

MASSACHUSETTS GAMING COMMISSION
MEETING
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P R O C E E D I N G S

>> CHAIR JUDD-STEIN: All set, Austin? Thank you. Good morning. We are calling to order meeting number 274 of the Massachusetts Gaming Commission on Thursday, July 12th (sic), 2019, at 10:00 a.m. here in our offices at 101 Federal Street in Boston. We'll begin with item number 2, Commissioners Stebbins, please.

>> COMMISSIONER STEBBINS: Sure, good morning, Madam Chair. I'd move the Commission approve the minutes of the June 12th, 2019, Commission meeting. Those meeting minutes are included in your packet. Again, I'd move for your approval subject to any grammatical or any nonmaterial matters.

>> CHAIR JUDD-STEIN: Any questions? Comments? Corrections? Do I have a motion? A second?

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: All those in favor?

>> COMMISSIONER CAMERON: Madam Chair, I would abstain. I was not at that meeting.

>> CHAIR JUDD-STEIN: Oh, okay. And opposed. All right. Four approved, one abstention, please, Catherine. Commissioner Stebbins.

>> COMMISSIONER STEBBINS: Sure. Secondly, Madam Chair, I'd move the Commission approve the minutes of the June 27th, 2019, meeting, again, subject to corrections for any typographical errors or any non -- other nonmaterial matters.

>> CHAIR JUDD-STEIN: Are there any -- I don't know if there's a second first?

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Second? Are there any corrections, edits? I actually have one, please, Commissioner Stebbins.

>> COMMISSIONER STEBBINS: Sure.

>> CHAIR JUDD-STEIN: I didn't get a chance to speak to you beforehand. On page 7 or 8, if the record could just reflect that I confirmed with Dr. Lightbown that notwithstanding the concerns that Commissioner Cameron had raised, Dr. Lightbown was still prepared to make the recommendation that had been set forth in our book. So that would be probably right before 11:36 a.m.

>> COMMISSIONER STEBBINS: Okay.

>> CHAIR JUDD-STEIN: Do we have any other questions or comments? All those in favor? Opposed? 5-0. Thank you.

Moving along, please, to item number 3. Executive Director Bedrosian for your administrative update, please.

>> MR. BEDROSIAN: Sure. Good morning, Commissioners.

>> COMMISSIONER STEBBINS: Good morning.

>> MR. BEDROSIAN: So I have three parts of my update. I will be taking care of two and I'll ask General Counsel Blue to do the legislative update. On the general update, I have a couple items. One is I just want to address an update to our agenda that happened since we initially posted it on Tuesday morning. Yesterday morning we added a new item 4a and pushed item 4b down one, one notch, and I just want to talk about the process of why we did that. The substance of that will be addressed by the IEB in their presentation. This item is Encore Boston Harbor called it blackjack slot compliance. We were made aware of a lawsuit against Encore Boston Harbor and Wynn LLC Monday afternoon. By the time we looked at it and analyzed it into Tuesday and understood the implications in terms of the integrity of gaming in Massachusetts, which, of course, I will remind you, which I think none of us need any reminding, is the first declaration that the general court found in Section 1 of 23K that integrity of gaming in Massachusetts have the highest priority. That this lawsuit had people very concerned about whether Encore Boston Harbor and indeed the Commission's oversight was appropriate, it was happening in terms of a particular type of blackjack game. We thought it was appropriate based on what we knew by yesterday morning to get in front and address the Commission as soon as possible. I say "we," I'm talking about the IEB and the folks that removed it. So yesterday morning we asked that the agenda be updated quickly to reflect that in a timely manner. I am happy to note that the update seems to have worked. I heard on the -- in a particular press station this morning that it was being -- we were doing this. I note that there is a bunch of press and stakeholders here today. So I hope that notice was sufficient. But in terms of integrity of gaming, we thought it was appropriate to get in front of the Commission as soon as possible. The substance of that update I'm going to leave to the IEB for Section 4a, but I did want to tell you a little bit about the process of how we got here. So that is one item.

The second item is last week a number of staff members, General Counsel Blue, Director Lightbown, Director Vander Linden and myself updated the gaming policy advisory Commission on a number of items. The chair was there in her new capacity on that. We talked about the same update I gave generally last Commission meeting on Region C. Also horse racing, the need for an extension, and Director Vander Linden also did a lot of update on responsible gaming and what's coming up in the next year or so. So that was in the legislature -- legislators were very involved, says asked a lot of pointed questions, and certainly seemed to be interested in all aspects, not just Region C, racing, responsible gaming, all aspects of the update.

The next item is we were made aware last week that in pending litigations, Abrams et al. Versus Massachusetts Gaming Commission et al., one of the counts alleging Open Meeting Law violations in relation to Region A deliberations was decided by Judge Sanders in a business litigation section on a summary judgment motion in favor of the Commission, which means that count has now been dismissed. It is a

12-page -- and I may be biased, but I would say practical, well-reasoned decision. And I want to thank, you know, our legal staff and our legal counsel who helped get us to that point. It sounds easy, but there was a lot of preparation, depositions, and work behind that. So thank you.

A couple household matters. You will note, if you went to your office today, we have a new phone system. And right now we can receive incoming/outgoing calls. This new phone system has a lot more capabilities. We'll be exploring those capabilities as we go on. But I do want to thank the IT folks because replacing that phone system overnight, making sure it works, and getting up to speed seems easy, but often it is not.

>> COMMISSIONER CAMERON: We're going to have a lesson on all the new capabilities?

>> MR. BEDROSIAN: We're going to phase that lesson in, as a matter of fact. The good news/bad news is this phone system is so good, you'll never be able to say I didn't get that call.

[Laughter]

So that's what I am told.

The last item I would actually like to reserve to potentially right after lunch. I'd like to recognize an employee who is leaving us, but I would like to have that person in the room, and I haven't made arrangements for that quite yet, but I'd like to maybe hold off on that and do that a little later in the day.

That is my general administrative update. Horse racing, which is item b, again, as I said, we were up in front of the GPAC, and Director Lightbown explained to the members the need for the extension, obviously coming up on July 31st. And if we don't have an extension, that would mean literally the end of not only racing but simulcasting. We've been in this situation before. We're confident we will get an extension, but just on the implication, we do have 14 days of racing in August, 14 days of racing in September, 17 in October, 13 in November that go till actually the end of November, November 29th. And we are scheduled to have a racing day August 1st. So a delay would potentially implicate that day of racing, but I'm not implying there will be a delay, and I hope there will not be a delay in the extension.

So a couple items, I know last time the Chair had asked for an update on racing reviews/investigations, and I think the Commission had also asked Director Lightbown for an update on sort of the closing of Suffolk. I'm going to ask if we could do those at the next meeting, the next meeting in August. I'll fulfill those requests.

So with that, unless you have any questions on those first two items, I will turn the legislative update over to General Counsel Blue.

>> COMMISSIONER ZUNIGA: I actually have one comment on the topics that you --

>> MR. BEDROSIAN: Sure.

>> MR. ZUNIGA: -- that you mentioned, and that is also the dismissal or the decision in our favor of the Open Meeting Law case. I just want to add my congratulations to the legal team, our outside counsel. A lot of people that work on this, many, many hours, more than we would like to, but are necessary for the process, and I'm really happy for the outcome.

>> MR. BEDROSIAN: Good. Thank you. Okay.

>> MS. BLUE: Good morning, Commissioners.

>> COMMISSIONER CAMERON: Good morning.

>> MS. BLUE: July 15th the committee on economic development and emerging technologies took testimony on nine bills related to the Commission. These bills addressed a change to the state ethics statute to allow municipal employees to sit on an advisory committee without violating Chapter 268a, Section 4. Regulating online gaming and daily fantasy sports, transferring money from the Racehorse Development Fund to the Community Preservation Fund, allowing Plainridge Park Casino to expand to include table games, requiring each slot machine to have a sticker describing responsible gaming resources, creating a Region D which would consist of Worcester County, and allowing slot opinion machines in veterans organizations.

