CHAIRMAN CROSBY: Good morning.

5 COMMISSIONER MACDONALD: Good
6 morning.

7 COMMISSIONER CAMERON: Good morning.

8 COMMISSIONER ZUNIGA: Good morning.

9 COMMISSIONER STEBBINS: Good
10 morning.

11 MR. PACKER: So today we update on
12 the third quarter. And I thought it would be
13 kind of neat to look back and kind of take a
14 snapshot of one year ago, same period in the
15 quarter, and how much, you know, really has
16 taken place since then. So we have a slide of
17 where you see, kind of, mid September there we
18 were, maybe, a quarter way of the slab
19 throughout the casino. Majority of the
20 building's, obviously, cleared off. The
21 garage just, kind of, in its infancy, coming
22 out of ground with precast. And then,
23 today --

24 CHAIRMAN CROSBY: It's great -- it's

1 cool to see the two maintained facades --

2 MR. PACKER: Right.

3 CHAIRMAN CROSBY: -- hanging there.

4 MR. PACKER: Yeah. And the -- you
5 know, the logistics and working through all
6 that and getting, finally, through the
7 engineering, to now we've actually been able
8 to attach to those structures. They're now
9 fully incorporated into the new design. And
10 kind of pass that work has been nice to burn
11 that off.

12 So this quarter was kind of all
13 about enclosure, getting ready for the winter,
14 being able to have heat up for the winter.
15 And then, obviously, get really close to
16 getting our construction workers parking on
17 our site with the TCO, the garage coming just
18 after quarter end.

19 And so, you'll see in some of these
20 progress photos, this is the view right from
21 the Armory down onto that banquet level, kind
22 of, prefunction exterior -- outdoor space,
23 terrace area. And you see where we have it
24 enclosed. We have some temporary partitions

1 in for where glazing or windows are going to
2 come here. Some of which are already here,
3 now, as we speak, but at least getting
4 enclosed and getting prepared for the weather.

5 You can see along Main Street,
6 really, the exterior facade starting to take
7 shape. And you can see the penetrations for
8 where the windows will eventually be
9 installed. On the right-hand side, you can
10 see -- this is actually just above Union
11 Chandler, and the curtain wall mullions that
12 are in, awaiting on glazing, on the top floor
13 of the hotel.

14 This was an interesting series of
15 events that took place over a weekend, in the
16 quarter where we actually dismantled the
17 exoskeleton of steel that was supporting the
18 Union Chandler facade. So this is where we
19 were able to now connect Union Chandler into
20 the new structure.

21 And, you know, really, we are past
22 all of that unique engineering for the last
23 year-and-a-half, of redoing the foundations to
24 how do you support this wall, while it doesn't

1 have a back on it, all the way up to bringing
2 the final steel together. So this was a big
3 milestone and a big deal for us to get past,
4 and get past safely, as you can imagine.

5 I also put a slide in here, to kind
6 of show you the before and after, if you will,
7 of what we had to do as part of our historic
8 preservation efforts. If you see -- you can
9 see on the left-hand picture, with the
10 old Glory shoe store and the awnings, that
11 floor, the second floor, had large bay windows
12 at one point in time were retrofit and put
13 into that facade. Those bay windows,
14 obviously, weren't historic, they weren't
15 period to the building. And part of our
16 obligation was, in the right-hand side you see
17 we put back the period-style windows on that
18 second floor.

19 Given that that second story,
20 obviously, was lower in the structure and you
21 had those large penetrations, that was a bit
22 of an engineering feat, to figure out, how are
23 you going to fill that in, you know, without
24 that structure moving on you, right?

1 COMMISSIONER STEBBINS: Right.

2 MR. PACKER: So that was a big deal,
3 to not only figure out the engineering on
4 that, but do it in a manner that, when you
5 look at the facade and you walk out there
6 today, it doesn't look like it was patched in.
7 Right? And so, that brick work was a lot of
8 brick that we salvaged from the original
9 structure, when it was demoed, palletized and
10 then put back up as part of this process.

11 COMMISSIONER STEBBINS: Did you add
12 some, like, architectural elements on the
13 front of the building? Looked like some stars
14 or something under the windows.

15 MR. PACKER: Yeah. So part of the
16 tie-in of the structure, you know, if you can
17 think of a very thin brick facade that's left,
18 you have to think of how are you going to take
19 that brick facade and attach it into the new
20 steel that, generally, is running at slab
21 level at every level of your hotel, right?

22 So part of what we had to do was
23 actually put little, mini anchors in,
24 probably, 6-, 8-inches on center throughout

1 all the brick, behind the brick. That creates
2 something you can attach to. And then, take
3 that attachment and bring it into the slab.
4 So the last part of that piece, of tying
5 everything together, is threaded rod with
6 the -- with the star as an anchor, a
7 decorative anchor on the exterior, because you
8 actually had to come through the whole
9 structure. So you see them a lot, you know,
10 downtown Boston, other places, that really
11 help anchor that facade into the new -- into
12 the new steel structure.

13 CHAIRMAN CROSBY: Did the historic
14 commission give you grief about putting those
15 things on the outside?

16 MR. PACKER: No. I think, you know,
17 in a lot of their work, they see this fairly
18 often. They were actually -- I had briefed
19 them on it, probably, a few months before we
20 actually, physically, had to put them in, to
21 let them know it was coming. But, originally,
22 our engineers had over 40, 48 stars showing on
23 the building. So, internally, you know, that
24 wasn't really acceptable to us. And we took a

1 lot of back and forth in rework to try to make
2 this esthetically, you know, appealing as
3 possible. So I think the reduction in the
4 amounts they were happy with, and we were able
5 to brief them on it when we were in front of
6 them so...

7 MR. MATHIS: Hey, Brian, if I can
8 just call out one element that was -- I've
9 always been impressed by. When you go out and
10 see the site, and you can't really get an
11 appreciation for it, maybe, with this slide,
12 is, you know, we've created, essentially, five
13 separate facades on Main Street that look like
14 separate buildings with their own character,
15 but behind it is a single hotel product.

16 And one of the really interesting
17 elements is, how do you get the windows to be
18 homogenous on the inside but still maintain
19 their character by each of the facades. And
20 that took some work, especially, when you're
21 inheriting a building like this.

22 So it's really a huge credit to the
23 construction team and the design team, who
24 figured out how to marry both of those. But

1 little things like that, which you sort of
2 take for granted --

3 CHAIRMAN CROSBY: Yeah, of course.

4 MR. PACKER: -- in a project with
5 this ambitious a design.

6 CHAIRMAN CROSBY: Interesting.

7 MR. PACKER: And on the right-hand
8 slide, one other point that you can't really
9 see but it'll be interesting, once all the
10 scaffolding's down, is, on the right-hand,
11 that return of the structure, there's probably
12 at least a 10-foot return there so you
13 don't -- it's just not a flat facade. You
14 actually have the corner of that building
15 preserved, as well, which, like I said, when
16 the scaffolding comes down you'll be able to
17 take note of that corner.

18 CHAIRMAN CROSBY: I didn't realize
19 that we lost a street there.

20 COMMISSIONER ZUNIGA: We lost a
21 couple.

22 MR. PACKER: Yeah. Bliss and
23 Howard, right?

24 COMMISSIONER ZUNIGA: Howard, Bliss.

1 MR. PACKER: And a lot of the Uber
2 drivers still get directed down those streets
3 but they're not there so...you always hear
4 that complaint when you're going to the
5 airport.

6 Then, we've made some progress --
7 great progress on enclosing the entertainment
8 block. You can start seeing, on the left-hand
9 slide, the beginnings of -- in the darker gray
10 area with the windows cutouts, this is going
11 to be the replication of the YWCA facade.

12 So if you remember, again, the
13 conversations with Historic, this was very
14 sensitive. And we took a bunch of different
15 parts and pieces of that building to be able
16 to replicate the copings and the sills and
17 door surrounds, and all different parts of the
18 structure. So you're going to start seeing,
19 you know, in the next two quarters, that
20 facade coming to life with brick and the other
21 elements that were salvaged.

22 COMMISSIONER STEBBINS: What are you
23 going to do above that? It looks like
24 there's --

1 MR. PACKER: So above that, you have
2 -- there's a little bit of relief that's hard
3 to see in this structure. So there's a little
4 bit of a setback, and then there's a series of
5 banners that go across that upper portion.

6 COMMISSIONER MACDONALD: Did you say
7 vanners?

8 MR. PACKER: Banners. Correct.

9 MR. MATHIS: Think of vertical blade
10 canvas banners that you would see, you know,
11 as you mark -- walk down to Main Street, we're
12 going replicate that on the building, as well.

13 MR. PACKER: You know, and when
14 you're out there as a pedestrian, you know,
15 you really -- you can't see up that high, so
16 it's more of a perspective when you're
17 standing back than when you're -- when you're
18 out in that plaza you really feel like you're,
19 you know, in front of the older structures.
20 On the right-hand side, you can kind of see,
21 you know, a different angle but a shot down
22 towards that facade as well, looking from one
23 of the hotel floors.

24 Another portion of our historic

1 preservation that you can start seeing come to
2 life, on the right-hand side I took a picture
3 -- this is a picture of the old dome location
4 at 73 State. And on the left, you can start
5 seeing the shape of that replication come to
6 life. So there's a couple of stories in
7 there, because we have a balcony level to
8 replicate, and then we have the actual dome
9 level itself. And so, the beginnings of that
10 really started taking shape this quarter as
11 well.

12 CHAIRMAN CROSBY: How much gets
13 replicated? Does that balcony and the
14 woodwork behind the balcony, does that all get
15 replicated as well?

16 MR. PACKER: In theory, the picture
17 on the right, when we're done we should be
18 able to walk you out there. And it's going to
19 look really close to that picture. So you
20 actually have a replication of the balcony.
21 The doors we actually saved. And those exact
22 doors are going back in. They actually went
23 in this week. So there will be pieces that
24 were original, right back in, basically, the

1 same dimensions, the same locations.

2 CHAIRMAN CROSBY: And this is in the
3 dining -- in the --

4 COMMISSIONER ZUNIGA: Entertainment.

5 CHAIRMAN CROSBY: -- entertainment
6 area?

7 COMMISSIONER STEBBINS: Convention
8 area.

9 CHAIRMAN CROSBY: Convention area.

10 MR. PACKER: It's kind of -- it's in
11 the prefunction area for convention. After
12 you come up the escalators, and you have a
13 choice. You can go to the cinema, or you can
14 go to the prefunction. As you're walking down
15 towards prefunction, this is nestled in one of
16 the corners.

17 CHAIRMAN CROSBY: "Prefunction,"
18 meaning, like a lobby before the --

19 MR. MATHIS: Yeah. It's
20 essentially, the lobby for our conference
21 center. So this will get a ton of visibility.
22 It's dead center as you get off the escalator
23 and you're congregating to go to your event or
24 your breakout room or your conference. So

1 really, it's beautiful.

2 In fact, I mistook this for what was
3 being built out there, because, as you know,
4 when you report a quarter back you're
5 essentially three months behind. So that's
6 how close what we're seeing out on the sight
7 looks like, this image to the right. Again,
8 oversell and -- you know, Brian loves to
9 undersell over deliver.

10 MR. PACKER: Mike and I balance
11 things out. So in the Armory, it was
12 interesting, you know, late summer coming into
13 the quarter, you know, kind of, how do you
14 attack a structure like that, that has been a
15 bit of disrepair. We know we have a ton of
16 masonry restoration to do. We, obviously,
17 have demolition on the inside.

18 The demolition on the inside,
19 however, requires you take a portion of the
20 exterior facade out to perform that demo. So,
21 you know, we were faced with a decision of,
22 hey, do you start masonry restoration with the
23 chance that maybe some of the demolition could
24 damage it. But if you don't do the masonry

1 restoration and you're performing demo, could
2 some of it collapse even more than it
3 already -- so we lucked out, in terms of
4 weather, temperature coming into the fall, and
5 we kind of made a decision, let's restore as
6 much masonry as we can, until the weather
7 doesn't cooperate anymore, and then you can
8 always do demolition in the winter. So that's
9 kind of where we landed.

10 We ended up restoring most of the
11 terrets at the end of this quarter into the
12 next, and kind of got a jump on that spring
13 restoration work, and then can move into
14 demolition.

15 So at this point, we're -- if you
16 were out there today we're paused on the
17 masonry due to temperature but we will --
18 we're proceeding with the -- the interior
19 demolition now.

20 95 State, you know, an interesting
21 part of the project, from the standpoint of
22 this is was a total gut interior remodel, the
23 exterior, generally, stays the same, replaced
24 all the windows. Fontaine, a local contractor

1 received this contract. And hopefully, here
2 in the next few days, will be turning this
3 over to operations for them to eventually take
4 occupancy at some point in January.

5 So this portion of the project,
6 where Mike's offices will be is just about
7 there. So I just walked it two days ago, top
8 to bottom, putting the last coats of paint in
9 the stairwells. And this will be good for the
10 project.

11 Typically, you know, back-the-house
12 offices, executive space, we're turning these
13 over two, three months before we open.
14 They're in -- still in the middle of a podium
15 that's not complete. Here, we were able to
16 get this kicked off early, get operations in
17 there early. And that's going to be a -- just
18 a huge bonus, I think, as we get closer to
19 opening.

20 MR. BEDROSIAN: And they're also
21 going to be happy that the regulator's going
22 to be in there with them.

23 CHAIRMAN CROSBY: Great.

24 MR. BEDROSIAN: Consecutively.

1 MR. PACKER: That's right. So --
2 and -- so, yeah, the building looks great.
3 Walked it. And now we're down to -- you know,
4 literally as I walked out late last night the
5 final testing was going on with strobes up on
6 the top floor. So, hopefully, we can get the
7 approvals here going into the holiday and get
8 this portion of the work at least under a
9 temporary certificate of occupancy.

10 MR. MATHIS: You know, Brian, just
11 one thing to call out here, as well as -- and
12 I didn't appreciate until we walked our team
13 through the space, because we're going to be
14 moving in after the new year, is, it's really
15 unique in our business to have administrative
16 offices with windows. We're usually down in
17 the belly of the basement. And the irony of
18 that, given how beautiful the front-of-house
19 space is for our customers.

20 So one of the upshots of the design
21 change that we all labored through a couple of
22 years ago, is when we eliminated the basement,
23 we moved a lot of our admin offices into this
24 refurbished building, and they gave us this

1 Main Street, in this case State Street
2 experience, but with windows all around. And
3 the power of daylight on a 10-, 12-hour day is
4 powerful. So very excited, and we're better
5 for it, in terms of that piece of the design.

6 MR. PACKER: And then, the garage
7 kind of made it -- in this quarter it was
8 really putting on the finishing touches of the
9 valet dropoff area, in term of stamped
10 concrete, striping the upper floors, finishing
11 out the front facade and really getting ready
12 to -- to have construction workers eventually
13 park in there, which had come in the next
14 quarter. But the garage, another area of the
15 project, we were fortunate enough to be able
16 to get off the ground early.

17 You remember, Zanetti school was
18 right in the middle of the garage. And when
19 we were able to, you know, really fast forward
20 the demo of Zanetti, get the garage going now,
21 you know, that's paying off. So if you're out
22 there today, you know, all the workers,
23 including some of our staff for the hiring
24 center are utilizing this garage.

1 Design update, you know, typical for
2 a project kind of in this window prior to
3 opening a year out, plus or minus, in this
4 quarter, you're going to start seeing the
5 delta revisions ramp up and then start to slow
6 down as we come into the new year. But
7 Delta 7 to the core and shell permit was
8 issued. Deltas 2, three and four, the podium
9 packages were issued. So there you're going
10 to start seeing, you know, casino get
11 finalized in terms of interior design first.
12 And then, you know, your lobby areas and then
13 eventually your restaurants will trail.

14 And then, similar in the hotel,
15 you're going to see fit-out packages being
16 issued in phases. Typical rooms and your
17 suites, up to, you know, your presidential
18 suites. So you see that progress happen in
19 this quarter.

20 The other important milestone was
21 the construction documents for the childcare
22 center were issued for permit, which allowed
23 us to get that project off the ground. And
24 then, we also had, as part of our obligations,

1 a 95 percent design progress set to the City,
2 so the City and their outside consultants
3 could see review the progress of our
4 construction documents and verify we're
5 meeting our obligations to the City.

6 COMMISSIONER MACDONALD: Brian, are
7 these numeric deltas, kind of, terms of art,
8 or phrases of art in the business?

9 MR. PACKER: These -- every job
10 will, kind of, come up with different
11 nomenclature. But, you know, typically,
12 you'll see deltas being used, you know, to
13 track all these changes?

14 CHAIRMAN CROSBY: Oh, deltas are --
15 refer to changes?

16 MR. PACKER: Yes.

17 CHAIRMAN CROSBY: Oh, interesting.
18 Okay.

19 MR. PACKER: So, you know, over the
20 series of a project, you know, we would have
21 started and issued a permit set.

22 CHAIRMAN CROSBY: Right.

23 MR. PACKER: Say, for the hotel
24 podium pour and shell, that first permit set

1 allowed us to pour concrete. Delta 2 might
2 have related to the steel. You know, and then
3 as facade design and other things come along,
4 you just have different deltas capturing all
5 the changes. You also, at this point in the
6 job, you'll have consultants that'll issue
7 field sketches to workers, to keep the work
8 progressing. That work still has to get
9 permitted and put in front of City. So these
10 sketches get wrapped into a delta and then put
11 in to the City. So sometimes they're known as
12 delta, sometimes they're known as addendums.
13 You know, just kind of -- but you try to set
14 the nomenclature early on in the job so
15 everybody understands what's going on. Right?

16 On schedule, consistently still
17 providing our monthly schedule updates to the
18 Commission, their staff, the City, nothing a
19 major surprise in here. I think it's
20 important to note that our -- you know, our
21 goal from a construction standpoint is TCO in
22 August, so that gives Mike and his staff ample
23 time to come in and get ready for opening. So
24 that's what we're shooting for in '18. And,

1 you know, everything is on track for that.
2 With that, I'll turn it over to Courtney.

3 MS. WENLEDER: Thank you, Brian.
4 Good morning, Commissioners.

5 CHAIRMAN CROSBY: Good morning.

6 COMMISSIONER MACDONALD: Good
7 morning.

8 COMMISSIONER CAMERON: Good morning.

9 COMMISSIONER ZUNIGA: Good morning.

10 COMMISSIONER STEBBINS: Good
11 morning.

12 MS. WENLEDER: Okay. I'm going to
13 review the project spend to date. We have
14 incurred 495.3 million in project costs, the
15 third quarter in 2017. This does not include
16 capital interest and land. Total capital cost
17 increased to 83.8 million, which is a
18 32.1 percent increase quarter over quarter.
19 This included construction cost and
20 construction management of 77.9 million, and
21 architectural and design fees of 1.5 million.
22 Preopening expenses increased 13 million,
23 which is a 24.4 percent increase over the
24 quarter. This includes 8.2 million in

1 professional consulting and legal services,
2 3.6 million in gaming assessment and community
3 payments, and 800,000 in payroll. And that
4 concludes my report. Any questions?

5 MR. PACKER: On diversity, we're
6 fortunate enough to continue to track on the
7 positive note in all categories. As it
8 relates to commitments, I believe, you know,
9 we have, you know, quick math. It's just over
10 130 companies now that have commitments on the
11 project. WBE, our commitments now are almost
12 double the project goal of 10 percent at 19.2
13 percent. MBE with the goal of 5 percent, our
14 commitments are currently at 8.4 percent. And
15 VBE 2 percent, we're currently tracking at
16 around 7.3 percent.

17 So, you know, as we're getting here,
18 I would say, in the next few months from now,
19 you know, almost all of your commitments are
20 finalized. So these are fairly positive, you
21 know, percentages for this point in time on
22 the construction side.

23 CHAIRMAN CROSBY: Great.

24 COMMISSIONER MACDONALD: Brian, on

1 this I seem to remember some cautionary note
2 earlier in the project, that the impressive
3 diversity achievements that you had ought to
4 be tempered -- ought to be tempered, because
5 typically, in a construction project like this
6 that later in the project becomes more
7 difficult to meet these kinds of goals.
8 Apparently, that hasn't been the case here. I
9 mean, you've been able to consistently
10 outperform your goals.

11 MR. PACKER: On the commitment side,
12 it is definitely a positive tracking, in terms
13 of percentages. What, you know, I would
14 caution is it is a commitment, so it still
15 needs to get spent, and the company has to
16 show up and perform. And so, you know, it's a
17 great segue to the second slide, which is
18 about payments. And, you know, if you just
19 look at the WBE category of 85 million in
20 commitments, 47 million has been paid out the
21 door.

22 So, you know, my -- our focus, now,
23 is to make sure that those contractors now can
24 fulfill those commitments, they perform the

1 work and obviously get paid for it. And it's
2 not out of the ordinary, on one of these
3 projects, to have someone that you touch base
4 with, even presidents of companies that you're
5 talking to every month, yes, we are going to
6 get that diverse spend come and tell you
7 towards the end that they didn't get it. And
8 so, that was the hesitation, and still would
9 be something that, you know, we need to track
10 all the way through to the end of the project,
11 because it -- you know, you can get, you know,
12 potentially burned, even if you are on top of
13 this every day.

14 So we try to work in, obviously,
15 some contingencies for that, in case it
16 happens. And you don't expect it to happen
17 with everybody so -- but that's the
18 difference. Is now, you know, you have the
19 commitments, they're tracking well. It's a
20 matter of execution and making sure everybody
21 follows through on their contractual
22 obligations.

23 COMMISSIONER CAMERON: Brian, has it
24 happened yet, has someone not met their

1 commitments?

2 MR. PACKER: It's happened where
3 we've had targets for certain contractors and,
4 you know, maybe -- I think on the garage was
5 one example of the precast company felt they
6 were going to use a subcontractor to provide
7 rebar and other things, and that subcontractor
8 could only meet the obligation of maybe half
9 of it, and there was not someone to slide into
10 their place, right.

11 Now, the contractor on the garage
12 picked up some other things in other places,
13 but maybe -- you know, and I forget which --
14 which bucket of diversity it was. But maybe,
15 you know, the rebar was, say, a woman-owned
16 company and maybe they picked up some extra
17 veteran, but it happens. And sometimes, it's
18 nobody's fault. It's not somebody trying to
19 get a contract and be, you know, sneaky about
20 it and promise something and then you save
21 money. It's just the reality of construction
22 sometimes. Sometimes companies, you know, go
23 in default, and so you see that a couple
24 times. But we try to prepare for, you know,

1 that scenario and, obviously, build in a few
2 extra points to help offset that.

3 The other piece of this that you're
4 into now, and you'll be into towards opening,
5 relates to change orders. And a lot of times,
6 change orders may not be able to have the
7 diversity the original basement had. So you
8 may see, you know, some of the commitments get
9 watered down from that standpoint as well. So
10 that's what you're, kind of, trying to
11 balance.

12 So on payments, these are all
13 tracking as well. As you can see, in terms of
14 at least the percentage basis, of 17.7 percent
15 on women to date over the 10-percent goal.
16 7 percent on minority over the 5 percent goal.
17 And then, 6.6 percent on veteran over the
18 2 percent goal.

19 So, you know, the process of early
20 outreach identification, getting your
21 commitments, and now finally seeing payments
22 catch up is a nice thing. And then, we
23 typically break down for you, the difference
24 between design and consulting versus

1 construction. And here in design and
2 consulting, also tracking at 16.6 percent on
3 women, 13 percent on minority, and 7 percent
4 on veteran.

5 As you can see, the majority of --
6 on these slides we give a listing of the
7 companies, their general locations, but, also,
8 we highlight in green anyone who has received
9 and confirmed a payment thus far from us on
10 the project. So at this time, with design and
11 consulting, as you can imagine, the majority
12 of the consultants have already received a
13 payment. Some of the outliers relate to
14 signage and project commissioning, which
15 obviously comes later.

16 COMMISSIONER ZUNIGA: Brian, but
17 everybody here is diverse or minority
18 contracts, right?

19 MR. PACKER: Yes. Veteran, women or
20 minority, in terms of the three buckets we're
21 tracking. And that their certifications, you
22 know, would be current for the pay period
23 we're reporting here. Some of these
24 companies, obviously, could have been

1 completed a year ago, you know, or maybe
2 worked on the mission project, but this just
3 racks up everybody for the entire project.

4 CHAIRMAN CROSBY: What's the
5 significance of the blue, as opposed to the
6 green?

7 MR. PACKER: So green, they've
8 received and confirmed in a signed affidavit
9 that they've been paid on the project, and the
10 blue company would have a commitment. But
11 they haven't -- they, at least, haven't been
12 paid to date. And in these two cases, it's
13 because they're in the middle of just starting
14 their services, or in the case of MEP
15 commissioning, as you can imagine, that's
16 happening the last two months prior to opening
17 so, you know, their payments will come much
18 later in the project.

19 And then, on construction we break
20 it down the same way. WBE at 19.5 percent,
21 MBE at 7.9, and VBE at 7.4. And then, this
22 list, obviously, is much longer with -- let's
23 see. We have total construction companies now
24 sitting at 96 different companies that are

1 contributing to construction.

2 COMMISSIONER STEBBINS: I think it's
3 interesting. You had project goals for
4 construction commitments totaling 17 percent,
5 and you have almost a third of your total
6 construction commitments going to M, W, VBES.
7 That's pretty -- that's impressive.

8 MR. PACKER: So it's -- you know,
9 here on the last, you know eight-month push or
10 so to try to just keep that in line.

11 CHAIRMAN CROSBY: I like the company
12 called -- number 66, Ms. Pipe. In case you
13 didn't know.

14 MR. PACKER: Oh, yeah, that's pretty
15 good.

16 COMMISSIONER ZUNIGA: And it's a
17 WBE, of course.

18 CHAIRMAN CROSBY: No kidding.
19 Right.

20 MR. PACKER: And we've seen, you
21 know, some interesting stories come out of
22 Shalon and Jason's outreach efforts of folks
23 coming onto the project. They get a head
24 start with us on something. You know, it

1 could be -- it doesn't have to be a huge
2 million-dollar contract out of the gate. It
3 can be something small like painting in 95
4 State. And then, they perform successfully
5 there, they get into the contracting
6 community, and then before you know it,
7 certain contractors, maybe at Wynn, are able
8 to utilize their services as well. So we're
9 seeing certain companies start to grow
10 quickly, just as a result of, you know, some
11 of those early outreach efforts, which that's
12 what, you know, this is all about.

13 CHAIRMAN CROSBY: That'd be a
14 great -- some story, example or two like that
15 would be a great PR story for you to use or
16 for us to use, or both.

17 MR. PACKER: Yeah. Over time, we've
18 been trying to document some of that so at the
19 end we can -- we can celebrate those success
20 stories.

21 CHAIRMAN CROSBY: Yeah.

22 COMMISSIONER ZUNIGA: Brian, remind
23 me, was -- there was a Portuguese-owned
24 business at some point; that's not part of any

1 of this?

2 MR. PACKER: Yeah. So there were --
3 for us, there were multiple companies. It
4 should be between two or five that, you know,
5 originally would have been categorized as MBE.
6 There was a change in, you know, some of that
7 from the groups that actually certify these
8 entities. So a good example of them, I
9 believe, was S&F Construction.

10 COMMISSIONER ZUNIGA: Okay.

11 MR. PACKER: They would have been --
12 they would have qualified around the time we
13 were doing the mission project. They also bid
14 and were awarded the podium concrete. But
15 those numbers for the podium cannot count into
16 this calculation because the ruling came prior
17 to that.

18 COMMISSIONER ZUNIGA: Okay. But you
19 were able to count some of the --

20 MR. PACKER: A very small portion
21 early on, yeah, due to the -- in that year.
22 That issue hadn't arose yet. There were a
23 few -- I think a landscape company and maybe
24 one or two other companies that fell into that

1 similar situation, where you targeted them,
2 you outreach bid to them, but then, right
3 around that period the certification changed.

4 And then, on workforce, which is
5 separate than commitments, this is where we're
6 tracking worker hours worked per group. And
7 so, the project goals have been 6.9 percent
8 for women, currently through the quarter
9 9.25 percent; minority 15.3 percent, currently
10 22.23 percent; and on veteran workers, 8
11 percent, and currently tracking at 10.16
12 percent.

13 These numbers are the ones that can
14 fluctuate the most because, as you can
15 imagine, you know, early on in the project you
16 have 200 workers a day. You know, currently
17 you might be around 800, 850 more worker hours
18 which, you know, requires a higher need for
19 folks in these categories to be on site.

20 And, you know, if there's only so
21 many folks available, the numbers can, you
22 know, vary more than on the commitment side.
23 So we try to track this each day through,
24 like, a badge reader system to identify, hey,

1 you know, today did -- did we meet our goal of
2 X amount of women on the project to be able to
3 hit these -- hit these percentages?

4 So this is what, you know, once
5 we're kind of through the commitment phase,
6 this really, you know, grabs your attention
7 every day, all the way through opening just
8 because of volume of hours you're going to put
9 out.

10 CHAIRMAN CROSBY: Footnote -- go
11 ahead.

12 COMMISSIONER ZUNIGA: Well, no, the
13 results are still very impressive because
14 you're exceeding them by some substantial
15 percentage. Have you ever seen a major dip in
16 this variability that you talk about?

17 MR. PACKER: Where you see the dips
18 would be when new contractors come on board
19 and they don't quite understand -- you know,
20 this is new for a lot of folks. There's a lot
21 of companies in the list that are working for
22 us that have never been asked to track
23 workforce in this manner before.

24 So you may see the dip initially

1 when they come on board, because either the
2 superintendents or the owners weren't clear,
3 even though you met with them a couple times
4 they still quite didn't get it. Maybe it's an
5 accounting issue, where they just aren't
6 reporting it right yet, in the first couple of
7 months, or you see it when trades switch out.
8 So when you're going from, you know, maybe, a
9 time of a lot of demolition and a lot of earth
10 work to electricians, you will see, you know,
11 changes from different unions, and different
12 backgrounds of folks that are heavier in one
13 union and not another.

14 Obviously, we try to work to
15 equalize some of that through the outreach,
16 through getting folks into apprenticeship
17 programs. But that's something, obviously, we
18 started a couple of years ago, right, and now
19 you're seeing some of the benefits of that.
20 But that's where you'll see dips or, you know,
21 fluctuation.

22 CHAIRMAN CROSBY: Footnote No. 4 is
23 interesting. Is the other 24 percent pretty
24 much Connecticut?

1 MR. PACKER: Pretty much.

2 CHAIRMAN CROSBY: Just because of
3 the location?

4 MR. PACKER: Yeah. Generally,
5 Connecticut. You have some out-of-state union
6 boomers from, potentially, Vegas, New York,
7 Rhode Island, but it'll tend to be more
8 specialty work that'll draw folks in. You
9 know, facade, our facades are partially being
10 done with some help from Vegas. And then --
11 but Albany and other places will -- will
12 migrate up here to work. But, generally, it's
13 Connecticut.

14 CHAIRMAN CROSBY: Yeah.

15 MR. PACKER: And then, we typically
16 run through just a few pictures to kind of
17 give you an idea what's happening this
18 quarter. And one of the great things we had
19 out on site, and Tishman Construction was a
20 great leader in this idea, was we held
21 Thanksgiving for all the workers on site. So
22 if you can imagine the logistics of trying to
23 feed, you know, probably almost upwards of a
24 thousand people by the time you put staff and

1 supervision in. We held it down in the garage
2 a few days before Thanksgiving. So this --
3 everybody was very appreciative of this event.
4 And it was really a great thing for everyone.

5 CHAIRMAN CROSBY: Who did -- well,
6 obviously, you catered it. Did you have one
7 caterer that --

8 MR. PACKER: So, generally, we --
9 Frigo's, who's a local vendor there in
10 Springfield, helped us out with the event.

11 Obviously, I've mentioned a few
12 times, in the garage we are now -- we have an
13 approval from the city to park construction
14 workers in the garage. And then, along
15 MGM Way we've been able to get ahead of the
16 weather and actually set the curb along
17 MGM Way and the first asphalt base coat to try
18 to control, you know, mud in the wintertime.
19 It was good to get this out of the way. So in
20 the spring, all we have to do is come back and
21 put on that top coat, final striping and MGM
22 Way would be, essentially, complete.

