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## Subcommittee on Community Mitigation Meeting Minutes

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**Date/Time:** November 26, 2018 @ 11:00 a.m.

**Place:** Massachusetts Gaming Commission

**Members Present:** Bruce Stebbins Carmina Fernandes  
Sean Cronin Haskell Kennedy  
Eric Demas John Robertson  
Ron Hogan

**Attendees:** Catherine Rollins  
John Ziemba  
Joe Delaney

### Call to Order

11:00 a.m. Ombudsman John Ziemba introduced Commissioner Bruce Stebbins as the Subcommittee representative for the Commission. Commissioner Stebbins will be replacing former Commissioner Lloyd MacDonald. Ombudsman Ziemba gave a brief overview of Commissioner Stebbins' background.

Ombudsman Ziemba summarized the successful opening of MGM Springfield and described the efforts that were made by the staff to ensure a smooth process.

Ombudsman Ziemba described how the construction is progressing of Encore Boston Harbor. He then introduced Joe Delaney, Construction Project Oversight Manager, to remark about the status of the facility.

Mr. Delaney stated that June 24, 2019, is on the schedule as an opening date for Encore Boston Harbor. The project is approximately 80% complete and noted that the Temporary Certificate of Occupancy is expected in December. He also reported that there are about 1,300 workers on-site daily, and floors 5 – 9 of the hotel are ready to be turned over from Suffolk Construction to Encore to furnish. Also, slot machines are scheduled for installation on the gaming floor in mid-January, with the entire gaming floor slated to be completed in March. Lastly, he stated that offsite roadway work is ongoing.

## **Election of Chair of the Subcommittee on Community Mitigation**

11:15 a.m. *Ms. Fernandes moved to elect Commissioner Stebbins as Chair of the Subcommittee on Community Mitigation. Mr. Robertson seconded the motion. The motion passed unanimously.*

## **Approval of Minutes from the December 18, 2017 Subcommittee Meeting**

11:20 a.m. The minutes from the previous meeting were unable to be approved but will be kept on record, as there was no quorum from the previous meeting. The minutes will be kept in draft form.

## **Community Mitigation Fund Overview**

11:21 a.m. Ombudsman Ziemba provided an overview of the Community Mitigation Fund and noted that comments received were posted publicly. He noted that he will bring them to the Commission meeting on December 13<sup>th</sup>. The one comment that was received came from the Mayor Carlo DeMaria of Everett.

Ombudsman Ziemba posed the question of either maintaining February 1<sup>st</sup> as the application deadline or of adding more dates throughout the year. One reason for this question is because some impacts are not known by February 1<sup>st</sup>. The Commission asked for comments on this item. Commissioner Stebbins asked the committee for thoughts or ideas on this. Mr. Hogan asked Ombudsman Ziemba if there could be any flexibility on the February 1<sup>st</sup> date. Ombudsman Ziemba responded that there is no flexibility there, as the statute dictates this deadline. A statutory change would be necessary.

Ms. Fernandes asked if an impacted business could apply after February 1<sup>st</sup>. Ombudsman Ziemba replied that any impacted companies would need to wait until next year's grant round as the February 1<sup>st</sup> date is statutory.

Next, Ombudsman Ziemba reviewed the Non-Transportation Planning Grants. The new guidelines eliminate much of the language that may be confusing to entities that could lead them to believe that the fund could be allocated to specific businesses. Mr. Hogan expressed concern about the Constitutional provisions. He noted that the purpose of the statute is to generate jobs for the state and to promote economic development.

Mr. Demas then expressed his concern that the casino is impacting residents, as property values are going up. Particularly affected are lower-income residents. Ombudsman Ziemba mentioned that a potential impact to schools is mentioned in the Gaming Act.

Ombudsman Ziemba stated that if communities can put together a comprehensive package, the assistance can be very successful. He also

suggested that the Commission could reach out to the licensees to see if they could share best practices with local businesses. Potentially that could help the companies market themselves in a way that complements the existence of the casino.

Ms. Fernandes asked which communities can access some of the studies that have already concluded. Ombudsman Ziembra replied that there is a great deal of data on the Commission's website that will be sent out to all the members. Ombudsman Ziembra added that there is a plan to put the data into an easily digestible format.

Next, the Ombudsman stated that, in general, the Commission recommends that \$5.2M remaining from the payments from licensees can be allocated in 2019. By this time next year, with the anticipated revenues from Springfield and Everett, the Commission could have an additional six months' worth of income from Encore Boston Harbor for this plan. He stated that we could have \$10M or more in the fund by this time next year. He noted that optimization of marketing by the casinos typically would take a couple of years; however, the Commission can weigh the information at this time next year. He further stated that last year, there was a recommendation that the Commission split the fund by region. He described how the new guidelines include a system to do this. He added that the slots facility does not pay into the Community Mitigation Fund, but it does pay into local aid and the Race Horse Development Fund.

