



GAMING POLICY ADVISORY COMMITTEE

Minutes

Date/Time: December 20, 2017 – 12:00 p.m.

Place: State House Room 222, Boston, Massachusetts

Members Present:

Karen Sawyer Conard	Brian Lang
Stephen P. Crosby	Victor Ortiz
Senator Eric Lesser	Louise A. Zawodny
Rep. Angelo L. D'Emilia	Paul Picknelly
	Bill Walczak (Invitee)

Members Absent: Senator Richard Ross, Rep. Ann-Margaret Ferrante, Jill McCarthy Payne

Call to Order

Karen Sawyer Conard (the Chair) called the sixth meeting of the Gaming Policy Advisory Committee to order at 12:05 p.m. The Chair noted that she was pleased that the Governor appointed her to this position and that she looks forward to working with the Committee. The Chair requested members to introduce themselves because it has been a year since the last meeting, and there are new members.

The Chair then highlighted the items on the agenda which include an update by Massachusetts Gaming Commissioner Chair Stephen Crosby on the Commission and its activities, a briefing about the 2018 Community Mitigation Fund, and an update on the Commission's research activities. The Chair then advised members that the minutes from the December 2016 meeting would not be voted on today as there is no quorum for voting on this item. It was suggested that because of the lack of a voting quorum for the minutes, the members could discuss and approve them at the next meeting.

Chairman Crosby then discussed a previously discussed issue regarding whether potential employees with criminal records applying for non-gaming positions should be prohibited from obtaining employment at casinos. A recent CORI legislative amendment changed the law eliminating an automatic disqualification that would otherwise prohibit such persons from working in gaming facilities.

Next Commissioner Crosby noted requests previously made by Mr. Lang requesting information on job benefits and salaries for Plainridge Park Casino employees. Commissioner Crosby noted that those items were covered by non-disclosure provisions for business competitive reasons.

Mr. Lang noted that he felt that was a lame response; and indicated that if the licensee was really concerned about the spirit of the law, the licensee would willingly and proudly note their salaries and benefits. Mr. Lang stated that he feels that when Wynn is operational they will share that information.

Commissioner Crosby noted all licensees are subject to conditions as part of their license. He noted that it is the Commission's job to advise and test the commitments of the licensees.

Mr. Walczak asked if there is a defined benefit package as part of the license.

Commissioner Crosby noted that each licensee has their own set of license conditions. The Commission had the right to award one Category 1 license in each of the three regions. The MGC did not award a license in Region C as the applications did not meet expectations.

Commissioner Crosby then gave a brief summary about the Category 2 Slots facility in Plainville. He noted that per machine revenue is one of the highest of any in the United States at approximately \$350 per machine. The revenue so far for local aid has been \$70M. The crime statistics show no significant change as a result of the operation of the casino. He then summarized Gamesense and the responsible gaming measures. Commissioner Crosby noted that the workforce development met or exceeded objectives in the construction trades for women.

Mr. Walczak asked if there was a report on that. Jill Griffin said that she would provide information on that to him.

Senator Lesser asked for an update on the jurisdiction conversations between state and local police. The gaming provisions established the entire gaming area needing coverage.

Mr. Ortiz thanked the Commission for the efforts made regarding the CORI restrictions.

The Chair then turned to MGC Ombudsman John Ziemba to provide a brief presentation about the Community Mitigation Fund Guidelines. Mr. Ziemba noted that development of the Community Mitigation Fund Guidelines started back in September. Since that time there had been numerous meetings with Local Community Mitigation Advisory Committees in Region A and Region B. The draft Guidelines were posted for comment on November 3 and were distributed to the GPAC advisory committees. The Commission Staff has met with the Subcommittee on Community Mitigation and discussed the Guidelines with the Commission several times. Mr. Ziemba noted the aim to get approval of the Guidelines at tomorrow's Commission meeting.

Mr. Ziemba mentioned that the Gaming Commission review team believes a \$6M program for Fiscal Year 2019 is reasonable. The CMF fund has approximately \$10M left until significant new contributions to the fund are made from gaming taxes. MGM will start generating taxes later next year. If the Commission agrees to allocate \$6 million this year, it could have approximately \$5.5 million next year, including the \$4M from our current fund and conservative amount of about \$1.5 million in new funds from MGM Springfield gaming taxes.

Wynn is scheduled to open June 24, 2019 @ 8 p.m. So, for the application round in February 2020, the Community Mitigation Fund will have both Wynn and MGM Funds. The \$6 million is only a target. The Commission specifically reserves the right to allocate more or less than that amount next year. Mr. Ziemba directed the members to take a look at the draft on page 2 of the memo, to see that we are recommending increases in spending in certain areas, notably transportation planning and workforce development.