23 So the next slide you see some of
24 the facade progress we've made, some of the

1 brick work. In the upper right-hand corner
2 you can see the facade along MGM Way. Right
3 behind 73 State has really come together and
4 the scaffolding has actually come down. So
5 this is the area of -- right in front of this
6 would be the new current, kind of, bus dropoff
7 area along MGM Way. And then, in the lower
8 right picture, that's a view of the back of
9 the hotel that will be looking down onto the
10 pool deck areas, and then the outdoor -- an
11 outdoor terrace area by the employee dining
12 room. And with that, I'll turn it back over
13 to Mike.

14 MR. MATHIS: Thanks, Brian. I'm
15 going to have Alex report on some design
16 update. But before I do, I just want to take
17 a moment, sort of acknowledge what this man to
18 my right has done throughout this project.
19 It's confounding to me that he still refuses
20 to declare victory on these items, but we're
21 really lucky to have him. To be able to turn
22 this building over, we worry about a lot of
23 things on the operation side. We worry about
24 workforce development, strategic partners.

1 One thing we do not worry about is what the
2 quality of this building will be. So thank
3 you, Brian, we're lucky to have you.

4 CHAIRMAN CROSBY: Are you making
5 commitments for events yet; has that started
6 happening, scheduling events?

7 MR. MATHIS: You mean, postopening?

8 CHAIRMAN CROSBY: Yeah.

9 MR. MATHIS: Yeah. It's a very
10 timely question. And Alex, myself, Courtney
11 and others on the team are starting to look
12 at -- you know, you think about opening date,
13 and then you decide what that is internally,
14 in conjunction with the construction team,
15 then you talk about when you would release
16 that to the public.

17 But in between those two milestones,
18 internal and external, are conversations you
19 could be having with third parties where you
20 have some comfort level about when a group
21 might want to come in, and you can start
22 making some commitments. We're having some of
23 those conversations for groups that are
24 interested, for example, in booking space in

1 the winter. We feel comfortable we could
2 commit to that group. They can make their
3 plans.

4 So yes, we're starting to have those
5 types of conversations, and will evolve into
6 contracts and agreements when we feel
7 comfortable that the hotel will be ready, when
8 the space will be ready. So those
9 conversations are happening right now.

10 CHAIRMAN CROSBY: But so, to be
11 cautious, you wouldn't, say, book somebody for
12 September now.

13 MR. MATHIS: That's right.

14 CHAIRMAN CROSBY: Because there is a
15 chance something could go wrong.

16 MR. MATHIS: Yeah. That's exactly
17 right. But based on the work he's doing, and
18 we're pretty enclosed at this point and
19 weatherproof, we're feeling more and more
20 confident about October and November,
21 certainly.

22 CHAIRMAN CROSBY: Great.

23 MR. DIXON: If you do have a group,
24 let us know and we'll be more than happy to --

1 we're always selling so -- we're excited. But
2 it's a great day. We're excited to be able to
3 share some of the interiors. And immediately
4 following this meeting, we'll be releasing to
5 the public some of these images, which, for a
6 long time we've been able to keep under wraps
7 just as the progress of the project moved
8 along.

9 And so, today we're unveiling 250 of
10 our luxury hotel room, room product. And this
11 really embodies the city's rich history, while
12 we've traded a new resort experience that
13 looks to the future of downtown.

14 If you understand the complexities
15 of a landmark project like this, we carefully
16 selected design partners, who shared our
17 sensibilities that could help bring this to
18 fruition. Under the leadership of
19 Brian Packer, as well as Barrie Barovsky on
20 our team, along with Nicole Fournier. It's
21 amazing how this has come together. And this
22 is a -- really, a physical representation of
23 the great renaissance that's occurring in
24 downtown Springfield.

1 And so, here you can see that we
2 celebrated the region's past while sparking a
3 new sense of curiosity and wonder, to make
4 sure that we've also preserved a number of the
5 city's iconic buildings. And as you can see
6 from these images, the rooms spotlight the
7 city's literary and industrial foundations,
8 weaving the past into the present through
9 thought through details that create
10 references, such as this exposed concrete,
11 planked ceilings that have an industrial touch
12 to 'em that are juxtaposed with what we like
13 to call the sexy strips, if you look up into
14 the ceilings. These rooms also feature
15 artistic asymmetry with vinyl tiles and angled
16 area rugs, as well as light and dark walls
17 that envelope the room with an intimate
18 ambiance.

19 A couple other artistic elements
20 abound, is whimsical artwork depicts animals
21 printed on dictionary sheets, while real books
22 are displayed as works of arts from local
23 artists. But please stay tuned for future
24 announcements about more details about the

1 rooms, but we couldn't be more excited to be
2 unveiling this, and look forward to the
3 interest that it'll gain, not only in the
4 marketplace but throughout the region.

5 CHAIRMAN CROSBY: It looks great.
6 Beautiful.

7 COMMISSIONER ZUNIGA: Angled rugs,
8 huh?

9 MR. PACKER: Yes. Angled. Inlaid.
10 So from a risk perspective, they don't sit on
11 top. You're always worried about risk --
12 trips and falls, but the design team is able
13 to incorporate these asymmetrical area rugs
14 into the room, which are -- are really unique.

15 COMMISSIONER CAMERON: What about
16 the flooring, is that a manufactured -- some
17 of the new flooring, or is that a wood
18 flooring?

19 MR. DIXON: I'll let's Brian speak
20 to the actual finish there.

21 MR. PACKER: Yeah. It would be --
22 it would be a wood flooring appearance. And
23 but, obviously, yeah, a manufactured product
24 that, you know, is adhering to the concrete

1 underneath.

2 COMMISSIONER MACDONALD: Alex, the
3 room that is depicted in this image, is this
4 your -- your typical hotel room, or is this
5 the presidential suite.

6 MR. DIXON: There's nothing typical
7 about it. But this is one of our luxury
8 king's. We'll have a different suite product
9 that we'll be unveiling in the future. But
10 for a guest coming in, who would love to stay,
11 this is a typical room product that they would
12 expect. But it's amazing, if you think about
13 this, this is some of the nicest room product,
14 let's say, in our portfolio, and it's amazing
15 to be able bring that level of quality to
16 the -- to western Mass.

17 COMMISSIONER ZUNIGA: I'm intrigued.
18 I can see the industrial sheik that has --

19 MR. DIXON: Yes.

20 COMMISSIONER ZUNIGA: --
21 previously -- but what would you say is a
22 reference to the literary piece, some of the
23 lounges or the pictures?

24 MR. DIXON: So if you look into

1 the -- into the -- on the wall where you've
2 got the lighting that's, you know, shown
3 there, there's different, you know, pictures
4 that are unique in every room. And so, with
5 Emily Dickinson references throughout the
6 pillows, which you can't quite see here, all
7 the way to the Webster Dictionary being
8 founded in Springfield, in our hotel lobby
9 we've paid homage to that. And throughout our
10 hotel corridors, we've got quotes of
11 Emily Dickinson that line the carpet.

12 And so, throughout the entire hotel
13 experience, it really brings it to life, of
14 taking the unique elements of a Springfield
15 and its rich history, and weaving it into --
16 and it's just amazing.

17 You know, as you think about on the
18 right-hand of the picture, you've got a view
19 into the bathroom and the subway tiles, and
20 the details all the way down to the filament
21 and the light bulbs are just -- are quite an
22 amazing touch. And kudos to our design and
23 construction team that are bringing it to
24 life.

1 COMMISSIONER MACDONALD: How about
2 Dr. Seuss and Cat in the Hat?

3 MR. DIXON: Oh, there'll be some
4 other references as well. And I want to give
5 a shout out to the Springfield Armory. I get
6 frequent notes from James at the -- he's got a
7 national historic site there. And we're
8 working to be able to make sure that
9 throughout our property we're making sure that
10 folks have an understanding of things that are
11 happening outside of our hotel rooms and
12 outside of our complex. And so, there'll be
13 more to come, but we couldn't be more excited
14 to share this with you today.

15 CHAIRMAN CROSBY: That's really
16 cool. We had a meeting yesterday, of the
17 Gaming Policy Advisory Committee, which is a
18 statutorily-established advisory -- oversight
19 advisory group. And there are a couple of
20 real casino skeptics on the -- we put them
21 there on purpose, because we thought it was
22 important to have -- yeah, one of the leaders
23 of the anti-casino referendum was on it,
24 because we thought it was important to have

1 that 40 percent of the public represented as
2 well. But he was talking about, you know,
3 everybody's mindset is by whatever the worse
4 case example you can think of, and that he was
5 talking, as everybody does, about what's wrong
6 with Atlantic City. But understanding the
7 integrity of the effort to integrate into the
8 rest of the city, and your own rooms to be
9 promoting other venues is just really cool,
10 you know. And it's doing more than giving lip
11 ser -- you know, you could do you one thing
12 down in the lobby, one little thing, or you
13 could pass out a few little cards or
14 something. But to actually integrate other
15 venues into your facility is -- is a really,
16 really -- important and worthy.

17 MR. DIXON: Now, every one of our
18 hotel rooms will have, in partnership with the
19 Greater Springfield Convention Visitor's
20 Bureau, a book that will highlight any of
21 these things that you're talking about.

22 CHAIRMAN CROSBY: Great.

23 MR. DIXON: Throughout the property
24 there'll be physical locations where

1 pedestrian wayfinding signage will be
2 intertwined with the -- with the work that the
3 city's doing to be able to get people there.
4 You know, so it's a -- it's quite a big
5 effort, spent a lot of time, but we're very
6 fortunate to have a great team to be working
7 on many of these elements.

8 CHAIRMAN CROSBY: Who did you have
9 to sell to put Emily Dickinson in your rug? I
10 could see you could have pulled off Dr. Seuss,
11 but Emily Dickinson, how'd you sell that one?

12 MR. MATHIS: You know, I -- the
13 former lawyer's going to come out in me. I
14 think, in terms of IP rights, it's under the
15 fair use clause. Commissioner Macdonald, keep
16 me honest. So internally didn't have to sell
17 anyone. This comes from the top. This comes
18 from Jim Murren and his vision for this room
19 and this product. And I think Emily Dickinson
20 is Northampton- or Amherst-based.

21 COMMISSIONER STEBBINS: Amherst.

22 MR. MATHIS: Amherst-based. So it
23 felt right, and her quotes were spot on
24 so...you know, one of the things I think may

1 have been lost in the presentation here is,
2 what you're looking at is not a rendering.
3 You're looking at a photo of a replica room
4 that we built in a warehouse to the exact spec
5 of what we're building in the hotel, because
6 we wanted to make sure that, if we're going to
7 make a mistake, we didn't make it 250 times
8 throughout the hotel. So Jim Murren,
9 Bill Hornbuckle, myself and this team walked
10 this building three, four months ago and made
11 sure every single detail was spot on. And we
12 found some things that were wrong and fixed
13 them before we started to replicate them in
14 the hotel. So this is the product and it's
15 beautiful.

16 And one other detail -- and this
17 comes from, again, Jim Murren and our design
18 team, is, typically, when you walk into a
19 hotel room, where the art is right now would
20 be the center wall, and you would normally
21 have the king bed centered on the center wall,
22 just because of symmetry. What our chairman
23 and our design team wanted to start moving
24 towards, in terms of our hotel design, is to

1 have the bed facing the window, because that
2 is the best view in the room. And what you
3 give up in symmetry you make up for, in terms
4 of a really great experience. So that's a
5 little bit of what may look different in this
6 setup, but you'll see it more and more, at
7 least in the MGM product, is this asymmetric
8 room that really highlights the view for the
9 guest.

10 COMMISSIONER ZUNIGA: What is
11 typically the door, I guess, is exactly
12 opposite of the window, right?

13 MR. MATHIS: Yeah. So the entry
14 would be to the left of the bed, is where the
15 hallway entrance is. So sort of looking to
16 the right of the photo is the entry. And you
17 come along this wall and make your right into
18 the room.

19 COMMISSIONER ZUNIGA: Great.

20 MR. MATHIS: If I can, I'm just
21 going to make some closing comments. It's a
22 bit surreal to think about where we'll be at
23 this time next year. This will be our last
24 report out -- yearend report out talking about

1 where the project will be. We will be in the
2 project this time next year.

3 For us, 2017 was a tremendous year.
4 And it was a year of partnership. And one of
5 those I want to highlight is the work we
6 collectively did on the CORI reform. I want
7 to thank you and your support for that.

8 As you know, we were very passionate
9 about it. I personally thought the fix was
10 going to be here at the Commission. And I was
11 frustrated, as you all know, that I wasn't
12 able to convince you that the fix should have
13 been at the Commission. But what I
14 underestimated was the will of your staff, and
15 the will of this Commission to get it fixed at
16 the legislative level, which is, clearly, a
17 much better fix. So thank you all for it. I
18 get feedback from the people in Springfield
19 daily, that they respect this effort, and that
20 we were trying to make sure that we opened up
21 as much opportunities as we could for -- for
22 anyone that's interested in joining this
23 industry throughout the Commonwealth. So
24 thank you for that. It was a team effort, and

1 very proud to be part of it.

2 Want to thank you and your staff.
3 We've never, in our business, had a more
4 collaborative, regulatory body. And I mean
5 that at all levels. We have some healthy
6 tension. And my sense is John and Joe can be
7 a little bit stingy on some of their
8 interpretations of our checklist items, but we
9 have that debate from time to time and we get
10 through it. So it's been a really great
11 relationship.

12 And, lastly, when I talk about our
13 team, one of our goals internally was to have
14 our executive team in place by the end of
15 2017. That's all department heads. About,
16 probably, 14 or so. We will be making
17 announcements in 2000 -- early 2018. We will
18 introduce the rest of our colleagues to you.
19 But when you see our team it's -- one of the
20 things I was first tasked with was, make sure
21 you build a strong team. And if that's -- if
22 that was my goal, then, I think I've exceeded
23 it, because it's a tremendous team. Diverse.
24 Diverse in experience, diverse ethnically,

1 diverse, in terms of external. We're
2 introducing new people from outside of our
3 company to get different perspectives. And
4 it's really exciting and it speaks to the
5 quality of the project we're bringing. So
6 very excited to introduce you to them. In
7 2018, that will be one of our January,
8 February announcements, is to bring our whole
9 group to you and have you meet them all.

10 And then, I think my last comment is
11 just -- and it sort of goes to the case study
12 comment that you made, Chairman, is I was in
13 the construction site two weeks ago and one of
14 our manlifts, which, we got to work on that
15 term because the story's about a young woman
16 who was operating it, a young woman was
17 operating our manlift, and as we talked about
18 what she was doing for the holidays she said,
19 I'm going to be making an offer on my first
20 home. So when you think about the city of
21 firsts, I want to catalog all the firsts that
22 this project has provided for people. First
23 homes, first cars, potentially, first funding
24 of 529, you know, funds for their kids.

1 So, you know, we are changing lives,
2 and I think it's important that we document
3 it. But that, for me, is what motivates the
4 team and -- to deliver a great product, but
5 also to reinvest in the community. So thank
6 you for a wonderful 2017, and looking forward
7 to a great 2018.

8 COMMISSIONER STEBBINS: Great.

9 COMMISSIONER ZUNIGA: Thank you.

10 CHAIRMAN CROSBY: Mike, as
11 regulators we have to be careful about, you
12 know, passing out kudos and patting people on
13 the back, and there will be times when, you
14 know, we get -- we have to deal with difficult
15 issues. But I just want to say, personally,
16 that, you know, enough experience has gone by
17 to be very skeptical of corporations that talk
18 about doing good things.

19 Corporation's job is to make money,
20 and most of them pretty much hold that as the
21 sole objective in life. And I just have been
22 impressed that your company has made
23 commitments to things. Preservation is one,
24 sharing with the community is a second,

1 diversity is a third, that are the kinds of
2 things that people pay lip service to all the
3 time. You just get used to people paying lip
4 service to them and not really caring. But I
5 get the impression that you folks really do
6 care and really -- really pay attention to
7 these issues.

8 And I -- just gives me great
9 pleasure, you know, to feel like we've brought
10 a company -- I hope I'm right. I hope you
11 stick with it. I hope that 950 million has a
12 big return on investment. But I take pride in
13 having brought you folks to our state. I
14 really think we've done a good job in bringing
15 a real high quality company. And that's --
16 that's more than I would have even hoped for.

17 I was hoping for integrity and
18 revenue and economic development. But the
19 kind of value system that you seem to
20 incorporate into your company's work is really
21 above and beyond the call and we really
22 appreciate it.

23 MR. MATHIS: Thank you.

24 COMMISSIONER ZUNIGA: Well said.

1 COMMISSIONER STEBBINS: Well said.

2 COMMISSIONER ZUNIGA: Thank you.

3 COMMISSIONER MACDONALD: And you can
4 incorporate that into your next annual report.

5 CHAIRMAN CROSBY: It's on tape for
6 perpetuity.

7 MR. MATHIS: Happy holidays,
8 everybody.

9 CHAIRMAN CROSBY: Thank you. You
10 too.

11 COMMISSIONER CAMERON: Thank you.

12 COMMISSIONER STEBBINS: Thank you,
13 Jim.

14 COMMISSIONER ZUNIGA: Take a quick
15 break?

16 CHAIRMAN CROSBY: Yeah. We'll take
17 a quick break and then come back to the
18 administrative report.

19
20 (A recess was taken)

21
22 CHAIRMAN CROSBY: Okay. We are
23 reconvening for Ombudsman Ziemba.

24 MR. ZIEMBA: Thank you,

1 Mr. Chairman. Next up on the agenda is the
2 Focus Springfield Mitigation Fund request. As
3 the Commission recalls, we received an
4 application for the Community Mitigation Fund
5 earlier this year from the City of Springfield
6 relative to the Focus Springfield project.

7 Earlier this year, we placed that
8 grant request on hold after we were notified
9 that Focus Springfield and MGM Springfield
10 were engaged in some lease extension
11 discussions. As of recent, we had just been
12 notified that they have concluded those
13 discussions and they have, indeed, extended
14 that lease.

15 So we need -- we're asking for some
16 guidance from the Commission on what we should
17 do with this pending application, given that
18 news of the extension. I just wanted to give
19 some -- some brief comments regarding the
20 timing of that lease extension.

21 So as you see from the memo that
22 I've provided, the lease is extended until
23 September 30th of 2019. By November 30th of
24 2018, on that date the parties can terminate

1 the lease with a 90-day notice period. So if,
2 indeed either one of the parties decided to
3 terminate the lease, that 90-day notice period
4 would carry them out to March 2nd of 2019.

5 The reason why I go through all of
6 these dates is because the mitigation fund
7 guidelines, they are meant for the fiscal
8 year. They are not very specific about that
9 it has to be -- a mitigation has to occur in
10 that fiscal year. Indeed, our contract
11 requirements require projects to be completed
12 within a four-year period, but it is fairly
13 clear from our guidelines that what we do is
14 we are -- we try to do our mitigation of what
15 is necessary during that fiscal year. If you
16 have projects that need to carry forth beyond
17 that year, that's certainly okay under the
18 contract. But when we're doing these reviews,
19 we take a look at mitigation that's necessary
20 for this fiscal year.

21 It's quite clear that the lease will
22 not terminate in this fiscal year. But I just
23 did just want to note for you that we have had
24 communications from both the City of

1 Springfield and from Focus, where they have
2 maintained that, even though the lease does
3 carry forward to this September 30, 2019 date,
4 there is a potential that the impacts could be
5 felt before that time, specifically, with that
6 notice period, the earliest of March 2nd of
7 2019 there could, potentially, be a need for
8 Focus Springfield to move out of that
9 facility.

10 And the City of Springfield and its
11 communication with us, as is indicated in the
12 memo, they state that there could be at least
13 six to nine months required for Focus to build
14 their facility and get ready for their
15 relocation.

16 In correspondence that we have from
17 Focus Springfield, Focus Springfield extend
18 that a little bit further. They say that that
19 period should actually be more like 11 months,
20 because you would need some time for the
21 beginning of the one month of operations
22 period to get up and running after you
23 begin -- after you conclude your construction.

24 So with all that said, if you take a

1 look at 11 months, the 11 months before the
2 earliest termination date, that
3 March 2nd of 2019 would, roughly, be April of
4 this year. We have another application round,
5 as we all know, on February 1st, upcoming.
6 And so, the question before the Commission is,
7 what should we do about the current
8 application?

9 Again, it's quite clear that, you
10 know, no construction -- I shouldn't say no
11 construction could begin, potentially could
12 begin, if the Commission make some sort of an
13 award this year, but the actual impacts -- the
14 actual termination of the lease is not until
15 next year.

16 COMMISSIONER ZUNIGA: John, what did
17 we approve the -- this grant for, construction
18 and fit-out, or lease assistance?

19 MR. ZIEMBA: It's for the
20 construction and relocation costs.

21 COMMISSIONER ZUNIGA: Construction
22 and relocation costs. And so the question --
23 the variability now becomes, even though
24 there's an extension, those construction

1 monies still might be needed still, within
2 this fiscal year?

3 MR. ZIEMBA: Possibly, at the very
4 last quarter of this fiscal year, if you -- at
5 the earliest -- that move out date of,
6 potentially, March 2nd of 2019, the earliest
7 they could be necessary would be April of this
8 year, given that 11-month time period
9 indicated by Focus Springfield.

10 COMMISSIONER ZUNIGA: What was it in
11 vision -- when we first approved it --

12 MR. ZIEMBA: We didn't approve it.
13 So we just placed this application on hold
14 because, at the time, they were applying for
15 an eviction date. MGM Springfield had noticed
16 their eviction, and we said, at the time, hey,
17 they're engaged in discussions regarding the
18 extension of that lease, we should hold off on
19 that. And, indeed, they have now concluded
20 that extension.

21 COMMISSIONER ZUNIGA: Okay. So
22 we've never technically approved this grant?

23 MR. ZIEMBA: No, we haven't. Indeed
24 there's -- we have not engaged in the full

1 review that the review team normally conducts.
2 We go soup to nuts on every little criteria.
3 We've never presented that to the Commission
4 in deep. We've never actually done that at
5 the review table.

6 COMMISSIONER MACDONALD: And on that
7 score, that there is an element here to this
8 application that would merit some significant
9 attention. And that is that the -- that Focus
10 Springfield, although it provides a public
11 service to the Springfield metropolitan area,
12 is a private -- is a private entity. And
13 then, that implicates all the issues that we
14 work through with Caring Health.

15 MR. ZIEMBA: That's right. Now, in
16 fairness to the City of Springfield and to
17 Focus Springfield, if indeed the Commission
18 determined, okay, we understand that, you
19 know, there are situations in the future that
20 may impact Focus Springfield, let's let them
21 file a new application as of February 1st for
22 the new round.

23 I just will mention that there are a
24 couple of provisions included in our

1 guidelines for next year that -- that would
2 make it a little bit more difficult for them
3 to apply. And, specifically, we specify in
4 the guidelines that for private -- for
5 applications involving private entities, that
6 we require a dollar-for-dollar match from
7 either the host community, the licensee, or a
8 combination of both of them. In the current
9 guidelines, the 2017 guidelines, it doesn't
10 specifically say a dollar-for-dollar match.
11 It says a significant match, rather than
12 dollar-for-dollar match.

13 And then, the other thing I would
14 mention is that, going into the next round we
15 have a \$500,000 limit for specific impact
16 grants. That's over and above the
17 \$400,000 limit that we have under the current
18 year, under 2017. But what we specify for
19 next year is that 500,000 should be -- should
20 be viewed as a limit. You could not submit
21 one 400,000 application and another 400,000
22 application, and another \$400,000 application.
23 We have a waiver provision so if a community
24 has an impact beyond that 500,000, they can

1 apply for a waiver to ask for a grant beyond
2 that. But we're trying to send the message
3 that we're trying to remain within constraints
4 of the fund.

5 COMMISSIONER ZUNIGA: I'm curious if
6 you know this. So by now, Focus has had
7 plenty of notice that this is upcoming. Now,
8 it's been extended, but they must have been --
9 they must have done some kind of due diligence
10 as to what options are out there for them?

11 MR. ZIEMBA: Yep. And they -- just
12 recently, they updated me regarding some of
13 their options. They're still pursuing at
14 least one or more options. Probably, more
15 options. So they've been looking at locations
16 to move to. And it's a matter of what do they
17 do regarding the financing, because, you know,
18 there's a significant differential between
19 what they have with the lease termination
20 costs and what they expect for the total
21 relocation costs, which is \$800,000 or more.

22 COMMISSIONER ZUNIGA: But if they do
23 -- if they have that, at least, you know,
24 cursory understanding, they must also have an

1 understanding of the timing of how much it's
2 going to take them, how long it's going to
3 take them.

4 MR. ZIEMBA: Yeah. So they've
5 indicated to me that it could take 11 months.

6 COMMISSIONER ZUNIGA: So that's the
7 11 months that you mentioned?

8 MR. ZIEMBA: Yes, yes.

9 COMMISSIONER CAMERON: I think you
10 stated, pretty well in the last paragraph on
11 the first page of your memo, that they really
12 aren't eligible because the impacts will not
13 occur in 2018. You outlined that they are
14 eligible to reapply. To me, that seems like
15 the best course of action here.

16 COMMISSIONER STEBBINS: Yeah. I
17 would -- first of all, I have to make a note
18 that, due to my long-term residency in
19 Springfield, I both know the executive
20 director of Focus Springfield, I know the
21 executive producers of Focus Springfield.
22 They've been neighbors, they've been family
23 friends. Yet, I don't see that as anything
24 that would put me in conflict in talking about

1 this issue, or making a decision on.

2 Just to echo what Commissioner
3 Cameron just said, it seems their time
4 opportunity for what they submitted for the
5 February 2017 application date has passed so
6 they do -- I think they do need to submit a
7 new application.

8 Is your thinking that they submit an
9 application in this round and we hold it until
10 a clearer picture takes place as to when they
11 might have to move, or when they find a new
12 location, or when they come up with costs for
13 the relocation, understanding that, kind of,
14 the dynamics of funding will have changed for
15 this upcoming --

16 MR. ZIEMBA: Yeah. I mean, we'll
17 have to take a look at what their application
18 says. One issue -- another further issue that
19 was identified by the City of Springfield is
20 that, when they apply for a grant, our usual
21 standard is that there has to be an impact
22 that has occurred or is occurring by the
23 application date.

24 In comparison to 2017, they had an

1 eviction notice so it was fairly clear that
2 there was an impact that's occurring. Here,
3 you know, potentially in their application
4 they could state, hey, we do note that there's
5 a termination of a lease at the latest of
6 September 30, 2019, at the earliest,
7 March 2, 2018, and they would have to convince
8 the Commission that that is an impact that is
9 occurring. But that's a longer answer to what
10 you're saying. I think we really need to look
11 at what their application states.

12 And we -- you know, we have
13 flexibility in how we make awards and put
14 conditions. There could be some sort of an
15 if-then -- an if-then condition, potentially.
16 If we find out that you do need to relocate,
17 then, potentially, there could be assistance.
18 We could try to figure that out, if, indeed
19 the Commission determines them eligible, after
20 overcoming any, sort of, obstacles, such as
21 the constitutional provision about providing
22 aid to private parties.

23 COMMISSIONER STEBBINS: And that
24 leads me to my next question. Are they really

1 considered a private entity? I mean, as I
2 read it, I think the mayor appoints, you know,
3 the executive director. I'm assuming that the
4 money is either funneled through, you know,
5 the community's contract with the local cable
6 provider, or there's assistance that is
7 provided to the City. So do they really fit a
8 narrow definition of private entity, or is it
9 some type of quasi-governmental entity?

10 COMMISSIONER ZUNIGA: We could
11 certainly take a look at that. But I don't
12 believe even Springfield has argued that
13 they're a governmental entity.

14 COMMISSIONER STEBBINS: Okay.

15 MR. ZIEMBA: I think they've tried
16 to argue that they've put forward a very
17 viable public purpose. But, you know, that
18 would take some very careful consideration of
19 whether or not we would be prohibited from
20 providing assistance to a private entity. And
21 when we say private, we mean, both nonprofit
22 and for-profit under the Constitution.

23 COMMISSIONER ZUNIGA: I would also
24 be in favor -- I'm sorry. I would also be

1 inclined to roll this over to the next year.
2 They're more than welcome to apply, and we can
3 take a look at it then with even more details.

4 The one thing that I am sensitive to
5 is this change of the guidelines that you
6 speak to, that if there was an understanding
7 or expectation that there would be some match,
8 which did not mean dollar-for-dollar or there
9 was a cap or whatever, while there's still
10 guidelines we will look -- we could look at
11 all of those factors, you know, at that time,
12 as in what may have been an option for them a
13 year before and what is the reality on the
14 ground when we -- when we come to analyze
15 that -- that request so...

16 CHAIRMAN CROSBY: And we haven't
17 even adopted the guidelines yet.

18 COMMISSIONER ZUNIGA: We haven't
19 even -- yeah. Well, but we have every
20 intention and I -- frankly, I don't think
21 that's that big of a difference. But if a
22 few dollars mean a big difference to people,
23 we should be sensitive to that.

24 MR. ZIEMBA: Yeah. Indeed -- I

1 mean, the significance of a match was an issue
2 for consideration under their current
3 application.

4 COMMISSIONER ZUNIGA: Right. Well,
5 I, for one, took a significance to be 50/50
6 would be -- but reasonable people can disagree
7 on what that means. My point is,
8 fundamentally, that we could always take all
9 of that into account, when we make a future
10 decision. Nobody suggests that we put
11 blinders on and say, no, the guideline here
12 has changed and now -- but, you know, it's a
13 very different set of circumstances.

14 CHAIRMAN CROSBY: It seems to me
15 that -- I mean, we wrote the reg, we can
16 change the reg, if we wanted to. You know, so
17 I don't think the issue is so much technically
18 under the reg. It's what is the best thing to
19 do here. And if we think the best thing to do
20 is precluded by the reg, we could consider
21 changing the reg, if we wanted to.

22 But I think we could probably make
23 the case, as you sort of were, that notice of
24 the end of the lease, forcing them to start

1 planning and figuring out what to do would be
2 encompassed in this. I mean, it's -- they're
3 having -- the damage is done. They have to
4 plan. Somebody's spending time and money
5 going out trying to figure out alternatives,
6 putting together financing packages and so
7 forth, so we could -- I personally think, if
8 we wanted to, we could probably pull it in
9 under the language as it exists.

10 So to me, John, the question is
11 whether you think it's significantly
12 prejudicial to their opportunity to get a good
13 hearing and to plan for their future. They
14 probably need to know whether they're going to
15 get this money or not, because their range of
16 options are going to change dramatically, if
17 they do or don't get it.

18 So I would think, if I were in your
19 shoes, I would be saying, setting aside the
20 reg for a moment, I would kind of, like to be
21 able to give these people a chance to apply
22 because they need to know. So I would like to
23 know what you think is kind of the right thing
24 to do here, given what you know we are trying

1 to accomplish and helping people mitigate
2 problems.

3 MR. ZIEMBA: I mean, what we're
4 talking about today is time, right. And it's
5 December. The new funding round is
6 February 1st. There's, basically, a one-month
7 period between the current application and
8 February 1st. So I wanted to be very fair in
9 the fact that there are some new things in the
10 guidelines that might impact them. But we're
11 really talking about a one-month period
12 between today and February 1st.

13 And, certainly, everybody might
14 enjoy an opportunity to improve an
15 application. I'm not saying Focus Springfield
16 or the City of Springfield have said we favor
17 you looking at the new application versus the
18 current one, but there's been a lot of
19 discussion today about some of the potential
20 difficulties on their application that I think
21 that they could take to heart, when they're
22 submitting a new application.

23 CHAIRMAN CROSBY: So I take it, they
24 aren't going to be crushed, particularly;

1 they're not trying like the dickens to get --
2 persuade you to take it under this one.