There was some limited live testimony at the hearing. The hearing was relatively short. It went about two hours. No action was taken by the committee at that time. We will continue to monitor the progress of these bills going forward.

>> MR. BEDROSIAN: Any questions?

>> COMMISSIONER CAMERON: No.

>> CHAIR JUDD-STEIN: General Counsel Blue, did we, in fact, make any submissions in support of any of the bills?

>> MS. BLUE: I believe we made a submission in support to the change to the state ethics.

>> CHAIR JUDD-STEIN: And that was our filing.

>> MS. BLUE: And that was our filing, yes.

>> CHAIR JUDD-STEIN: Excellent. Thank you.

>> COMMISSIONER ZUNIGA: Can I mention something along those lines?

We -- on at least three of those bills, in the past, we have included, because this is not the first time that they've come up, although they have not passed, we had included in our annual report a position or a highlight as to what we suggest the legislature look at. Notably racing, we've stated now more than a couple of years in a row as to our position that we believe the legislature should address in a holistic way, not just year to year, the topic of racing, the GPAC that you mentioned is something that we've been -- we've highlighted in the past. One of the ones you mentioned -- the reason I mention these things, sometimes these hearings come up in between Commission meetings without necessarily the opportunity for Commissioners to weigh in, and I would just note that to the extent that we have, in the past, and in some cases we have, that could be a really good reminder of prior positions to the hearing to the people who have these hearings.

There is at least one -- one position -- one bill that you mentioned, and that is to allow slot machines in veteran places. I forget -- veteran halls. And I actually remember a hearing years and years ago when this first came up in which I testified before the committee. And I think that was an important testimony because at least in some committee members' minds, these slot machines were okay. The fact that the Gaming Act actually made them -- clarified that they were legal was an important part of the testimony. So, again, where we have done testimony in the past, I would just remind ourselves and the staff that we could either do it again in between meetings or come back and discuss them at the next Commission meeting where it's feasible if we need to.

>> MS. BLUE: We can do that, yes.

>> COMMISSIONER ZUNIGA: On the note of racing, Counsel or Director, do we

have an indication that the legislature is likely to extend the current one-year racing bill, or is there any -- any talk about --

>> MR. BEDROSIAN: Let me say it in a different way. We don't have any reason to think they won't.

>> CHAIR JUDD-STEIN: At the GPAC, both Counsel Blue and Dr. Lightbown and I believe you and certainly in my capacity on the GPAC committee explained the implications, if there is not an extension, and it was clear that the legislators who were on that committee understood the implications and welcomed our input and our advising and will continue to communicate with them. Certainly members did ask for that, so. . .

>> MR. BEDROSIAN: So that is my update. Thank you very much.

>> CHAIR JUDD-STEIN: All set, then. Thank you. Moving on to item number 4. We have with us gaming agents division chief assistant director, Bruce Band, and regulatory compliance manager, Mr. Carpenter, Sterl Carpenter. And there's Bruce.

>> MR. BAND: Yes, Madam Chair, Commissioners --

>> CHAIR JUDD-STEIN: Behind you, but do we want to bring folks up to the table?

>> MR. BAND: They're more than welcome to come up if they would like.

>> CHAIR JUDD-STEIN: Perhaps that's best. Thank you. And then we have President DeSalvio joining us and General Counsel Krum.

>> COMMISSIONER ZUNIGA: Morning.

>> MR. BEDROSIAN: And Bob, would you just introduce the head of table games?

>> MR. DeSALVIO: Sure. Good morning, Commissioners. Bob DeSalvio, President of Encore Boston Harbor. I am joined this morning by Jacqui Krum, our Senior Vice President and General Counsel, and Doug Williams who is the Vice President of table games for Encore Boston Harbor. Thank you for having us this morning.

>> CHAIR JUDD-STEIN: Thank you and welcome. Thank you. Mr. Band.

>> MR. BAND: Madam Chair, Commissioners. On Monday, July 15th, the investigations and enforcement bureau was made aware of a lawsuit alleging that the Encore Boston Harbor was not following the rules of the game for blackjack as approved by the Massachusetts Gaming Commission. The lawsuit further stated that they're playing out blackjack at odds of 6-5. Encore also stated that it wasn't being dealt correctly as outlined in 6a of the rules of the game related to 6-5 blackjack variation. The IEB gaming agents reviewed the claims and have preliminarily found Encore to be in compliance with Commission's rules and regulations for paying out blackjack.

The rules of the game on blackjack which are posted in the Commission's website used the term 6-5 in two different contexts. There exists a 6-5 blackjack variation, which is a particular type of blackjack game that is separate and distinct from standard blackjack and utilizes different dealing procedures from standard blackjack. Section 6a of the rules of the game relates to procedures for dealing the 6-5 blackjack variation game is used. The 6-5 blackjack variation is not currently offered or never has been offered at Encore.

Section 7 of the rules of the game by contrast relates to the payout provided to a person who is playing standard blackjack odds at 3 -- odds when they're dealt a blackjack, it includes options of the gaming licensee to pay out those wins at 3-2 or 6-5. Section 7d of the rules of blackjack requires that notice be provided to which the option

is being used at the blackjack table.

With respect to the payout odds discussed in Section 7 of the rules of the game, Encore currently offers blackjack tables with both 3-2 payout odds, which is 64.5% of their blackjack tables, and 6-5 payout odds, which are 35.5% of their blackjack tables to the facility. The payout odds at a particular table are displayed on each table's felt layout. I don't know if we could pull that --

>> Yeah, we're working on it.

>> MR. BAND: Okay. As seen in the picture there. The 6-5 payout odds option provided in Section 7 is also authorized by other jurisdictions including Nevada, Connecticut, Maryland, Colorado, Iowa, Kansas, Michigan, Missouri, Mississippi, New Mexico, and Ohio, to mention a few. If we can get to the blackjack thing, I can point out the -- can you start on the third page? Okay. That is a picture of 3-2 blackjack. If you see the top line near the float where the chips are, it says "blackjack pays 3-2." And if you can go to the next slide, please. And this is a 6- -- blackjack that pays out 6-5, which, again, is up at the top of the circle on the tables.

The lawsuit further alleges that Encore failed to refund slot credits in full at the ticket redemption machines on the floor. It does not use coin in its redemption machines on the floor. A ticket for a dollar amount and change who redeems their ticket at the redemption machine will receive the full dollar amount and a ticket for the change. That ticket can be redeemed either in the slot machine or at the cashier's cage for the full amount.

What we did find is that it probably was not posted clearly enough by Encore, so they have since added -- could we go to the next slide, please -- the sign on all the TRU machines that explains that. And that's located on all the machines on the floor. In this, furthermore, any tickets not redeemed within one year constitute unclaimed cash and prizes pursuant to 23K. And the value of the unclaimed each prize is deposited into the common gaming revenue fund. Do we have any questions?

>> COMMISSIONER CAMERON: I do, Mr. Band. In your experience, some would say very lengthy experience, is this common way of educating and letting people know what the odds are? They're clearly stated on the felt, correct?

>> MR. BAND: Every jurisdiction I've ever been involved in.

>> COMMISSIONER CAMERON: That's the way -- the most common way of notifying --

>> MR. BAND: Correct.

>> COMMISSIONER CAMERON: -- individuals which game it is and what the odds are?

>> MR. BAND: Correct.

>> COMMISSIONER CAMERON: Thank you.

>> COMMISSIONER ZUNIGA: So the lawsuit appears to confound the Section 6 and Section 7 in our regulations to claim --

>> MR. BAND: Yes.

>> COMMISSIONER ZUNIGA: -- that you're not dealing appropriately, but that's the case of a different game.

>> MR. BAND: Yeah, that's a variation of blackjack that's a hand-held game. The cards are dealt differently to the players and everything. Up to this point, we have not had that game played anywhere in Massachusetts.

>> COMMISSIONER ZUNIGA: In Massachusetts. But we have had the 6-5 payout.

>> MR. BAND: Correct.