Mr. Ziemba mentioned that potential transportation impacts remain the number one concern that MGC staff hears from the surrounding communities. In 2016, the MGC created the Transportation Planning Grants to enable communities to plan and design transportation projects that could be needed to help with traffic concerns. He noted that it often takes years to plan transportation projects. Thus, CMF staff presented to the Commission the value of paying for planning now.

Mr. Ziemba noted that another planned spending increase for the proposed 2018 Guidelines is in the workforce development pilot programs.

Ms. Griffin discussed the two programs in western Massachusetts at the Springfield Public School and Springfield Technical Community College which programs run in 12 week sessions. The Region B Pilot Program is scheduled to begin in January will provide for 100 students. The Metro North Regional

Education Board established a casino career advisory program with resources at Bunker Hill and Everett focusing on culinary skills. The focus is to prepare for gaps in businesses caused potentially by employees going to Wynn. The facilities are encouraged to leverage other resources for continuation of these workforce pilot programs.

Mr. Lang asked if there were any private sector interest. Mr. Ziembra noted that only Governmental entities can apply and that regional consortiums are encouraged.

The next discussion was the expansion of the Community Mitigation Fund Specific Mitigation Grants and its use in providing funding for training State Police. The State Police officers that are assigned to a gaming facility get paid by assessments on the licensees once the facilities are operational. In order to prevent diminishing the State Police numbers, due to the officers needed at the casino, the State Police have requested funding to offset training costs. Public Safety costs are among the items listed as an appropriate use according to Section 61 of the Expanded Gaming Act.

Mr. Walczak expressed concern that there will be dollars taken away from surrounding communities to pay for the State Police training costs. Commissioner Crosby asked whether the CMF had enough remaining money that it could fund the State Police request. Mr. Ziembra noted that it was hard to tell at the moment as the applications have not been received. Representative D'Emilia asked what the amount would be. Mr. Ziembra noted that it would be approximately \$2.4M. Commissioner Crosby noted that it was 19 State troopers per licensee. Senator Lesser asked if the new recruits would be directly detailed to the casino. Mr. Ziembra said that the new recruits will be used to back fill positions that are assigned to the casino to police the gaming facilities.

Executive Director Bedrosian gave a summary of plans including the joint task force structure.

Mr. Walczak noted that the dollars need to be used. Mr. Lang asked what were the potential asks? Mr. Lang thought it was great that the CORI was relaxed and that funds were being used to get people ready for employment.

Mr. Ziembra noted that there is a request for comments on the CMF available on line and that no end date has been placed on the comment period. Commissioner Crosby noted that the tradeoffs all depend what MGC receives in applications.

Mr. Picknelly asked about the possible split of the CMF by region. He would like to know what that split would be.

Mr. Ziembra noted Mr. Picknelly's concern and explained the need to establish a system so that funds can be allocated by each region while making sure to maintain funding for slots communities and potentially communities in Region C. It is the Commission's intent to establish this system.

Ms. Zawodny asked if this would be a recurrent funding for the police. Mr. Ziembra explained that it is anticipated to be a one-time expense. He noted that ongoing funds for State Police officers assigned to facilities are paid through assessments on licensees.

Commissioner Zuniga noted that with respect to the potential impacts on the lottery, it's a wash. There was a brief discussion regarding concerns about the lottery which provide local aid. It was mentioned that the Plainridge lottery sales have been high and the casino is a possible new infusion for the Lottery. Commissioner Crosby noted that the Host Community is its biggest vendor and that other stores went up but not as much.

Chair Conard mentioned that, as she noted earlier, she would need to depart the meeting by 1:10 due to a previously scheduled matter. She turned the meeting over to Commissioner Crosby to close the meeting. With the departure, a quorum no longer existed.

/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. Minutes from the June 16, 2015 meeting
4. Presentation by Joseph Delaney entitled: "MGM Springfield and Wynn Boston Harbor Construction Update"
5. FY 2017 Gaming Research Agenda Memorandum by Mark Vander Linden
6. Draft Motion for consideration by the GPAC 12/19/2016
7. SEIGMA Fact Sheet Number 01 June 2016
8. SEIGMA Fact sheet Number 02 June 2016
9. Executive Summary of Assessing the Impact of Gambling on Massachusetts Cities & Towns - Analysis of changes in police data after the first year of operation at Plainridge Park Casino by Christopher W. Bruce 12 December 2016