3 MR. ZIEMBA: No. They would like
4 to. Certainly, they would like us to just --

5 CHAIRMAN CROSBY: Get it resolved.

6 MR. ZIEMBA: -- grant them the
7 money. You know, I'm not certain that they --
8 if we granted them at 2018 money instead of
9 2017 money, I don't think they would care. I
10 think the real care is they want to make sure
11 that they have the ability to get the money.

12 CHAIRMAN CROSBY: Yeah.

13 COMMISSIONER MACDONALD: But this
14 is, essentially, a housekeeping matter at this
15 -- at this point in time, isn't it? I mean,
16 we're here in December of '17, they applied in
17 February of '17. We have not taken action on
18 it.

19 COMMISSIONER ZUNIGA: Correct.

20 COMMISSIONER MACDONALD: And as you
21 say, two months the new applications are going
22 to be due.

23 MR. ZIEMBA: Yeah.

24 COMMISSIONER MACDONALD: And what

1 you're asking is, I gather, is, sort of, an up
2 and down on the '17 application at this point
3 in time. And...

4 CHAIRMAN CROSBY: Well, I would -- I
5 wouldn't want --

6 COMMISSIONER MACDONALD: I wouldn't
7 want to prejudice them. Just speaking
8 personally, is that, I don't think they're
9 prejudiced at all by our saying your 2017
10 application is denied, with the expectation
11 that, in 2018, that they'll be applying again.

12 MR. ZIEMBA: I had thought that they
13 would likely have withdrawn their application,
14 given the news. But that is not how they
15 proceeded. You know, again, they just -- they
16 need the money, according to their
17 application.

18 CHAIRMAN CROSBY: I would sort of go
19 not so much on the technicality of the
20 language but on what I'm hearing you saying.
21 Which is, it sounds like what you're saying is
22 that, in your judgment it's not that big a
23 deal, why don't we postpone it? So I would go
24 along with that judgment for that reason.

1 COMMISSIONER MACDONALD: Postpone it
2 by denying the '17 application and --

3 COMMISSIONER CAMERON: Reapply.

4 COMMISSIONER MACDONALD: And
5 reapply with the expectation they would
6 reapply in February of '18?

7 COMMISSIONER ZUNIGA: Yep.

8 CHAIRMAN CROSBY: Right, right.

9 COMMISSIONER MACDONALD: Is that
10 right? That was a question to you. Because
11 you say postpone --

12 CHAIRMAN CROSBY: Well, I'm just --
13 I guess we could -- yes -- yeah, postpone.
14 Sorry. Yes. I guess all we can do is -- is
15 deal technically. So we're going to say this
16 doesn't qualify because of this language,
17 right, that's the tool you've got to say no?
18 And I'm saying, I don't really think --
19 technically, I don't agree with that, that it
20 disqualified under the language. But I'm,
21 kind of, going along with that because you
22 think, substantively, that's not problematic
23 for them so...

24 MR. ZIEMBA: I mean, these are

1 guidelines, right. But we're trying to
2 achieve some semblance of order in the
3 administration of this program, to ensure
4 fairness among all applicants. And given
5 that, you can lean towards saying that you
6 should -- say that we wouldn't review,
7 further, their application for this year.
8 Again, we're trying to mitigate -- mitigate
9 impacts so that's why we put it to you for
10 guidance.

11 CHAIRMAN CROSBY: Well, I'm torn.
12 It seems like everybody else is --

13 COMMISSIONER MACDONALD: I'll make a
14 motion just to -- to incorporate, you know,
15 John's formulation there, that we -- that we
16 take no further action on the application of
17 Focus Springfield for the 2017 period.

18 COMMISSIONER ZUNIGA: I second that.

19 CHAIRMAN CROSBY: And you've already
20 stated with no prejudice --

21 COMMISSIONER MACDONALD: Absolutely.

22 CHAIRMAN CROSBY: -- as to the
23 substance of the application. Right. Any
24 further discussion? All in favor? Aye.

1 COMMISSIONER MACDONALD: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 COMMISSIONER CAMERON: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 CHAIRMAN CROSBY: Opposed? The ayes
6 have it unanimously.

7 MR. ZIEMBA: Thank you.

8 Commissioners, the next item in your packet is
9 a request from the City of Revere to use their
10 reserves. As you're aware, a couple of years
11 ago, in 2016, we established reserves for a
12 number of different communities, including
13 Revere. That \$100,000 reserve was available
14 for communities to either address a specific
15 impact or to use for planning.

16 The city of Revere has chosen to use
17 \$50,000 of its reserve for planning purposes,
18 to take a look at economic opportunities at
19 the Wonderland site, and also at the Suffolk
20 Downs site. And the purpose is to see how
21 Revere can benefit and make linkages to the
22 potential, to the development of the Wynn
23 facility, and the potential for further
24 economic development that would spring from --

1 from all of these projects working together.

2 The one thing I will mention is
3 that, when we did the -- we did grant a joint
4 grant for the city of Revere and Saugus
5 earlier this year, \$150,000 transportation
6 planning grant. One of the conditions of that
7 joint grant was that the communities identify
8 how they would allocate \$100,000 of that 150
9 from their reserves for the transportation
10 planning grant.

11 We have now received communication
12 for both Revere and Saugus that they would
13 like to split that 100,000 50/50. So Saugus
14 would dedicate 50,000 of its reserve for the
15 transportation planning grant. Revere would
16 include 50,000 from its reserve for that
17 transportation planning grant. That would
18 leave this 50,000 for the economic development
19 purposes.

20 And what we think, is that the grant
21 is in keeping with the guidelines for the use
22 of the reserve, and their allocation of that
23 split is in keeping with the grant -- the
24 transportation planning grant condition, that

1 they allocate that \$100,000 of their reserve,
2 just like any community would need to do with
3 a transportation planning grant.

4 So in that regard, we recommend that
5 the Commission approve Revere's request for
6 \$50,000 for this purpose.

7 COMMISSIONER MACDONALD: So moved.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER CAMERON: Second.

10 CHAIRMAN CROSBY: Discussion?

11 COMMISSIONER ZUNIGA: Yeah, I just
12 had one question. So the economic development
13 planning, or the 50,000 that they're
14 requesting --

15 MR. ZIEMBA: Yes.

16 COMMISSIONER ZUNIGA: -- would go to
17 the City of Revere.

18 MR. ZIEMBA: Yes.

19 COMMISSIONER ZUNIGA: But was it
20 specifically, did you mention, for the
21 Suffolk Downs site, or around it?

22 MR. ZIEMBA: They mentioned those
23 opportunities, but it is for the community
24 itself. But those are the two main areas that

1 they're -- are the focus of the study, those
2 opportunities.

3 COMMISSIONER ZUNIGA: Because that
4 site is very desirable, by all kinds of
5 measures already reported.

6 MR. ZIEMBA: Correct. Yeah, I don't
7 know if it's a known that some of those
8 widely-reported facilities may move into that
9 site. But even -- even if Amazon did move to
10 that site, I believe that it would be
11 beneficial for Revere to try to determine the
12 linkages between the facility and that site.

13 COMMISSIONER STEBBINS: It also
14 talks about doing work on the former
15 Wonderland site.

16 COMMISSIONER ZUNIGA: On the
17 Wonderland. Yeah, that one -- that one --

18 MR. ZIEMBA: Yep.

19 COMMISSIONER STEBBINS: Do we need
20 to -- at some point, will we have to approve
21 Saugus' piece of this?

22 MR. ZIEMBA: Yeah. So Saugus, they
23 have just submitted their remainder of
24 their -- of their existing reserve. And

1 that's scheduled for, likely, the first
2 meeting in January. We just received it a
3 couple days ago so we need more time to take a
4 look at it.

5 COMMISSIONER ZUNIGA: But this
6 approval is for the Revere-only portion, not
7 the one that's joined?

8 MR. ZIEMBA: This is the Revere-only
9 portion. But I included the Saugus letter to
10 demonstrate that they fulfilled that condition
11 under the grant.

12 CHAIRMAN CROSBY: Did we have a
13 second?

14 COMMISSIONER CAMERON: Yes.

15 CHAIRMAN CROSBY: Is there anymore
16 questions or discussion? All in favor? Aye.

17 COMMISSIONER MACDONALD: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 CHAIRMAN CROSBY: Opposed? The ayes
22 have it unanimously.

23 MR. ZIEMBA: Next up before you is
24 a -- the use of a similar reserve for the

1 City of Melrose. They have asked to utilize
2 26,904 for transportation studies relative to
3 a section in Melrose and the connections to
4 the casino. I'm going to let -- because I've
5 been speaking, I'm going to let Joe give a
6 little more update on what that specific
7 purpose is.

8 MR. DELANEY: Okay. The essential
9 notion of this study is to identify ways to
10 access the Oak Grove T station, which is on
11 the Orange line, without the use of
12 automobiles. Bike, ped, public transit
13 improvements.

14 Oak Grove station is the northern
15 terminus of the Orange line. And this study
16 looks at an area that goes up about a mile
17 north of there, which, over the last decade or
18 so, has had some large-scale, multifamily
19 residential developments going on there and
20 that kind of thing.

21 Oak Grove has some problems, the
22 Oak Grove station, with parking. It has a
23 very small parking lot, fills up very early in
24 the morning. And so, the idea here is saying,

1 hey, if we can find better ways to get
2 pedestrians, bicyclists, public transit to
3 Oak Grove station. Otherwise, people would
4 have to drive down to Malden or Wellington to
5 get on the shuttle buses to go to the casino.
6 This would just help ameliorate some of
7 that -- the pressure that will be put on those
8 other stations. And we think it's a good
9 idea.

10 COMMISSIONER STEBBINS: Well, I
11 think, as you know, that some of this area
12 that they're talking about was contained in
13 Wynn's S -- SFEIR, so I mean it's --

14 MR. DELANEY: Yeah. I mean, they
15 looked at these areas. I mean, they didn't
16 identify particular mitigation measures at
17 that time. But, you know, the whole idea of
18 anything to get people into public -- off the
19 roads and into public transit is -- is a good
20 idea.

21 COMMISSIONER ZUNIGA: John, remind
22 me, were they part of original surrounding
23 communities and neighboring communities?

24 MR. ZIEMBA: They were a nearby

1 agreement.

2 COMMISSIONER ZUNIGA: Nearby
3 agreement?

4 MR. ZIEMBA: Yeah.

5 COMMISSIONER ZUNIGA: Okay. So we
6 had already voted for that reserve.

7 MR. ZIEMBA: For that reserve.
8 That's correct.

9 COMMISSIONER ZUNIGA: I think it
10 makes sense, then.

11 CHAIRMAN CROSBY: Anymore? Do we
12 have a motion?

13 COMMISSIONER STEBBINS: Mr. Chair, I
14 move that the Commission approve the City of
15 Melrose's request to use \$26,904 of its
16 reserve for the purposes outlined in its
17 application, as included in the packet.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER MACDONALD: Second.

20 CHAIRMAN CROSBY: Further
21 discussion? All in favor? Aye.

22 COMMISSIONER MACDONALD: Aye.

23 COMMISSIONER STEBBINS: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

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

4 MR. ZIEMBA: Great. Thank you.
5 Commissioners, next on the agenda is the 2018
6 Community Mitigation Fund guidelines. Since
7 we last met, Commission staff and individual
8 Commissioners have had robust meetings with
9 the subcommittee on community mitigation and
10 the Gaming Policy Advisory Committee.

11 The goal for today, is to finalize
12 the guidelines for the 2018 program with that
13 February 1, 2018 application date. We
14 discussed, sort of, at length, a number of the
15 provisions. At the last meeting, on
16 December 7th, we had originally anticipated
17 that we were going to finalize the guidelines
18 on December 7th, but we did continue on with
19 the review of those provisions, given the GPAC
20 meeting and the subcommittee meeting.

21 So I won't go into detail regarding
22 all the provisions, since we've already done
23 that. But I would just -- I wanted to note
24 one change for the Commission in the

1 guidelines, one substantive change. We
2 continue to make, you know, scrivener changes
3 and the like, but we did include one
4 substantive matter. And Mary's going to help
5 me find it. But it's at the --

6 COMMISSIONER STEBBINS: Page eight.

7 MR. ZIEMBA: -- top of page seven,
8 right above the blue limitations. So there's
9 a sentence in there that says, no community is
10 eligible for more than one regional planning
11 incentive award. And so, that sentence was
12 added since our last meeting.

13 And so, as you recall, what we --
14 what we said is that we would offer up a
15 regional incentive to encourage regional
16 projects, and to also promote bigger projects
17 where they could provide funds to a bigger
18 purpose. But what this sentence is meant to
19 specify, is that there could not -- we are not
20 asking for an odd infinite item number of
21 combinations, such as community X joins with
22 community Y, and the community X joins with Y
23 and Z. And then, community X, V, W, X and Z,
24 so that we have tremendous number of

1 combinations for these dollars. And so, we've
2 added that new sentence.

3 In terms of scrivener changes, one
4 thing that we did not do for this draft but we
5 will need to do as we finalize the guidelines,
6 is that we need to include this sentence,
7 also, in the nontransportation planning grant.
8 The way that it's written here, one may say --
9 one may think that you can only apply for one
10 joint project. We're not saying that. What
11 we're saying is that you can only apply for
12 one joint transportation project. If a bunch
13 of communities have a economic development
14 project, they can join up for one of those.
15 It's not a total of one. So we would specify
16 that in the -- in the final guidelines.

17 So, again, I'm not going to go into
18 the -- all the details of the guidelines. I
19 think we've done that. We'll just highlight a
20 couple of areas that were subject to a lot of
21 the discussions over the last couple of weeks.

22 We had specified at the last
23 meeting, that \$6 million would be a reasonable
24 amount for this fund going into next year,

1 given where we stand with available monies and
2 new monies that would be coming into the fund,
3 once MGM Springfield is operational. I don't
4 believe we received any negative comments
5 about the overall level of that \$6 million.
6 It seemed affordable within the overall
7 context.

8 We made recommendations regarding
9 increases to a number of different areas,
10 including transportation planning grants and
11 workforce spending, that 300,000 compared to
12 the 2,000 per region last year. We continue
13 to receive a lot of support for our workforce
14 planning. Indeed, I think, given their
15 druthers, a lot of folks would recommend us
16 spending even more for workforce development.
17 That's, you know, one of the comments that we
18 received.

19 At the December 7th meeting, the
20 Commission discussed the police training costs
21 that should be included in these guidelines.
22 There was significant discussion about those
23 police training costs. There was some
24 concerns about the potential expense of those

1 training costs. I don't think anybody
2 questioned the need for the state police at
3 those facilities, in all of our discussions.
4 But there was questions regarding the expense
5 and the potential recurring nature.

6 And then, we also had further
7 conversations regarding the potential of
8 splitting up the fund in future years. And I
9 think there's -- continued to be widespread
10 support for splitting up the fund between
11 regions in future years.

12 And with that, I welcome any
13 discussion. I know that individual
14 commissioners were at those meetings and, you
15 know, they can share their flavor of those
16 meetings, as well.

17 CHAIRMAN CROSBY: Anybody?

18 COMMISSIONER ZUNIGA: I could speak
19 to the GPAC meeting that was just yesterday
20 that I attended, which John referenced. And I
21 think there was -- the biggest concern, if I
22 can characterize it that way, in my view was
23 the -- if the police costs turn into a
24 recurring expense, they understand that the

1 statute is -- is not very clear, when it comes
2 to the upfront training costs. But it's very
3 clear that, on the operational costs, that all
4 those costs are borne by the licensees.

5 There was also the question from the
6 group, as to whether funding these -- an
7 opportunity cost type of question. If funding
8 this kind of thing would preclude or result,
9 effectively, in worthy applications being
10 denied or passed over, I suppose. And that's
11 an answer that we couldn't provide, of course,
12 because we have not seen all those
13 applications.

14 I can tell you my view on -- you
15 know some of them through some of the votes
16 towards prior grants. And I think there's
17 not, in my view, a huge need in the current
18 status. We may find out that there's
19 different needs in February relative to
20 construction impacts. And there's, at least,
21 some money coming into this fund for the
22 operational impacts.

23 And we've taken, in my view, really
24 important steps towards the workforce

1 development, which was also recognized by
2 members of the GPAC and -- you know, and also
3 spoken for as a need to continue. But those
4 were the tenor of the comments. So long as
5 this is not recurring, Senator Lesser was
6 supportive. He was the last one to speak on
7 this subject.

8 CHAIRMAN CROSBY: Inclined to
9 support one time.

10 COMMISSIONER ZUNIGA: Yeah, support
11 one time. Exactly. And that was a qualifier,
12 so long as it's not a recurring thing.

13 CHAIRMAN CROSBY: That was the clear
14 consensus, was that the if -- that the
15 understand was this was very likely to be a
16 one-time deal. And that, on that basis they
17 were, I think, generally, supportive, but they
18 were very explicit about that.

19 COMMISSIONER ZUNIGA: Right.

20 COMMISSIONER CAMERON: And I really
21 don't see it. I think a lot of work has been
22 put into, you know, what we think those
23 numbers should be, and I can't imagine, where
24 we're very clear hear about one casino per

1 region, I don't see these costs as being
2 recurring, as in New Jersey they were
3 recurring because they opened a new casino
4 every year for many, many, many years.

5 CHAIRMAN CROSBY: I've forgotten.
6 What would our obligations be for a travel
7 casino, I can't remember, under the Compact?

8 COMMISSIONER CAMERON: Well, we --
9 we have a lot of joint responsibilities, but
10 we don't have individual policing
11 responsibilities, right, a lot of joint will
12 be looking at things. So I don't see that --

13 CHAIRMAN CROSBY: But it would be
14 their --

15 COMMISSIONER ZUNIGA: It would be
16 their travel --

17 COMMISSIONER MACDONALD: It's
18 complicated. It's a mix. The on site -- on
19 site responsibility would be that of the -- of
20 the tribal -- of the tribal commission. But
21 there is, you know, pursuant to the Compact,
22 and I can't recall the details of it, but
23 there is a -- you know, a regime of
24 cooperation built into it, between local

1 policing, state police and -- and the tribal
2 law enforcement entity.

3 CHAIRMAN CROSBY: So is there
4 anybody else, other --

5 COMMISSIONER MACDONALD: Well, I
6 would just report having been at the
7 subcommittee -- the mitigation subcommittee
8 meeting this past Monday. Is very similar
9 concerns that Commissioner Zuniga has reported
10 as to the GPAC were expressed. But a similar
11 sense of the -- of the subcommittee that
12 provided that there is assurance that this is
13 a one-time -- is a one-time expenditure that
14 they felt that it was appropriate.

15 COMMISSIONER STEBBINS: I had the
16 opportunity to sit in on some of the even
17 local community mitigation advisory committee
18 meetings. And I think the same sentiments
19 were reflected. But I also walked away
20 impressed that -- you know, because we have
21 community representatives around the table,
22 that there is this sense of caution and
23 thoughtful analysis of the use of this fund.

24 You know, I don't get the sense that

1 any community -- you know, they're really --
2 is this really a need, and is this really the
3 best source to address it? I've been
4 impressed with how thoughtful and conservative
5 they are about the use of the fund. They're
6 very protective of it. They don't want to see
7 it used for purposes that don't fit within the
8 guidelines or the overall mission. So, you
9 know, it's nice to see the sentiments kind of
10 churn their way all the way up to -- to the
11 GPAC.

12 CHAIRMAN CROSBY: I did not pick
13 this up, until you just started talking about
14 it. But what is the thought process for
15 switching significant to dollar-for-dollar?

16 MR. ZIEMBA: So, for example, if
17 someone requested \$400,000 -- say your project
18 is -- say they're asking for a \$200,000 grant,
19 they would have to demonstrate \$200,000
20 contribution to that project from either
21 Springfield, in the case of what we just
22 discussed, or MGM, or a combination of both.
23 And the same would carry on in Region A.

24 CHAIRMAN CROSBY: No, I know what it

1 means.

2 MR. ZIEMBA: Oh, I'm sorry.

3 CHAIRMAN CROSBY: I know what it
4 means but why did you switch -- what's the
5 thought process between switching it from
6 significant to dollar-for-dollar?

7 MR. ZIEMBA: We have talked about
8 this a little bit in the past. We are never
9 going to be in a good position here to
10 evaluate the ultimate reasonableness of the
11 expenditure of these dollars. These are state
12 dollars that are going for various purposes.
13 And when they use them for governmental
14 entity, you know, there's a number of
15 different safeguards for those governmental
16 entities.

17 All, obviously, our grants only flow
18 through to governmental entities. But when
19 it's for the benefit of a private entity, we
20 want to make sure that the dollars are used
21 very, very wisely, and that some entity would
22 not come to the -- to the Commonwealth for
23 something more than would otherwise be granted
24 by the local community.

1 And so, the local community, by
2 having, I think the words that were used in
3 the past, of having some skin in the game,
4 would help -- help all of us understand that
5 the funds are going for both a worthwhile
6 purpose, and that the funds are being used
7 wisely and efficiently, and not -- they're not
8 requesting more state tax dollars for -- for a
9 purpose than otherwise would be necessary.

10 COMMISSIONER ZUNIGA: That they're
11 being judicious and that they're -- they have
12 skin in the game.

13 CHAIRMAN CROSBY: But, again, that
14 was true. We've talked about that and that's
15 been the case, and the word significant made
16 that point. But you decided, for some reason,
17 to make it dollar-for-dollar so...

18 MR. ZIEMBA: I think we meant --
19 when we wrote the guidelines last year, we
20 meant to say dollar-for-dollar. And I think
21 the conversations -- some of the fund in some
22 of our advisory committees, to the best of my
23 recollection, that we were referencing
24 dollar-for-dollar. But when the words were

1 written down in the guidelines, I don't think
2 they got written down that way.

3 CHAIRMAN CROSBY: So -- and this
4 would only apply to a nongovernment --

5 COMMISSIONER ZUNIGA: To host
6 communities, yes. Because -- and the theory
7 there is that a host community has the benefit
8 of a Host Community Agreement. You know, it's
9 very significant agreement, both MGM -- excuse
10 me, both in Springfield and in Everett.

11 Obviously, surrounding communities don't have
12 the benefit of that large of an agreement.

13 And so, one of the -- one of the
14 difficult -- difficulties, is that you have
15 these Host Community Agreements that are meant
16 for mitigation purposes. And I think,
17 whenever I've come before the Commission on a
18 lot of these, I've received the question of
19 why are we using limited statewide funds for
20 host communities? And I've put back the
21 purpose, well, obviously, I think the
22 legislature, by including host communities and
23 eligibility for these funds, that they meant
24 them to be able to used in those funds. But

1 it was a measure, I think, that we included as
2 another measure to reflect what the Commission
3 had told us, that we need to be judicious when
4 it came to taking a look at host community
5 contributions.

6 CHAIRMAN CROSBY: Is everybody else
7 comfortable with going to dollar-for-dollar?

8 COMMISSIONER ZUNIGA: I am, because
9 I think -- there's been already -- I know John
10 doesn't really want to speak specifically to
11 some of those conversations, but there's
12 already been some interpretation that because
13 we didn't say dollar-for-dollar, that it could
14 be -- you know, significant could mean many
15 things to people. In-kind, and how do you
16 value that in-kind contribution, for example.
17 There are ways, by the way. I'm not
18 suggesting that there are no ways. But I
19 think it's cleaner. It's -- if it's
20 dollar-for-dollar.

21 Now, communities and licensees have
22 a resource as to how they can figure out,
23 okay, even though this is a public safety
24 concern, a big part of the Host Community

1 Agreement was earmarked for public safety, how
2 do we split that dollar-for-dollar to bring to
3 the Commission? They can figure that out.
4 But at least that leaves us --

5 In the situation that John
6 describes, if they've agreed one of the
7 parties is willing to foot the bill, all or
8 split it however way, if they both agree that
9 it's significant enough when they come to us,
10 then, we can be reasonably assured that they
11 really want it and it's really important for
12 them.

13 MR. ZIEMBA: And there is a
14 provision in the guidelines, that a community
15 can ask for a waiver of that provision. We're
16 just trying to set the table so that everybody
17 can try to work together on this. And within
18 the parameters of what the Commission has
19 directed me to do, we thought that this was a
20 reasonable method of trying to do that on this
21 specific type of grant involving private
22 entities, which is probably the most
23 concerning for the times of the -- to make
24 sure we follow the Constitution in other

1 matters.

2 And so, it's only this for this one
3 segment of one part of the grants. But -- and
4 it is waivable. And, undoubtedly, we will get
5 waiver requests. But we're really just asking
6 our local partners to please work with us on
7 this.

8 COMMISSIONER ZUNIGA: I think it's
9 also a way to be fair across communities,
10 because, again, back to my example of how does
11 somebody value certain contributions at the
12 community level? We deal with communities
13 that are very different. You know, one's a
14 city, one's a town.

15 And so, I know we're talking
16 specifically about host communities in this
17 case. But I like the idea that, if there's a
18 clear understanding, measurable in the
19 guidelines that we put out, then everybody can
20 act accordingly.

21 CHAIRMAN CROSBY: You like that?

22 COMMISSIONER MACDONALD: I'm
23 completely comfortable.

24 CHAIRMAN CROSBY: Yeah. Okay.

1 COMMISSIONER CAMERON: Mr. Chair, I
2 move that we approve the 2018 Community
3 Mitigation Fund guidelines.

4 MR. ZIEMBA: Commissioner, could --
5 just because we do have to reflect the change
6 that I just referenced and/or any other, sort
7 of, nonmajor items --

8 COMMISSIONER CAMERON: To include
9 the changes just outlined by Ombudsman Ziemba.

10 MR. ZIEMBA: And any, you know,
11 scrivener, nonmajor would be very beneficial.
12 Thank you.

13 COMMISSIONER MACDONALD: And any
14 nonmaterial --

15 COMMISSIONER CAMERON: And any
16 nonmaterial changes.

17 COMMISSIONER MACDONALD: -- changes.

18 CHAIRMAN CROSBY: Second?

19 COMMISSIONER STEBBINS: Second.

20 COMMISSIONER MACDONALD: Second.

21 CHAIRMAN CROSBY: Was that for all
22 of it, or just the -- is that for the whole
23 amendment?

24 COMMISSIONER CAMERON: Mm-hmm.

1 COMMISSIONER STEBBINS: Yep.

2 COMMISSIONER ZUNIGA: Motion as
3 amended.

4 CHAIRMAN CROSBY: Further
5 discussion? All in favor? Aye.

6 COMMISSIONER MACDONALD: Aye.

7 COMMISSIONER STEBBINS: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

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

12 MR. ZIEMBA: Thank you. That
13 concludes my report, I think.

14 CHAIRMAN CROSBY: Okay. Thank you.

15 COMMISSIONER CAMERON: Thank you.

16 CHAIRMAN CROSBY: All right.

17 COMMISSIONER ZUNIGA: Are we going
18 to go through lunch?

19 CHAIRMAN CROSBY: So what does
20 everybody want? It's now 12. The exclusion
21 list will probably take awhile. What else do
22 we have?

23 MR. BEDROSIAN: Ethics discussion.

24 COMMISSIONER MACDONALD: I would

1 urge us to try to carry --

2 CHAIRMAN CROSBY: Plow through?

3 COMMISSIONER MACDONALD: Plow
4 through, if possible.

5 CHAIRMAN CROSBY: You all right with
6 that, everybody?

7 COMMISSIONER ZUNIGA: Let's see how
8 it goes.

9 CHAIRMAN CROSBY: Director Wells.

10 MS. WELLS: I'm just waiting for
11 Attorney Lillios. I can get started, if you
12 want to just go forward. Okay.

13 So as we mentioned at a prior
14 Commission meeting, the IEB is looking for
15 some further clarification on the involuntary
16 exclusion list, both at the policy level and
17 also at the regulatory level.

18 The issue came up as a result of the
19 hearing officer's decision that highlighted
20 the ambiguity in the regulation as it
21 currently stands, as it pertains to the
22 Commission's authority under the regulation to
23 exclude someone from the Massachusetts
24 casinos, where it's determined that there is

1 an injurious threat to the interest of the
2 Commonwealth. Should be noted that the
3 hearing officer's opinion did not weigh in one
4 way on the policy side of things. It was more
5 legal interpretation of the reg.

6 The particular case involved an
7 adult leaving children in a car in the parking
8 garage, in order to utilize the gaming
9 machines at PPC with another person. But the
10 issue of the scope of authority to exclude
11 individuals from Massachusetts casinos is
12 broader than that particular instance.

13 Although that issue, of leaving children in a
14 vehicle at casinos has been highlighted in
15 multiple jurisdictions by both regulators, the
16 press and the public, so it's clearly a issue
17 of grave concern. So we have drafted a memo,
18 you know, that's in the packet for the
19 Commission.

20 This is something we're really
21 looking for, sort of, the Commission's
22 guidance on what is the Commission's direction
23 on how to utilize the authority given in the
24 statute. And then, ultimately, some further

1 clarification, I think, is going to be helpful
2 in the reg. And we also made a recommendation
3 on a potential process change that's entirely
4 up to the Commission.

5 Part of the recommendation for the
6 process change is, it is a little hard to
7 give, sort of, that policy guidance so that
8 may be a way to have the Commission have the
9 final say, sort of, on the policy side. But
10 it's completely up to the Commission how they
11 want to handle it. We can go either way. And
12 the IEB is happy to do it either way. But
13 it's something we thought the Commission could
14 at least consider, on how they want to handle
15 this issue.

16 So for, sort of, some further detail
17 on the issue and, you know, what we're looking
18 for, I'm just going to turn it over to
19 Attorney Lillios to, sort of, run through
20 what's in the memo and what we're asking for
21 from the Commission for you to decide among
22 yourselves.

23 MS. LILLIOS: Sure. So to further
24 set the stage and try to refine the legal

1 issues and some of the procedural questions in
2 the future, I'll do some review of the statute
3 and the regs, to try to focus the areas for
4 your consideration.

5 So Section 45 of the gaming statute
6 requires the Commission to establish a list of
7 persons to be excluded from Massachusetts
8 casinos. And the statute sets out four
9 criteria, which the Commission may consider
10 when determining whether to place somebody on
11 this list. And those four criteria are
12 reproduced in Footnote 1 of the memo before
13 you.

14 The statute does explicitly say that
15 the Commission shall not be limited to those
16 four criteria listed in the statute, so the
17 Commission does have broad discretion in this
18 area.

19 The fourth statutory criterion for
20 placing someone on the list, is whether that
21 person poses the potential of injurious threat
22 to the interest of the Commonwealth in the
23 gaming establishment.

24 Now, with respect to that criterion,

1 the potential of injurious threat to the
2 Commonwealth's interest in the gaming -- in
3 the gaming establishment, the Commission
4 promulgated regulation 205 CMR 152.03
5 Subsection 2. And that regulation states that
6 the Commission may consider five factors. And
7 those factors are reproduced on page two of
8 your memo. That the Commission may consider
9 five factors, when determining whether there's
10 the potential of this injurious threat to the
11 interest of the Commonwealth.

12 And those five factors are whether
13 that person's a known cheat; whether the
14 person has had a gaming-related license
15 subject to an adverse action; poses a threat
16 to the safety of patrons or employees, has a
17 history of unduly disrupting gaming
18 operations, or is subject to a no-trespass
19 order from a casino. The regulation does not
20 specifically state, does not explicitly state
21 whether that list of five factors is an
22 exhaustive list or a nonexhaustive list.

23 In the hearing decision that Karen
24 mentioned, involving the minor children being

1 left in the car, the hearing officer
2 determined that the list was an exhaustive
3 list. The IEB interpreted that list as a
4 nonexhaustive list, and the hearing officer
5 interpreted it as an exhausted list. And the
6 IEB articulated, in its decision to put
7 that -- the person who left minor children in
8 the car, we interpreted the interest that was
9 at stake as the Commonwealth's interest in the
10 safety of minor children on the premises of
11 the gaming establishment.

12 But the hearing officer is a
13 careful, reasonable, fair person. I think I
14 am a reasonable, careful, fair person. So two
15 reasonable minds came to a different
16 conclusion. So one specific ask that we have
17 of you is that you clarify whether that list
18 is exhaustive or nonexhaustive by language,
19 you know, limited to or not limited to.