>> COMMISSIONER ZUNIGA: At MGM on certain tables which is the same strategy that Encore seems to have, a mix of both, a 6-5 payout on the lower minimums and a 3-2 payout on the higher minimums.

>> MR. BAND: Correct.

>> MR. BEDROSIAN: Commissioner, I think the way I was educated on this, I think you're right, the word "conflate" is exactly right. So 6-5 is used in two terms, right? One is a variation of blackjack. That's a subgame of blackjack not offered in -- it is offered. So far it hasn't been dealt in Massachusetts. 6-5 also is a type of payout for someone playing what we might think of as standard blackjack if they hit a blackjack.

>> COMMISSIONER ZUNIGA: Yes.

>> MR. BEDROSIAN: They could either be 6-5 or 3-2, but you need to know at that table what is it if I hit blackjack and center blackjack, and that is the purpose of the felt, is to make clear so when people go and look, they should know if I hit blackjack on this standard blackjack, this table, I'm either going to get 6-5 or 3-2, they can choose which table to sit at. And obviously as they -- as the Director said, there's a mix of tables at Encore for those. So that's -- that was sort of the education I needed to have in the last 24 hours to understand that 6-5 was used two different terms. Type of game, type of payout. And what we are concerned about, because we only have one type of blackjack game, is the payout in the notification to the player. That seems to be being done appropriately.

>> COMMISSIONER ZUNIGA: Right.

>> MR. BEDROSIAN: I did ask separately, I did ask the Encore folks to come and talk a little bit about the change issue in the TITO machines and how we got here so you completely understood it. We don't need to get to that right now, but I would like them to address that so you sort of understand that granularly how we got there.

>> COMMISSIONER ZUNIGA: But before we got to that point, just for context, you know, Bruce or Bob, the industry -- I mean, I've been to Las Vegas recently. I've observed that practice of 6-5 payout has been in effect for a number of years. Do you want to expand a little bit more on that? And it's usually around the tables that have the lowest minimums that, you know, players bet more are effectively afforded the 3-2 payout, and that has been going on for now a number of years, at least on the Las Vegas strip.

>> MR. DeSALVIO: That's correct, Commissioner, including our own facility in Las Vegas at Wynn and Encore.

>> MR. BAND: Any other questions?

>> COMMISSIONER ZUNIGA: Well, I did have a question on the signage, if we could get to that.

>> COMMISSIONER O'BRIEN: Yeah, so did I.

>> COMMISSIONER ZUNIGA: On the TITO.

>> MR. BEDROSIAN: Sure. Maybe it would be helpful, Bob, if you could just explain the general success of getting to where the TITO machines pay the dollar and ticket for the coin amount.

>> MR. DeSALVIO: Thank you. Thank you, Ed. First of all, on behalf of everyone at Encore Boston Harbor, I support the original comments about making sure that

integrity of the games is paramount. It is just important to Encore Boston Harbor as it is to the gaming Commission and also to the Commonwealth of Massachusetts. Second of all, I would like to thank the IEB for being extremely diligent and quick to come in and do a review of the policies and procedures at Encore so that we could get this issue out of the way quickly. We are very pleased to, before I get to the tickets, Ed, just we're very pleased that Bruce and the team locally on site have come, they've reviewed our policies and procedures and have found that we are following them exactly the way we should be. It's important for us. It's important for our customers to know that that is how that we are dealing the games.

With regard to the tickets, I'd like to make it perfectly clear for two very important items before I get to the sign on the actual unit. First and foremost, never, ever did we ever engage in rounding anybody's payout. Every single customer gets every dollar and every penny that they have coming due to them. Rounding is not part of the equation. The other thing I want to be perfectly clear about is that there is a policy in place already for what happens for unclaimed tickets in the Commonwealth. The money does not go to the licensee. The money goes back to the Commonwealth in its gaming revenue fund at the end of -- I don't know if they do it at the end of the fiscal year or at the end of the calendar year or what the time period is -- but in no way, shape or form does that money ever come back to Encore Boston Harbor. Those are two points that we absolutely wanted to make clear today, and we appreciate the opportunity for being able to come here and say that publicly.

With regard to the machines, there's one other method that customers very commonly use in order to redeem the leftover change. And that is -- and probably a lot of people maybe don't understand this -- is that not only can you take the leftover coupon, which would have something less than a dollar on it, and redeem that at any cashier's cage, but also many customers actually collect and hold on to them. And then the next time they go to play a slot machine, you can actually take that ticket and put it into any one of over 3,000 slot machines that are on the casino floor, and that money will then be put onto that game's meter. And nor does it matter the denomination of the game. So, for example -- and this is really important for the public to understand -- if, in fact, you had 15 cents left over and that was what your ticket was and you decide to play a \$1 slot machine, you can still put that ticket in the game. You can put it in any game on the casino floor, and it will register on the meters because the meters are in both dollars and this cents. So there's not only the opportunity to cash them out at any cage, cashier's cage window, but also, you can also put them in any other slot machine. Very commonly when we talk to customers, what most of them typically do is they save them up, and if they have them over the course of a visit or time, at one point or another, they don't usually go over one by one to the cage to redeem a 15 cent coupon. Typically what they'll do is they'll gather them up. And when they feel like it, they'll stop over at the cage, and they'll probably take a stack of them and then redeem them at a later date. Or they'll put them in another slot machine. That's typically how customers, over the years, have used the remaining cents that doesn't come out of the machine. And by the way, the reason that the machines are typically set up that way is that in order to keep those ticket redemption units full and operating, because they are widely used by every slot customer, I believe we have 28 of them, I think, on the casino floor, and we place them all over, is that to

keep them full of coin is very difficult during your high-volume periods. And there's nothing worse than a customer going up to one of those units and having them be out of service. And so what's very common in the industry is that you use the game, you use the redemption unit to basically pay out the cash to the dollar amount, and then any remaining piece left over, you put on the ticket for the change that's less than a dollar.

You notice the sign that Executive Director Bedrosian pointed out. It adds clarity to what the -- I know it's -- I can't read it sideways, but it -- I'm sorry? There we go. Machine only dispenses cash ticket. Will print for change. Please take ticket to the cashier to redeem. Basically it adds a clarifying statement to the unit. We added them to all -- as mentioned, we added them to all of the units to express clarity. But, again, I go back to point number 1 and 2 that I made. At no time did we ever round and not give customers back the money that they truly deserve. And at no time did we ever expect that any leftover or unused tickets would wind up going to Encore Boston Harbor.

>> COMMISSIONER ZUNIGA: And Bob, is that what the lawsuit alleges, the last two points that you made, that you're keeping the money and you're not --

>> MR. DeSALVIO: That's correct. That we're not either giving the customer the money, or we would keep any unclaimed money, both of which are completely untrue.

>> COMMISSIONER ZUNIGA: Yeah, the unclaimed issue, I mean, there's procedures from racing that go back, you know, decades for -- they are similar to what we have in the Gaming Act, any unclaimed tickets get, you know, rolled over after a year and go back to the Commonwealth. We clearly don't have that instance here.

>> CHAIR JUDD-STEIN: Commissioner O'Brien?

>> COMMISSIONER O'BRIEN: So the sign doesn't point out that you can put it into the slot machines. So I don't know if there's some other way to put a bigger signage in the general area. I don't know if these are included in more than one, two, three together, how you've got them laid out so everybody knows what their options are, and/or whether there's a machine that could be dedicated to coinage. If somebody doesn't want to queue up the cash or doesn't want to walk around and lose these things, I don't know what the technology is.

>> MR. DeSALVIO: We'll basically take both of those items under advisement. Typically with signage, you try to keep it as short as possible because you have trouble with, you know, folks, they're going in a hurry. But we might even ask some customers that. And if they feel that that would add extra clarity, we're happy to change those. They're very easy to change. And certainly we could have maybe some that do the coin and some that don't. That's certainly something we'll consider, both of those, but thank you for the suggestions.

>> COMMISSIONER ZUNIGA: And this signage is only in the ticket redemption unit, right? It's not in the slot machines because every slot machine gives you whatever.

