



Subcommittee on Community Mitigation Minutes

Date/Time: October 25, 2016 – 9:30 p.m.

Place: Massachusetts Gaming Commission

Members Present:	Stephen Cirillo Sean Cronin Eric Demas Carmina Fernandes Ron Hogan Haskell Kennedy, Jr. Lloyd Macdonald	Attendees:	Marty Nastasia John Ziemba Joseph Delaney Mary Thurlow Jamie Ennis
Members Absent:			

Call to Order

Commissioner Macdonald thanked the members for coming and introduced himself to the members. He mentioned that the community mitigation policy and criteria are in a gestational period. He stated that he is pleased to be a member of this committee, as the representative of the Commission.

Commissioner Crosby briefed the members about the unprecedented research that has been mandated to determine impacts and that every variable from bankruptcies to violence is being considered. How the Commission handles impacts will be documented and will be a critical variable when the casinos are in operation and generating \$15-\$20M per year in mitigation funding. The host community and surrounding community agreements (SCA) were negotiated in advance. However further thoughtful and creative solutions need to be developed.

Commissioner Macdonald mentioned that he was born in New Bedford. He explained that the construction of the Tribal facility is being delayed by a citizen suit involving the Tribal facility Land and Trust determination. The presiding Judge Young weighed in favor of the citizen suit and included failure to follow standards when he sent the decision back to the Interior Department. When the Tribal facility may come on line has yet to be determined. Pursuant to the Tribal Compact with the Governor, the Tribe is not obligated to enter into surrounding community agreements, unlike communities in the other regions. Instead, mitigation funds for impacts must come from the Community Mitigation Fund (CMF).

Mr. Ziemba described the two periods for this Community Mitigation Fund. The current pre-operational time of development is now. The second period is when the casinos are operational and generating additional funding for the CMF. The 2015 Program was done on the heels of the State Referendum as to whether or not gaming was going to be allowed in Massachusetts. As a result of that, it was felt that the communities would not have time to determine impacts before the February 2015 deadline to submit applications. Communities could apply for a reserve funding of \$100K that they could use on a rolling basis as impacts materialized. During this initial application period applicants could also apply for the mitigation of specific impacts. Communities applying for a specific impact grant, however, would need

to use 50% of its reserve first before receiving additional funding. In the second year of the program, eligibility for the Reserve Fund was expanded to include host communities.

Mr. Cirillo asked for a definition of surrounding community.

Mr. Ziemba explained that as part of the gaming license application process, each gaming license application had to include the surrounding community agreements. A number of communities were also designated surrounding communities in the gaming license application. Further, the Commission created a process which could determine a community to be a surrounding community or not. This determination was not solely based on proximity. Communities could petition to be an SCA. An example is Northampton. It is not near the proposed casino, but it is a tourist center and could be impacted by the growth of MGM. It did not meet the threshold of a surrounding community. However, Northampton was eligible to get a reserve as a result of its petition. Some communities petitioned to be considered a surrounding community but the Commission determined they were not. The petitioned communities were also included in the \$100K Reserves. From the \$17.5M Community Mitigation Fund, \$2.8 was allocated for the reserves.

Commissioner Crosby mentioned that the Commission is trying to be progressive as to the intent of the law. John Ziemba came up with the idea of the \$100,000 Reserve Application. Communities could demonstrate impacts through their SCA process. The CMF could help to eliminate negative consequences so that communities do not end up with a negative impact caused by the casino development.

Mr. Ziemba described the status of the mitigation funds as currently containing \$2.8 million in reserves for the communities. Category 1 communities should not be experiencing operational impacts as Category 1 facilities are still being constructed.

In the 2016 funding period, there were also 4 or 5 transportation grants. Due to the long timeframe of transportation project development, transportation planning grants were put in place to assist in necessary studies. The gaming applicants had to participate in the MEPA process which is designed to determine impacts and make accommodations. However, these are merely predictions in anticipating possible impacts. Through this CMF Transportation funding we will fund studies and designs. However, at this time, these grants do not cover the actual construction of transportation projects.

Mr. Demas asked how many transportation grants there were.

Mr. Ziemba said that we will forward to members the annual review of the grants, summaries and a link to the applications themselves.

Mr. Ziemba then read Section of 23K, Section 68 regarding the roles of the subcommittee. The Subcommittee has the role of reviewing all of the grants and providing feedback to the Gaming Policy Advisory Committee and the Commission. The section creating the Subcommittee authorizes it to recommend regulations.