20 So although the hearing officer's
21 case had to do with this unattended minors
22 being left in a vehicle, the issue goes well
23 beyond that. So, for instance, if this list
24 of five factors is viewed as a limited list,

1 the Commission may -- would arguably be
2 without the authority to place someone on the
3 list who facilitates gambling by minors,
4 bringing minors -- a minor in for the purpose
5 of gambling, or to pass counterfeit currency,
6 or enters one of our casinos with false
7 identification to avoid detection, or someone
8 who steals money or vouchers from patrons. So
9 we're looking for the Commission to clarify
10 whether it's an exhaustive or nonexhaustive
11 list of factors to consider.

12 And in that -- in the fourth factor
13 -- I'm sorry, in the third factor,
14 Subsection C in your memo, another suggestion
15 for you to consider in the -- on the public
16 safety factor, is you may want to consider
17 whether the person poses a threat to the
18 safety of casino patrons, employees or others
19 on the premises of the gaming establishment,
20 which, again could cover an unattended minor
21 situation, could cover officials of the host
22 community who are there doing inspections,
23 could cover vendors who were on site.

24 It's impossible to predict, with

1 certainty, all the types of misbehavior that
2 could lead to consideration for the exclusion
3 list. So that's some suggestive language, if
4 you wanted to expand the public safety
5 language so that it is not limited to only
6 patrons and employees.

7 The IEB does currently review each
8 matter on a individualized and case-by-case
9 basis. For example, by statute the IEB is
10 authorized to place people on the list who are
11 convicted of any crime punishable by six
12 months or more in the House of Correction.
13 And, of course, that's almost every crime.
14 And it would be pointless, serve no purpose
15 for us to -- to do that. So we do review each
16 case on a individualized basis, and consider
17 aggravating and mitigating circumstances for
18 each case.

19 And this is only one tool in the
20 toolbox for dealing with misbehavior. The
21 casinos themselves have the ability to put
22 people on no-trespass or eviction lists.
23 There may be some overlap in the lists. There
24 is, of course, law enforcement responses to

1 criminal behavior, referrals to other
2 agencies, the voluntary exclusion list, if
3 that seems to be warranted.

4 In terms of a framework for
5 considering behaviors, also included in your
6 memo, in the context of the unattended minors,
7 but just by way of example, you may want to
8 think about certain types of behaviors,
9 whether those should always lead to placement
10 on the exclusion list, whether only in some
11 instances should it lead to placement on the
12 list, after considering mitigating and
13 aggravating factors, whether it should lead to
14 placement on the list in only very few
15 incidents, like repeat offenders, or only the
16 most extreme circumstances, or whether a
17 certain behavior is never anything that you
18 would want to place on the list.

19 We are mindful that the size of the
20 list has to be a manageable size so that it
21 can be enforced. The casinos have a duty to
22 train their employees, you know, to take
23 reasonable actions to exclude or to keep and
24 notify the gaming enforcement unit, if people

1 on this list come in. So there can't be -- it
2 has to be a manageable number and we are
3 mindful of that.

4 The memo also puts forward one
5 suggested procedural recommendation for you
6 that would, as Karen mentioned, place the
7 initial determination on whether to put
8 somebody on the list on the Commission as a
9 whole, where the IEB would make a referral to
10 the Commission, and if the person asks for a
11 hearing, then the hearing would be -- the
12 evidentiary hearing would be before the full
13 Commission. If the person does not ask for a
14 hearing, then the full Commission would make a
15 determination about placement on the list,
16 based on the referral packet that the IEB puts
17 forward.

18 If you, of course, want to maintain
19 the role of the hearing officer in this
20 process, we can do that. Another ask, when we
21 do put a regulation before you after hearing
22 your input, currently, under the regulation
23 the IEB does not have the ability to appeal an
24 adverse ruling to the IEB to the full

1 Commission. We would ask that that be
2 something that you include as we do regulatory
3 amendments in the -- in the near future.

4 Essentially, those are the points
5 that I wanted to raise with you. And we are
6 interested in hearing what your thoughts are
7 about the types of behaviors for the list,
8 and, also, the process for the list.

9 COMMISSIONER CAMERON: Thank you.
10 I'll start, if that's okay. I have listened
11 to every one with regard to this and read your
12 -- certainly, read the memo and asked some
13 questions. You know, I do view this as a
14 nonexhaustive list. I think the factors are
15 important factors and may be considered. But
16 I do think there are other factors to be
17 considered. And I think that's an important
18 tool for IEB to have.

19 With regard to the extent of persons
20 on the list, I certainly favor that some
21 persons, some instances, and that you do take
22 into account, which you do on many, many
23 things. The age, the length of time, the
24 aggravating or mitigating circumstances. I

1 certainly think that's a standard that is
2 reasonable. And I've seen evidence that you
3 use that discretion wisely.

4 As far as the recommendation that
5 every single instance come to us, I don't
6 personally believe that's necessary. I think
7 that IEB should have the discretion. But the
8 individual could have the ability to come to
9 us, if they, in fact, would like to challenge
10 that decision and have a hearing.

11 So I mean, I just -- this is very
12 different, I think, than -- you know, on or
13 off a list is different than the kinds of
14 cases that David hears. So I think the
15 ability to come us may make sense at that
16 point, if they challenge your decision-making
17 process, and then we could hear the facts at
18 that time. Those are my thoughts on those
19 three issues you brought to us.

20 COMMISSIONER STEBBINS: I would --
21 I've also had the chance to visit with
22 Director Wells and Ms. Lillios on this topic.
23 I also view us as having the ability to
24 exercise our consideration of this broadly.

1 Injurious threat is a very broad and expansive
2 term.

3 You know, even if you look at
4 regulatory factor number five, whether the
5 individual is subject to a trespass order at
6 any casino, that's a whole broad list of
7 potential reasons that somebody is evicted or
8 issued a no-trespassing order by the casino.

9 We've talked about expanding Item C
10 to extend to anybody who is on the property,
11 whether they're there willfully or not. But
12 somebody, as you pointed out, a vendor,
13 somebody who's stopping by on official
14 business, or, you know, the folks that we're
15 concerned about most out of this case.

16 So I agree that, you know, a more
17 broad definition, or a broad authority for us
18 to take any number of factors into
19 consideration is important. We have no idea
20 what incident might occur that, you know,
21 again, would do injurious threat to the
22 Commonwealth and our interests.

23 I also agree that, you know, I'd
24 like the idea of keeping the hearing officer

1 step in place. I think it's consistent with
2 how we --

3 CHAIRMAN CROSBY: This is not what
4 Commissioner Cameron was saying, just to be
5 clear.

6 COMMISSIONER CAMERON: I maybe
7 wasn't clear. The hearing officer in place
8 for cases. But with -- with regard to the
9 list only, I thought that that matter, after
10 IEB uses its discretion and makes a decision,
11 that person has the ability to appeal to the
12 Commission. I see that separate as the kinds
13 of cases --

14 COMMISSIONER ZUNIGA: They currently
15 have the ability to appeal to the hearing
16 officer.

17 COMMISSIONER STEBBINS: Hearing
18 officer.

19 COMMISSIONER ZUNIGA: They do.

20 MS. BLUE: Just to put the two
21 suggestions in context. Right now, the IEB
22 makes a decision and it goes to the hearing
23 officer. The reg is currently drafted says
24 that the hearing officer decides in favor of

1 that person, there is no appeal to the
2 Commission.

3 The suggestion in the memo would be
4 that there'd be no hearing officer on this
5 one, that the cases come directly to the
6 Commission. And as you recall, we kind of
7 kicked this around in the past, when we've
8 talked about the hearing process. That this
9 would be a -- an adjudicatory proceeding in
10 front of the Commission, most likely all five
11 of our commissioners, much like we did in our
12 suitability hearing. Most likely, all five of
13 the Commissioners, much like we did in our
14 suitability hearing. So that's -- that's,
15 sort of, the two that you see here.

16 Now, there's kind of like a third
17 way, which is to change the reg and say that
18 the IEB has a right of appeal, if the hearing
19 officer decides in favor of the person. That
20 would make it really line up with the current
21 hearing process that we have for other kinds
22 of cases, which is that the hearing officer
23 goes first. Any party that feels aggrieved by
24 his decision can then appeal to the full

1 Commission. That allows the Commission to
2 have a review on the record. And that's, you
3 know, currently, what you do.

4 So I think, we just want to
5 understand, sort of, what the options are, and
6 why some of the options aren't as clear as our
7 regular hearing process. And that's because,
8 in the reg and we did that. And we can change
9 that, if we want to.

10 COMMISSIONER STEBBINS: I guess the
11 point I was trying to make is, keep IEB's
12 authority as it is, not taking the hearing
13 commissioner out of the step, and not
14 providing the case as I understand it
15 directly to the five of us.

16 So keeping the hearing officer, you
17 know, it's consistent. I think how we do on
18 the horseracing side, when somebody is denied
19 a license, the appeal is first to the hearing
20 commission, you know, us. And I certainly
21 believe --

22 COMMISSIONER ZUNIGA: Do you think
23 the IEB could have the appeal to the
24 Commission, then?

1 COMMISSIONER STEBBINS: I do think
2 the IEB could have the opportunity to bring a
3 case to us.

4 COMMISSIONER ZUNIGA: To the
5 Commission?

6 COMMISSIONER STEBBINS: Yes.

7 COMMISSIONER CAMERON: So either
8 side?

9 COMMISSIONER ZUNIGA: No, no. This
10 is a regulation unlike any other in the
11 hearing.

12 MS. BLUE: It is. This is --

13 COMMISSIONER ZUNIGA: This is a
14 unique regulation.

15 MS. BLUE: Yes, it is.

16 COMMISSIONER ZUNIGA: When it
17 comes -- because, as Catherine just explained,
18 the IEB places a person preliminarily in the
19 list, doesn't go there unless that person --
20 I'm sorry, goes there unless that person
21 challenges and requests a hearing officer -- a
22 hearing before the hearing officer. If the
23 hearing officer favors in the person's side,
24 then, that's it, the person is not in the

1 list. End of the story. In that scenario,
2 the IEB's requesting that they could appeal
3 that.

4 MS. BLUE: That's right.

5 COMMISSIONER CAMERON: I see.

6 COMMISSIONER ZUNIGA: But the person
7 would not be an appeal, of course, because
8 they're on the list. Now, if the hearing
9 officer decides in favor of the IEB, the
10 person goes on the list. End of the story as
11 well.

12 MS. BLUE: No. It's -- what happens
13 then -- and this regulation is very different.
14 What happens then is that the person is then
15 told they're going to be put on the list, and
16 they have a right to a whole other hearing.
17 And then, that hearing covers for the
18 Commission.

19 COMMISSIONER ZUNIGA: But not before
20 us.

21 MS. BLUE: Well, it does come to
22 you. So back when we promulgated this reg, it
23 was what we refer to as the two bites of the
24 apple, and it made a two-hearing process. It

1 is more complicated. We did that, I believe,
2 because we were very cognizant of what happens
3 if you end up on the list.

4 And one of the things to consider
5 is, that when you go on a list like this, and
6 especially since we only have your name and
7 date of birth, is that there is an implication
8 that you're on the list because you did
9 something bad, but there is no information as
10 to what that might be. There is -- there are
11 also no parameters around how the information
12 of you being on the list can be used, in terms
13 of things like licensing and employment, and
14 other matters, because it's not CORI
15 information.

16 So there are other situations where
17 people are on similar lists, but there's a
18 limit under other statutes as to what that
19 information could be used for. This comes up,
20 our list would come up just like in a general
21 Google search. And this was, in fact,
22 something I think the hearing officer thought
23 about in the particular case. Which is,
24 someone sees you on the list, they make a

1 decision about you. They potentially can,
2 without knowing what this information is.

3 So the potential for the list to
4 have implications down the road is great. And
5 when you looked at this the first time what
6 you thought about was a two-step process to be
7 really sure that when that person went on the
8 list they had gotten adequate review.

9 I think the process is cumbersome.
10 I think we meant well. I think the process is
11 cumbersome. I think it's probably simpler to
12 make it line up with our hearing process,
13 which is, have the person have a hearing, go
14 before the hearing officer. However that
15 decision comes out, there could be a right of
16 an appeal to go to the Commission as a whole,
17 just like we do now. We can operate so that
18 there is a stay that that person does not go
19 on the list until the appeal is completed in
20 front of the Commission.

21 I think what you have before you
22 today are two separate questions. One is, how
23 the process should work. And I think we can
24 make it simpler, and we can guarantee, you

1 know, people's right to protect it. The
2 second is the policy issue of what you want to
3 do with the list. What you want on it, how
4 you want those items treated. So I would try
5 to take them separately.

6 CHAIRMAN CROSBY: Yeah.

7 COMMISSIONER ZUNIGA: Well, I have
8 some thoughts about both. And, you know,
9 maybe we can just put 'em out there, or
10 address one at a time and have a discussion on
11 each.

12 CHAIRMAN CROSBY: Why don't we maybe
13 try to do the policy issue first, and then
14 we'll do the process issue, just so it's a
15 little bit less complicated conversations.

16 COMMISSIONER ZUNIGA: Right.
17 Although, I do think -- and I don't want to
18 throw too much of a wrench in here, I think
19 how we implement the process also permeates
20 into the policy.

21 Before I forget, I did want to
22 mention, the five criteria that we put out in
23 regulation here, in my view, speaks about a
24 repeated or an aspect of somebody's behavior

1 that is recurrent. Somebody's known to be a
2 cheat, somebody's registration has been
3 denied, somebody has a history of unruly
4 disruption, and somebody has already been in a
5 position where the trespassing notice has been
6 issued. With the exception on C here there's
7 a notion that there's a history that has
8 occurred.

9 What gave me quite a bit of pause
10 that I want us to think about, in the case of
11 the hearing officer, there is the first
12 instance that this person was put in the list,
13 which we can talk about that policy. But, to
14 me, how we exercise this list itself, while I
15 -- a theme that I read through this criteria
16 is that there's a repeat nature of things.

17 If we're doing -- placing people on
18 the list on the first offense, that's one
19 thing that I really want to highlight. The
20 offense may be such that, I mean, what it may
21 be warranted. But it's a theme that I want to
22 speak especially in context of how we're using
23 it.

24 I also, just broadly on the policy,

1 if I may, I think there's -- this list is to
2 be used narrowly. Even though we may want to
3 give ourselves and the IEB the discretion to
4 be exhausted, ultimately, any list, because
5 it's very hard to come up with any kind of,
6 you know, all-exhaustive criteria. Otherwise,
7 the list becomes very cumbersome and we cannot
8 think of anything, and we'll be modifying it
9 periodically.

10 But the way we implemented this
11 list, a five-year -- once somebody goes on
12 this list you're there for five years without
13 any kind of review. The fact that it's a
14 published, and just like Catherine explained,
15 we are, for other reasons, not publishing
16 other kind of information that may be
17 associated with it. I'm really concerned
18 about the kind of secondary damage that
19 happens to the person.

20 I went on the list recently, not
21 long ago, of the people that we do have in the
22 list, and there's a few -- half of them --
23 half of the -- there's not many. There's
24 about 20 names, if I'm -- remember correctly.

1 If you do a Google search on half of them, you
2 can quickly tell why they're on the list.
3 Some of them we already know, you know. But
4 the other half is not so clear, and we're
5 not --

6 So there's other aspects of this
7 regulation, besides these five criteria. How
8 we're implementing this process where -- that
9 speak -- that starts to speak as to how we are
10 viewing this list. And I'm concerned as to
11 the ripple effect on somebody being placed on
12 the list, first on the first instance, and
13 then what it does with the information -- with
14 everything that goes with it, a five-year no
15 appeal and so on.

16 CHAIRMAN CROSBY: Commissioner?

17 COMMISSIONER MACDONALD: Yeah. I
18 have the benefit -- I think it's a benefit of
19 not having been around when this was
20 originally set up. And I think that the --
21 that the hearing, which has given rise to the
22 IEB's suggestions here, has kind of brought in
23 to relief some of the practical issues
24 relating to the way that this was originally

1 set up.

2 On a bottom line basis, I would be
3 in favor of changing the regulation so that
4 the appellate process here, that the process,
5 including the appellate process, conforms to
6 the -- to the procedures that are followed in
7 other -- in other circumstances, as
8 Commissioner Stebbins had said.

9 I quake at the thought of us five
10 becoming -- or our successors becoming the
11 body in the first instance to which an appeal
12 would go, which is what would happen, if the
13 hearing officer is removed from the -- from
14 the appeals process, as suggested in the
15 memorandum.

16 As Catherine had said, this is a
17 full adjudicatory, you know, hearing. And
18 five of -- you know, five commissioners,
19 whether it's us or our successors, would be,
20 you know, judges. And, you know, right of
21 counsel whatnot. Any event, I don't want to
22 overstate it. I just think it would be very,
23 very cumbersome and a real burden on -- on the
24 Commission. And I don't see a reason to

1 follow a different procedure here than in
2 others. That said, I would be in favor of
3 giving the IEB the right to appeal an adverse
4 finding by the hearing officer, which doesn't
5 exist in the present -- in the present
6 circumstances.

7 And just continuing on, since I'm
8 talking, other issues raised -- raised here in
9 the -- you know, in the memo is the -- is the
10 scope of review by the -- by the hearing
11 officer. And similarly to my position with
12 regard to the Commission's role, I would be in
13 favor of conforming the practice here to the
14 ordinary practice. And that would be that the
15 scope of review by the hearing officer be on a
16 so-called substantial evidence standard, as
17 opposed to the hearing officer, as the hearing
18 officer here decided.

19 And let me just say,
20 parenthetically, I was very impressed with
21 his -- you know, his decision and his -- the
22 clarity of his thinking and whatever. I may
23 have come up differently, but I think it was
24 an excellent decision. But I think -- I think

1 it's appropriate that the scope of review be
2 on the substantial evidence standard, which
3 would oblige the hearing officer to credit the
4 IEB's conclusion, if the facts as presented
5 to -- if the facts in the record, you know,
6 establish a reasonable basis for the IEB's
7 conclusion.

8 And just in general, as to the kind
9 of a philosophy of the exclusion list, I agree
10 with the sentiments that were just articulated
11 by Commissioner Zuniga. I think there should
12 be a -- if you think of it as on one side, as
13 outlined in the memorandum, Las -- or the
14 Nevada model, and let's say the Pennsylvania
15 model, I'll be much more inclined to the
16 Nevada side of the spectrum. Not as strict as
17 Nevada, but I think that there are very
18 serious adverse -- potentially adverse
19 consequences to somebody being placed on this
20 list. And even though that our regulations
21 have changed, apparently, over time so that
22 it's just the person's name and their date of
23 birth that's a matter of public record,
24 there's been several references already to

1 Google searches.

2 And so, somebody's name, date of
3 birth and the almost certain -- well, the
4 certain adverse, you know, inference that
5 would be -- that would be drawn by anybody
6 becoming aware of somebody being on an
7 exclusion list, I think is something that's
8 really, potentially very harmful.

9 So I'd be in favor of some language
10 in the -- in the regulations that would --
11 that would, you know, state that the exclusion
12 list should be reserved for people whose --
13 and I just sketched this out, flagrant conduct
14 creating a manifest risk to the safety of
15 persons -- of persons on or approximate to the
16 gaming premises, or to the integrity of
17 gaming. There's nothing magic about that.
18 But to formulate -- to state as a matter of
19 policy that this -- that this list has to be
20 reserved for that kind of serious manifested
21 misconduct.

22 COMMISSIONER ZUNIGA: Can I say
23 something that I always want to make sure?
24 You know, we're talking about this case. I

1 want to make sure that, you know, I, for one,
2 am perceived as always wanting to protect
3 minors.

4 There's a -- in the memo and in the
5 hearing officer's -- in the hearing and the
6 transcript, I think there's very compelling
7 notion that, you know, there's a lot in the
8 statute elsewhere that directs this Commission
9 to protect minors. I think we should issue
10 regulations that affect just not in this -- in
11 the context of the exclusion list.

12 I think Commissioner Stebbins
13 already spoke about this the first time we
14 spoke about we could regulate signage, we
15 could regulate time and to -- intervals in
16 which the parking lots needs to be monitored,
17 as it says in the statute. We could do a
18 number of things that would act as a deterrent
19 for the unknowing person. They could be
20 knowing, but let's presume unknowing person,
21 when they show up into a casino, thinking that
22 they could just leave a minor in the -- in the
23 car.

24 This has happened in other places.

1 And there's places -- there's casinos that I
2 know near us, where they have, actually, a
3 children's place where you can drop them off,
4 because I know that people will show up to a
5 adults only place thinking that, somehow they
6 can -- they can deal with minors.

7 And I think the case that the person
8 makes in the hearing is compelling. She
9 assumed -- it was her first-time visit. She
10 assumed, and she went to check out the
11 facility. There's no place to sit even there.
12 We could even regulate that. We could compel
13 and require that there be a staging area of
14 some sort.

15 I remember, when we looked at the
16 application from Plainridge, there was a big
17 discussion relative to the placement of
18 Fluties, which was assumed to be, perhaps,
19 visited by minors, that there'd be real access
20 to the outside. That was switched, even with
21 our approval, but that restaurant, now Slacks,
22 opens until five, which was not the initial
23 understanding we had, when we -- when we
24 reviewed -- when I remember Commissioner

1 McHugh did the --

2 So there's a lot that we could put
3 in place. I know that's not -- may not be the
4 subject of today's discussion, in terms of
5 regulation, but that's one thing that I want
6 to make sure we don't lose sight of, or
7 because when I speak to the scope of this
8 there's -- the case is very compelling.

9 We all want to protect minors. We
10 are required to elsewhere in the statute. I
11 say we eventually get to writing regulations,
12 just like Commissioner Stebbins was alluding
13 the first time. I would like to think that,
14 if there was a signage that said, please
15 report any unattended persons, by the way, it
16 could be elderly, too, to state police on
17 premises at the following number, that
18 somebody who reads that goes, maybe I
19 shouldn't do this. So that could be a real
20 deterrent.

21 What struck me about the case, is
22 that there -- there was a punitive notion, not
23 just a deterrent when we take it altogether.
24 When we place somebody on the list, because

1 it's going to be a five-year placement,
2 there's a notion that, eventually, in my mind,
3 translates -- translates into a punishment,
4 and that's not how I read the intention of
5 this.

6 COMMISSIONER STEBBINS: I would echo
7 what Commissioner Zuniga just pointed out. I
8 mean, all through the hearing process leading
9 up to our awarding the licenses, you know, one
10 of the biggest issues that opponents raised
11 was this consistent issue of children being
12 left behind.

13 We're about to open two facilities
14 that have bigger parking garages. We're about
15 to open two facilities that will have hotel
16 rooms. And the question of, you know, leaving
17 unattended children in a hotel room might
18 become an issue. But, you know,
19 regulations -- and we hope our licensees will
20 partner with us on this and not make it too
21 much of a stick.

22 But, you know, appropriate signage,
23 anything -- you know, as Commissioner Zuniga
24 just highlighted, somebody who's potentially

1 willing to leave their child unattended in a
2 car may also feel, or not be thinking and
3 might leave a senior in a car, a senior with a
4 debilitating mental state, Alzheimer's or a
5 dementia patient. Thinking, I'll just stop
6 in. Grandma will be fine sitting in the car
7 by herself. You know, as much as we talk
8 about wanting to protect minors, we also want
9 to protect seniors, who, at first glance,
10 might not be somebody that you'd necessarily,
11 think, oh, it's somebody above a certain age,
12 I'm sure they're fine. So I think, you know,
13 some sensitivity to that.

14 I know, local police, state police
15 you can get trained in determining whether
16 somebody is a senior with some mental
17 challenges, but -- or mental impairment. But
18 I think we need to strive to protect folks at
19 the other end of the life scale.

20 I want to come back -- again, I'm
21 not the legal expert, and I appreciate the
22 sentiments about protecting an individual
23 whose name winds up on this list. A general
24 question that I would have is some of these --

1 some of these factors are, I think, of serious
2 enough nature that there's also a law
3 enforcement component that is being added
4 here. It's just not us putting this person on
5 the list. It's somebody who's finding an
6 adult guilty of endangering a child by leaving
7 them in a parking lot. There's law
8 enforcement proceedings that take place.

9 So as much as we're sensitive to,
10 you know, what placing somebody on this list
11 could do to them personally, I appreciate
12 that, but I'd welcome some type of education
13 on what -- it might not just be us. There
14 might be other law enforcement steps that are
15 taking place that puts that person also, kind
16 of, a Google search list as well.

17 COMMISSIONER ZUNIGA: Are you
18 specifically thinking about minors left in
19 the -- what recourse are there, besides the
20 list, for people who leave unattended minors?

21 COMMISSIONER STEBBINS: Well, I
22 mean, somebody who puts -- I'm assuming, if we
23 found somebody who is responsible for a minor
24 and left them in a car, I'm assuming there's

1 some reporting requirements that --

2 COMMISSIONER ZUNIGA: There are.

3 COMMISSIONER STEBBINS: -- state
4 police have to Office of Families and Children
5 that can translate into a court case.

6 COMMISSIONER ZUNIGA: There are.

7 COMMISSIONER STEBBINS: I'm just
8 thinking that a person's name showing up on
9 our exclusion list, and I can appreciate the
10 comment of what the impact on that individual
11 might be, but I'm also willing to be educated
12 on the egregiousness of the offense. Does
13 that put somebody else -- put that person's
14 name out in a different light through a court
15 proceeding, parents in court, anything else?
16 I don't know.

17 COMMISSIONER ZUNIGA: Well, you
18 remember from the transcript, that the officer
19 on site did not feel it was -- it rose to the
20 level of reporting it to.

21 MS. LILLIOS: If I can -- incorrect.
22 That was a factual error. The testimony from
23 the officer was that he is a mandated
24 reporter. He is required, by law, if he comes

1 into contact with any instances of a child in
2 danger, that he is mandated to report to the
3 Department of Children and Families. And the
4 testimony was that he did it twice. He did it
5 by phone from the parking garage. And then,
6 he filled out the report in writing later.

7 He also issued a summons for the
8 individual to show up in court, what we call a
9 summons arraignment, or a summons to see if
10 charges would issue. He could have sought a
11 complaint for this individual. But one of the
12 things he testified to was that he'd seen a
13 lot of children in very bad circumstances.
14 These children that were in the car, they were
15 clean, they were fed, he did not feel that
16 they were in any of kind of imminent danger,
17 so he did contact Department of Children and
18 Families immediately. Did file a written
19 report. Did allow them, after consulting with
20 DCF, for the individual to take the children
21 home, as opposed to intervening right then.
22 Did not seek a criminal complaint, but rather
23 did a summons complaint. That the individual
24 could come in a hearing before the magistrate.

1 And the magistrate determined that the
2 criminal charge of child endangerment would
3 not issue.

4 COMMISSIONER ZUNIGA: Thank you for
5 that clarification. But that -- and that
6 process worked itself through the way
7 normally -- it normally does. You know, in
8 other circumstances outside of a casino, let's
9 say.

10 MS. LILLIOS: Sure. And some of
11 those areas, the IEB, you know, has no
12 control. You put a law enforcement case, the
13 court process takes its course, and there's a
14 limited amount of involvement that the IEB
15 would have at that point, so that did take its
16 course.

17 MS. BLUE: And I think what you want
18 to consider in that situation, is had that
19 gone through a criminal process, it would have
20 resulted in some form of CORI information, the
21 disclosure of which is regulated by law on how
22 it can be used. If it doesn't result in any
23 kind of criminal process, that's the situation
24 you're referring to, Commissioner Zuniga,

1 where it's on the list, it's information to be
2 used. There are no parameters around which --
3 how it can be used. So, you know, that's the
4 distinction.

5 CHAIRMAN CROSBY: I think -- I agree
6 with the hearing officer's reading of our reg.
7 I just think we misdrafted the reg. I think
8 we ought to clarify that we meant to give more
9 range of options. So I think he was right,
10 but I think we were wrong. So I would
11 strongly recommend that we --

12 But on the issue of the nature of
13 thing that would be extended to, I think
14 that -- this is a close, close call, I think,
15 but I think his argument is pretty strong, and
16 it fits with what we just discussed, too,
17 about the potential consequences of being on
18 this list.

19 All of the examples that are given
20 relate to the, one way or another, the
21 broad -- integrity of the gaming
22 establishment. It has to do with the gaming.

23 Loretta, when you quote the statute
24 on page three, you say, "the potential of

1 injurious threat to the interest of the
2 Commonwealth," and you leave it at that. But
3 as you know, it says, "the interest of the
4 Commonwealth in the gaming establishment." I
5 think, if they had meant a broad-based
6 interest of the Commonwealth, they would have
7 left it at the Commonwealth. But they said,
8 "interest of the Commonwealth in the gaming
9 establishment."

10 I think you can quibble, you know,
11 but I think it was -- but I also -- he points
12 out that there were other places where they
13 said, what you must do, in the event that you
14 find a kid left in a car, you must report
15 that. Then, they don't say you must exclude
16 them.

17 So my interpretation -- and it would
18 partly be for -- you know, if you do report
19 somebody and they do go through a process, and
20 they do end up with a criminal record, then
21 there are a series of balances and checks and
22 balances and protections, which aren't here in
23 this case, in this list.

24 So I come away from it thinking,

1 what the legislature, I think, was getting at
2 was to give you the authority to continue to
3 protect what's going on in the gaming
4 establishment, whether it's behavior, whether
5 it's integrity of the games, whatever. It was
6 not meant to be -- sort a secondary way to
7 penalize bad behavior, which is what it would
8 be, if we did let -- you know, do this. It
9 would be judging -- doesn't really have
10 anything -- yes, you can quibble about, is it
11 hurting the gaming establishment, to leave
12 kids? But I don't think that's what they were
13 getting at. I think they were getting at
14 what, like the other examples, having to do
15 with the -- broadly speaking, the integrity of
16 the facility.

17 MS. WELLS: So just to clarify,
18 because it's hard with five of you to figure
19 out. This is difficult.

20 CHAIRMAN CROSBY: Well, we will end
21 up --

22 MS. WELLS: Maybe a hypothetical
23 question, sort of, getting this set, is the
24 Commission's position that, in no

1 circumstances would we put someone on the list
2 for leaving children in the car at the casino,
3 even if it's a repeat offender? Because that
4 goes to, sort of, that exhaustive versus
5 nonexhaustive list, because if the hearing
6 officer's correct in that interpretation, that
7 we can't do it, if that's the Commission's
8 position and that's how they do it, then
9 that's what we follow. But I'm not quite sure
10 that's what this --

11 COMMISSIONER CAMERON: Well, we
12 heard three different opinions here.

13 MS. WELLS: Yeah. So that may be a
14 good example that can, sort of, lead into how
15 we potentially draft -- redraft the regulation
16 to give us some more clarity.

17 COMMISSIONER MACDONALD: Well,
18 let's -- let's take a poll. You've just asked
19 whether each of us would want to exclude
20 people who left children in cars from it.
21 So --

22 MS. WELLS: Could there be a
23 situation where someone left a child in a car,
24 you'd want us to have the authority to put

1 them on the exclusion, whether it's a repeat
2 offender, or they left a baby in there, you
3 know, it was 90 degrees? Are there any --
4 because if there's not --

5 COMMISSIONER MACDONALD: I'd say,
6 yes.

7 COMMISSIONER CAMERON: I'd say yes,
8 as well.

9 CHAIRMAN CROSBY: Yes what? Yes, we
10 would give them --

11 COMMISSIONER CAMERON: Yes.

12 COMMISSIONER MACDONALD: Yes. That
13 we would have to --

14 COMMISSIONER ZUNIGA: Rare
15 occasions?

16 COMMISSIONER MACDONALD: Yeah. Very
17 rare occasions. Very rare occasions. But I'd
18 say yes. We wouldn't exclude --

19 COMMISSIONER ZUNIGA: Right.

20 MS. WELLS: Not, necessarily,
21 everybody.

22 COMMISSIONER ZUNIGA: But that's not
23 the question she's asking. She's asking, in
24 some occasions, in few, in many, in all.