>> MR. DeSALVIO: Correct.

>> COMMISSIONER ZUNIGA: Dollars and cents, a ticket.

>> MR. DeSALVIO: That's correct. That produces the ticket that you then take to the ticket redemption unit when you want to cash out. And those were put on casino floors a number of years ago to help alleviate lines at the cashier. And just make it more convenient for customers. And like I said, customers are very used to this. This is not a new concept in the industry. And like I said, most of the time they sort of

collect them and deal with them at a later date.

>> CHAIR JUDD-STEIN: Go ahead.

>> COMMISSIONER ZUNIGA: I'm sorry, I was curious, does MGM dispense coin in their ticket redemption units?

>> MR. BAND: MGM and PPC both dispense coins.

>> COMMISSIONER ZUNIGA: This is just the way you guys went with this for a business decision, if you will?

>> MR. DeSALVIO: Correct. It was more because of the volume on the busy periods, and the choice was really more for customer service because you don't want those units to go out. They're very important for keeping the slot floor engaged. And in fact, when -- if, in fact, you were at the unit and it happened to run out of coin, the actual TRU unit goes into a tilt, and that means you have to wait for then a fill of the TRU unit, and you'd have to literally stand there and wait, and it could be -- you know, it could be a while before you go to the bank, get the appropriate coin, get a security escort, go out to the unit, fill the unit, and then have the customer redeem it. We've seen that happen before, and customers get very upset if they have to stand in front of that ticket redemption unit while you do a, quote, fill. So typically on a -- in a high-volume area, it's usually advantageous to not have the coin.

>> COMMISSIONER ZUNIGA: Right.

>> MR. DeSALVIO: But maybe a mix is not a bad idea. So we'll certainly take a look at that.

>> CHAIR JUDD-STEIN: Mr. DeSalvio, I appreciate your second point that you certainly don't want to have the public believe that any of the overage goes to your company. In the same vein, it's really core to our mission that we safeguard fair play for all of those who are at your establishment. I'm not terribly -- and I suspect that our Commissioners -- my fellow Commissioners are not terribly interested in having any of the overage go erroneously to the Commonwealth fund either.

>> MR. DeSALVIO: Correct.

>> CHAIR JUDD-STEIN: So I do recommend that we explore options so that someone who sees that they are owed a quarter doesn't just get frustrated and say oh, I can't deal with the queue, or it's hard to get to the cage or somehow they don't want to deal with the credit because maybe they're not going to be going back to the casino. So I appreciate your exploring.

>> MR. DeSALVIO: Sure.

>> CHAIR JUDD-STEIN: Options. And I like the idea of maybe a few coin machines that you can attend to more regularly.

>> MR. DeSALVIO: Right.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. DeSALVIO: Thank you, Commissioner.

>> COMMISSIONER ZUNIGA: Yeah, I wonder -- I mean, as you get past the high-volume initial opening phase, I suspect that would also be part of your analysis.

>> MR. DeSALVIO: Sure.

>> COMMISSIONER ZUNIGA: Just how you calibrate that, you know, engage that demand, if you will.

>> MR. DeSALVIO: Absolutely.

>> COMMISSIONER ZUNIGA: Which we look forward to.

>> CHAIR JUDD-STEIN: Any further questions? Comments? We appreciate you coming in.

>> MR. DeSALVIO: Thank you.

>> CHAIR JUDD-STEIN: I just want to thank you for being so nimble and thorough in this review to the IEB. Very helpful. I -- I think that Director Bedrosian explained that we do have to stay very much -- very poised to be able to accomplish our oversight responsibilities, so thank you.

>> MR. DeSALVIO: Thank you.

>> CHAIR JUDD-STEIN: We're moving on now to item 4b. And we have Deputy Director Loretta Lillios will be presenting on Plainridge Park Casino and the REIT transaction.

>> COMMISSIONER ZUNIGA: Do you want to give just five minutes to transition?

>> MS. LILLIOS: Good morning, Commissioners.

>> CHAIR JUDD-STEIN: Good morning. If you'd like to introduce who is with you, please. Good morning.

>> MS. LILLIOS: Of course. So this matter is before the Commission for final approval of the request by Plainridge Park Casino, our Category 2 licensee, allowing Penn National Gaming to sell the real estate located at PPC to a subsidiary of Gaming and Leisure Properties Inc. In a real estate investment or a REIT transaction. So with me today is the team of investigators that did the background review required by our statute and regulations and comprised the information in the report before you. Monica Chang is the Lead Financial Investigator on the matter. Trooper Tom Rodger from the State Police is the Lead Investigator, and Financial Investigators Fay Zhu and David McKay also participated in this.

Also, there are representatives from both GLPI and Penn National with us today. I think there are three individuals here. We have Brandon Moore, General Counselor or GLPI and the two representatives from Penn National are Carl Sottosanti and Frank Donaghue.

>> COMMISSIONER ZUNIGA: Good morning.

>> MS. LILLIOS: As you recall in August of last year after an initial investigation by the IEB, the Commission granted interim authorization for this transaction. Interim authorization allowed the real estate transaction to close, and it did close in August of 2018. The transaction resulted in the transfer of the real estate, that's the real estate in the premises of the licensee located in Plainville to the ownership of GLPI with PPC subleasing the property back through entities. In chart A in your report, in your packet, depicts the configuration of the relevant entities.

Under this arrangement, GLPI is a passive landlord of the real estate. Our licensee continues to hold the license, continues to be the operator of the property, and continues to be the indirect but wholly-owned subsidiary of Penn National Gaming. That was the arrangement, and our investigation has shown nothing to the contrary.

We're here now for the second stage of the process required under our regulations, which is for you to consider and vote on final approval for the REIT transaction which includes suitability determinations on the qualifiers associated with this transaction. So since August of last year, the IEB has conducted further review of the suitability of GLPI and the individual qualifiers, and we've submitted the report summarizing this further investigation.

A significant portion of the review focused on financial suitability of GLPI and its relevant subsidiaries after the Penn/Pinnacle merger and the real estate acquisitions by GLPI that resulted as a consequence of the merger and included the acquisition of the real estate at PPC. And Monica, as the Lead Financial Investigator, can summarize the highlights of the IEB's investigative findings that are detailed more fully in the report.

>> MS. CHANG: Thanks. Good morning, Commissioners.

>> COMMISSIONER STEBBINS: Good morning.

>> COMMISSIONER ZUNIGA: Good morning.

>> MS. CHANG: When I last came before you, I summarized the planned transactions and our plan to evaluate and conclude on these transactions once everything has finalized and closed. So on October 15, 2018, these transactions were completed. Since then our investigation was expanded to include analyzing GLPI's 2018 financial results, performing racial analysis and reviewing covenant calculations for the six years ending December 31st, 2013, through 2018. The year-end 2018 results show that the PPC real property has been incorporated into GLPI's real estate investment as an asset, along with five other Tropicana properties that were acquired along the same time.

These results also showed additional senior unsecured notes that was issued to finances' acquisitions. Rental income and interest expenses have increased in 2018 as well, although in smaller scales because we only looked at two months of these income expenses before the calendar year ended. In addition to performing racial analysis, a review of GLPI's financial covenants was also done. As you have read on page 18 of this report, there are three ratios that were calculated by investigators showing fluctuations over the six years that were driven by significant events that took place in that timeframe. The remaining four ratios were those that GLPI must comply with in accordance with their debt agreements. We reviewed those calculations and confirmed the GLPI has been compliant each year.

After our analysis of GLPI, our focus was on reviewing the final numbers of the Penn/Pinnacle merger and the related PPC/GLPI REIT transaction. The estimated purchase price of the merger when the deal was first announced was \$2.794 billion. The final price was \$2.85 billion. The increase was driven by higher Penn stock price at the volume weighted average but offset by lower Pinnacle debt that was ultimately retired and overall lower transaction costs. Financing by Penn was secure for well above the amount that was needed for the merger. And during this review, we also substantiated the \$215 million sale price of the PPC property.

