



## Subcommittee on Community Mitigation Minutes

**Date/Time:** November 29, 2016 – 9:30 p.m.  
**Place:** Massachusetts Gaming Commission

<b>Members Present:</b>	Andrew Cade Stephen Cirillo Sean Cronin Eric Demas Carmina Fernandes Ron Hogan Lloyd Macdonald	<b>Attendees:</b>
		Stephen Crosby Ed Bedrosian Jill Griffin John Ziemba Joseph Delaney Mary Thurlow Jamie Ennis
<b>Members Absent:</b>	<b>None</b>	

### Call to Order

John Ziemba called the meeting to order and asked the members to introduce themselves. He explained that the focus of this meeting would be to resume discussions regarding staff recommended changes to the 2017 Community Mitigation Fund Guidelines. At the Commission meeting scheduled for December 1<sup>st</sup>, the Commission is expected to review the draft guidelines for consideration. If the Commission has had all of its questions answered in this draft of the Guidelines, then the next subsequent meeting the Commission will vote on the Guidelines. The Commission will be informed about what is discussed and voted on at this meeting, the prior meetings of the LCMACs in Regions A and B, and the comments received from the public comment request.

Mr. Ziemba then asked if there were any other members seeking to be the Chair of this Subcommittee. There being none, Commissioner Macdonald gave a brief summary of his background and interest in the position of Chair of this Subcommittee. Upon motion made by Stephen Cirillo and seconded by Carmina Fernandes, the motion to elect Commissioner Macdonald, as Chair of the Subcommittee, was unanimously approved.

Commissioner Macdonald then moved to the minutes of the first meeting of the Subcommittee be approved. Upon motion made and duly seconded, the minutes to the first meeting were approved as written.

Mr. Cirillo asked about whether there were unspent funds from the Community Mitigation Fund and if the funds were rolled over into the following year.

Mr. Ziemba solicited comments from members on how CMF funds should be spent. He noted that the Commission could retain the authority to spend either below or above any proposed spending amount.

Gaming Commission Chair Crosby mentioned that the Commission can undo rules regarding hard caps placed on the CMF, this Subcommittee's focus is on providing policy guidance to the Commission.

Mr. Hogan stated that the proposed \$4M budget for the CMF is aggressive. Impacts will increase once the casinos are running. Impacts will be more quantifiable in later years. The amount of the targeted spending sends a message to the communities.

Mr. Ziemba mentioned that at previous meetings of the Local Community Mitigation Advisory Committee's members indicated that the Commission should target spending of the remaining 12 million at 25%, 25%, 50% over the next 3 years.

Mr. Hogan suggested reducing the amount from \$4M to \$3.6M.

Discussion continued regarding the Commission having a cap with exceptions. The Commission could set a target with some exceptions. Mr. Ziemba mentioned the possibility of a hard cap with built-in subcaps. The transportation planning grants could have a cap of \$800,000 to be conservative, with a \$150,000 limit on applicants for those dollars. The 2017 Guidelines will be brought up at Commission meeting for discussion. A question is how to do you evaluate applicants based on overall program limits. The Specific Grants could have a limit of \$400,000 per applicant. Transportation planning actually hits a direct impact. Commissioner Crosby mentioned that the Commission could change the limits if needed. Commissioner Macdonald suggested that there be a different amount with a balloon figure.

Mr. Ziemba then gave a brief summary of the proposed caps including a \$200,000 workforce development program. He noted that comments received indicated that additional dollars for the workforce education component may be necessary. After factoring all components this left more than \$2 million for specific grants for construction impacts.

Ms. Fernandes asked whether communities that would apply for the workforce development have to use 100% of their reserves. Mr. Ziemba noted that communities would only have to use \$50,000 of their reserve.

It was noted that the process of establishing the Guidelines assists the Commission's determination to keep the allocations flexible. It was thought that it makes sense to consider what message is being sent to the public regarding the funds and how they are managed and preserved.

Mr. Ziemba then suggested a robust discussion on each topic in order to organize conversations occurring during this meeting.

There was a discussion concerning the known impacts occurring later in the development of the casino. The building of a budget for this community mitigation fund in a new industry requires some instinctual decision making.

Ms. Fernandes likened the current situation to a full cake on the counter, everyone starts taking slices.

Mr. Ziemba then summarized some of the factors used by the Commission to evaluate the applications. He added that additional requirements for the specific impact grants require applicants to provide a match this year and a dollar of dollar match. Upon a waiver request could be changed. That additional municipal personnel will not be funded for the entire cost because a municipality cannot guarantee that the employee is using its time for 100% gaming related purposes. The Commission does not want to put municipal employees in the position of certifying that to the Commission.