1 COMMISSIONER CAMERON: She was
2 asking both.

3 MS. WELLS: Well, I think my initial
4 question is ever, and then we can get down the
5 list.

6 COMMISSIONER MACDONALD: It's very
7 easy thing. The two of us had said --

8 MS. BLUE: Can I make a suggestion a
9 little bit? I think this is a very difficult
10 decision for the Commission to make. I think
11 we need language that gives the Commission,
12 through staff, flexibility to make these
13 decisions. I'm wondering if it would be best,
14 if we redrafted the reg for you and brought it
15 back for you to look at so we can tweak it.

16 You know, there are a spectrum of
17 situations in many of what is already included
18 in the reg, that -- there's discretion. There
19 has to be discretion.

20 CHAIRMAN CROSBY: But I do think we
21 should get there pretty soon. But I do want
22 to have a little bit more discussion about it.
23 And I agree, then we have to react to
24 something, a specific draft. But I think -- I

1 don't think they meant penalizing people for
2 bad actions. But I do think, that if I were
3 redrafting on this alone, I would give you
4 broader discretion, in terms of things, like
5 all the other things you came up with.

6 MS. WELLS: Yeah. Right.

7 CHAIRMAN CROSBY: Inducing young
8 kids to gamble, for example. Anything having
9 to do with the real operations of the gaming
10 establishment broader discretion. And I think
11 I'd probably be okay with some kind of a -- a
12 very extreme, you know, flexibility.

13 That in the event of something
14 really, really egregious, I don't know that I
15 would give -- you know, if there appears to be
16 an egregious person leaving child behind,
17 there's another process for taking care of
18 that. But I think giving you the authority to
19 use your judgment for something which is
20 outside the principal intent, which is to
21 protect the operations of the casino, so that
22 if something horrible happens you do have that
23 flexibility.

24 COMMISSIONER CAMERON: There's

1 another process for everything listed on this
2 list. Everything here could --

3 CHAIRMAN CROSBY: Yeah. But they're
4 protecting the gaming operation.

5 COMMISSIONER CAMERON: Yeah. But I
6 would argue that protecting the gaming
7 establishment, protecting the children that
8 are brought there, is even more important than
9 a cheat, for example. So I would argue that
10 that's really important, when we're talking
11 about protecting a gaming establishment.

12 CHAIRMAN CROSBY: We just differ on
13 it but...

14 COMMISSIONER ZUNIGA: Yeah. No,
15 I -- I mean, on the rarely -- on the rarely
16 side when it comes to minors, I think there's
17 many ways to -- to protect minors that are
18 outside of placing them on the list. And I
19 think we should -- and I spoke to that
20 already. And I think we should -- we should
21 take that, and we should write that in
22 regulations, just not in these exclusion
23 lists.

24 People -- the repeated nature, you

1 know, would be one aggravating factor, of
2 course, that eventually may end up somebody
3 there. But there's a -- I think this list was
4 intended for -- for the integrity of the game.
5 Even though, I understand the argument that,
6 you know, something horrible happens it places
7 a, you know --

8 CHAIRMAN CROSBY: So it seems like
9 it's a semi-consensus, at least, that we do
10 want to --

11 MS. WELLS: It's enough to get
12 started, yeah.

13 CHAIRMAN CROSBY: We do want to
14 broaden your authority relative to things like
15 you put the examples. We all agree, that I
16 think you clearly have the right to do with it
17 for things that are integral -- integral to
18 the operation of the casino. And I think we
19 all agree, 1 degree or another, that you ought
20 to have flexibility to go outside that in, at
21 least, in extreme cases. So why don't you
22 draft with something along those lines.

23 MS. WELLS: Okay. We can start with
24 that, so that's helpful. I do have a couple

1 other questions, just to -- just put it out
2 there, as long as we're having the discussion.

3 Just so the Commission recalls, this
4 five-year term for the exclusion list, that's
5 by regulation. So the Commission also has the
6 authority, if that want, to move that, do
7 anything with it so there's another
8 opportunity. I'll leave that up to you.

9 COMMISSIONER ZUNIGA: I did want to
10 talk to that. Because I think we should --
11 because this is very fact specific that we can
12 not think of all these instances, I think
13 having a grading type of an escalating
14 approach, placing somebody on the list for a
15 year or five years, I know it needs to be
16 manageable, but I spoke to this already, the
17 five-year nature without appeal gives me
18 pause, or gives me a read of the seriousness
19 of these -- of these instances. And if we're
20 going to try to exercise, because we think you
21 should, different levels of discretion here,
22 you're going to see different levels of --

23 CHAIRMAN CROSBY: What about five
24 year with the ability to petition to get off?

1 COMMISSIONER STEBBINS: We have one.

2 COMMISSIONER ZUNIGA: Well, frankly,
3 that's it. They have -- they're there
4 permanently. But they can only petition after
5 five years.

6 MS. LILLIOS: Right now, the
7 regulation says, absent extraordinary
8 circumstances you have to stay on the list
9 five years before you can petition to come
10 off. Everybody could petition at the
11 five-year mark. You could petition earlier,
12 if you had extraordinary circumstances.

13 CHAIRMAN CROSBY: So that would,
14 sort of, cover what you're --

15 COMMISSIONER ZUNIGA: Right. Just,
16 I mean, we could have it earlier. We could
17 have it for different periods, depending on
18 what you -- what you think is, you know, an
19 aggravating versus a less aggravating type
20 of --

21 MS. WELLS: This somewhat ties into
22 the policy discussion. If the direction from
23 the Commission, sort of, that all, some, none
24 or -- you know, if it's really very limited

1 circumstances that you are directing the IEB
2 to initially put somebody on the list, then
3 maybe the five years is -- so that ties in
4 together.

5 But you have the option, as
6 commissioners, to make a decision that if
7 you'd like individuals to be able to petition
8 after three years, instead of five, you could
9 do that. I'm just putting that out there,
10 that that was a Commission decision initially,
11 and you have the authority, if you'd like to
12 think about that. Doesn't have to be done
13 today. You know, you could -- because we're
14 just putting people on the list, so by the
15 time, you know, at least a year, two years.
16 It's not necessarily a timely issue, but I'll
17 just flag that for your consideration, if you
18 want to just think about that.

19 The other issue, I think couple
20 folks mentioned, that, you know, the public
21 list and the Google search, that was also a
22 Commission decision to put it on the website.
23 So we technically have to create the list, but
24 it doesn't necessarily have to be on the

1 Internet.

2 So the Commission could decide that
3 we'll keep the list, as the law requires, but
4 not necessarily put it on the list so that
5 Karen Wells is trying to Google someone and
6 may stumble upon that. So that -- that's your
7 decision as well.

8 COMMISSIONER ZUNIGA: I would be in
9 favor of that, by the way. If it's, you
10 know --

11 MS. WELLS: I mean, there's a public
12 interest in knowing the Commission's keeping
13 it and knowing they're keeping bad guys out.
14 So there are competing interest there that you
15 may want to consider.

16 MR. BEDROSIAN: Bad people. We're
17 gender neutral.

18 MS. WELLS: Okay, yes. Did I say
19 guy?

20 COMMISSIONER MACDONALD: It would
21 seem that the logical next step at this point,
22 since we've had this discussion, is to now,
23 you know, ask staff, given the deliberations
24 that we've been going through, to, you know,

1 draft some proposed limits to the regulations,
2 as Catherine, you know, proposed, and then we
3 can deal -- it's always easier to deal with
4 something --

5 CHAIRMAN CROSBY: Oh, for sure.
6 We're definitely going to do that on the
7 policy question. But I think we can also -- I
8 think we were pretty close to a consensus on
9 process as well.

10 MR. BEDROSIAN: Yeah, that's a good
11 point. Thank you, Mr. Chairman. Do you want
12 us, when we draft the regs, do a red line of
13 the reg to reflect some of
14 Commissioner Macdonald's suggestions? You can
15 then discuss them, once you see them in the
16 regs.

17 CHAIRMAN CROSBY: Well, I -- I was
18 going to say that it's -- I thought we were
19 pretty close to saying leave the hearing
20 process in, permit a right of appeal --

21 COMMISSIONER MACDONALD: You mean,
22 the hearing officer.

23 CHAIRMAN CROSBY: Hearing officer.
24 Yeah, the first stage. Right. Do not get rid

1 of them and have them all come to us, and give
2 the Commission -- give the IEB the right of
3 appeal.

4 MR. BEDROSIAN: So I think that's
5 what I heard, also, but I just want to be
6 clear. Are we talking about a right of
7 appeal, which is consistent, as General
8 Counsel Blue said, with our other hearing
9 process, or are we talking about that, sort
10 of, new hearing, the de novo hearing, the
11 so-called second bite at the apple with the
12 Commission, which is currently how it exists
13 now, correct?

14 MS. BLUE: Yes. I think what I
15 understood is we would track this against our
16 regular hearing process, so it would be an
17 appeal that would take out the second bite of
18 the apple. We could work in any kind of stay,
19 if we needed a stay pending appeal to the
20 Commission before someone goes onto the list.
21 We can address that concern. But I do think
22 it makes it a simpler process, to be honest.
23 And then, I think --

24 COMMISSIONER MACDONALD: I'm very

1 much in favor of that.

2 CHAIRMAN CROSBY: What would the
3 consequence of what your change about
4 weight -- significant weight of evidence --

5 COMMISSIONER MACDONALD: Substantial
6 evidence?

7 CHAIRMAN CROSBY: Yeah. How would
8 that cut in this --

9 COMMISSIONER MACDONALD: Because the
10 hearing officer concluded that the regulations
11 as -- and correct me in I'm wrong here,
12 Loretta, but the hearing officer concluded
13 that under the current state of the
14 regulation, that he was to make -- that the
15 hearing officer is to make his or her own
16 judgment on the merits, without attaching any
17 particular significance to the -- to the
18 initial determination by -- by the IEB.

19 CHAIRMAN CROSBY: But it -- I'm
20 sorry.

21 COMMISSIONER MACDONALD: And just --
22 and the normal principles of administrative,
23 you know, law appeals is that -- is that on
24 that first stage of the appeal, the persons

1 hearing the appeal has to give a significant
2 amount of deference, in effect, to the initial
3 determination. And the way that that is
4 codified is the use of this term -- this
5 phrase "substantial evidence."

6 CHAIRMAN CROSBY: Okay. But so, if
7 the debate were about how serious -- the
8 interpretation of how serious this event was,
9 let's say, and the IEB found it very
10 serious -- looked at the facts and said, okay,
11 you're on the list, what you're saying is the
12 hearing officer would not be able to come in
13 and say I disagree with that. You know, I
14 don't think it was very serious so take him
15 off the list. If that's what you're saying, I
16 agree with that. But how does that weigh to a
17 reading of the law?

18 In other words, the hearing officer
19 here said they misread the statute. They
20 misread the reg. The reg --

21 MS. WELLS: That's totally
22 different.

23 COMMISSIONER CAMERON: Two different
24 issues.

1 MR. BEDROSIAN: He can always
2 interpret the regs.

3 CHAIRMAN CROSBY: Okay. So that
4 would not abear. Okay. Fine.

5 MS. BLUE: And I think you want to
6 keep in mind that our regulation for this
7 particular matter does have language that says
8 he has to look at the facts and make a
9 determination on his own. That's very
10 different than what our hearing regs require.
11 Our hearing regs require him to look at the
12 record, assess the credibility --

13 CHAIRMAN CROSBY: Okay. I'm fine
14 with it. As long as it doesn't have an impact
15 on the law, of reading of the statute.

16 COMMISSIONER CAMERON: We're being
17 more consistent, then?

18 MS. BLUE: We would be more
19 consistent, if we actually tied this matter to
20 our hearing regs. And then we would be able
21 to develop a better body of --

22 COMMISSIONER CAMERON: Makes a lot
23 of sense.

24 CHAIRMAN CROSBY: I don't see any

1 reason why we should not have them tied to our
2 hearing regs. If it's something wrong with
3 our hearing regs, we ought to rethink that
4 not --

5 MS. WELLS: And this -- that is
6 the --

7 CHAIRMAN CROSBY: The norm.

8 COMMISSIONER ZUNIGA: And that would
9 cover -- that would bring in everything. We
10 talked about the appeal of IEB, right?

11 MS. BLUE: Yep.

12 COMMISSIONER ZUNIGA: And then, you
13 know, the review by us, as we've done some of
14 the racing hearings.

15 COMMISSIONER CAMERON: I'd prefer
16 the consistency.

17 MS. BLUE: It would follow the same
18 process, yes, and it would be consistent.

19 COMMISSIONER CAMERON: It was very
20 confusing the way we had it.

21 MR. BEDROSIAN: It was unique.

22 MS. BLUE: It was a different time
23 and a different consideration.

24 COMMISSIONER MACDONALD: It was all

1 because of my predecessor.

2 MS. WELLS: Okay. So this -- this
3 is helpful to me. And, you know, it's tough
4 because -- you know, one of the reasons we had
5 suggested, potentially, do it in the first
6 instance, because it's very hard on my end, to
7 ultimately make a decision where I'm trying to
8 read and predict what the policy consideration
9 would be by the Commission.

10 Now, as time goes by and as,
11 potentially, more cases get reviewed by the
12 Commission, that gives me more direction and
13 then I can fill in the gaps, if you will, of
14 what I know or don't know. So I'm trying
15 here. I'm trying to figure this out. So
16 these kinds of conversations are helpful to
17 me, because when I have, you know, five
18 potential candidates, I'm trying to do the
19 right thing and say, okay, given the
20 Commission's policy direction, follow my own
21 conscience, try to put this all together, I'm
22 trying to put this together as far as what we
23 should be doing in each particular situation.
24 So, particularly, that direction of, you know,

1 how egregious do offenses need to be, in order
2 to warrant this, that's helpful to me.

3 What I'm hearing from the Commission
4 is, you want included a public safety issue,
5 including elderly, children, things like that,
6 but make sure it's at that -- at that higher
7 level, and that I should also be really
8 considering the offenses that potentially
9 affect the integrity of the gaming. Whether,
10 you know, we're talking about counterfeiting,
11 you know, bringing minors on the floor, you're
12 very interested in the gaming. So that's --

13 COMMISSIONER ZUNIGA: Well, that's
14 mostly what the list is for.

15 MS. WELLS: Right. And that's -- so
16 that's what I'm hearing from the body right
17 now. So please correct me if I'm wrong, but
18 that's -- I'm trying here. It's a little
19 difficult.

20 COMMISSIONER CAMERON: But the
21 ability to consider other factors. Children's
22 safety is really paramount. So I -- I think
23 we can't lose sight of that. And it's really
24 important that we have a way of making sure

1 that's something we take into consideration.

2 MS. WELLS: Right. But hearing what
3 the Commission's saying, in a -- you know,
4 minor, you know, under 18, potentially, if
5 there's a -- you know, a 17-year-old child
6 left in the car while mom ran in to get a
7 soda, you know, that's not --

8 CHAIRMAN CROSBY: And here would be
9 an interesting case and point, how would each
10 of us have determined on this appeal?

11 MS. WELLS: Yeah. I would not be
12 given that that's somebody's individual case.
13 I wouldn't necessarily do that.

14 COMMISSIONER CAMERON: I agree.

15 COMMISSIONER ZUNIGA: Well --

16 MS. BLUE: I think, in general, the
17 case has been decided. And so, we should
18 probably not opine on it in public.

19 MS. WELLS: You could come tell me
20 anecdotally.

21 COMMISSIONER CAMERON: Mr. Murren
22 needed more direction. This was not clear
23 enough, obviously, so we determined that. And
24 there's, luckily, a good thought here on how

1 to clarify that matter. So I think that's
2 really important, too, as well as the
3 seriousness piece of it as well.

4 MS. WELLS: Right.

5 COMMISSIONER ZUNIGA: But there were
6 at least three Commissioners, myself included,
7 that are thinking that this is a narrow scope.

8 MS. WELLS: Correct. That's what
9 I'm thinking.

10 CHAIRMAN CROSBY: Right.

11 COMMISSIONER ZUNIGA: We're
12 expanding -- we're affirming the broad
13 applicability, because it's very hard to come
14 up with an exhaustive list.

15 MS. WELLS: It's impossible.

16 COMMISSIONER ZUNIGA: So it's
17 nonexhaustive. But it's not to be used in
18 every instance, given all the specifics of
19 this particular case.

20 MS. WELLS: So -- and I think my
21 message to the Commission is, I'm really
22 trying to hear you as a five-member panel and
23 doing my best efforts to try and do this.
24 But, you know, we'll just have to do it on a

1 case-by-case basis with as much -- as much
2 guidance as possible.

3 COMMISSIONER ZUNIGA: And we -- I
4 give you great credit for trying all of that,
5 which is not easy. And I just want to plug in
6 that it's also difficult for us, at least for
7 me, to think of any of these cases on a
8 regulation in the abstract.

9 MS. WELLS: Correct. That's where
10 I --

11 COMMISSIONER ZUNIGA: Saying, now
12 you need to go implement it.

13 MS. WELLS: Right.

14 COMMISSIONER ZUNIGA: And it's
15 unlikely that we're going to get to hear a lot
16 of them, because the reality is that people
17 want appeal, even those that might not get us
18 to. And so, there's constraints, if you will,
19 in this -- we're starting -- we're starting a
20 process, and we have been, and this is not
21 necessarily new, but creating policy in the
22 abstract, at least for me, is difficult. But
23 I know we're all trying. And I thank you for
24 all your efforts.

1 CHAIRMAN CROSBY: It's going to turn
2 into a specific pretty soon.

3 MS. WELLS: Okay.

4 CHAIRMAN CROSBY: Okay. Thank you.

5 COMMISSIONER MACDONALD: Thank you.

6 CHAIRMAN CROSBY: All right. So
7 we're close, we might as well power through.

8 COMMISSIONER ZUNIGA: Really? The
9 enhanced code of ethic --

10 MR. BEDROSIAN: No. I think we're
11 at the annual report.

12 COMMISSIONER ZUNIGA: Yeah.

13 CHAIRMAN CROSBY: Oh, we're coming
14 back.

15 MR. BEDROSIAN: I think that's what
16 we -- while we circle back.

17 COMMISSIONER ZUNIGA: I think we
18 have at least an hour ahead of us. Could we
19 break for lunch?

20 CHAIRMAN CROSBY: Oh, yes. I'm
21 sorry, I forgot.

22 COMMISSIONER CAMERON: Thirty
23 minutes?

24 CHAIRMAN CROSBY: Yeah. We'll take

1 a 30-minute break.

2

3 (A recess was taken)

4

5 CHAIRMAN CROSBY: We are
6 reconvening. Before we move on, I just -- it
7 was brought to my attention that something I
8 said during the meeting may have been
9 misinterpreted. When I was talking about the
10 words in the gaming establish, at the end of
11 that key phrase, what I was getting at was
12 that Attorney Lillios was interpreting the
13 language differently and putting less emphasis
14 in those words than the hearing officer did.
15 But I was certainly not implying, in any way,
16 that she was trying to hide those words from
17 us or mislead it. So if that was
18 misconstrued, I totally apologize. It was
19 just people reading the same statute and
20 emphasizing different words. Okay. We're
21 going to go to item 6C, was it?

22 MR. BEDROSIAN: No. We are actually
23 going to go to item six it is A, Todd?

24 CHAIRMAN CROSBY: A. Okay.

1 MR. BEDROSIAN: Nondisclosure
2 agreement.

3 CHAIRMAN CROSBY: Right. Okay.

4 MR. BEDROSIAN: Because we have
5 someone who needs to --

6 CHAIRMAN CROSBY: You're quite
7 welcome. We could have done this before
8 lunch, if we'd realized you were dashing.

9 MR. NOSAL: We had a nice --
10 Catherine and I had a very nice conversation.

11 CHAIRMAN CROSBY: Okay. Great. So
12 Mr. Grossman.

13 MR. GROSSMAN: Good afternoon.

14 CHAIRMAN CROSBY: Good afternoon.

15 COMMISSIONER MACDONALD: Good
16 afternoon.

17 COMMISSIONER CAMERON: Good
18 afternoon.

19 COMMISSIONER ZUNIGA: Good
20 afternoon.

21 COMMISSIONER STEBBINS: Good
22 afternoon.

23 MR. GROSSMAN: The Commission, by
24 way of the legal department is in receipt of

1 some of the requests. We have before you a
2 copy of the application and a set of
3 recommendations relative to your response.
4 And we're prepared to go through each of them
5 now.

6 Also include in the packet, though,
7 just by way of kickoff, is a copy of the
8 regulation that governs this practice. And I
9 thought it might be helpful just to begin by
10 noting that the standard by which we review
11 all these requests, essentially, is whether
12 they are a trade secret, or the information or
13 documents would detrimental to the gaming
14 licensee, if they were to become public. So
15 that's the lens through which we review all of
16 these requests.

17 As you can see, if you've -- on the
18 recommendations, a great many of them we
19 certainly recommend that you adopt, as they
20 were previously reviewed by the Commission
21 on -- relative to the request from Plainridge
22 Park casino. And we presently have an NDA in
23 place for Plainridge Park Casino that includes
24 many of these items. So, certainly, we would

1 recommend similar treatment for similar items.

2 And with that, we're happy to just
3 either run through the entire list, or address
4 any specific questions you may have.

5 COMMISSIONER ZUNIGA: Todd, I'd be
6 interested in highlighting any one of the
7 items that we have not approved for
8 Plainridge, in the interest of time.

9 MR. GROSSMAN: Right.

10 COMMISSIONER ZUNIGA: But, of
11 course, subject to any other approach.

12 MR. GROSSMAN: Absolutely. I think
13 the first two that come to mind are numbers
14 six and seven on the list. These relate to
15 documents that come up on in our preopening
16 discussions, the meetings between MGM staff
17 and the Commission staff, and certain
18 information that changes hands, in an effort
19 for Commission staff to ensure that things are
20 happening on a timely basis, and that they're
21 being done in conformance with the law and any
22 regulations or other commitments. And,
23 certainly, the licensee has shared a lot of
24 information with us, some of which would fall

1 into the category of detrimental, if it were
2 released publically. And so, we're trying to
3 wrap our arms around what exact category of
4 information should be covered under the
5 nondisclosure agreement.

6 This is one of the areas for which
7 there's no one or two specific documents that
8 is being address. Instead, it's really a
9 class of documents that we may receive. And,
10 in fact, after a great discussion, I think
11 we've actually come up with some language.
12 It's in their application, that we would
13 recommend you consider approving for inclusion
14 in the NDA. And it's listed here in our
15 recommendation. It's pulled, actually, out of
16 their application. And it's essentially --
17 documents relative to the portions of progress
18 reports regarding compliance with construction
19 commitments and environment-filled mitigation
20 that contain interim assessment status and
21 opinions regarding compliance made by the
22 licensee. And that approval would not extend
23 to information that's discussed publicly here
24 before the Commission, and that, in fact, this

1 one would sunset upon the issuance of the
2 operation certificate, when public disclosure
3 is no longer -- or no longer be considered
4 detrimental. So just --

5 COMMISSIONER MACDONALD: Excuse me,
6 Todd, which one are you referencing?

7 MR. GROSSMAN: I'm sorry. This is
8 number six on the MGM list.

9 COMMISSIONER MACDONALD: Number six
10 on page three. And where is that text that
11 you were just reading?

12 MR. GROSSMAN: That is on our
13 recommendations.

14 COMMISSIONER MACDONALD: Oh, oh, oh.
15 Sorry.

16 MR. GROSSMAN: It's actually -- it's
17 taken from their synopsis of the issue.

18 COMMISSIONER ZUNIGA: Can you just
19 repeat the last piece, sort of go back to your
20 last sentence before -- before the question.

21 MR. GROSSMAN: About the sunseting?

22 COMMISSIONER ZUNIGA: No. About the
23 documents. Specifically those -- I'm thinking
24 of the Section 61 findings process that we're

1 about to undertake, and the review that Joe
2 and John are doing relative to a number of
3 things. Some are ongoing, some there's no
4 action, some there's real follow-up. And I
5 just, kind of wanted to understand it through
6 that lens.

7 MR. GROSSMAN: I think, the concern
8 is that we are privy to their thinking
9 throughout this process. Once it becomes a
10 live issue and it's ripe, and it's to be
11 discussed in public, there's no argument or
12 suggestion that the information should be
13 protected from release at that point.

14 It's really up to that point, where
15 they share their thoughts on how they're doing
16 whether things will be done on a timely basis.
17 They might need more time for something or
18 whatever. They're not necessarily legally
19 obliged to share with us. But they do, and it
20 makes our jobs a lot easier. But that, if
21 that information is released publicly, it
22 could be detrimental to the overall project.

23 COMMISSIONER ZUNIGA: So it's the
24 initial drafts. If there's a draft and

1 somebody here comes back and says, no, it
2 occurs to me that it's slightly different, or
3 it's now been updated, those interim
4 communications would be protected?

5 MR. GROSSMAN: I think that would be
6 one. Another might be if there's a document
7 where they'd lay out how they think the
8 process might proceed, or they offer an
9 opinion as to whether they'll be completing a
10 task on a timely basis, or it might take
11 longer or shorter, whatever it is, might cost
12 more, might cost less, things like that, that
13 aren't necessarily ready for public
14 disclosure, but that we are privy to, are the
15 things that I think we've agreed should be
16 protected, and that they would be detrimental
17 to the licensee's interest, if they were
18 released publicly.

19 Now, once the Commission is
20 addressing these issues, whether by way of
21 Section 61 findings or a quarterly report or
22 whatever it is, and you're addressing it in
23 public, there is no suggestion that it be
24 continued to be subject to the protection

1 here. It shouldn't and it wouldn't.

2 So this one, number six and number
3 seven are the most challenging in that, A, it
4 don't relate to specific documents that we're
5 aware of and that can -- we can put our
6 fingers on at the moment. And B, that they
7 would actually sun -- the protection would
8 sunset at a point in time that, in some cases,
9 is imprecise.

10 But I think we can wrap our arms
11 around the concept enough to include some
12 language in an NDA that would allow the
13 Commission to afford protection to sensitive
14 documents and still allow us to receive them,
15 while giving comfort to the licensee that they
16 won't be disclosed publicly.

17 Now, there may be a discretionary
18 feature built into this, where the licensee
19 would mark something confidential and the
20 legal staff would have to look at it to see
21 whether it meets with the standard or not.
22 And this is one of the few areas where that
23 type of discretion may actually apply. But
24 this was, I think, the best approach to this

1 request.

2 COMMISSIONER CAMERON: I was just
3 going to ask about how it is operationally
4 feasible. But the document would be submitted
5 as a draft and a request would be made that it
6 be kept confidential, but they -- but you
7 could all discuss it in a meeting, whatever,
8 right, and you would have to give them a legal
9 opinion as to whether or not that document
10 applied to this -- this standard?

11 MS. BLUE: No, I think that's right.
12 I think a lot of situations that we're talking
13 about here would happen through conversations
14 in meetings first. I mean, one of the things
15 is we have a lot of give-and-take, as we try
16 to work through what's -- you know, on
17 compliance issues, for example, in
18 construction, what's going on, what's not. I
19 think, when it came down to a document, yes,
20 they'd submit it, they'd mark it subject to
21 the NDA, and we'd make a determination as to
22 whether it fit or it didn't.

23 COMMISSIONER ZUNIGA: Sounds good.

24 MR. GROSSMAN: So six relates to

1 more construction-related documents and
2 strategies. Seven is really nonconstruction
3 related, like workforce development, things of
4 that nature. But it's the same exact concept,
5 I think, same principles we just discussed.

6 So with that, you know, we have
7 outlined some language, some rough language
8 that we would recommend including into the
9 NDA. This would probably be a good time to
10 pause and run through, I guess, what the ask
11 is for today's. And that is for the
12 Commission to have a preliminary look, at
13 least, at what the recommendations are, offer
14 a blessing to include these items in a
15 nondisclosure agreement. Then, we will have
16 to go back and incorporate these items into an
17 actual nondisclosure agreement, which will
18 then talk to MGM about, to see if there's
19 comfort there. And then, ultimately, sign the
20 agreement. So we're just trying to hammer out
21 the basic foundation for the agreement here
22 today. That's six and seven.

23 I don't know that there are,
24 necessarily, other items that are not at all

1 discussed in the Plainridge Park Casino, PPC.
2 There a few other issues, though, where MGM
3 has requested a wider scope of protection for
4 documents than we allowed in the Plainridge
5 context.

6 And we should probably -- we can
7 cover those two next. So those are -- let me
8 see if I can pick those out. Do you have
9 those? Just the reports? Doesn't that come
10 up in two contexts?

11 MR. NOSAL: Yeah. So I guess I can
12 talk about this as another category of
13 records, that we're taking a slightly
14 different approach than, I think, what was
15 approved with Plainridge. And in particular,
16 I think we're dealing with --

17 MR. GROSSMAN: Twenty-five and 28.

18 MR. NOSAL: Yeah, 25 and 28. And
19 these are really copies of reports and
20 documents that the company may be providing to
21 the Commission, which could include the names
22 of specific individuals involved in either an
23 incident or a potential violation of 23K.

24 And from the company's position, we

1 would like the names of individuals,
2 especially in both of these types of
3 circumstances. It's really a predisposition
4 it's a -- you know, and in one case, it's
5 certainly part of a self-reporting process
6 that we're able to cover individual names and
7 other identifying informing regarding people
8 in those particular reports.

9 We've had some conversations back
10 and forth with staff over this. And I don't
11 want to certainly speak for Catherine and
12 Todd, but they pressed back on, well, what's
13 the detriment to the company for those in that
14 particular circumstance? We understand, you
15 know, you can make an argument, somebody might
16 have a individual privacy interest.

17 So I think, from the company's
18 perspective, it doesn't want to be in the
19 position of turning over a record to
20 government with personal identifying
21 information, regardless of how remote the
22 chance is that that comes back from a
23 liability perspective. It's preferable that
24 the company is not put in that position.

1 We can at least have the ability to
2 say that that information contained in those
3 reports is confidential. And that could
4 extend, also, not to people that are maybe the
5 subject of those particular reports, but also
6 it could be to, you know, potentially a
7 witness, other patrons who are maybe injured
8 or -- in some particular way, or a victim of
9 something. And I think, you know, again, the
10 detriment is to avoid any exposure there.

11 And also, I think, on behalf of
12 patrons really to hold that information in
13 confidential -- in a confidential manner,
14 really, across the board, and not essentially
15 expose someone to being, you know, identified
16 at some point as being either at a casino or
17 being involved in a particular incident.
18 These aren't necessarily law enforcement.
19 This could be in violation of the regs. It
20 could be a violation of 23K. And we do think
21 that, from the company's perspective, the
22 inability to guarantee that type of
23 confidentiality to patrons is a detriment.

24 MR. GROSSMAN: And I would just --

1 I'm sorry, Commissioner, I would just clarify.
2 It's actually 14 and 28, not whatever I said
3 before. It's not 25 and 28. It's 14 and 28.

4 So they both pertain to
5 incident-type reports that we would get in
6 at -- as Mr. Nosal described, would ordinarily
7 involve a specifically-named individual. So
8 there's the -- the issues before you are the
9 name of the individual, whether that should be
10 covered under this nondisclosure agreement.

11 And then, secondly, when the
12 licensee reports potential violations of the
13 law, whether that should automatically, under
14 this disclosure agreement, be confidential
15 until a final decision is made, based on those
16 concerns, is the second issue that we have
17 taken issue with and suggested that those
18 would not be the appropriate subject for a
19 nondisclosure agreement.

20 When it comes to people's names,
21 certainly, there is a privacy interest,
22 perhaps, that is involved there. If so and so
23 is accused of getting into a fight or what
24 have you in the casino, and there's an

1 incident report that was sent to us, I'm sure
2 that it may be embarrassing to that person.
3 And perhaps, under the public records law, if
4 we were to get a request for that report, we
5 would, on our own, redact the person's name.
6 But that's subject to our discretion, and to
7 the public records law.

8 It didn't seem to us, that that is
9 really the proper subject for a nondisclosure
10 agreement as being detrimental to the
11 licensee, if we release that person's name for
12 whatever reason as part of a public records
13 request. And that's not to say that we would
14 do it, but just that it's up to us to make
15 that decision. And similar -- go ahead.