As an update and as reported by Penn, the estimated cost synergies of 100 million that was expected to be generated from this merger has been increased to 115 million. After Penn's 2019 first quarter results showing positive effects of the overall integration. As of March 31st, 2019, 40 million of these synergies have been realized with the remaining 15 expected to be realized by the end of this year, 2019, and 60 million by the end of 2020.

So through our investigation, we have gained an understanding of GLPI's operations, its financial history since its formation in 2013, and the growth it has realized since. Further, this investigation allowed us to gain insight into a new phase of Penn National as a gaming operator after its merger with Pinnacle and integration of the Pinnacle properties. Overall the financial investigation did not serve as any negative

findings or derogatory information.

>> MS. LILLIOS: So the extent that there are questions about the financial aspect of this transaction might be a good time now while it's fresh in your mind to address Monica or any of the representatives who are here. I do have some additional matters on suitability of the individual qualifiers to go on to. It's probably a good time to recognize that both companies were extremely cooperative, forthcoming, even on the GLPI side made outside -- their outside experts available to us to allow us to really gain an understanding of the transaction and the company to put us in a position we are today with it.

>> COMMISSIONER ZUNIGA: Well, on that note, I do have a question or two of the representatives from either Penn or GLPI. I think if I can -- if you can kind of come into the microphone. I will mention that I find this report to be very thorough. It's clear what you described, Monica, and the due diligence that you did and what's reflected in the report is really good. I might have a comment or two about, you know, what the implications are. But before we get to that, in the purchase price, in determining the purchase price and the rent, you explained that there is a methodology of taking half of EBITDA and then dividing that by a cap rate of .10 to 10% to come up with that number. I was just curious if that's the same methodology that you applied to the other properties as part of this transaction to the extent that you can comment on that? I'm just curious.

>> MR. MOORE: So from GLPI's perspective, it is consistent. I mean, we didn't -- we didn't purchase the other properties Penn purchased from Pinnacle. We already owned most of those properties through our acquisition of Pinnacle back in 2016. But I can tell you from a valuation perspective, the roughly 2-1 rent coverage, which is what we look at as ensuring that both the landlord and the tenant are healthy, because the last thing we want as a landlord is to have a tenant that ultimately can't pay the rent, because it's great in the first few years, but ultimately that tenant will be in trouble, and that's bad for us as a landlord. Healthy tenants are good for a healthy landlord. So we look at 2-1 as sort of a barometer. So the same 2-1 coverage that we looked at with this Plainridge, Plainville facility is consistent with how we've looked at all of our other leases.

>> COMMISSIONER ZUNIGA: Okay.

>> MR. MOORE: And consistent with how we've looked at other opportunities with GLPI.

>> COMMISSIONER ZUNIGA: Right. The 250 million happens to be just around the amount that you invested initially. I was wondering if that factored in or it's really about, you know, the rent coverage.

>> MR. SOTTOSANTI: Commissioner, that's a coincidence. It really is the rent coverage in the 10 cap formula.

>> COMMISSIONER ZUNIGA: Yes. Which probably means that you invested the right amount, if you're getting that back, right?

>> MR. SOTTOSANTI: Not would. That is correct.

>> COMMISSIONER ZUNIGA: My only other comment is really about the transaction. I think this is very economical. There's lower cost of capital that counts in as part of the transaction. And there's -- it's beneficial for both companies. I'm familiar with the REIT transaction from a few jobs ago, and they are coming back into the market for all reasons relative to cost of capital and whatnot. I would just mention this

traction actually takes me back to you might remember a couple of the Commissioners who -- one of the applicants at Region C had proposed at the time to try to finance something via REIT transaction. Ironically with GLPI. That -- that didn't come before us at the time. That never made it -- you know, that didn't come to fruition. I believe that the way that the IEB has analyzed this, which is to designate GLPI as a qualifier, is appropriate according to our statute. But because of that context, I am just mindful that by designating them a qualifier, it potentially shuts off what I see as a legitimate way of financing for other licensees. Shuts out GLPI because they would have an interest into one license in Massachusetts already. This is a different section of the statute which precludes having more than one interest into the -- having an interest into more than one licenses. Again, I think the analysis of the IEB is appropriate, and I think all things considered, it's a good transaction.

>> MS. LILLIOS: Thank you. Just to clarify, I think what you're referring to that on restriction is one of the statutory --

>> COMMISSIONER ZUNIGA: Yes.

>> MS. LILLIOS: -- requirements.

>> COMMISSIONER ZUNIGA: Yes. Now, I don't see a way around it. I'm just stating kind of like what this does. The way we've interpreted -- you have interpreted the notion of having an interest in a license I think is appropriate that GLPI be a qualifier because they do. Even if they have a passive role in simply just, you know, providing the initial financing and then collecting the rent. But that's neither here for their.

>> MS. LILLIOS: Essentially this -- the approval request today encompasses a suitability determination. So there are six individuals who are -- whose suitability is before you today. I'd like to briefly address each of the six of them. You received their individual reports previously with more detailed information. The first is Mr. Moore, Mr. Brandon Moore, whom you've already heard from, and with respect to him and all of the qualifiers, the investigators conducted the background review that's required by the statute in the regulations as part of the investigation for each of them. We reviewed the materials that were submitted in their initial or renewal forms, verified that information, requested and received supplemental and updated information, conducted criminal records, motor vehicle checks, reviewed directorship positions, business associations, and any material litigation as well as character references and media coverage. Confirmed that no qualifier made any prohibited political contributions in Massachusetts, and we performed the review for financial stability and integrity that's required by Massachusetts law. Each of them was interviewed in person by IEB investigators and was fully cooperated -- cooperative during this process.

So we reviewed them in accordance with the criteria for overall reputation. And remind you that there are -- although there is a recommendation from IEB for findings of suitability for all of them today, that suitability is ongoing, that each of the qualifiers has a duty to maintain their suitability throughout the pendency of the license and that the IEB continues to monitor suitability on an ongoing basis as well.

So turning to Mr. Moore, he is a new qualifier for the Commission. All of the remaining five, you previously issued suitability determinations for. But Mr. Moore is the Senior Vice President General Counsel and Secretary for GLPI, and he has been since soon after it was spun off from Penn as a REIT in November of 2013. Before that he was Vice President and senior Corporate Counsel at Penn from 2010 to 2014. He

is steeped in the details of this transaction. He has been a wealth of information for the IEB, and he's been the point of contact for the IEB on this review. He's got a financial and a legal background with a bachelor's in finance from Penn State and a law degree from U Penn. We did review, as is required by statute, that all -- he remains in good standing. He's licensed in a number of jurisdictions including Louisiana, Pennsylvania, California, Indiana Maryland, Ohio. No derogatory information associated with any of his licenses or any of the other jurisdictions.

Moving on to Mr. Sottosanti who is also here this morning, he's the Executive VP General Counsel and Secretary of Penn National and he has been since 2014. He's been with Penn since 2003. The Commission previously determined him to be suitable in connection with the licensee's initial application. The IEB conducted updated reviews in conformance with our renewal protocols. This also included a review of his licenses in other jurisdictions. They are all in good standing. No derogatory information or any other issues of concern were identified.

Mr. Peter Carlino is Chairman of the Board, President And and CEO of GLPI and he has been since the spin-off in 2013. The Commission also previously determined him to be suitable in connection with the initial application. Until recently he also served as the Chair of Penn National and was also the CEO. He's credited as being the founder of Penn National, led it through its public offering and its growth into the multijurisdictional loaner that it is, and he's been at the helm of the GLPI REIT transaction spin-off as well.

He resigned from the Penn Board in June of this year because of antitrust considerations that arose post-transaction. My understanding now that GLPI and Penn both own and operate properties in Louisiana. But he is serving as an emeritus but nonvoting member of the Penn Board now. The IEB did conduct updated reviews including an in-person interview with him. No derogatory information was determined, was identified.

>> COMMISSIONER ZUNIGA: So he just resigned in June of this year, so just a month ago?

>> MS. LILLIOS: Correct.