A discussion developed regarding issues of funding personnel. It was felt that by required matching it tamps down the issue of the cap and that that Commission should not go to personnel at all. Another opinion was that if there is a significant match, personnel could be funded as the Commission could match funds for experts.

A discussion commenced on the oversight of expending of the funds from the grants and how the communities separate the CMF funding from their general funds. The Commission requires quarterly statements from each entity receiving funding and the requirements are in the grant documents.

Mr. Demas noted the ramp-up period prior to the casino opening and that impact costs are not negotiated costs. Ms. Fernandes noted that personnel need to be trained in advance of casino opening.

Mr. Hogan noted the struggle to achieve a balance with regard to the funding, limitations can make it easier or harder.

Mr. Ziemba noted the range of impacts and types of applications that have been received. The legislature clear is that communities should apply for funding before using local dollars.

Mr. Cronin noted that new growth property tax level increase; Springfield did as a pilot; increase in their operating budget; unfair as no new revenue to cover associated costs.

Mr. Ziemba then opened discussion concerning Question 3 of the policy questions. It was discussed that the current funding is for planning and design and construction related impacts including transportation. A concern was raised regarding an impact more severe than MEPA had estimated. Noted was the long lead time for transportation planning project and required mitigation. Mr. Ziemba stated that transportation grants would only cover planning and design costs now, not actual construction costs. Mr. Cronin asked when actual construction costs would be considered.

Mr. Ziemba stated that the Commission may need to fund actual construction projects if impacts are more severe than expected under MEPA. Transportation projects require a long lead time for planning. That is one of the purposes of the transportation planning grants. Mr. Cronin mentioned that a part of the future \$18 million a year in CMF funds could be for implementing transportation plans.

*Question 5. How and when should the CMF Guidelines reflect the work of the Lower Mystic Regional Working Group?* The status of the analysis from LMRWG and how that recommendation would be considered in the context of the CMF was discussed. It was felt that

the report would not be completed until late 2017. Financing methods to implement transportation plans was questioned. Mr. Ziemba noted that the funding would be similar to school building funding.

*4. Should the Commission revisit its determination to authorize planning grants which require an in-kind match?* A discussion commenced regarding how to determine a scoring system while balancing needs by region and the Host Community and Surrounding Community Agreements. A concern was raised whether matching be considered as part of application and would that potentially penalize an applicant. Mr. Hogan mentioned that the impact is either a mitigated or not mitigated impact. It was mentioned that an amount contributed by community takes into account commitment by that community. Mr. Hogan was concerned that some counties are in a better place than others or may provide a more detailed application. He likened it to the rich may get richer. He wanted to focus on what planning grants contained and that it was pro-active; contained economic planning activities.

*6: Should the Commission revisit its guideline regarding grants involving private parties?*

Mr. Ziemba noted that funding of non-profits cannot apply, communities must apply for the funding. Commissioner Macdonald asked Mr. Ziemba to use Caring Health as an example. Mr. Ziemba summarized issues regarding non-profits and the range of assistance. He noted that costs to employees in the parking differential; the reimbursement for consultants and utility disruptions was not a part of this grant. Mr. Cade asked if Caring Health thought about moving. Mr. Ziemba said no. The question had been asked previously whether the money goes to a person or program and what is a governmental entity.

It was noted that to target technical schools for backfilling of jobs created a benefit for the economic development of the area. The wide area training for workforce would reach is considered a regional benefit.

The question was asked about how were utilities handled? Mr. Ziemba noted that no payment for disruption of utilities was made as the city itself does not pay for utilities.

Mr. Hogan asked if the valet services would continue in perpetuity. Mr. Ziemba noted that it was just during the construction phase.

Commissioner Macdonald noted that increase costs could be seen as a plus for the area as the project is achieving economic stimulus and greater demand which is a statutory goal. The immediate needs are being directly addressed for a credible purpose. This fund is seen as a proxy new rule so that we hit impacts when they occur, and if it does not work, communities may apply for a waiver.

*7: How should the 2017 CMF Guidelines treat multi-year grant requests?* No comments from members.

*How should the status of Region C and current litigation involving the potential tribal casino impact the 2017 CMF Guidelines?*

If Commission makes a determination that construction will begin; timing issues for technical assistance. Commissioner Macdonald felt that due to the outcome of the election; whether or not it goes through this administration is very much up in the air. Mr. Cirillo questioned whether the money that remains in funding may be used for another purpose and whether that funding would remain for technical support. Mr. Ziemba explained that it would be a set aside.