16 COMMISSIONER ZUNIGA: No, no, please
17 finish.

18 MR. GROSSMAN: Well, I was just
19 going to quickly conclude and say, similarly,
20 when a matter, when they report a potential
21 violation of a law or regulation to us and
22 we're investigating that, similarly, it's a
23 matter of our discretion under the public
24 records law cents we want to withhold the

1 document under the investigatory exemption
2 until we're confident that release of it will
3 not, in any way, inhibit our ability to
4 investigate the matter. But if you include it
5 here, it will, per se, be off limits to
6 release until the matter is resolved.

7 So we're merely suggesting that we
8 maintain our discretion to determine when to
9 release those two pieces of information and
10 what they not be included here, but I
11 certainly see the other side of the issue as
12 well.

13 MR. NOSAL: And one thing -- I'm
14 sorry, Commissioner, go ahead.

15 COMMISSIONER ZUNIGA: No, please go.

16 MR. NOSAL: So I think that, you
17 know -- just a couple of things. So I think,
18 first of all, on the backdrop, we've
19 definitely got a history of, sort of, dealing
20 with records, and have a lot of confidence
21 and, sort of, the staff's, you know,
22 recommendations regarding particular records,
23 you know, even outside of this NDA request.

24 I think, from the company's

1 perspective, it's definitely preferable to
2 have these things covered by the NDA. It's a
3 specific exception to the public records law.
4 It take its it out of that -- essentially,
5 that, you know, realm of making determinations
6 under Chapter 66A and the exceptions set out
7 in Chapter 7 -- or Chapter 4, Section 726.
8 And I think that it gives a little bit more
9 certainty to the company, about how these
10 records are do going to be done as -- going to
11 be handled, as opposed to, potentially, those
12 records being subject to a further process on
13 down the road.

14 And I think, you know, on the names
15 of individuals, I think the company does have
16 a business interest in being able to represent
17 to, you know, its patrons that it takes all
18 steps necessary, in order to protect the
19 privacy of their -- of their identity and the
20 fact that they decide to patronize a casino,
21 or that they were involved in a particular
22 incident.

23 So I think -- I think the detriment
24 piece there, I think the company feels

1 strongly that there is that piece. And, you
2 know, that's one of the criterias for,
3 certainly, approval under the statutory --
4 under the statute, under the regulations.

5 COMMISSIONER MACDONALD: If I
6 understand this right, you're recommending
7 that this be approved in the manner approved
8 for PPC?

9 MR. GROSSMAN: That's correct. So
10 certainly, to the extent that a report
11 involves a surveillance strategy or operation,
12 or a security measures that we're taken, or
13 tacks about internal control procedures or
14 cage operations, or something of that nature,
15 then we protect that piece, as that is
16 sensitive and certainly would be detrimental
17 to the licensee, if it were released. We're
18 really just talking about an individual's
19 name, and the fact that something was reported
20 to us in the first instance before we've taken
21 any action.

22 It seems unlikely that we would
23 publicly disclose the fact that there was a
24 report, before we took a look at it, to see

1 whether it has any merits and whether we're
2 going to take any action, or anything of that
3 nature. But that is something we're
4 suggesting should be within our discretion.

5 COMMISSIONER ZUNIGA: Well, that's
6 what I wanted to get to, which is, we
7 currently don't, as a matter of course,
8 release names of any incidents. We would
9 protect those -- we would identify those
10 names, if we were ever in a situation where we
11 were asked to release an incident report, for
12 example.

13 MS. BLUE: Under the public records
14 law, yes, we try to make sure we don't release
15 personal type information. And I think this
16 is what -- the point Todd is making, which is
17 we would want the discretion to understand
18 that. Some personal information is -- in
19 different context may not be worthy of
20 exempting or redacting, others might.

21 So the thing is, I think what you
22 have to think about with NDAs, there's two
23 separate -- there's a standard for the NDA,
24 and there's a standard for public records. We

1 think that things that are detrimental to the
2 company, clearly fall within the NDA standard.
3 Things that are detrimental to particular
4 people are more likely to come under the
5 public records standard. We would just ask
6 the -- for the ability to make that choice.
7 But we do always try to protect personal
8 information wherever -- you know, wherever we
9 can.

10 MR. NOSAL: I mean, the only thing
11 -- again, I think the understanding that --
12 again, having, you know, experienced the way
13 the Commission has dealt with public records
14 over time, you know, we certainly have a lot
15 of, you know, respect and confidence in those
16 processes. It may not ultimately be up to the
17 staff, if you do subject this to the
18 exemptions under the public records law, if
19 there's a completely different process. There
20 are other individuals that may be involved in
21 that determination, if there's an appeal over
22 that.

23 So going back to my point of
24 certainty around this issue, that's important.

1 And really, you know, kind of piggybacking
2 back onto the -- some of the discussion
3 earlier about, sort of, you know, widespread
4 public dissemination, I mean, in today's age,
5 somebody's name in connection with a
6 particular incident at a casino could, you
7 know, not only live at the agency or in
8 connection with a particular even, you know,
9 individual request for that information, but
10 it could become, you know, almost ubiquitous,
11 you know, through the Internet.

12 COMMISSIONER MACDONALD: Well, I
13 think we should avoid feeling hamstrung by
14 earlier decisions. But I think, as a general
15 matter, that it's in our interest to have
16 consistency between the standards that we
17 apply to one licensee or the other. So I'm
18 inclined to follow the standards previously
19 approved with Plainridge.

20 COMMISSIONER ZUNIGA: Which is that
21 discretion that the legal department talks
22 about, to have the ability to ascertain which
23 standard are we following, given the
24 particular circumstance.

1 MS. BLUE: I think that's right.
2 The other thing, too, to keep in mind as we go
3 through this, if we see how the information
4 comes in, we see particular types of
5 information, this NDA can also be amended. We
6 can come back to you and we can say, you know,
7 this is what we're seeing. This is how often
8 we get it. We think it should be covered.

9 You know, I commend MGM for coming
10 in early for an NDA, because you remember with
11 PPC, they came in after the fact. This is a
12 good idea, to get this in place up front. But
13 on some of these issues, I think I'd like to
14 see, kind of, what happens first and we can
15 come back with information for you. And, you
16 know, if we have to revisit it, we can.

17 COMMISSIONER ZUNIGA: I agree with
18 that. The one thing -- and I don't think MGM
19 is suggesting this, but I think on the
20 self-reported, I would hope that this would
21 not hamper the ability, or the regular course
22 of self-reporting these kinds of situations,
23 fearing that the legal department may be too
24 liberal in the interpretation of the personal

1 information. That would be, in my opinion,
2 the only thing to consider. But I agree we
3 should give the ability to --

4 MR. MADAMBA: Commissioner Zuniga, I
5 can assure you that's not -- was not the
6 calculous in this. The calculous in this was
7 causing someone undue embarrassment, when
8 you're not at a final conclusion.

9 COMMISSIONER ZUNIGA: Fair enough.

10 MR. MADAMBA: We have an Internet
11 today, where people are tried and convicted on
12 the Internet before all the facts were even
13 looked at and there was a decision. And it's
14 really just to protect our employees and our
15 patrons, that they're comfortable that there's
16 a fair process and we're not going skewered on
17 the Internet in the beginning.

18 And while, you know, I understand
19 that the individual has a privacy interest, I
20 think we have a business interest, as well,
21 that needs to be recognized. That we have our
22 business reputation at stake, and that we're
23 going to treat people fairly. And that was
24 the concern why we put it in. Not that we

1 would report -- we are extremely transparent
2 company. The reason that this NDA is here and
3 some of the things that we've asked, is
4 because we want to continue to overshare.
5 That's a quote from our (inaudible).

6 It's our ability to be able to be
7 very open with the Commission staff and give
8 them whatever they need, and possibly some
9 things they didn't ask for. We continually
10 give Commission staff things that weren't
11 asked for but we think will be helpful in
12 their decisional process.

13 COMMISSIONER ZUNIGA: Well, thanks
14 for that clarification. I didn't mean to
15 suggest that that was the reason I was
16 speculating, perhaps, that in the long run
17 this would hamper that oversharing --
18 inadvertently -- yes. Thank you.
19 Inadvertently result in a hampering, because
20 you and us can have certain ideas, but this
21 relies on a lot of other people interpreting
22 the regulations we write and so on.

23 CHAIRMAN CROSBY: The NDA won't
24 supercede the public records law, right?

1 MR. GROSSMAN: No. It's actually --
2 I think it works in conjunction with it. As a
3 matter of fact, as we write right in the
4 agreement, it's really the statutory
5 exception. So it's a part of the public
6 records law that allows us to do this, I
7 believe, on its own. So --

8 CHAIRMAN CROSBY: Allows us to?

9 MR. GROSSMAN: To protect this
10 information. As you're saying, as a matter of
11 law, all information we have is public, unless
12 it falls under some exception and we agree to
13 protect it. In this case, there's no specific
14 exemption for all of this stuff, except for
15 the provisions of the gaming law that say we
16 can protect items that are either a trade
17 secret, or would be detrimental to the gaming
18 licensee, if made public. So it's really that
19 exemption, it's the statutory exemption that
20 plugs into the gaming law -- excuse me, to the
21 public records law that allows us to have
22 this.

23 Now, that said, I would certainly
24 agree with the notion that anything we include

1 in the NDA gives it an added later of
2 protection, if you will, that anyone who were
3 reviewing it would then need to, kind of, work
4 through these two layers of protection.

5 There's one under the public records law kin
6 which a review would have to be made. But
7 then someone would have to question the
8 Commission's judgment and interpretation of
9 its own statute in applying that provision to
10 this particular document.

11 So I think there is certainly added
12 protection that a document or piece of
13 information gains by being included in an NDA.
14 There's no question about that. But it could
15 be challenged, nonetheless.

16 MR. NOSAL: This is -- just for
17 context, this process isn't in any way unique
18 or exclusive to this regulatory agency. These
19 types of processes exist in other -- for other
20 agencies that really have supervisory
21 responsibilities that require them to get into
22 the, essentially, the business and other
23 records of a company in order meet those. So,
24 you know, good example, there's certainly the

1 department of public utilities, overseeing all
2 our public utilities. Insurance, again, you
3 know, specific statutory provisions that allow
4 for this.

5 CHAIRMAN CROSBY: What's a case in
6 point, where we might want to have the
7 flexibility to release a name and would not
8 want to have been covered under the NDA?

9 MR. GROSSMAN: I'm not exactly sure.
10 Someone gets into a fight at the casino and
11 there's a report that we get. We may say,
12 well, I mean, we can release that. You know,
13 we're not bound by it, if there's some public
14 interest in knowing the details.

15 CHAIRMAN CROSBY: So is that where
16 we're at now? If absent an NDA, if a
17 newspaper wants all the records of the
18 incidents at casino with names included, are
19 we obligated to give that, under the open
20 meeting -- under the public records law?

21 MS. BLUE: So we would -- we would
22 look at the nature of the request, and we
23 would make a determination as to what
24 exemptions might cover it.

1 So, for example, there is an
2 exemption for personal information that might
3 be embarrassing, that would invade someone's
4 privacy. We would take a look at what was in
5 the incident report. We would also take a
6 look at whether they were security or
7 surveillance processes or locations
8 implicated, because that would also require us
9 to redact certain information. So it would
10 depend upon the report.

11 I would say, that if we got a broad
12 request that said, I want all the incident
13 reports from the casino, we would be studying
14 all those incident reports very carefully to
15 determine what needed to be redacted and what
16 didn't. That's just under the public records
17 law. We would all look at the NDA, to see if
18 there was anything in the NDA that covered
19 information in those as well.

20 COMMISSIONER ZUNIGA: Would there
21 also be, under the public records, an
22 investigatory temporary, because it's an
23 ongoing investigation, let's say, that cannot
24 be ascertained yet?

1 MS. BLUE: Yep. So we would -- so
2 we would look -- you know, at all of that.
3 Like, the investigatory exemption covers
4 material that is used in an investigation for
5 the term of the investigation until you come
6 to an outcome. We would certainly look at
7 that as well.

8 You know, I think it would depend
9 upon the information, just like we do with a
10 lot of information that we get. But I think,
11 you know, to go back to Todd's point, there's
12 two standards. We do have to, kind of, work
13 them together. The NDA falls -- the NDA
14 actually falls into an exemption. We call it
15 Exemption A, it's the first one. And that
16 says anything that's exempted by statute. Our
17 statute says we can protect this so we -- we
18 are using an exemption to create the NDA. And
19 now we're staying further, you know, the
20 standard we have under our exemption is
21 detrimental to the company.

22 And where I think we disagree a
23 little bit with MGM is that, the name of a
24 person who gets into a fight in the casino,

1 really is not detrimental to MGM. I
2 understand the good will and their reputation
3 and things like that. It is potentially
4 detrimental to the person who got into the
5 fight.

6 And so, we would look at that in
7 terms of the privacy exemption, the security
8 exemption, the investigatory exemption, and
9 decide if we should redact that information.

10 CHAIRMAN CROSBY: What kind of
11 assurances would you like to give your
12 customers that you couldn't, if you didn't
13 have this NDA? You're not going to say to
14 people, don't worry if you get into a fight,
15 we won't let your name out, or would you?

16 MR. NOSAL: Well, remember, this is
17 a reporting requirement. So it's about
18 creating a document. And in creating a
19 document, you're going to want cooperation
20 from, you know, potentially, the -- an
21 aggressor, a victim or a witness. And
22 certainly, in that context, being able to say,
23 you know, we will have to turn this
24 information over to regulators, but it's our

1 position that it's covered by -- you know,
2 that there are assurances around
3 confidentiality, I think is incredibly helpful
4 to making sure you get the -- certainly, most
5 complete, best cooperation. There's nothing
6 that's go thing to stop that person from
7 saying, you know what, I'm leaving. I'm out
8 of here. I'm not going to help you out with
9 this.

10 CHAIRMAN CROSBY: I mean, that's a
11 reasonable point. That isn't protecting your
12 reputation, which I thought is the point you
13 were making. But As a practical matter, being
14 able -- if you're trying to figure out what
15 happened, having -- being able to see to a
16 witness --

17 COMMISSIONER ZUNIGA: We can always
18 sent the state police, can't we?

19 COMMISSIONER CAMERON: Well, are you
20 talking about an incident where your security
21 would be investigating, as opposed to the
22 regulatory body there investigating?

23 MR. NOSAL: Sure. Could be, yes.

24 MR. GROSSMAN: The regular public

1 records law applies to the state police too.
2 So when they're investigating, they're subject
3 to the public records law. They withhold
4 information under the same exemptions we do,
5 which is the investigatory exemption and the
6 privacy exemption, that's how they protect
7 witnesses. There's, obviously jurisprudence
8 governing protecting informants and all that
9 kind of stuff, but it's the same law.

10 MR. NOSAL: Remember, the starting
11 point for this record, though, is a private
12 company. It's a private company's record.
13 Not the state police or the Gaming Commission.
14 it's the company's record. And we're asking
15 for information that's collected by the
16 company and put in the company's record to be
17 covered by the NDA.

18 CHAIRMAN CROSBY: Right.

19 MS. BLUE: I think one of the
20 things, too, and I don't know -- MGM's not
21 open yet so we haven't gotten these kind of
22 records, but we try to work very closely with
23 our licensees to determine what kind of
24 informing we want.

1 I mean, I would think that the IEB
2 would be willing to sit down with MGM and talk
3 about what the form of these kind of reports
4 would look like and what information they
5 need. And to the extent they need names, you
6 know, particular names, that's good.

7 If there's a determination amongst
8 the two groups that they just need to
9 understand the incident and they don't need
10 specific information until they're going to
11 investigate it or something like that -- I
12 mean, keep in mind, this is information that
13 we asked to have provided to us. We can also
14 talk about the format and what we get. And we
15 have some flexibility in what we're doing.

16 So I don't know what the IEB would
17 like to see. But it's possible they may want
18 a less-fulsome kind of report in the
19 beginning.

20 COMMISSIONER ZUNIGA: I think, in
21 the context of the construction oversight,
22 we've exercised that form and flexibility by
23 inspecting the records on site, rather than
24 taking possession, for example, which I think

1 is a very -- you know, has satisfied both
2 aspects. We just don't have the record, but
3 we're interested in looking at it.

4 MS. BLUE: And there are some
5 situations we don't -- we wait to request the
6 record when we need it. We say, you know,
7 when we want it we'll come and ask you for it.
8 So I think there are some discussions that
9 could occur that could -- you know, we could
10 work on some of these issues. We understand
11 MGM's concern. But there's probably some
12 things we could work out as -- on a staff type
13 level and, you know, see how that goes.

14 COMMISSIONER CAMERON: Yeah. I'm
15 inclined to -- I think our legal staff makes a
16 good argument. I think we're brand new here
17 in the Commonwealth. It's important that we
18 understand what we have and that we are
19 consistent from property to property. And if
20 we have to revisit this later, but I think
21 we've been very careful with information.

22 I can't -- I'm not aware of one
23 incident which there were leaks or information
24 that shouldn't have gotten out that did. So I

1 think that -- I'm certainly inclined to agree
2 with the legal staff here and -- and really
3 understand what we have before we make
4 decisions like this.

5 And I think the argument about the
6 person, rather than the business, made a lot
7 of sense to me as well. Fight may not be a
8 good example because if you're talking about a
9 fight, you're talking about an assault.

10 So I don't know that that's actually
11 a good example here, of information that we
12 wouldn't require names and that would be
13 investigated, depending on the severity,
14 obviously, so...

15 CHAIRMAN CROSBY: I don't see a very
16 strong argument either way, frankly. It
17 doesn't seem like the end of the earth either
18 way. But it sort of feels like there's a --
19 if the, sort of, general principle here is
20 that we want to -- we have a common interest
21 of protecting the privacy of people whom we
22 can protect, particularly in the event of
23 either unresolved issues, or where people's
24 being involved as a witness or something else

1 might put them at risk, or might put them at
2 risk of a reputational problem or something, I
3 think we have sort of a common interest in
4 that.

5 I don't -- I don't quite see where
6 our interests diverge in putting this into the
7 NDA. It's just reinforcing a principle we're
8 already committed to. And I can't -- I'm not
9 quite sure I can figure out how it would -- I
10 think she should standardize it. I don't
11 think we should -- if we change it, I think we
12 ought to go back and change Plainville's. I
13 totally agree with that. But I don't see how
14 it disadvantages us to have that. As I said,
15 I don't see either one as the end of the
16 earth, but I don't see how we're compromised
17 by having that.

18 COMMISSIONER ZUNIGA: I tend to
19 favor the -- I favor the notion that we need
20 the flexibility to breed the details and the
21 legal department make a determination as to
22 what exemption it can be covered, but it has
23 to be very fact specific, so I agree with your
24 -- with your recommendation.

1 COMMISSIONER MACDONALD: Is that
2 directed to the staff?

3 COMMISSIONER ZUNIGA: To the staff,
4 yes.

5 COMMISSIONER MACDONALD: I agree.

6 CHAIRMAN CROSBY: Well, that's three
7 so -- just out of curiosity, what do you
8 think?

9 COMMISSIONER STEBBINS: I'm in
10 agreement.

11 CHAIRMAN CROSBY: Good sport. Okay.

12 MR. GROSSMAN: All right. Let's --
13 we can move quickly through some of the last
14 points here. One is -- sorry we didn't talk
15 about this in advance. But number four is the
16 capital expenditure plan. And while we did
17 agree to protect that for Plainridge, I
18 thought it was important just to note that,
19 obviously, the Commission will have to approve
20 the capital expenditure plan, so there is some
21 information that will have to be discussed
22 publically. And we can obviously work
23 collaboratively to make sure the Commission
24 has enough information to make that

1 determination. But as a general matter, we
2 agree with the request. I think that was --
3 that may kind of be the --

4 COMMISSIONER ZUNIGA: Can I speak to
5 number 15?

6 CHAIRMAN CROSBY: Me too.

7 MR. GROSSMAN: Oh, yes.

8 COMMISSIONER ZUNIGA: Based on this
9 exactly -- a meeting we both attended
10 yesterday with GPAC. We agreed in the past to
11 this notion. But I think there was -- to the
12 notion of protecting or withholding details on
13 salaries of specific -- here of specific -- or
14 of specific job titles wages, bonuses.

15 One of the members of the Gaming
16 Policy Advisory Committee made what I think is
17 a compelling argument relative to, at least in
18 the -- in the aggregate or on average, and at
19 least with some detail, maybe benefit
20 packages, is important or in the interest of
21 both the Commission and the applicant to
22 release publicly, not only in terms of the
23 promises that they were -- were made as part
24 of RFA 1 and two, but the perception in the

1 public as to how those benefits are
2 translating into the jobs. Now, I know that
3 having a total breakdown a detailed breakdown,
4 rather, of job titles and --

5 MR. NOSAL: I think this is one
6 where we're going able to figure out a way to
7 report this without compromising what I think
8 was originally intended here, which is a high
9 level of specificity. Certainly, individuals.
10 And then, certainly, for, you know, very -- at
11 a very micro level the actuals or --

12 MR. MADAMBA: The ranges are fine.

13 COMMISSIONER ZUNIGA: Yes. Ranges.

14 MR. MADAMBA: The ranges are fine.
15 And what generally we're providing benefits --

16 MR. NOSAL: And I think we have a
17 license condition that requires us to provide
18 some level of information regarding that.

19 MR. MADAMBA: You could probably buy
20 our benefits book on the Internet, frankly.
21 But the ranges are fine.

22 CHAIRMAN CROSBY: So did we give the
23 wrong answer to Plainridge? We told them --
24 we told the person on the Gaming policy

1 Advisory Committee that we could not give
2 salaries and benefits by job title.

3 COMMISSIONER ZUNIGA: Right.

4 CHAIRMAN CROSBY: But MGM is saying,
5 as long as you're talking specific
6 individuals, you're talking ranges.

7 MR. MADAMBA: But it's ranges with a
8 group of titles, for example. So that you
9 can't discern what a specific position, as
10 opposed to several general positions, what
11 certain administrative staff makes or
12 financial staff makes, or the range for a
13 dealer or what have you.

14 COMMISSIONER ZUNIGA: Right. The
15 discussion at the Gaming Policy Advisory
16 Committee was relative to ranges. That would
17 be helpful, because the current disclosure of
18 what -- what's currently available is only one
19 number for all -- if I'm not mistaken, for all
20 employees at PPC, and very limited information
21 on benefits package. I don't know exactly
22 what that is, but it's just very limited.

23 The argument that the person at GPAC
24 was making, which Mr. Madamba seems to be in

1 agreement was, is that some level of ranges,
2 you know, senior management versus entry
3 level, you know, with some ranges of --

4 MR. MADAMBA: Something where
5 someone can be informed, essentially be
6 information that, if you're here -- there's a
7 competitive disadvantage to telling someone
8 this person makes X, if you're in this
9 position. But between that and one lump sum,
10 I mean, there's absolutely somewhere in the
11 middle that would -- that would inform the
12 public and be helpful.

13 COMMISSIONER STEBBINS: Typically,
14 when you do job postings, do you give a salary
15 range, or do you salary commensurate with
16 experience? I mean...

17 MR. MADAMBA: It depends on the
18 position.

19 COMMISSIONER STEBBINS: But, again,
20 that's getting to more of the information
21 being available of, here's the range for this
22 position.

23 MR. MADAMBA: Sure. It's something
24 that's in the public. I mean, we're not

1 certainly going to sit and argue that it's
2 not.

3 CHAIRMAN CROSBY: So is this -- so
4 what we've said to Plainville, that we can't
5 do wages, salaries or bonuses to individuals,
6 which I think we all agree with, or to
7 specific job titles, is that consistent with
8 what -- is the way we said this to Plainville
9 consistent to what they're saying?

10 MS. BLUE: No. So right now, we
11 have not received a request, basically, for
12 that kind of information from PPC.

13 CHAIRMAN CROSBY: We actually have.
14 We didn't relay it -- we didn't directly
15 relate it to you, but we have requested it.

16 MS. BLUE: The thing is, we would go
17 back with PPC and work with PPC, as we would
18 with MGM, for a document that both parties
19 were comfortable could be released. Right
20 now, as the regulator we have very specific
21 information. We had to have that to do our
22 RFA2 evaluation, and we had to do it to
23 determine license condition.

24 So I think we can work with the

1 licensees for a document that they are
2 comfortable releasing and that we are
3 comfortable with. We certainly would not want
4 to release individual job title and salary and
5 benefit information, because that would be
6 personal and private, and should be covered by
7 this.

8 CHAIRMAN CROSBY: Right.

9 MS. BLUE: So I think what we have
10 in the NDA is consistent with PPC. But I
11 think we also would go back and have a
12 conversation with all of our licensees about
13 what can we do.

14 CHAIRMAN CROSBY: Okay.

15 MR. GROSSMAN: And I would just
16 supplement that by saying, the information
17 that was provided yesterday was entirely
18 accurate in accordance with the terms in the
19 Plainridge NDA, which says, at least to my
20 read, that we can't just give them out. We
21 can certainly talk to them about it and see if
22 they're okay with it and modify their NDA and
23 whatnot. But this, of course, is helpful so
24 we can limit, a little more carefully, what

1 exactly it is we want to protect. We were a
2 little more broad in approving Plainridge's
3 NDA relative to salaries.

4 CHAIRMAN CROSBY: Right. Well, we
5 may have mischaracterized a little bit to the
6 public and to the person who was asking what
7 the situation is. So there is a request to
8 know the salaries and benefits of the PPC
9 employees. And what we said was, generally
10 speaking, it's covered by an NDA. That can't
11 be given out. And I think we said he could
12 probably go back in the RFA2 and see whatever
13 was there, and they're required by law to
14 comply with that, so you might be able to
15 figure it out.

16 But you should go ahead, go back to
17 PPC and say there has been this request from
18 the Gaming Policy Advisory Committee, and we
19 need to figure out how we can accommodate
20 that.

21 COMMISSIONER ZUNIGA: And that
22 specific requirement is very much what
23 Mr. Madamba is saying. That they'd be
24 comfortable of ranges, as long as we're not

1 talking about individuals.

2 MR. MADAMBA: As long as we're not
3 talking about other individuals, or
4 specific -- a specific title.

5 COMMISSIONER ZUNIGA: Right. Given
6 me the range of this EEO.

7 MR. MADAMBA: Essentially, we don't
8 want to give our jobs compendium away with
9 each position and then each range. We can
10 then -- what we can do is group common
11 positions, if you will, and come up with --
12 with ranges. There's certainly something in
13 the middle, is my point.

14 COMMISSIONER ZUNIGA: Point taken.

15 COMMISSIONER STEBBINS: Todd, I had
16 a quick note. Number 18, marketing plans and
17 materials, this is more, I guess, a
18 delineation. MGM, like our other licensees,
19 has a -- kind of a tourism promotion plan that
20 they need to put in place 90 days out from
21 opening. So let's just make the distinct
22 between these two and make sure that
23 understanding one document and not --

24 MR. BEDROSIAN: Yeah, we had those

1 discussions in our -- in our meeting
2 yesterday, preparation meeting. That's a
3 regulatory responsibility that they are aware
4 of they have to submit that regional tourism
5 plan with us 90 days ahead of time so that
6 would not be covered by this.

7 COMMISSIONER STEBBINS: No, no, no.
8 I get that. I'm just saying, you know, we'll
9 be cautious to make sure that things that are
10 in the tourism plan, you know, be mindful.
11 Obviously, you don't want them overlapping
12 with what their marketing plan might be.

13 MR. GROSSMAN: We will -- we'll
14 limit the language in the NDA. I think the
15 specific concern is that, if there's a
16 specific promotional event, that for some
17 reason they give us information about an
18 advance, they don't want us releasing that to
19 the public. Not kind of the broad marketing
20 plans and things of that nature. So we'll be
21 very clear on that point. I should say, we'll
22 try to be clear.

23 I don't have any other specific
24 points to make here. If the Commission is

1 comfortable with the recommendations as we've
2 discussed with the nuances, we can then go
3 back, put together a draft NDA, and then, at
4 the Commission's pleasure, we can either bring
5 it back before you, or the executive director
6 could be authorized to sign off, or however
7 you see fit.

8 COMMISSIONER ZUNIGA: Sure. I'll
9 take a look at it, if you want to --

10 MR. GROSSMAN: Okay. Then, we'll
11 bring it back, maybe, in two weeks or so, if
12 we can get it together.

13 COMMISSIONER STEBBINS: Be great.

14 COMMISSIONER ZUNIGA: Thank you.

15 MR. GROSSMAN: Thank you.

16 COMMISSIONER STEBBINS: Thank you.

17 MR. MADAMBA: Thank you very much.

18 Happy holidays everyone.

19 COMMISSIONER CAMERON: Thank you.

20 You as well.

21 CHAIRMAN CROSBY: All right. Now,
22 are we back to A -- 3B?

23 MR. BEDROSIAN: Now, we can circle
24 back to 3B, the annual report.

1 COMMISSIONER ZUNIGA: Okay. That
2 would be me.

3 COMMISSIONER MACDONALD: I move that
4 we approve the draft of the annual report.

5 COMMISSIONER ZUNIGA: And that's all
6 I need.

7 COMMISSIONER STEBBINS: Commissioner
8 Zuniga had a big glass of water and was ready
9 to read through the whole thing.

10 COMMISSIONER ZUNIGA: I would be a
11 little bit more but brief. Just mention that
12 the draft of the annual report not in its
13 final format. It's only the content that's
14 submitted here. Our director of
15 communications will be working very soon with
16 our consultants and Mike Sangalang to make
17 this report very much like what we've done in
18 the past and send it off to -- for production.
19 But it's submitted here for the review of the
20 commissioners, any kind of feedback that we
21 can all get would be most welcome, especially
22 if it's timely, because we're a little bit
23 beyond what we're -- what we should be doing
24 in term of this annual report, because this

1 report ends as of the fiscal year of '17,
2 which is June 30th.

3 I just want to mention that look --
4 having the luxury of going back to this annual
5 reports. There's a lot that we accomplished
6 this year, which is a lot of fun to look
7 through. There's a couple of items that I
8 actually -- that we -- I think we missed
9 because of cutoff, and I think it's still
10 relevant to mention.

11 Commissioner Cameron was mentioning,
12 you know, even inserting the notion of sports
13 betting and the white paper that we've
14 recently --

15 CHAIRMAN CROSBY: Committed to.

16 COMMISSIONER ZUNIGA: Committed to
17 would be a timely thing, even if it's
18 literally just a one-sentence addition. So
19 any -- and even done that in the past, where
20 even if the cutoff is as of a certain time,
21 it's -- we want to make, of course, relevant,
22 especially when it's things, coming
23 attractions or what have you. So any kind of
24 notes, we can all compile them at a later

1 time. This time is of the essence.

2 COMMISSIONER MACDONALD: And I
3 briefly talked with Commissioner Zuniga about
4 this and the section relating to the land and
5 trust challenges relating to the tribe, that
6 we now have the other litigation that's
7 currently pending before the supreme court on
8 the petition for certiorari, but that was --
9 relating to the Aquinna, I think that that
10 occurred after the fiscal year. But in terms
11 of the coming attractions, that is going to be
12 something that we probably want to add here
13 just as a brief note. And I'd be happy to
14 give you some language or whatever.

15 CHAIRMAN CROSBY: So we'll give you
16 stuff off line, rather than go through it now.

17 COMMISSIONER ZUNIGA: Right.

18 CHAIRMAN CROSBY: Great. Thank you
19 very much for doing this.

20 COMMISSIONER ZUNIGA: And I would --
21 I should mention that there's a lot of work
22 that goes -- I only do some of the compiling
23 and the editing. All the work, really, I rely
24 on all the directors to do a lot of the heavy

1 lifting and all of the details and all the
2 work they do here.

3 COMMISSIONER CAMERON: Very
4 informative and well done, though. In reading
5 it, it brings back so many -- the many, many
6 things we're involved with and updating and
7 where we were a year ago and where we are now.
8 So I do thank you, the time and effort is
9 apparent.