Mr. Ziemba mentioned that within the packets each person received are the Policy Questions regarding the Community Mitigation Fund. The final Guidelines after public comment are due the 1st week of December. This will allow communities to have 2 months to put together their final applications.

Mr. Ziemba then turned the meeting to Policy Question #12 regarding the Economic Development Fund.

Should the 2017 CMF be used to support and help leverage resources to address the financial constraints on access to programs that support residents of the Springfield or Everett areas trying to obtain their high school or work readiness credentials to be eligible for employment?

Jill Griffin of the MGC explained that the Economic Development Fund is not operational until facilities are open in late 2018, but funds may be needed to prepare the workforce ahead of time (training, education programs.) She highlighted that there is a scarcity of programs available for pre-employment and to get people ready for work. To work on the site you have to have a high school diploma. In Massachusetts there are 551,740 Massachusetts residents over the age of 18 and above that have less than a high school diploma which is 1 in 10. Springfield and gateway communities have the highest needs for additional resources and a higher than average wait to get into adult education courses.

Mr. Cirillo: Is the goal of training/education program for people who have already been hired to work at casinos? Will documentation be required to show they've been hired as a result of expanding their education?

Mr. Delaney said that it would for a hospitality-type programs to help fill the stop-gap between now and opening of the casinos.

Mr. Ziemba noted that Wynn will have approximately 4,000 jobs and MGM 3000 jobs. These jobs may require people to come from other places of business. As a result, other businesses in the areas may need to do additional hiring.

Mr. Cirillo mentioned that there may be a need to backfill positions

Ms. Griffin noted that the food service positions are the most challenging positions to fill.

Ms. Fernandes also mentioned that training should be done to prevent poaching from the local area especially as there is already a shortage.

Mr. Delaney said that there has to be a connection with the Casino, we do not want to create a vacuum.

Ms. Demas asked the purpose of the Economic Development Fund?

Ms. Griffin noted that it is for general employment opportunities such as summer jobs and workforce training for existing workers.

Commissioner Crosby stated that the Economic Development fund is a broad fund that is appropriated by the Legislature.

Mr. Cirillo questioned whether the Community Mitigation Funds go directly to the program or person.

Mr. Delaney noted that all grants have to go through a community or governmental entity.

Commissioner Crosby indicated that the Community Mitigation Fund is under MGC control, but the EDF is not; it is a broad mandate.

Ms. Griffin said that the CMF could be used to fill seats in training; no funds would be distributed to the individual. Mr. Delaney confirmed that the money would be handled by a government entity serving multiple communities.

John Ziemba discussed items for consideration at the upcoming November meeting including an in depth discussion of all other policy questions, a review of the list of prior grants, and the administration of this committee, including a choice of chair, rules of the road, and agenda setting.

He noted that members should please let Mary or himself know, if they are interested in the position of Chair of this Subcommittee and should prepare a brief reason why that member would like to be considered for the position.

Lloyd Macdonald says he is willing, as the MGC representative of the committee, to be the Chair if so determined by the Subcommittee.

Ron Hogan: Since there appears to be about ½ hour discussion per question, based on today’s meeting, perhaps members should provide input to questions ahead of time, over email?

Mr. Cronin advocated providing additional background ahead of time—perhaps bullet points summarizing each question and impact.

John Ziemba: \$12M will be available in the Fund until 2018. There are broad themes such as limiting funds during the initial program. The Lower Mystic Planning Group which is comprised of Sullivan Square near the I93 is seeing a lot of activity that will be of interest. What should the Subcommittee do regarding LMPG’s recommendation?

Commissioner Crosby suggested that the next meeting on 11/17 should be 2 ½ hours, 9:30-12:00. The membership agreed.

The meeting was then adjourned at 11:00.

/s/ Mary S. Thurlow
Mary S. Thurlow, Secretary

List of Documents and Other Items Used

1. Notice of meeting and agenda
2. Membership of Gaming Policy Advisory Committees
3. M.G.L. c. 23K Section 68
4. M.G.L. c. 23K Section 61
5. Open meeting Law Guide
6. Certificate of Receipt of Open Meeting Law Materials
7. State Ethics Commission letter to MGC dated 9/2/2015
8. Summary of conflict of Interest Law for State Employees
9. Acknowledgement of Receipt
10. 2016 Community Mitigation Guidelines
11. Policy Questions for Discussion by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation Relative to the 2017 Community mitigation Fund (“CMF”) Guidelines