>> COMMISSIONER ZUNIGA: Okay. I know you explained, Mr. Sottosanti, when he came that he had recused himself for certain aspects when the transaction was being put together?

>> MR. SOTTOSANTI: He recused himself, as did the other overlapping director at the time, David Handler, from anything that had to do with negotiations with GLPI, both in the course of the deliberations on the Pinnacle transaction and a handful of times before that.

>> MS. LILLIOS: In fact, the corporate governance guidelines and policy for each of the two companies require those recusals, and the IEB did review minutes of meetings that indicate identification of potential conflicts and subsequent recusals by those parties. But now the issue is on a continuing basis does not exist anymore because the overlap has -- is not there.

>> CHAIR JUDD-STEIN: But the IEB did conclude that his resignation was timely with respect to that?

>> MS. LILLIOS: We did not require the resignation. The recusals were appropriately implemented by our review. You know, I think it was my understanding is

that they were done on the advice of inside counsel but that no federal regulators required the resignations.

>> CHAIR JUDD-STEIN: And it was strictly with respect to Louisiana? Not this transaction.

>> MR. MOORE: It was not. It was related to -- it relates to a section of the Clayton Act called Section 8 which prohibits overlapping directors and officers in competitive jurisdictions. And when Penn bought Pinnacle in October of 2018, we had one year to resolve any potential problem with respect to Section 8. And so for a variety of reasons, there are situations where that gets accelerated. One such situation would be re-election to the position that's created the problem. And in June of this year, 2019, we were set to re-elect Peter and David to our board at GLPI, and that would accelerate the time line under which you had to resolve the issue. So prior to the re-election of those two individuals to our board, a decision was made that Peter Carlino would come off of Penn's board. David Handler came off of our board at the same time. David does not serve in an emeritus role on our board, so David is completely removed from our board at this point. But that's why we did it at the time that we did it and the reasons why we did it, we were not asked to do so by the FTC. It was not highlighted, at least as far as I know, GLPI is an issue by the FTC. We did it proactively.

>> MS. LILLIOS: Thank you for the clarification.

>> CHAIR JUDD-STEIN: Thank you.

>> MS. LILLIOS: So moving on to the fourth individual, Timothy Willmott. We conducted an updated review with him last year in connection with the interim authorization because he was named trustee for the trust that was required to be created for this transaction. He's the CEO for Penn and has been since 2013. Before that he was Chief Operating Officer of Penn from 2008 to 2013. He was also President contemporaneously with being CEO from 2013 to 2017. We updated his background again in these intervening months since the interim review and confirmed, among other things, that his licenses remain in good standing and no negative information was revealed.

John Finamore, Senior Vice President of operations for Penn National and the Plainridge facility is in the region of his oversight. The Commission also found him suitable in connection with the initial application. He's been in his current position since 2002. He's been at the casino industry since 1995 and in the hospitality industry for his entire career. The investigation revealed no derogatory information.

And lastly, William Fair, the Executive Vice President and CFO and Chief Development Officer for Penn National. The Commission determined him to be suitable in 2017. IEB conducted limited updates in connection with this review because so little time had passed since the initial finding of suitability. But the review conducted -- revealed no derogatory information. So the IEB is recommending findings of suitability for each of the qualifiers, and the matter is before you for a motion and a vote on the final approval and the determinations of suitability. But the IEB and obviously the companies are here to address any remaining questions that you may have. And again, with the reminder, suitability ongoing obligation to continue to maintain suitability and have affirmative disclosure responsibilities on the part of the qualifiers.

>> COMMISSIONER ZUNIGA: So at least the last three individuals that you

mentioned, they don't have an interest in GLPI. This was just a good opportunity to get that refresh on their suitability which had done when we first awarded -- prior to first awarding the license, is that correct?

>> MS. LILLIOS: That's correct. And because the Penn-related entities that they are involved in were directly related to this transaction, we did exercise our discretion and identified them as qualifiers and took the opportunity to refresh their suitability now.

>> COMMISSIONER ZUNIGA: I think it's a good occasion.

>> COMMISSIONER CAMERON: Did you want a separate motion for each qualifier, or are we doing this overall?

>> MS. LILLIOS: I think Mr. Stebbins could make a motion, if he chooses, and could refer to the names in the report, or I'm prepared to list them out for you if you'd rather do that, but they all appear, I think it's on pages 2 and 3 of the report.

>> COMMISSIONER CAMERON: Before we do that --

>> MS. LILLIOS: Yes.

>> COMMISSIONER CAMERON: -- I know Mr. Moore was the only qualifier we had not seen before, and that's a very clean report, obviously. Certainly agree with the recommendation of suitability. And the other five are updated suitability, and no issues with any of them at all. So I think the recommendations are sound.

>> COMMISSIONER O'BRIEN: Is there going to be any other discussion about the entity qualifiers or are we doing this as individuals and then separately?

>> MS. LILLIOS: The GLPI-related -- the three GLPI and the two related entities are discussed in the financial portion of the investigative report. The Penn-related entities that appear on the chart in chart A, the full review was conducted in connection with the interim authorization. There were some updates on records checks for them, again, revealing no changed or derogatory information for them.

>> COMMISSIONER O'BRIEN: So are you asking us to move anew on their status, or we don't need to because nothing came up that would call it into question?

>> MS. LILLIOS: There were not findings of suitability last August. So I am looking --

>> COMMISSIONER O'BRIEN: So we do need that.

>> MS. LILLIOS: I am looking for determinations on suitability for the six entities, the six individuals, as well as an overall vote of final approval for the transaction.

>> COMMISSIONER O'BRIEN: Okay.

>> COMMISSIONER STEBBINS: With Loretta's assistance --

>> CHAIR JUDD-STEIN: Mr. Stebbins, if I could just interrupt, I do want to thank Loretta and your team because you did prep me -- Commissioner O'Brien, I can't remember if you were here -- you were here in August as well. I wasn't. And so I do thank you for having brought me up to speed on the interim decision that the Commission made. So I do have that background. I just wanted to make sure that it was incorporated into your memo that you provided earlier to me, so thank you. And today's report, of course, was very, very thorough, and I agreed with your assessment in terms of the individual suitability reports that we received as well. Thank you.

>> COMMISSIONER STEBBINS: I would also just want to note, you know, I think we shouldn't have this get lost in this discussion that these types of transactions do happen. However, because of the uniqueness of the Massachusetts law, this doesn't change any of the financial obligations that Penn and now the property owner have to the

community of Plainville.

>> MS. LILLIOS: Correct. Because there is no change of control, all of those conditions, all of those agreements remain with the licensee.

>> COMMISSIONER STEBBINS: Right. Madam Chair, if it's okay, I'd move that the Commission grant final approval pursuant to 205 CMR 116.09 that the transfer of the real estate located at Plainridge Park Casino and racecourse located at 301 Washington Street in Plainville, Mass, to a subsidiary of Gaming and Leisure Properties Inc., a real estate investment trust. This approval is conditioned on GLPI remaining a passive landlord with no change in control over the Massachusetts licensee. And further issue positive determinations of suitability for each of the six entities associated with this transaction, and each of the six individuals associated with this transaction is named on pages 2 and 3 of the IEB's report dated July 8th, 2019.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any further discussion or questions? Those in favor? Opposed? 5-0. Thank you, Catherine. And thank you.

>> MS. LILLIOS: Thank you, Chair. Thank you, Commissioners. And thank you to the team.

>> COMMISSIONER CAMERON: Thanks for such a thorough job investigating, and thank you for coming in.

>> MR. SOTTOSANTI: Well, thank you, guys. And having appeared before this Commission and working with the staff since 2013, I would be remiss in not congratulating you on having three licensees up and running. None of us have aged at all in those six years.

[Laughter]

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: There's been a request for a five-minute break. If we could return -- it's 11:15 -- if we could return around 11:20, that would be great. It gives Ombudsman Ziemba and his team a chance to set up. Thank you.