10 CHAIRMAN CROSBY: Okay.

11 MR. BEDROSIAN: So now we're on to
12 Item 3C, and I'm going to just give the
13 Commission and option here. This one may take
14 some time and discussion. You've had some
15 robust discussions already today. That
16 doesn't mean there's a cap on robust
17 discussions. But having said that, we can
18 also -- I don't think the 4th -- the next
19 meeting is all that crowded right now. If
20 there was a desire to finish the other items,
21 pushing this to the 4th, assuming Mr. Grossman
22 is planning on being here on the 4th.

23 MR. GROSSMAN: Oh, yes. And I
24 assent to --

1 MR. BEDROSIAN: But I'll leave that
2 up to you.

3 CHAIRMAN CROSBY: Well, frankly, I
4 would say, either the 4th or the 18th. This
5 is not terribly time sensitive.

6 MR. BEDROSIAN: No, no, no. I think
7 that's the other point. Right.

8 CHAIRMAN CROSBY: The only thing
9 that was slightly time sensitive is, I was
10 going to, under the existing code, bring up a
11 specific case that I'm dealing with right now
12 and ask for a waiver, and that is kind of time
13 sensitive. So let me just put it out there,
14 and if somebody thinks it's a bad idea to talk
15 about it, I will, that's fine.

16 I think you've heard -- I think
17 you've -- that I've talked about, I think at
18 another meeting, that I've been on the board
19 of directors for a long, long time, chair for
20 12 or 14 years of a nonprofit. And the Board
21 was asked, you know, whether we know anybody
22 on the Board -- the Board of this nonprofit
23 was asked whether they know anybody on the
24 Board of a particular public company. And

1 I -- and could we help make a contact? And I
2 said, yes, I do. And then I was reading the
3 ethics thing and realized I can't do that
4 under the statute.

5 So I -- and I was planning on
6 bringing this up in the context of the
7 conversation, but now this might be awhile
8 before we get around to it. I totally get why
9 we shouldn't be doing fundraising from anybody
10 that's remotely related to us. And I
11 understand how, you know, it could, sort of,
12 be an indirect way, theoretically. I'm
13 raising money for a fund -- for something I
14 believed in, a nonprofit, and somebody that
15 wants to influence me, theoretically, could
16 give a bunch of money to that nonprofit to
17 influence me. Frankly, they can do that even
18 if I don't get involved in a fundraiser.

19 So I completely understand the
20 point, but does it -- do we really mean to at
21 least, in this particular case I guess is all
22 I'm asking, does -- would the Commission have
23 a problem, if I was a part of reaching out --
24 this is a biotech company, it has zero to do

1 with our industry, would people have a problem
2 with my reaching out with that? And then,
3 that raises the broader principle of was -- do
4 we really mean to preclude ourselves from
5 doing that?

6 MS. BLUE: So as the code is
7 currently written, I think the answer would be
8 yes. You know, we meant to preclude
9 Commissioners from fund raising. Now, we have
10 a waiver --

11 CHAIRMAN CROSBY: Oh, no. I agree
12 that's what it says now.

13 MS. BLUE: We have a waiver
14 provision in the code. And as has happened in
15 the past, people who want waivers, you know,
16 you put it in writing, you submit it into me,
17 Ed and I would look at it. We would, you
18 know, make a determination.

19 CHAIRMAN CROSBY: Oh, it's done
20 through you?

21 MS. BLUE: Yes.

22 CHAIRMAN CROSBY: Oh, I'm sorry.
23 Okay. I misunderstood that. Okay.

24 MS. BLUE: So there is a waiver,

1 kind of provision. I mean, we can certainly
2 do that. That section is part of the
3 conversation we would have on the enhanced
4 ethics code.

5 CHAIRMAN CROSBY: Okay. Then, I
6 take that back. I'm sorry. I thought the
7 waiver had to come through the Commission.

8 MS. BLUE: I don't think so, no.

9 CHAIRMAN CROSBY: Okay. Then, I'm
10 totally happy with postponing this until
11 either of the January meetings.

12 COMMISSIONER MACDONALD: Me too.

13 MR. BEDROSIAN: Don't even think you
14 need to vote on that. We got a sense of
15 commission.

16 CHAIRMAN CROSBY: So that moves us
17 to six?

18 MR. BEDROSIAN: No. That leaves us
19 to 3D, Commissioner Stebbins.

20 CHAIRMAN CROSBY: Right.

21 COMMISSIONER STEBBINS: And I'll
22 take up the hour that we had planned to talk
23 about the ethics in the gaming report.

24 Now, this is a presentation meant to

1 provide all of you with an update on our white
2 paper progress, steps were taken to prepare
3 the final presentation, and a review of the
4 components of the report. I want to make sure
5 I can incorporate your thoughts and ideas and
6 goals' process in format, since we're only
7 allowed to review these matters, obviously, in
8 open public meeting.

9 The goals -- as you see the slide in
10 front of you, the goals of this white paper
11 have been shared with stakeholders that we
12 invited to suggest strategies. As we
13 discussed previously, I think we all share the
14 opinion that we have a unique opportunity to
15 expand the economic impact that we anticipate
16 not only our Class 1, but our Class 2 gaming
17 operations will generate.

18 The expanded gaming statute created
19 a number of funds that will be capitalized
20 beginning in FY 2019, after the opening of MGM
21 Springfield in September and Wynn Resort -- or
22 Wynn Boston Harbor the following June. These
23 funds will become fully capitalized beginning,
24 we expect, in FY 2020.

1 I think you can see from this list,
2 that the statute sought to create revenue
3 sources for several critical spending areas
4 within the Commonwealth. Two of these,
5 obviously, are the responsibility of
6 Commission, including the Community Mitigation
7 Fund and the Racehorse Development Fund.

8 Gaming Economic Development Fund,
9 these are the priorities for funding from the
10 Gaming Economic Development Fund as provided
11 in the statute. Many of these priorities, we
12 feel, offer benefits and connections to the
13 gaming industry. We've already experienced
14 funds from Workforce Competitive Trust Fund
15 being provided to our community colleges to
16 support hospitality and culinary training.
17 Tourism and promotion can benefit the
18 Commonwealth, as our gaming licensees
19 certainly target overnight visitors. Support
20 for small business can assist Massachusetts
21 small businesses, who are finding a unique
22 opportunity to work with Fortune 500
23 companies, like Wynn and MGM. Our licensees
24 plan to purchase tens of millions of dollars

1 from local vendors and suppliers.

2 Higher education scholarships May
3 help students complete certificate programs
4 that may or may not be eligible for existing
5 financial aid programs. The category of
6 spending, as outlined on regional economic
7 development issues, I think, clearly becomes
8 broad enough that we can find some -- we can
9 find some opportunities to offer creativity to
10 our strategies. It is also provided the
11 opportunity for a few communities to step
12 forward with proposals during our strategy
13 solicitation phase.

14 The next slide, the strategy
15 development process, this is, again, just to
16 give everybody an overview of what we have
17 done this point. An invitation list was
18 created that included regional stakeholders
19 who work in mission overlapped with the
20 priorities nicely. We focused on regional
21 planning agencies, tourism bureaus, regional
22 workforce organizations, regional business
23 councils or chambers of commerce and our
24 partner community colleges.

1 We grouped our invitees by region so
2 they could see who else was receiving an
3 invitation. And each host and surrounding
4 community was copied, as well as every state
5 lawmaker that represented our host and
6 surrounding communities.

7 We held regional conference calls to
8 discuss our thought process and strategy and
9 expressed our encouragement that our
10 organizations work together, identify how
11 other resources could be leveraged. I think,
12 as we watch the work being done in our
13 Community Mitigation Fund process, a project
14 usually finds success when others have some
15 skin in the game. And that's a message that
16 we've stressed with other some of our
17 community partners.

18 We also asked our stakeholders to go
19 mindful of the Commonwealth's fiscal climate.
20 And that the Commission was looking for
21 strategies that we could also review with our
22 knowledge and experience of gaming and the
23 work that we have been through over the last
24 six years. We wanted a level of credibility

1 to provide to our review and suggestions.

2 Public presentations, as you all
3 know, were made in front of us at full
4 Commission meetings. And all those strategies
5 were posted to the MGC website for public
6 comment. We had additional follow-up
7 questions sent out, and additional detail
8 requested from some of the proposers. We've
9 also -- I've had the luck to work with a
10 number of our team, including Janice Riley,
11 Jill Griffin, John Ziemba, Derek Lennon, Mark
12 Vander Linden and Justin Stempeck, as well as
13 Elaine Driscoll. I thank them for their
14 support in this process.

15 We've also reached out to other
16 partners and colleagues of ours in state
17 government and quasi-governmental agencies for
18 their thoughts and feedback as well.

19 The last slide, this is how we see
20 the MGC white paper kind of taking form and
21 what the components are. We will review the
22 background on our process, outline the other
23 funds being created. And specifically, the
24 GED fund and its priorities. We're going to

1 focus on what other critical gaming states do
2 with their gaming revenue.

3 We had some great assistance by
4 La Salle College students and Professor
5 Paul DeBole for doing some research on this
6 issue and contacting other states.

7 We're going to try to highlight the
8 opportunity provided to the Commonwealth that
9 this Gaming Economic Development Fund is truly
10 unique. We're going to offer some financial
11 projections for the fund, when it's fully
12 capitalized. I want to look at this white
13 paper as a three-year outline to be revisited.
14 We've learned, through conversations with our
15 licensees and others in the industry, that
16 gaming facilities have, kind of, a growth and
17 stabilization period in their first three
18 years of operation.

19 We will lay out recommendations on
20 the strategies that we have we received. We
21 are certainly working to find some
22 commonalities with some of the workforce
23 development strategies and others that we've
24 received.

1 Where we can, we want to identify
2 and suggest other funding sources and
3 opportunities to use existing state spending
4 infrastructure to move some strategies
5 forward. And through this process, it's been
6 interesting. We've uncovered some new
7 strategies and suggestions we'll be bringing
8 back to you, in terms of next step, future
9 work, and, also, some ideas as how we can
10 track the success of the strategies as they
11 move forward.

12 There's some work that has been
13 done, also, through the Commission's work,
14 that I think might also -- again, going back
15 to having a six-year track record of our own,
16 that some lessons we've learned along the way
17 that might fit nicely with the purposes of the
18 fund and some of the strategies we received.

19 We will all compile all the
20 strategies we received and share those, and
21 submit, you know, the white paper to our
22 legislative leaders so they can learn about
23 everything else that was proposed, but maybe
24 not included, necessarily, in our report.

1 So that's just, kind of, a quick
2 update as to where we were in the process
3 we've undertaken.

4 CHAIRMAN CROSBY: That's great.

5 COMMISSIONER MACDONALD: Well, I
6 think this is very, very impressive. And the
7 only reservation or regret that, and I've
8 shared this with Commissioner Stebbins, was
9 that -- that the response to the invitation
10 to, you know, submit proposals from the
11 communities in Region C was very, very sparse.
12 It was only Bristol Community College that
13 responded at all. And Region C is the only
14 region that has no -- has no gaming facility
15 in it as all. And I see this fund as being a
16 potential source of extending economic
17 benefits from expanded gaming to Region C,
18 notwithstanding the fact that there is no --
19 that there is no gaming facility there.

20 So I would -- and just in going over
21 these materials, which are very impressed, is
22 what I said, under the goals I would suggest
23 adding another bullet -- another bullet point.
24 And it would be something along the lines that

1 a goal of this fund would be the serve to
2 balance the economic benefit of expanded
3 gaming to the whole Commonwealth.

4 And in preparation for this meeting,
5 I found the -- some of the materials from
6 MGM's report quite instructive on this. And
7 although it related only to the -- to the
8 diversity -- to the identification of -- of
9 companies that have been identified as falling
10 within the different categories of diverse
11 organizations that, for example, in the design
12 and consulting contracts, there was 37 -- 37
13 contracts that were identified by MGM, and
14 only one of them was the business. Only one
15 of them was located in Region C. And in the
16 construction of the 96 contractors that MGM is
17 contracting with, only 12 came from Region C.
18 And of those 12, almost all of them were on
19 the northern tier of Plymouth County, so
20 almost within metropolitan -- metropolitan
21 Boston. There was only one contractor from
22 Fall River, one from Taunton, zero from
23 New Bedford. And I think that, kind of,
24 underscores that -- it's not that anybody's

1 doing anything wrong, but when you've got --
2 you've got a resort casino operating in the
3 western part of the state, that benefits the
4 western part of the state disproportionately
5 totally appropriately.

6 And also, there was other data. On
7 the -- they identified where the -- on the
8 workforce that -- let me see, did I get this
9 right? 33 percent of the workforce is from
10 Springfield, and 57 percent of the workforce
11 is in western Massachusetts. Again,
12 underscoring the predictable disproportionate
13 benefit, which is entirely appropriate to --
14 to that region. I suspect Wynn's numbers are
15 somewhat similar. And the bottom line of that
16 is, the people who live in Region C are not
17 getting it -- are not getting the benefit of
18 the fund. So I see this fund that is a
19 potential source that would never make up for
20 Region C not having a casino, but a potential
21 source of getting economic stimulus in a part
22 of the state that is still struggling well
23 below the -- the Commonwealth, you know,
24 average.

1 In talking with Commissioner
2 Stebbins, I did reach out -- we reached out to
3 several development -- economic development
4 people from New Bedford. And Commissioner
5 Stebbins has met with him and has encouraged
6 the submission of proposals and interaction on
7 a going-forward basis. And I would -- would
8 hope that that could be -- that could be
9 extended in the future, and more broadly
10 within Region C. And I'm willing to assist in
11 any appropriate manner, in sharing the
12 laboring war on that.

13 COMMISSIONER STEBBINS: It's great
14 points. And Commissioner Macdonald and I have
15 talked about this. You know, one of the
16 messages that we stressed with organizations
17 that we're considering sitting -- submitting
18 proposal strategies is -- and in message has
19 been impressed upon us by others, is that the
20 folks that submitted strategies should not
21 expect that all of the money being capitalized
22 in the Gaming Economic Development Fund are
23 going to go to the regions around the casinos.
24 And I've certainly tried to impress point upon

1 that point, that there are other legislators
2 who see several of the priorities on the
3 screen as something reflective of initiatives
4 in their communities, which might be outside
5 of the general area of a gaming facility.

6 So, certainly, we want to make sure
7 the message is thorough. That Gaming Economic
8 Development Fund does not translate back into
9 all of that money being used in the immediate
10 regions around the casino. But that,
11 hopefully, it -- you know, it does have a
12 chance to go out to other communities and
13 other regions of the state where economic
14 development initiatives are certainly valued.

15 CHAIRMAN CROSBY: I think it's a --
16 personally, I like the concept of using that
17 tool to sort of equal -- to try to spread the
18 benefits around to a region through which --
19 through no fault of its own is not getting any
20 economic benefits. But I'm pretty sure that
21 there will be a strong opposing school of
22 thought.

23 I mean, there already is on the
24 Community Mitigation Fund. We heard it just

1 yesterday. You know, we don't want any money
2 coming out of the -- the money that's
3 generated for the fund from eastern -- western
4 Mass ought to stay in western Mass and so
5 forth. There are other funds where you could
6 do that same thing. The Local Aid Fund,
7 possibly, the Local Capital Projects Fund, the
8 Education Fund, transportation, infrastructure
9 and Development, those are all that could be
10 used as a conscious tool of -- either we, if
11 we have the host of the fund on some cases, or
12 the legislature. But I'm not at all sure
13 that's going to fly. I think it's -- it's
14 almost something -- and I think we might --
15 when your report comes to fruition, we might
16 want to consider taking a position on of, kind
17 of, a formal position. And I don't know
18 whether we would all agree or not with -- I
19 think it's a really interesting point. But
20 I'm not sure where we would all come down.

21 But I think, if we were going to try
22 to make -- if we thought that was the right
23 way to go, we would have to do some serious
24 work to try to get the legislature to go along

1 with that. And if we did feel that was a way
2 we wanted to go, we might want to think about
3 how to up the visibility of that principle.

4 COMMISSIONER ZUNIGA: I think the
5 Commissioner -- the point you make is very
6 important to -- to highlight somehow the way
7 you just articulate it.

8 From this standpoint, and, you know,
9 ultimately the decision would be to the
10 legislature. But, you know, if we're writing
11 a white paperer, it's important to highlight
12 precisely these tradeoffs, if you will, that
13 might be. Was it intended to leverage what's
14 already coming to a region, and have that
15 ripple effect, if you will, concentric to the
16 regions, or was it more broad-based to the
17 state? That's, of course, a decision they
18 would have to make.

19 But I think the relevant point to
20 highlight at this juncture is that, because of
21 process that you undertook, Commissioner, in
22 soliciting feedback, and I know you went
23 beyond the region -- regions, at least it
24 would appear that those in close proximity

1 to -- to the reality on the ground, we're a
2 lot more eager and creative about thinking
3 about those -- those opportunities. That it
4 may be -- it may have been that just, you
5 know, some people in Region C are just busy
6 doing all kinds of other things, not
7 necessarily thinking about this.

8 COMMISSIONER MACDONALD: I think, in
9 part -- and this is speculative on my part,
10 but I think, in part, it's because the
11 institutions and the principles involved in
12 the public institutions in Region A and
13 Region B have much more involved in our
14 process, much more aware of it. And,
15 primarily, through, I think, the Community
16 Mitigation Fund. As you know, I'm a member of
17 that review team. And so, they are -- they
18 are can experience, experienced consumers, if
19 you will, of the mission of the -- of expanded
20 gaming. Whereas, Fall River, New Bedford,
21 even Brockton people just aren't -- just
22 haven't had the occasion to become involved.
23 And I think that's speculation on my part, but
24 I think that's why there was such a -- such

1 a --

2 COMMISSIONER ZUNIGA: Tepid
3 response.

4 COMMISSIONER MACDONALD: Tepid?
5 Yeah, tepid response. It was only Bristol
6 Community College. And Bristol Community
7 College, not coincidentally, is the -- you
8 know, is the only entity down there that has
9 been involved with us through their -- through
10 the gaming school, which has been has been
11 started.

12 COMMISSIONER CAMERON: And they're
13 struggling to get students, because they can't
14 offer them something in the region, jobs close
15 by. So I know that's -- they are struggling
16 for that reason.

17 COMMISSIONER ZUNIGA: If nothing
18 else, highlighting that very fact I think --
19 you say speculating, but I think it's an
20 informed one that, you know, the reality is
21 that, just knowing, being engaged in the
22 process, in our process or other reasons, may
23 have contributed to a lack of response. But
24 the need is, I'm sure, out there.

1 CHAIRMAN CROSBY: Thank you. That
2 was great.

3 COMMISSIONER MACDONALD: Yeah,
4 great.

5 COMMISSIONER CAMERON: Thank you,
6 Commissioner. Very well done.

7 COMMISSIONER STEBBINS: We still
8 have a whole hour, I can keep going.

9 CHAIRMAN CROSBY: I'm sure we're all
10 running out of steam. Are these things that
11 we need to do now, or can we put them off
12 or --

13 MS. BLUE: So the regulations, it's
14 important to do the regulations now. The
15 junket regs, we actually need your input
16 because we need to get started drafting them.

17 But just by way of overview, we'll
18 be coming to the Commission with regulations,
19 probably, pretty much every meeting between
20 now and March. We'll be asking you to vote to
21 let us start the process from the time you
22 first review it, but with the understanding
23 that be will be coming back to you as part of
24 the process with more review and input, and

1 that we will be going through the comments
2 with both licensees and the with public at the
3 same time.

4 But I think we just -- we know
5 there's certain regs we need to move along.
6 And we need to kind of get them in the
7 pipeline and get them going so -- I don't
8 think -- the presentation from Bruce and Kerry
9 is very important to get us started. The
10 balance of these regs will go pretty quickly.

11 CHAIRMAN CROSBY: Okay. That's
12 fine. I'm totally with you. Great.

13 MS. TORRISI: All right. So good
14 afternoon, Chairman and Commissioners.

15 CHAIRMAN CROSBY: Good afternoon.

16 COMMISSIONER MACDONALD: Good
17 afternoon.

18 COMMISSIONER CAMERON: Good
19 afternoon.

20 COMMISSIONER ZUNIGA: Good
21 afternoon.

22 COMMISSIONER STEBBINS: Good
23 afternoon.

24 MS. TORRISI: I'm here with Mr. Band

1 and Mr. Carpenter to begin the discussion with
2 you about junkets with an eye towards
3 promulgating these regulations in the new
4 year.

5 In your packet, you have a memo that
6 discusses how several other states handle
7 junket, how they handle regulating them.
8 Before we get to that, Mr. Band is going to
9 give you an outline on what junkets are and
10 how junkets in the U.S differ from those in
11 Macau, so I'll turn it over to Bruce.

12 MR. BAND: And I'm going to keep it
13 really basic, at this juncture. Most junkets
14 here in the United States are around to bring
15 in new customers, or to bring in some of your
16 customers, let's say from Atlanta, to come in.
17 You pay for their airfare, you pay for their
18 room food, what else. And in exchange they
19 agree to come, you know, for three days or
20 something, put a certain amount of money on
21 deposit. They also can do it -- what I
22 discussed with Bruce with the bus program, is
23 a form of a junket. They often give you,
24 like, a \$20 incentive in money to play the

1 slots or buffet.

2 The main difference, you know, with
3 Macau is they're almost running a casino in
4 the sense that the junket groups will actually
5 do the credit money for them. And many of
6 these groups aren't necessarily the people you
7 want lending money. Yeah, but it's a
8 completely different system. So if you think
9 of junkets, don't think of anything like that.
10 These are groups of people that bring in
11 potentially good players to a property to, you
12 know, try and get them as a regular customer.

13 COMMISSIONER ZUNIGA: And they work
14 on Commission, I take it?

15 MR. BAND: Yes. Yeah. There's
16 always different arrangements that are made
17 with those kind of groups. But yeah, that's
18 usually the way it is.

19 MS. TORRISI: All right. So as I
20 mentioned you have a memo in your packet. I'm
21 not, really going to get into the details of
22 that today. You do have it, if you have
23 questions, but we'll try to get through this.
24 We just -- there are three topics that we need

1 a bit of guidance on to get started on
2 drafting the regulations. And those are
3 licensing, reporting and violations. So I'll
4 just give a little brief overview of each
5 topic, and then Bruce will provide you with a
6 recommendation of how we might want to proceed
7 and we'll go from there.

8 So with respect to licensing,
9 Chapter 23K defines junket, junket enterprise
10 and junket representatives, and requires that
11 junket representatives be licensed by the
12 Commission. It doesn't explicitly require
13 that junket enterprises be licensed. And the
14 difference between those two is that the
15 enterprise is the entity that would employ the
16 services of the representative. Where the
17 representative would be the one negotiated the
18 terms of the agreement, finding the people who
19 are going to participate, that sort of thing.

20 So the terms in the license
21 classifications vary a bit from state to state
22 in the ones surveyed. But all states I looked
23 at, New Jersey, Pennsylvania, Maryland, Ohio
24 and Nevada do require licensure for any one

1 involved in these junket operations. Only
2 New Jersey and Pennsylvania use the exact
3 terms that are in our statute. And both of
4 those do require some form of licensing or
5 permitting for both the representative and the
6 enterprise.

7 So the first question we'd be
8 looking to you for guidance on would be, if
9 the Commission will require licensure for both
10 the junk representatives and the junket
11 enterprise. And so if so, if there would be
12 any particular requirements for exemption from
13 the licensing rules from anyone. So Bruce --

14 MR. BAND: I would recommend we do
15 require licensure, because you certainly want
16 to know who's bringing these groups in. That
17 it's not like a Macau group, bringing a bunch
18 of people in, where you have some control, you
19 know what the person's background is. I think
20 it's prudent.

21 COMMISSIONER ZUNIGA: But you're
22 thinking of the representative. What about
23 the distinction between the representative and
24 the enterprise?

1 MR. BAND: I consider them both the
2 same. New Jersey does it both that way,
3 because, you know, I can send somebody that
4 has a real clean history as my junket
5 representative but the organization itself not
6 be.

7 CHAIRMAN CROSBY: So it's just like
8 relation --

9 COMMISSIONER ZUNIGA: Like a gaming
10 vendor.

11 CHAIRMAN CROSBY: Pardon?

12 COMMISSIONER ZUNIGA: Like a gaming
13 vendor.

14 CHAIRMAN CROSBY: Yeah. Where you
15 would get to keep --

16 MR. BAND: Yeah. Well, you would
17 want to know something about the company.

18 COMMISSIONER ZUNIGA: The qualifier.
19 Yeah, the qualifier an the --

20 CHAIRMAN CROSBY: The qualifiers, as
21 well as the entity.

22 MR. BAND: Yes.

23 COMMISSIONER ZUNIGA: But similarly
24 to that, we would narrow or scope to those

1 involved, probably?

2 MR. BAND: Yes.

3 COMMISSIONER ZUNIGA: And I was
4 going to ask something first. How large are
5 these organizations, typically, the
6 enterprises?

7 MR. BAND: It really varies from an
8 individual that just does this on his own, a
9 golf pro in Atlanta and he brings up all the
10 payers from there to come in with him.
11 There's some pretty big companies. A lot of
12 the casinos employ junket representatives,
13 too, out of their various field offices, like
14 New York or Los Angeles, or something like
15 that as well.

16 COMMISSIONER ZUNIGA: Is there,
17 typically, arrangements where a junket
18 representative may work for more than one
19 enterprise?

20 MR. BAND: That I'm not exactly sure
21 for that answer. But I wouldn't necessarily
22 have problems if you work for more than --

23 COMMISSIONER ZUNIGA: Yeah, no. I
24 mean, that's like Uber. You could drive Uber

1 and Lyft, and you're still freelancing, if you
2 will.

3 CHAIRMAN CROSBY: You're a broker.

4 COMMISSIONER ZUNIGA: Yeah, you're a
5 broker. And the -- you're owner of a
6 relationship.

7 COMMISSIONER STEBBINS: Are you
8 suggest that Pennsylvania has a model where
9 both the enterprise and the representatives
10 are --

11 MR. BAND: Yes. Both Pennsylvania
12 and New Jersey have that same model. And
13 they've kind of considered them
14 interchangeable.

15 COMMISSIONER STEBBINS: And to put
16 them through a process, I think to
17 Commissioner Zuniga's point and Chair's point,
18 is there a way we can align whatever
19 information they give us with our vendor --
20 our gaming vendor registration -- or gaming
21 vendor license?

22 MR. BAND: I assume there would be.
23 But again, that's a licensing question that's
24 really a little bit out of my expertise.

1 COMMISSIONER STEBBINS: Nothing is
2 out of your expertise. But okay.

3 COMMISSIONER ZUNIGA: Well, I would
4 go along with -- with going with both the
5 representative and the enterprise, so long as
6 we don't make it so inclusive, which was my
7 point, that all of a sudden we need to look at
8 everybody involved in the enterprise and this
9 becomes a big to-do.

10 I don't disagree with what you're
11 saying. But I think you need to get some
12 information from the enterprise.

13 COMMISSIONER ZUNIGA: Yes. If you
14 go a little bit, you know, up the tree line
15 for those that have -- forget the terms, you
16 know, some control and over, ultimately, that
17 relationship, I think that's appropriate. We
18 could always dial back, if we need to, or
19 expand as well.

20 MR. BAND: I think, as you gain
21 experience you'll see that it's something you
22 kind of learn along the way. And you got to
23 see what characters you're dealing with here
24 in this state. How many junkets do you need

1 to bring in, or just because of its location,
2 you don't necessarily need to do that.

3 COMMISSIONER STEBBINS: I told
4 Bruce, I came across a site yesterday that you
5 could click on any state in the United States
6 and it could tell you who a junket operator
7 was and six popped up in Massachusetts. They
8 might be smaller, just kind of bus tour
9 operations, but they're already here, at least
10 according to that website.

11 COMMISSIONER ZUNIGA: And they're
12 not sending them here yet.

13 COMMISSIONER MACDONALD: I think
14 this is a subject matter area where I would be
15 inclined to support, you know, more, rather
16 than less licensure. Just the very structure
17 of it, with the commissions and the potential
18 kickbacks and all of that stuff just creates
19 very substantial risks.

20 MR. BAND: Well, you can also create
21 loansharking, if you don't really stay on top
22 of it, and a lot of other bad sidetracks.

23 COMMISSIONER MACDONALD: And we're
24 starting from scratch here -- well, maybe not

1 from scratch, if Bruce found six. But we are
2 starting, substantially from ground up, and I
3 think we ought to be stricter, rather than
4 looser here.

5 COMMISSIONER CAMERON: I think we
6 already have experience with, you know, size
7 and scope and we will implement a similar
8 process, so that makes sense to me as well.

9 COMMISSIONER STEBBINS: Carrie
10 question number four is one that I'd -- would
11 benefit from some clarification. "Will the
12 Commission grant the Bureau authority to
13 provide relief in the event of a violation or
14 deviation from the terms of a junket
15 agreement?" Can you help me understand that a
16 little bit better.

17 MS. TORRISI: Yes. So I can jump to
18 that. That was the piece about violations of
19 the terms of a junket agreement. The -- in --
20 let's see, Pennsylvania and New Jersey, they
21 grant authority to their board or division,
22 or, you know, their bureau equivalent, to
23 provide relief if there are violations or
24 deviations from the terms of the junket

1 agreement. That might come in the form of
2 restitution to the junket participants,
3 penalties or sanctions, prohibiting future
4 junkets, those types of things. So the
5 question there was, if the Commission would
6 want to delegate that authority to the Bureau
7 to handle those sorts of issues.

8 MR. BAND: I think, mostly, it would
9 be, you know, revoking a license or something,
10 if a junket comes in and, you know, does
11 provide some illegal activity for these junket
12 people. You don't really want to have them in
13 your queue anymore. So there has to be some
14 kind of penalty for --

15 COMMISSIONER CAMERON: The term
16 "relief," is what -- I had the exact same
17 question. It's kind of misleading. You're
18 really talking about the ability to penalize.

19 MR. BAND: Yes.

20 MS. BLUE: And I think if you
21 determine that they could have some sanctions
22 or take some action, and they were -- had
23 those sanctions, you know, enforced, they
24 would have an appeal process, right, like

1 everybody else who's a licensee who has some
2 kind of actions. So, you know, there's some
3 benefit to the licensee, if something goes on
4 and they want to appeal it so...

5 COMMISSIONER CAMERON: Agreed.
6 difficult to enforce without a mechanism to...

7 MR. BAND: Exactly.

8 COMMISSIONER STEBBINS: Is this a
9 setup -- again, I'm just harking back to our
10 vendor registration side, where there needs to
11 be some sign-off from our licensee, that they
12 plan to do business with a vendor. Is that a
13 scenario we could built into this, like don't
14 give us your information, unless we know MGM
15 expresses an interest in doing business with
16 you, or Wynn? I mean, that may also cut down
17 on the people who are --

18 MR. BAND: I think you'll probably
19 find, like those that you found on the
20 website, those that will want to get licensed
21 just so they can offer their services and,
22 hey, we're already licensed, we can have
23 group...

24 COMMISSIONER ZUNIGA: But the point

1 is, that -- is this -- could we take the
2 approach that we take currently with vendors?
3 I forget the exact term, but it's like some
4 statement of intent or some contractual
5 intent where you have to --

6 MR. BAND: Yeah, that probably --
7 where you have to have a letter from --

8 COMMISSIONER ZUNIGA: Some letter of
9 employment would be equivalent to the --

10 MR. BAND: My guess is MGM has a
11 whole list of junket people they deal with in
12 other jurisdictions, and they would probably
13 do the same for us.

14 COMMISSIONER ZUNIGA: Make that
15 available for us.

16 MR. BAND: Yes.

17 COMMISSIONER ZUNIGA: Sounds good.

18 MS. TORRISI: All right. So the
19 third area in which we just need a little bit
20 of guidance, is with respect to reporting.
21 Chapter 23K doesn't include much detail on the
22 subject. The majority of the states surveyed
23 do include detailed reporting requirements in
24 their regulations. And most include things

1 like a monthly junket activity report, which
2 would identify the number of participants, the
3 arrival time and date, the departure time and
4 date, the names and license numbers of junket
5 reps of junket enterprises involved and the
6 amount of complimentary services provided to
7 participants. So just a little guidance from
8 Bruce on how he would suggest we handle
9 reporting requirements.