Ombudsman Ziembra stated that splitting the fund in half seems fair for the remainder of the \$5.2M. Under the plan what the west generates from Springfield will be allocated to that region for 2019.

A concern was raised regarding the length of time that monies remain in the Community Mitigation Fund and potential for that money becoming unavailable. Ombudsman Ziembra responded by describing the system of fund distribution.

There was discussion around circumstances potentially arising where the Commission could be unable to make awards at a particular level in a specific region (\$4 million for example). Ombudsman Ziembra proposed a solution of holding the funds for up to two years and returning them to the general Community Mitigation Fund. The funds would then remain in the region for a period of three years; then unspent funds would go back to the central fund to be divided again. The Commission reserved the ability to reconcile going into the next year and adjust in future rounds.

Both proposals will be brought to the Commission on the scheduled December 13<sup>th</sup> Commission meeting.

Ombudsman Ziemba updated the members that under the proposed Guidelines, the Commission would continue with Workforce Development Pilot Grants. He recommended that the Commission proceed with the \$300,000 per region for the next program. Jill Griffin, Director of Workforce, Supplier and Diversity Development, reviewed the funds that the program will distribute per area. She described funds first being allocated to education through Springfield Public Schools, then to the dealer school, and lastly to the line cook training program.

Next, Ombudsman Ziemba turned the committee's attention to the Transit Project(s) of Regional Significance. He focused specifically on the connector bridge. The goal is to connect the facility to more transit options, and this will get cars off the road and benefit surrounding communities. There is a potential that the Commission could pay for a small percentage of the costs, and the remainder could be federally funded.

The Ombudsman then reviewed the list of prior grants with the committee. He asked that everyone provide feedback at the next meeting. He then asked for any questions from the committee members, to which there were none.

### **Ethics Training**

11:58 a.m. MGC Deputy General Counsel Todd Grossman provided the committee with ethics training, with focus on the Massachusetts Conflict of Interest Law. He reviewed a PowerPoint presentation that was included in the committee's meeting packet. He stated that as a member of this committee, members are state employees. As committee members are not compensated, they are considered to be Special State Employees.

Mr. Grossman then explained two core elements of the Conflict of Interest Law, which are the elements of Financial and Appearance of conflicts of interest. He stated that the law focuses on the potential for the two areas of personal and professional life to intersect, as this is where the conflict of interest law applies. The "appearance" element dictates that members may not act in such a manner that as a reasonable person may conclude that one is behaving with bias in one's job.

### **Next Steps**

12:24 p.m. Commissioner Stebbins stated that Commission staff is working on the vacancies in the committee. He is also considering taking the committee on a tour to see MGM Springfield. He then updated the members on the Gaming Public Advisory Committee (GPAC) meeting taking place tomorrow. Finally, he noted that the Commission is going to double their efforts to work with the Governor's office on appointments.

Ms. Fernandes asked if the Commission could provide her with additional recent revenue numbers since MGM Springfield's opening. Ombudsman Ziemba reviewed the current statistics with the committee with a revenue chart that was included in the committee's meeting packet. He explained that the first week yielded \$9.456M of Gross Gaming Revenue (GGR). Taxes were roughly \$2.6M. September totaled \$27.9M, with taxes at approximately \$6.7M. October totaled \$22.2M, and taxes were \$5M or \$6M. Mr. Hogan then asked what the projected GGR was for MGM Springfield. The Ombudsman answered that it is projected to be \$400M after full optimization.

12:29 p.m. *Commissioner Stebbins made a motion to adjourn. Ms. Fernandes seconded the motion.  
The motion passed unanimously.*

/s/ Shara N. Bedard  
Secretary

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

1. Notice of Meeting and Agenda dated November 20, 2018
2. Draft Meeting Minutes dated December 18, 2017
3. Memo re: 2019 Community Mitigation Fund Draft Guidelines
4. Annual Summary 2018 re Transportation
5. 2019 Community Mitigation Fund BD-19-1068-1068C-22137 (Updated Redline Comparison)
6. 2019 Community Mitigation Fund Awards (Summary of Grants)
7. PowerPoint Presentation: Conflict of Interest Training for Special State Employees
8. Determination Letters from the Massachusetts State Ethics Commission
9. House Docket No. 10, filed on January 23, 2017