[A break was taken at 11:14]

>> CHAIR JUDD-STEIN: My apologies. We're back, reconvening our meeting, and we have Ombudsman Ziemba on the Community Mitigation Fund applications for fiscal year 2019, a significant amount of work, and we are looking forward to your presentation. Thank you.

>> MR. ZIEMBA: Thank you very much, Chair and Commissioners. Today we are reviewing the applications for the 2019 Community Mitigation Fund. Before you today are the 23 applications under the categories of transportation planning, transit projects of regional significance, specific impacts, workforce development, nontransportation planning, reserve grant applications, and tribal gaming technical assistance. I first would like to recognize the review team for this year's program which included Commissioner Bruce Stebbins, General Counsel Catherine Blue, Director of Workforce, Supplier and Diversity Development, Jill Griffin, Workforce Program Manager Crystal Howard, Enforcement Counsel Kate Hartigan, Associate General Counsel Carrie Torissi, Construction Project Oversight Manager, Joe Delaney, and Program Manager Mary Thurlow. We'd also like to thank the administrative team for all of their assistance including providing copies of the materials to the Commission and the review team. As you are aware, they are quite voluminous.

The review team has provided recommendations on this year's applications for your review in your packet. We're making these recommendations after a very thorough review which involved numerous meetings of the review team, meetings and conference calls with all the applicants, a public comment process, outreach to the licensees and MassDOT on applications and written responses to review team questions.

The review team evaluated these applications against the 2019 Community Mitigation Fund guidelines. As the Commission is aware, the Commission and staff spend months working on draft guidelines with the benefit of advice that the Commission solicits from the public from host and surrounding communities and from other experts that are part of the Commission's Gaming Policy Advisory Committees, including notably the local community mitigation advisory committees in Regions A and B. We thank all of those people for all of their hard work in of the crafting the guidelines. In an effort to ensure fairness and to respect the input provided by these communities and others, the review team worked hard to be faithful to the guidelines that were carefully created through this very collaborative process.

One recommendation from these advisory committees is that the Commission should establish target spending authorizations in each region that reflect the revenues received from the full resort gaming facility in each region. This is the first year that revenues from MGM Springfield Casino were applied to the funding for Region B. Because Encore Boston Harbor has not -- was not yet open as of our December 31st, budget-setting date, no Encore Boston Harbor revenues were applied to the target budget in Region A.

Now that Encore Boston Harbor is open, Encore Boston Harbor revenues will be factored in setting the targeted spending for the 2020 program. Despite the fact that Encore Boston Harbor revenues were not yet available, both the recommended spending levels in Regions B and Region A are within the range of the targets with the Region B applications falling under the targeted spending amounts and the recommended funding level for Region A applications only slightly exceeding the targeted spending.

You will see that the review team recommends approximately \$3.9 million in new grant funding, plus another approximately \$275,000 in the use of reserves and tribal fund technical assistance for a total of 4.15794650 for all grants. The \$3.9 million in new spending is within the overall projected targeting spending level of \$6.7 million in 2019. The fact that some funds remain is comforting as we will continue to learn about the impacts from all of our facilities over the coming months before next year's program.

Today we plan to break up the presentation of the grant recommendations into numerous different subsections. First I will present the transportation recommendations. Next Crystal Howard will present the workforce recommendations. Following that General Counsel Blue will discuss some legal considerations regarding one grant application involving focus in the City of Springfield. After the focus conversation, we will continue on to the other specific impact applications mainly involving public safety matters.

Enforcement Counsel Kate Hartigan will brief those for the Commission. Finally, Crystal and I will discuss the nontransportation planning applications in addition to comments Commissioner Stebbins will provide on all the applications that he helped

review. He will provide some emphasis on the nontransportation planning applications which predominantly involve economic development activities and plans.

So I understand that you've had the benefit of the packet which includes a summary, memorandum and additional detail on each of the applications. Perhaps summary is an unfair word as the summary memorandum is over 30 pages, but given that, we will not try to repeat what is in those documents but instead will give an overview of the grant requests and the specific items for the Commission to consider. I recommend that the Commission hear the presentations first regarding the categories of grants that I mentioned before diving into any one application. And follow the general overview of each category and questions that the Commission may have, I recommend that the Commission then go on individual applications. To summarize on that, after we go into each grouping of category of transportation grants, then that would be a good time for the Commissioners to discuss any of those applications, to ask any further questions, and then we could then have a vote on individual applications if that's acceptable to the Commission.

>> COMMISSIONER ZUNIGA: That sounds good to me. I did have a question, if you're done with your overview.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: On the big-picture number that you mentioned. There's a 4.1 million figure.

>> MR. ZIEMBA: Yes.

>> COMMISSIONER ZUNIGA: Of the recommendations of the review team. And you mentioned a \$6 million figure in that context? Can you just speak to that again?

>> MR. ZIEMBA: Sure. So we recommended a funding level of \$6.7 million in the guidelines. And what that was comprised of was \$5.2 million in remaining funds under the original outlay from all the licensees. So out of the original 17.5 --

>> COMMISSIONER ZUNIGA: Yep.

>> MR. ZIEMBA: That we had available, there was 5.2 available. And then we allocated 1.5 of new revenues from MGM Springfield to that total. That 1.5 was the funds that we received up until December 31st of 2018, which is what we utilized for our budget spending date.

>> COMMISSIONER ZUNIGA: Mm-hmm. Thank you.

>> MR. ZIEMBA: Okay. So with that, as a general framework, let me just turn to the transportation applications pursuant to the guidelines the Commission has authorized planning grants for planning activities, and generally we try to make sure that the planning project is really related to addressing transportation issues or impacts that relate to the gaming facility. The Commission anticipated spending of approximately \$1 million on these grants in the guidelines. We recommend spending of approximately 1.45 in this grant category.

So let me give you the very quick summary of these grants and we can dive in more detail. Some of these will be very familiar to some of you on the Commission because we have indeed granted very similar grants in past years, and specifically the first one out of the gate is Boston. The City of Boston is requesting \$200,000 for a portion of the design costs of improvements to Sullivan Square and Rutherford Avenue. The City's application states that as approximately 70% of the traffic generated is projected to go through Sullivan Square, funding for the reconstruction of Rutherford

Ave is warranted and Sullivan Square. The City further notes that the grant would cover a portion of the estimated \$11 million design cost for this project.

The review team continues to support the requested funding for this important project. Although the Commission has provided significant funds toward the design, the grants continue to represent only a fraction of the overall design costs. The review team does note that the Boston project has moved slightly in this last funding round before the MPO, and it's been adjusted to reflect a fiscal year 2022 start date. Boston anticipates that in late fall or very early winter, it will submit a 25% design to MassDOT. The project was recommended by MassDOT and was a major component of the work of the Lower Mystic Regional Working Group.

Lynn is seeking a transportation planning grant in the amount of \$200,000 to perform a traffic analysis, functional design report, and preliminary design for Route 107 which is western Ave corridor. Lynn has also submitted a 2,000 grant application under the specific impact grant category, but this application had been withdrawn. It was a duplication. The review team believes that the city has demonstrated the appropriate nexus to the Encore Boston Harbor Casino for the purposes of these planning funds. When the Commission first established the transportation planning grants, it was recognized that transportation projects often require very significant time to plan and that effective planning is important to help avoid delays in remedying any impacts that may be identified in the future. MassDOT has supported this grant.

Medford. The City of Medford is seeking \$200,000 in funding to design a multiuse boardwalk under the Route 28 Bridge. Medford also noted that this underpass will connect multiuse paths in Medford to Station Landing and the Wellington T station. Encore is running employee shuttles from Station Landing to the facility, and this will allow employees to safely access shuttles without having to navigate Wellington Circle or cross Route 28 either on foot or by bicycle.

The review team recommends that the Commission approve this planning grant, Station Landing and Wellington MBTA station are very important connection points to the Encore Boston Harbor Casino. The review team recommended that Medford utilize the design period to determine availability for potential private and public partners for funds to actually construct the path. The funds requested would just be for the design portion. The path could cost up to \$2 million to complete.