10 MR. BAND: I think the reporting is
11 really essential for, you know what they're
12 giving away, that it's not some way to skim
13 money out of casino itself under the guise of
14 a junket.

15 I know in New Jersey, we used to get
16 detailed reports with the information that
17 Carrie just stated. You got to kind of know
18 what the agreements are that you made with
19 these people. Are they doing to get a
20 percentage of what those players lose, or what
21 they bet? I mean, there's all kinds of was.
22 Those are things, as a regulator, you would
23 just want to know, because it might give you
24 cause to want to watch somebody a little

1 closer than others.

2 COMMISSIONER MACDONALD: That makes
3 a lot of sense.

4 CHAIRMAN CROSBY: How would they do
5 it? How would they be skimming that we
6 would --

7 MR. BAND: Oh. Well, let's say I
8 give you a lot back in complementaries, more
9 than you even brought for that, if we don't
10 monitor that kind of thing, or I agree that
11 whatever you lose -- there are some agreements
12 that, if I lose over a million you will give
13 me back 20 percent.

14 CHAIRMAN CROSBY: But how does that
15 -- how does that affect us?

16 MR. BAND: Well, it does in the
17 sense of the amount that they do that. If we
18 don't know what they're giving back or what
19 they're comping, you know, it could affect us,
20 it could not. But you have to monitor that to
21 be able to put a cap on it.

22 CHAIRMAN CROSBY: But if we're --
23 we're take our 25 percent off whatever goes
24 through those machines.

1 MR. BAND: Well, we still have an
2 interest in the integrity of the gaming
3 establishment and the operations.

4 CHAIRMAN CROSBY: Okay. So it's not
5 skimming so much. It's just they're -- still
6 not quite sure, what are the games --

7 COMMISSIONER MACDONALD: Well, it's
8 not -- it wouldn't be illegal, per se. What
9 it does is, is that it provides an incentive.

10 MR. BAND: Yes. If you recall,
11 there's an article I sent to you guys, might
12 have been about two years ago, about the head
13 of marketing at a casino in The Poconos. And
14 he was work withing one of the waitresses
15 where they were giving comps, and it ended up
16 being, like, a million-and-a-half or something
17 in dollars tat they stole. So you have to,
18 kind of, keep an eye on those things,
19 unfortunately.

20 CHAIRMAN CROSBY: What about the
21 names of the people who are -- who are
22 customers?

23 MR. BAND: Well, you would want to
24 know, are you bringing in organized crime

1 members; are you bringing in, you know,
2 unsavory groups. You always want to have some
3 idea. Could be bringing a group of cheaters,
4 for that matter.

5 CHAIRMAN CROSBY: But you don't know
6 the who's coming to the casino otherwise.

7 MR. BAND: No, you don't. But you
8 get to know your customers too. When you're
9 bringing in a whole group from outside, it's
10 just kind of a heads-up, okay, we're having
11 these people in here. I don't think it really
12 hurts the patron at all. But as far as a
13 regulatory standpoint, or enforcement end,
14 it's a helpful tool. We always used to get
15 those in the past.

16 COMMISSIONER ZUNIGA: Bruce, is
17 there a fair assumption that anybody who comes
18 in with a junket is, almost by definition, a
19 high roller or a heavy player?

20 MR. BAND: Yeah. You could have,
21 like, a medium person come in. Might be
22 10,000 with him and might have 20 people with
23 him on this plane, a chartered plane. That's
24 not necessarily -- in a -- the big casino

1 thing, that's not a high roller to them. But
2 it would be a junket that would come in.

3 COMMISSIONER CAMERON: And you
4 mentioned, like, the golfers, right?

5 MR. BAND: Yeah.

6 COMMISSIONER MACDONALD: The what?

7 COMMISSIONER CAMERON: The golfers.
8 So there's -- that's what the golfers will
9 look for, frankly. They want a nice casino.
10 They want a couple of good golf courses, and
11 you could bring a large group in. And you
12 make an arrangement with the casino --

13 MR. BAND: Yeah. That's not
14 uncommon.

15 COMMISSIONER CAMERON: -- to bring
16 in a group like that.

17 MR. BAND: We used to get a lot of
18 sports figures --

19 COMMISSIONER CAMERON: I know.

20 MR. BAND: -- that would bring in
21 junkets like that, you know, because I used to
22 play for the Colts or something everybody
23 wants to come with me, and, you know, they all
24 agree to put a certain deposit down in the

1 casino.

2 CHAIRMAN CROSBY: I still don't see
3 why you need the names of the people who are
4 coming; do you single out the people who come
5 in a group like that, as opposed to people who
6 just come in any other way.

7 COMMISSIONER ZUNIGA: Walk in the
8 door.

9 MR. BAND: Be honest with you, we
10 usually figure out the names of the people
11 that just walk in the doors anyway, because to
12 be -- most everybody wants to be rated in some
13 form or fashion. So we're getting that
14 information either way, so you have some idea
15 who it is what they might be into on the
16 outside. So it is important.

17 I mean, we've actually found people
18 that are in the player's list in our current
19 property that have outstanding warrants that
20 are serious things in various states or --

21 CHAIRMAN CROSBY: But that's by
22 virtue of information we already have. Why
23 would you -- if you -- presumably people who
24 come in on a junket are going to use a player

1 card, I would assume, probably?

2 MR. BAND: Yeah. But I don't know
3 what harm that does, to give us the
4 information.

5 CHAIRMAN CROSBY: Well, I think
6 there's a privacy issue for the people. What
7 business is it of ours who they bring in, you
8 know? I mean, it's -- we wouldn't keep a
9 record of people who come in the casino just
10 in general. And people who people who come in
11 packages --

12 MR. BAND: We do track play, though,
13 of individuals.

14 CHAIRMAN CROSBY: Well, we track
15 play on the player card, yeah.

16 MR. BAND: Yeah. But I mean, also
17 various different aspects of their play or
18 with who. Those kind of things are important
19 in gathering our intelligence.

20 COMMISSIONER MACDONALD: You know,
21 Mr. Chairman --

22 COMMISSIONER ZUNIGA: But the point
23 is that you can continue doing that. I'm
24 sorry.

1 COMMISSIONER MACDONALD: I was just
2 going to say, I think that the answer to the
3 question -- to your question to Bruce, is that
4 it this group of people that are coming in on
5 junkets, by the very circumstance of their
6 coming in on junkets are higher risk gamers
7 than the ordinary person, who just comes in,
8 you know, with his wife and family and
9 gambles; is that not right?

10 MR. BAND: Yes, that's right.

11 CHAIRMAN CROSBY: Higher risk? Risk
12 to what?

13 COMMISSIONER MACDONALD: Risk of
14 being ne'er-do-wells. Of being connected to
15 organized crime, loansharking --

16 MR. BAND: Money laundering.

17 COMMISSIONER MACDONALD: Money
18 laundering, whatever.

19 CHAIRMAN CROSBY: I would think that
20 would be the last place you'd do, is come in
21 and money launder -- if we're talking about
22 golf --

23 MR. BAND: You'd be surprised.

24 CHAIRMAN CROSBY: Yeah. But again,

1 you're singling out a group of people for
2 reasons I don't understand. Unless, if
3 there's some data that suggests there's a
4 higher probability of bad actors in junkets, I
5 mean I suppose --

6 COMMISSIONER ZUNIGA: They're junket
7 clients.

8 CHAIRMAN CROSBY: Junket clients.
9 That's what I'm saying, yeah.

10 COMMISSIONER MACDONALD: I think
11 he's giving that. You know, how many years
12 have you been in the casino?

13 MR. BAND: I've done this for 38
14 years, and that information's important for us
15 to have.

16 COMMISSIONER CAMERON: Yeah. And I
17 don't know of anything you do. You go on a
18 tour anywhere that you don't provide your
19 name, okay, this is your seat, this is where
20 -- you got to the restaurant --

21 CHAIRMAN CROSBY: Well, they know
22 whether you are, sure. They know who you are.

23 COMMISSIONER CAMERON: But the place
24 too, wherever you're going. Whether you go to

1 a football game, whether it's a bird watching
2 trip, your name gets turned over and they have
3 accounted for you and whatever events are
4 going on that weekend. So I don't think
5 this -- I don't know of any -- anything you,
6 where you sign up for a trip of some kind in
7 which you don't provide identifying
8 information.

9 CHAIRMAN CROSBY: You don't get
10 recorded to a regulator. The people who put
11 on the birding trip know who you are, right.
12 But if the hotel where you stay --

13 COMMISSIONER CAMERON: It's a
14 regulated industry. I mean --

15 COMMISSIONER STEBBINS: Is it safe
16 to say -- I mean, Maryland requires a lot of
17 this reporting. Pennsylvania requires a lot
18 of this reporting.

19 MR. BAND: New Jersey does.

20 COMMISSIONER STEBBINS: Do we find
21 ourselves in kind of a comfortable spot to say
22 let's start off by requiring it, kind of see
23 what we get. And, you know, kind of, if we
24 feel compelled at some point to kind of peel

1 back the regulation a little bit, I'd feel
2 more comfortable than that, than going in a
3 different direction.

4 COMMISSIONER ZUNIGA: I would agree
5 with that. I do get your point. And I -- in
6 another section of the statute, and you
7 alluded to this, they're also required to send
8 us a list of all their promotional items.

9 MR. BAND: Yeah. And the
10 complimentary --

11 COMMISSIONER ZUNIGA: And the
12 complimentary items. And I know that that's a
13 legacy from New Jersey, that's been the
14 approach. But there's also a bit of an
15 evolution towards that. That there's less
16 risk, if you will in, you know, in that
17 activity.

18 MR. BAND: Yes.

19 COMMISSIONER ZUNIGA: And that the
20 data would be such that is very lard to parse
21 through and there's now better systems and
22 methods trying to protect some kind of
23 tampering with it; is that not the case?

24 MR. BAND: Yes. You see it in the

1 promotional stuff with the comps, where the
2 same names keeps coming up in those promotions
3 as winners. And the odds of that happening
4 are pretty small. So it doesn't mean the
5 person's definitely done something wrong. It
6 means it's somebody you probably want to
7 watch.

8 CHAIRMAN CROSBY: I mean, it just
9 sort of feels to me, each of the times you've
10 talked about one of the issues, it goes to the
11 records in their play, which you're going to
12 have anyway. And I haven't --

13 MR. BAND: But that's not required.
14 I mean, that's if the patron wants it. But if
15 he doesn't want to be on there, he won't be
16 rated that way.

17 CHAIRMAN CROSBY: True.

18 MR. BAND: Yeah. And that's
19 somebody I'd definitely want to know who they
20 are. You know, why would you not want to take
21 free stuff?

22 CHAIRMAN CROSBY: But that's true of
23 everybody who comes in. That's why I --

24 MR. BAND: And to be honest with

1 you, you really look hard, not just us, but
2 surveillance, at any people that won't
3 identify themselves in any form or fashion.
4 They'll keep a closer eye on that.

5 CHAIRMAN CROSBY: Any people who
6 what?

7 MR. BAND: If you don't, like, have
8 a player's card and just sit at a table and
9 they offer you it and you just say no.
10 There's some reason behind that. Doing what
11 I've done, I would be very suspicious and look
12 at that person a little closer. So you don't
13 necessarily have to give -- you know, give
14 your name at the table, if you don't want.

15 CHAIRMAN CROSBY: No. But that's --
16 again, Bruce, if you wanted -- if you think
17 that it's a reasonable symbol or indicator of
18 a problem for a person to be an active player
19 and not have a card, that you can do. That
20 would apply to people whether they come on
21 junkets or whether they come in anyway. It's
22 the singling out of people who come on junkets
23 to be, in effect, registered with us where we
24 don't register anybody else. That if --

1 MR. BAND: I think it's different in
2 the sense that, you know, this isn't stuff
3 we're saying, you got to give us the name and
4 we're going to run everybody's name. It kind
5 of let's us know who they're bringing into the
6 casino. Are they bringing people that have
7 that have extensions -- criminal records or
8 things like that. It gives us a little leg
9 up. We could probably get that information,
10 eventually, but why would we make it more
11 difficult for us from a regulatory standpoint?
12 I mean, these names aren't being released to
13 the public or anything else. It's just --

14 CHAIRMAN CROSBY: So you do run
15 their names; you would run their names through
16 a CORI check?

17 MR. BAND: Probably, we would take a
18 look at the junket to see, who are they
19 bringing here, you know, the whole Kansas City
20 group. You know, it's not -- you're not going
21 to find this on everything, but you just want
22 to make sure that there isn't a problem.

23 MS. TORRISI: And correct me if I'm
24 wrong, Bruce, but it would also give the

1 Bureau the opportunity to potentially provide
2 relief to the participants, if there's a
3 violation in the terms of the agreement with
4 the enterprise or the representative, then we
5 would know who the participants were. Is it
6 the casino that then provides?

7 MR. BAND: Yes.

8 CHAIRMAN CROSBY: So what was that?

9 MS. TORRISI: So --

10 COMMISSIONER ZUNIGA: So if anybody
11 get into some disagreement as to what was the
12 original agreement, if you will, you didn't
13 play as much as you promised, or you know,
14 I've never promised to play or lose that
15 amount, knowing who those parties were in
16 advance, we know the junkets, but knowing the
17 participant would help in that scenario; is
18 that the gist of it?

19 MS. TORRISI: Exactly. And that's
20 where I used that term "relief," in the sense
21 of helping the participants if, you know, they
22 were -- if something happened to them with the
23 agreement where --

24 COMMISSIONER ZUNIGA: I know this is

1 very Socratic, but it's -- it goes -- it's the
2 same way, wouldn't we know that any way, of
3 anybody; if they wanted to be relieved, it's
4 like, well, identify yourself if you want to
5 be relieved.

6 CHAIRMAN CROSBY: Right. You'd come
7 forward and you'd say you I was on the junket.

8 COMMISSIONER ZUNIGA: I was on this,
9 and this was my agreement, and I want to
10 complain.

11 MS. BLUE: Well, that might not
12 necessarily work that way all the time. So
13 say, for an example, we find out that the --
14 the junket operator has violated some
15 agreement and we determine that the junket
16 operator has to make a refund, the question
17 would be, we could rely on the junket operator
18 to find the people who should get the refund,
19 or we could have a list of the people and we
20 would know who was supposed to get the refund.

21 So from that perspective, you would
22 hope people would self-identify. But maybe
23 they didn't know there was a violation. You
24 know, it's like a big class action lawsuit.

1 They may not have known that they were
2 entitled to some sort of relief.

3 CHAIRMAN CROSBY: Well, the casino
4 would know who they were.

5 MS. BLUE: The casino would know
6 too. But I mean, it would be good for us to
7 be able to reach out as well. We're doing the
8 investigation, we would determine, you know,
9 who was -- who was on that trip. We would
10 probably be the agency that levied the
11 sanction, so we would know how much it was --
12 what it was, whether they had to refund all
13 their money or everybody got a \$10 gift card,
14 or whatever the relief was.

15 So I think, from that perspective,
16 being able to identify who might be subject to
17 relief, if we exercised some of our regulatory
18 authority would be helpful. It's just a
19 little easier, rather than waiting for people
20 to come forward.

21 COMMISSIONER ZUNIGA: Let me just
22 ask, is it normally -- when people come in
23 these arrangements, do they know that their
24 name would be shared with regulators?

1 MR. BAND: They know they're on part
2 of the list. And almost every jurisdiction's
3 regulators have access to all of that.

4 COMMISSIONER ZUNIGA: No. But for
5 all intents and purposes --

6 MR. BAND: I don't know.

7 COMMISSIONER ZUNIGA: For the person
8 who signs up for these --

9 MR. BAND: I cannot tell you that
10 for sure.

11 COMMISSIONER ZUNIGA: Okay. Well,
12 it would be interesting to know, for a
13 future -- for future reference.

14 COMMISSIONER MACDONALD: As I
15 understand it, what you're recommending here
16 is substantially in conformance with the
17 practices in New Jersey, Nevada --

18 MR. BAND: Standard operating
19 procedures in most jurisdictions.

20 COMMISSIONER MACDONALD:
21 Pennsylvania, Ohio. Nothing new.

22 COMMISSIONER ZUNIGA: Well, it's a
23 good first discussion, right? There's no
24 consensus that we need to reach at this point.

1 MS. BLUE: No. And as you craft --
2 as we craft regulations, maybe part of
3 regulation is we require the junket operator
4 to tell the participants their name is on a
5 list and it gets submitted to the Gaming
6 Commission. You know, but I think we can at
7 least frame them up so you can look at the
8 actual language and we can determine where to
9 go.

10 CHAIRMAN CROSBY: Yeah. I'd be --
11 just be interested to know what the operators
12 think too; do they think -- do they accept
13 this as being fine for it to be part of the
14 deal, or do they think it's onerous?

15 COMMISSIONER ZUNIGA: Yeah. It
16 could be a burden, in terms of just the
17 reporting amount. Well, I favor what
18 Commissioner Stebbins already generally
19 articulated, which is the notion of starting
20 with some -- you know, with some cautionary
21 but expansive way to the extent we can mirror
22 the areas where we have. In our vendors, for
23 example, limit it to the people involved and
24 not going overly unnecessarily broad. We can

1 always come back and --

2 COMMISSIONER CAMERON: I think this
3 helps us assess risk.

4 COMMISSIONER ZUNIGA: Yes. We can
5 always ratchet down, if necessary. Which is
6 the same point you were making, Commissioner
7 Macdonald.

8 MS. TORRISI: All right. So we'll
9 draft some regulations and we'll be back to
10 you with those at some point in the new year.

11 COMMISSIONER MACDONALD: I just want
12 to say, that I stopped by Carrie's office
13 today and complimented her on this memorandum.
14 It's the second in a row. Really splendidly
15 prepared and reads very well.

16 COMMISSIONER STEBBINS: Pressure's
17 on. We say that in front of Justin and Todd
18 back there, too, that's good.

19 MS. BLUE: Yeah, I think, if you
20 could, Bruce, stay for the next one or two.
21 So we have a number of regulations. I think
22 we have five before the Commission today.
23 Most of them are pretty brief. The first one
24 we have is 205 CMR 146. These are the --

1 what's called gaming equipment. It's really
2 table games equipment.

3 They have been before you in the
4 past. We have taken them through the
5 promulgation process. We have received
6 comments, incorporated them where appropriate.
7 We have had our public hearing. So what we're
8 asking for you today is to authorize the
9 Commission to move this through the final
10 promulgation process so we can get it filed
11 with the Secretary of Commonwealth and get it
12 promulgated.

13 COMMISSIONER CAMERON: Mr. Chair, I
14 move that the Commission approve the amended
15 Small Business Impact Statement and final
16 version of 205 CMR 146, as included in the
17 packet, and authorize the staff to take all
18 necessary steps to file the regulation with
19 the Secretary of the Commonwealth and complete
20 the regulation promulgation process.

21 COMMISSIONER STEBBINS: Second.

22 CHAIRMAN CROSBY: Discussion? All
23 in favor? Aye.

24 COMMISSIONER MACDONALD: Aye.

1 COMMISSIONER STEBBINS: Aye.

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER ZUNIGA: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously.

6 MS. BLUE: The next regulation is
7 205 CMR 138.20, and it's called, Firearms
8 Update. This is a technical correction,
9 because the regulation requires a sign to be
10 placed in each casino. The regulation has the
11 language of the sign in the regulation. It
12 also includes PPC's phone number.

13 Clearly, we don't want everyone to
14 call PPC when they see the sign, so we're
15 allowing the regulation to allow the IEB to
16 put in an appropriate phone number for each
17 property. At the time, I guess we just -- we
18 didn't think about the fact that there would
19 be more than one property and more than one
20 phone number.

21 So today, we're just asking you to
22 vote to allow us to start the promulgation
23 process and to move this one forward.

24 COMMISSIONER STEBBINS: Mr. Chair, I

1 move that the Commission approve the Small
2 Business Impact Statement amendments to 205
3 CMR 130.20 as included in the packet, and
4 authorize the staff to take the steps
5 necessary to begin the regulation promulgation
6 process.

7 COMMISSIONER MACDONALD: Second.

8 CHAIRMAN CROSBY: Second? Further
9 discussion? Any discussion? All in favor?
10 Aye.

11 COMMISSIONER MACDONALD: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

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

17 MS. BLUE: The next regulation is
18 205 CMR 133.04. this is voluntary
19 self-exclusion. What we're doing here is
20 we're deleting the six-month term. This has
21 come up in conversations with the regional
22 BSE, and also with some of our licensees. The
23 six-month term seems to encourage more churn
24 than, perhaps, is appropriate.

1 So that would mean -- this change
2 would mean that the shortest period of time
3 that you could sign up for BSE would be a
4 year. And that makes us consistent to the
5 number of jurisdictions. So we're simply
6 removing the six-month option. We're not
7 taking any other -- making any other changes
8 in the BSE process.

9 This was actually done because of
10 the regional.

11 MS. BLUE: Yes.

12 CHAIRMAN CROSBY: In order to
13 standardize, each organization had to do a
14 little giving. And we decided it was ready --
15 we were easy to give up -- this was the least
16 selected term.

17 MS. BLUE: Yep. so today we're
18 asking for you to allow us to take -- to start
19 the promulgation process on this one.

20 COMMISSIONER MACDONALD: I move that
21 the Commission approve the Small Business
22 Impact Statement and amendments 204 CMR 133.4
23 as included in the packet, and authorize the
24 the staffs to take the steps necessary to

1 begin the regulation promulgation process.

2 COMMISSIONER CAMERON: Second.

3 CHAIRMAN CROSBY: All in favor?

4 Aye.

5 COMMISSIONER MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously.

11 COMMISSIONER ZUNIGA: Can I mention
12 one thing about this, maybe for future
13 reference? I think we might come back to
14 this. Another aspect of the regional BSE, you
15 will remember, Chairman, is that we are
16 uniquing the whole region relative to the
17 lifetime exclusion, as in we require first a
18 term to go through these -- anybody to go
19 through these before they are placed in the
20 lifetime with no appeal. And many other
21 jurisdictions do it the opp -- or the flip.
22 As in, they can go into the lifetime and then
23 are able to appeal after some period of time.
24 So we may be back for this. It's just a

1 little bit of a heads-up.

2 MS. BLUE: Yep, that's fine. We can
3 revise that, if that becomes advisable. The
4 next regulation is 205 CMR 138.07, and then
5 some technical amendments that are connected
6 to that. This is about amending a floor plan.
7 This is our process for when they amend a
8 floor plan, as part of changing equipment.
9 It's part of the internal controls reg. We
10 are doing this -- and I think, Justin, did you
11 look at this one, or Todd? We're trying to
12 get the process to be a little bit easier, and
13 the process to be a more conforming to what
14 the practice is. This is a new section. You
15 haven't seen this one before either. We're
16 asking that you let us start the process and
17 get this rolling. It will help with MGM's
18 opening, obviously, so it's important.

19 COMMISSIONER CAMERON: I move that
20 the Commission approve the Small Business
21 Impact Statement and amendments to 205 CMR
22 138.07, 138.66 and one -- I'm sorry, and CMR
23 151 is included in the package, and authorized
24 staff to take the steps necessary to begin the

1 regulation promulgation process.

2 COMMISSIONER MACDONALD: Second.

3 CHAIRMAN CROSBY: Any discussion?

4 All in favor? Aye.

5 COMMISSIONER MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously.

11 MS. BLUE: And then, finally, we
12 have 205 CMR 141.06. This is a technical
13 amendment to the surveillance plan. I'll let
14 Attorney Stempeck speak to it really briefly.
15 They are just really technical amendments.

16 MR. STEMPECK: This is pretty brief.
17 The surveillance plan regs were before you not
18 that long ago. You may remember, Mr. Band
19 pointed out after they were promulgated, that
20 the text in that first sentence there, it
21 really should be that the surveillance plan
22 must be provided for notification to the
23 Commission prior to the occurrence. So we
24 want to know ahead of time before anything has

1 changed to the surveillance plan, not at the
2 time that it has just changed. The other two
3 references in red there are really just cross
4 references to other parts of the regs that
5 layout the information about slot machines and
6 table games. So that's the whole, sort of,
7 meat of the change.

8 CHAIRMAN CROSBY: Motion.

9 COMMISSIONER MACDONALD: I move that
10 the Commission approve the Small Business
11 Impact Statement and amendments to 205 CMR
12 141.06 as included in the packet, and
13 authorize the staff to take the steps
14 necessary to begin the regulation promulgation
15 process.

16 CHAIRMAN CROSBY: Second?

17 COMMISSIONER STEBBINS: Second.

18 CHAIRMAN CROSBY: Any discussion?

19 All in favor? Aye.

20 COMMISSIONER MACDONALD: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

1 have it unanimously.

2 MS. BLUE: And that's all we have
3 today. Thank you.

4 CHAIRMAN CROSBY: Do we have any
5 other -- any commissioner updates?

6 COMMISSIONER STEBBINS: I have two
7 real quick ones. First of all, I want to
8 compliment Director Griffin. She has -- just
9 in the past few weeks, we've stepped up our
10 work with MGM. We are now doing periodic
11 calls with folks from our vendor advisory team
12 and MGM's procurement team, in terms of
13 getting the word out about procurement
14 opportunities with MGM. And Director Griffin
15 is also working with the Hampden County
16 Regional Employment Board, to do monthly
17 workforce calls, to make sure we're aware what
18 MGM is doing to drive their recruitment
19 efforts. And a number of local stakeholders
20 and state agencies are also helping out, to
21 make sure the word gets out about workforce
22 opportunities with MGM. So --

23 CHAIRMAN CROSBY: Great.

24 COMMISSIONER STEBBINS: -- some good

1 ongoing work in that respect.

2 CHAIRMAN CROSBY: Is that it? I
3 thought you had two things. Is that it?

4 COMMISSIONER STEBBINS: Vendor calls
5 and workforce calls.

6 CHAIRMAN CROSBY: Okay. I just had
7 a quick one. I think I've said before, that
8 there is a group of regulators from, I think,
9 about eight states, that have been meeting
10 under the auspices of the UNLV Institute for
11 Gaming Regulation, or whatever it is,
12 Andre Wilsenach and Bo Bernhard. We had two
13 in-person meetings, we had a third meeting by
14 phone earlier this week. And we have agreed
15 to set up three workgroups.

16 One to -- actually, it was Karen's
17 suggestion, that we try to figure out a way to
18 collect and standardize the checking on
19 whether people's and companies licenses are up
20 to date in other jurisdictions, because it's a
21 pain in the neck to everybody, when you have
22 to dial up 18 different jurisdictions to find
23 out if Mr. Smith is still properly licensed.
24 So there may be some common database. Gayle's

1 had some ideas about it. And we're supposed
2 to nominate people to serve on these task
3 forces. And although I haven't talked about
4 it with her yet, I would nominate Karen to do
5 that.

6 The second one was proposed by
7 Dave Rebeck from New Jersey, has evolved a
8 little bit. But, basically, the idea is to
9 see whether or not we can first collect
10 everybody's budgets and do as much of an
11 apples-to-apples comparison as we can, and
12 begin to work for -- towards some kind of what
13 Dave called a baseline budget. You know, sort
14 of, in a perfect world, how would you staff
15 these facilities, for example, with law
16 enforcement officers and gaming agents. In a
17 perfect world, what would you do, in terms of
18 research and problem gambling? How would you
19 handle compliance audits and so forth?
20 Partly, so everybody can learn much more about
21 what everybody else is doing. But, also,
22 because, unlike us, most agencies have to go
23 through some authorizing body, usually a
24 legislature, to get their budgets.

1 So if there were best practice --
2 like, if it turns out that the way we staff
3 our law enforcement is really the right way to
4 do it, it's more than other people do, but
5 it's the right way to do it and we can
6 demonstrate that, this might give our peers
7 some data to go to their legislature. So that
8 one, I've talked to Enrique, and will talk to
9 Derek about serving on that one. And the
10 third one is --

11 COMMISSIONER CAMERON: Betting.

12 CHAIRMAN CROSBY: Sports betting.
13 Right. And the highest priority - thank you -
14 is to see whether or not there's any chance
15 that we could, as new -- if and as new
16 jurisdictions determine they want to go legal
17 on sports betting, that they do it to the
18 maximum extent possible, following New
19 Jersey's model, rather than reinventing the
20 wheel and doing everything that New Jersey is
21 doing, like sending people to Australia and UK
22 and so forth, and trying to figure out their
23 technology and on and on.

24 I'm not sure -- nobody's sure how

1 well this'll go. But everybody thinks this is
2 a real high priority. And there's been a lot
3 of talk about standardizing regulation. We
4 all know it's hard to standardize regulation
5 retrospectively. But maybe, as new things
6 come on line, online gaming, sports betting,
7 maybe we can standardize regulatory process
8 going forward. And I've asked Gayle, and she
9 will, if she hasn't already, talked to Justin,
10 probably, and Paul, to be the point person on
11 that project. So it's -- and these three
12 groups will be staffed by UNLV staff or,
13 sometimes, graduate students. And it's a baby
14 step to, sort of, work towards working
15 together to, sort of, streamline standardize
16 and so forth, the regulatory environment,
17 picking off pieces, which are relatively
18 accessible, and then seeing where it goes. As
19 well as getting people at an operating level
20 to get to know each other in a way maybe they
21 haven't in the past.

22 So it's interesting, and certainly
23 worth part of -- AG Burnett, who's been an
24 active member, has left, obviously, because he

1 was on this call, but that's his last meeting.
2 But we expect that the Nevada -- his
3 replacement will take place.

4 COMMISSIONER ZUNIGA: Yeah. I think
5 this is a great effort. Out of a prior one I
6 know, I understand that things like the
7 multijurisdictional forum was hashed out,
8 efforts like this. So any incremental steps
9 that we can just learn about, it would be
10 really helpful for us.

11 As you may recall, I do a little bit
12 of benchmarking. I've done that in the past.
13 Derek has done it as well, in the past,
14 relative to our costs. And it's always
15 tricky, because there's multiple -- it's hard
16 to compare the apples to apples. But the
17 exercise itself is very good, in terms of
18 knowing and keeping up to date to what others
19 are doing, so I look forward to that role.

20 CHAIRMAN CROSBY: Anything else?

21 COMMISSIONER CAMERON: Very
22 interesting.

23 CHAIRMAN CROSBY: Yep. All right.
24 Do I have a motion to adjourn?

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COMMISSIONER ZUNIGA: So moved.

CHAIRMAN CROSBY: Second?

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: All in favor?

Yay.

MR. MACDONALD: Aye.

COMMISSIONER STEBBINS: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

CHAIRMAN CROSBY: Unanimous.

(Proceeding concluded at 3:30 p.m.)

1 GUEST SPEAKERS:

2 Mike Mathis, President MGM Springfield

3 Courtney Wenleder, Vice President, Chief Financial
4 Officer, MGM Springfield

5 Alex Dixon, General Manager, MGM Springfield

6 Brian Packer, Vice President of Construction and
7 Development, MGM Springfield

8 Jed M. Nosal, Esq., MGM Springfield

9 Patrick Madamba, Esq., MGM Springfield

10

11 MASSACHUSETTS GAMING Commission:

12 Catherine Blue, General Counsel

13 Edward Bedrosian, Executive Director

14 Todd Grossman, Deputy General Counsel

15 Bruce Band, Deputy Director, IEB

16 Karen Wells, Director, IEB

17 Loretta Lillios, Deputy Director, IEB

18 John Ziemba, Ombudsman

19 Carrie Torrisi, Staff Attorney

20 Justin Stempeck, Staff Attorney

21

22

23

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C E R T I F I C A T E

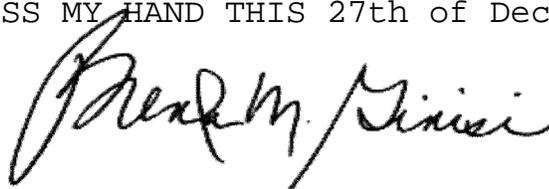
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that 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 27th of December 2017.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021