*9: 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?*

Is the current pre-employment amount sufficient? Mr. Ziemba summarized input from public questions and outline of the program which took a collaborative approach with a governmental entity. Priorities will be further refined by the pilot program and enhance local discussion by region.

Ms. Griffin mentioned that the language speak intentionally on broad terms to focus high demand areas and the interest in focusing on adults, under employed and unemployed. It would look at who partners are and who is doing recruitment. Mr. Cade asked whether this would be conducted by the Regional Employment Board? Ms. Griffin said that the entities would have to be regional employment boards.

Mr. Hogan asked how workforce development fits with the intention of the regulations? Commissioner Crosby noted that it was an ideal situation to help all three regions. Ms. Griffin noted that even a modest amount can act as a catalyst and to evaluate strain on labor market.

Ms. Fernandes noted that the communities have to be ready for first year of the casino being operational and allocate funds for this preparation. She also noted that the area is already feeling the impact. Commissioner Macdonald noted that this fund was to respond to initial impacts, respond to unanticipated impacts, and other identified issues under Section 61. It is to minimize construction created impacts and provide a vocational education.

Ms. Griffin noted that eastern Massachusetts too is feeling the impact. As casino may pay more, health care, hospitals and long-term care facility that provide food services to clients may experience shortage of help. Training would help backfill these positions. Mr. Cirillo noted that the funding level was fine for first year. Mr. Cade thought that \$100,000 per region seems low.

Ms. Griffin said that consultants have determined that it would serve around 50 people the first year. Mr. Hogan noted that it gives the opportunity to start a program; maybe a yearly increase every year from \$100,000, \$150,000, \$250,000.

Ms. Griffin noted that collaborative efforts by technical schools and vocational technical schools. The program could involve career centers for recruiting. Mr. Cronin noted that would include community colleges as well.

Question 10: Reauthorization of Reserves: No members had comment.

Question 11: Cost of application: No members had a comment.

Mr. Ziemba then asked about future meetings. There was a request for a breakdown by grant types.

Commissioner Macdonald then asked if there were any further questions. It was noted that this committee would conduct an annual review of the Community Mitigation Funds. Mr. Cronin asked what the desired expectation? When do you expect the awards to be made? Before July? Mr. Ziemba noted the desire to award the funding on a fiscal year basis. The 2017 can go out in the summer, for members to assess and prepare for future recommendations by late fall. Mr. Cronin asked whether that would be enough time to get information?

Mr. Ziemba explained the timeline as March or April to review grants and assess how are grants working. That would include review of guidelines; reports on implementation and summary of awarded grants. This would give an opportunity for a lookback review; Fall for 2017 Grants; July Fiscal Year 2018 we will have a good sense of impacts for the next year guidelines

Macdonald: Just to close the loop; report in hand how earlier grant have been implemented and used. Provisional report in February for grants; would like a bar chart on grants and completion dates.

Ms. Fernandes would like a clarification on the reserves and specific funding. The splitting of funding was left off the recommendations this year due to the uncertainties of Region C and the contribution into the fund was the same.

Commissioner Macdonald mentioned the concern about getting short- changed in due to eastern MA mitigation and Region C, he wanted to let members know that Region B and C will be protected.

Members mentioned the 25%, 25% and 50% alternative to Question 1 of the recommendations. They mentioned that after the Sheriff's lease assistance payment a breakdown of 25%, 33% and 42%.

Question 2 was voted on and unanimously accepted.

Question 3 was voted on and unanimously accepted.

Question 4 was voted on and unanimously accepted.

Question 5 was voted on and unanimously accepted.

Question 6 was voted on and unanimously accepted.

Question 7 was voted on and unanimously accepted.

Question 8 was voted on and unanimously accepted.

Question 9 was voted on and unanimously accepted with a suggestion of it being phase upwards in the future.

Question 10 was voted on and unanimously accepted.

Question 11 was voted on and unanimously accepted.

Mr. Ziemba then mentioned that the split regions would be a dialogue for maybe the year after when it's closer to the casino being operational.

Commissioner Macdonald thought February would be when the next meeting would be held.

A request was made for a list of the members and their phone numbers. Mary Thurlow acknowledged and said she would send out.

A motion was made to adjourn the meeting. The meeting was then adjourned at 12:06.

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

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

1. Notice of meeting and agenda
2. Minutes to 1<sup>st</sup> meeting of the Subcommittee
3. M.G.L. c. 23K Section 68
4. M.G.L. c. 23K Section 61
5. 2017 Community Mitigation Guidelines
6. Redline of 2017 Community Mitigation Guidelines
7. 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
8. Potential Changes to the Guidelines for the 2017 Community Mitigation Fund (“CMF”) from the 2016 Guidelines