West Springfield. The town of West Springfield is requesting a planning grant of \$83,400 to plan design build three bicycle station paths and install electrical service to them to support the Valley Bike Share system. Stations 1 and 3 will be the municipal contribution to the bike share expansion proposal for the use of CMAC funding. Station 2 would be done independent of the CMAC proposal.

During the deliberations on the 2019 guidelines, there was a lot of discussion on whether this would be the year where mitigation funds could be used for the construction of transportation projects. To date funds can only be used for transportation and planning and design purposes. It was decided that we would wait until a future program to authorize the use of funds for construction activities with the exception of a special new transit program. The 2019 guidelines list the following types of activities, planning, consultants, staff, data gathering, surveys, data analysis, design, surveys, engineering reviews, public meetings hearings and report preparation. As the review team believes that West Springfield's applications falls outside these eligible

activities, the review team does not recommend that the Commission approve of this grant request. Instead, the review team recommends that West Springfield provide comment during the development of the 2020 mitigation fund guidelines which may potentially cover transportation construction activities or which could otherwise expand the list of eligible planning activities.

Everett and Somerville. Everett and Somerville are requesting \$425,000 to advance the planning and the design of the MBTA Silver Line Bus Rapid Transit Service from its current terminal in Chelsea. Through Everett along the commuter rail right-of-way to Sullivan Square and then to Somerville and terminating at appropriate red line or green line intermodal facilities. The joint applicants note that they'll use to the extent possible in a previous work by Encore CTPS MassDOT as part of the lower mystic working group. They further note that they anticipate being able to complete a 10% level of engineering design on the Everett corridor and concept level design on the Somerville corridor where some further analysis of route alternatives may still be necessary.

Given the important benefits that could result from an extension of Silver Line service to Encore Boston Harbor, the review team recommends that the Commission approve the requested funding, provided that the joint applicants be required to consult with MassDOT and Encore Boston Harbor on the proposed design procurement documents. The review team also notes the Commission staff needs to approve of a more detailed scope budget and timetable for the planning effort. This is a typical provision in the grant contract documents but it's even more important here, given the coordination that would be necessary to ensure a successful planning effort.

MassDOT has authorized \$1 million for the purpose of designing an extension of the Silver Line. In its comments MassDOT supports the grant which it believes would be complimentary to its study.

Review and Saugus. They seek a grant of \$425,000 to further advance the planning and design of transportation road network improvements along the Route 1 project corridor as identified in previous studies funded by the Community Mitigation Fund. Traffic studies have indicated that approximately 9% of Encore Boston Harbor traffic may utilize Route 1. The main focus to this project is to create a preliminary design for improvements to the Route 1 and Route 99 interchange and to work towards its inclusion. The project will also evaluate smaller projects that were identified as part of the traffic model developed for the Route 1 corridor with respect to project benefits and constraints. MassDOT indicated its support of this grant and requested a role in determining a final copy of the design work. The review team recommends that the Commission fund this grant and that the Commission require Revere and Saugus to consult with MassDOT involving the scope and prior to submission of the scope, budget and timetable to the Commission staff. In the event that parties cannot reach a consensus on these items, Commission staff would report back to the Commission about any area of disagreement.

The next category is transit projects of regional significance. We had two applications in this category. The 2019 Community Mitigation Fund guidelines state that in 2019, the Commission will consider no more than one project that offers significant transit benefits in each category 1 region and one project related to the category 2 facility. Applicants should demonstrate how the funds will be used to

expand regional transit connections. The Commission anticipates authorizing no more than \$500,000 in grants for this category.

Everett and Somerville, the application seeks a grant of \$500,000 to fully design a connection from Draw 7 Park in Somerville across the MBTA tracks to the assembly station head house hereinafter called the connector. And to prepare an application for a federal build grant to help finance the construction of the connector and/or a proposed pedestrian bridge to allow pedestrians and bicyclists to travel across the Mystic River between Somerville and Everett. The Commission has been a very big supporter of this project over the last few years. It's an important recommendation of the Lower Mystic Regional Working Group and could provide new transit connections for the City of Everett. And it could connect up bicycle and pedestrian Pathways all the way from Lynn to Boston. Although the review team recommends the authorization in \$400,000 in funding to complete the design of the connector, the review team does not recommend the \$100,000 for assistance in filing of a federal build grant. The review team also recommends that the Commission require the joint applicants submit a proposal on how they will procure and manage the design work. The review team also recommends that the joint applicants submit a more detailed timetable for the design. Finally, the review team recommends that the Commission require staff approval of the revised RFP before its release. Staff would be instructed to consult with Encore Boston Harbor to determine how the plaintiffs for the design of the connector would work with the plans for the pedestrian bicycle crossing of the Mystic River, and it would be our intention to make sure that we have a current understanding of all these plans before moving forward with any funding.

The final application under the transit category is the PVTA. It proposes to expand its downtown circulator service, The Loop, to seven days per week. PVTA also proposes to add an extension to its current service into West Springfield. This service would provide a connection to MGM and Union Station from the hotels that are located along Route 5 in West Springfield. The review team looked at the utilization of the current Loop service and felt that it would be beneficial to improve utilization of the current service before expanding service. Given the overall state target spending amount, the strength of the pedestrian bridge connector, and concerns regarding the current utilization rates, the review team did not recommend this project this year. Instead, in an effort to improve the utilization of the current Loop service, the review team recommends that the Commission consider authorizing some funding, perhaps up to \$25,000, to assist in the PVTA's marketing and advertising effort for the existing Loop service. As noted in the review team memorandum, the PVTA should be allotted for its planned marketing and advertising efforts, perhaps some additional funding could alleviate some of the resource burdens for the PVTA.

And that concludes my brief summary of all of these applications.

>> CHAIR JUDD-STEIN: Questions?

>> COMMISSIONER CAMERON: I have a question about the -- let's see which one here. Oh, the West Springfield application. Now, am I to understand it that the working group found that it really didn't fit into the guidelines.

>> MR. ZIEMBA: Correct.

>> COMMISSIONER CAMERON: So possibly in the future, that would be applicable, but it does not fit this year.

>> MR. ZIEMBA: That's correct. We did ask the applicant what would be the effect if we weren't able to fund that this year.

>> COMMISSIONER CAMERON: Yeah.

>> MR. ZIEMBA: And that it would be sought for future years. They did indicate that two out of the three stations, because they need to move forward on those because other federal funding is available for those purposes, that they would probably likely have to move forward with those and pay for the match from whatever dollars that they may have locally. The major portion of the grant would be for the third station.

>> COMMISSIONER CAMERON: Yes.

>> MR. ZIEMBA: And we are hopeful that if indeed we do amend our guidelines for next year, that that could maybe be an application for next year.

>> COMMISSIONER CAMERON: Right. Okay. Thank you.

>> COMMISSIONER ZUNIGA: I had a question on the Revere and Saugus Route 1 and Route 99 interchange. Your memo lists a number of smaller projects that this grant could go towards.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: Can you just give me -- remind me -- give me an example of what this project might be? And is it Route 99 and Route 1 very -- are they specific to what's closest to the Encore casino?

>> MR. ZIEMBA: They are close. We did note that in all of the environmental documents, that there was a significant 9% number of traffic that relates to the Encore casino that would be traveling through that corridor. As I try to find the application section on Revere. I do note that MassDOT would like to be consulted about the specific scope of what elements that would be pursued through that grant. And MassDOT has indicated that it would like a little bit of focus on multimodal portions of the application. But in answer to the review team, review and Saugus indicated that short-term improvements could include potentially providing a third travel lane on Route 1 northbound between Copeland Circle and Route 99 in Saugus, approximately 8.1 miles. It could potentially a third travel lane on Route 1 northbound between Copeland Circle and Revere and Route 99. They could potentially relocate route 1 northbound on and off ramps at the Lynn street/Salem interchange and Revere in coordination with ramps. They could explore bridgework requirements for the third travel lane on the northbound Route 1 side. They could also take a look at the Northern Community Trail Bridge, the Salem Street Bridge, the town line brook culvert north of Route 1 and Route 60 interchange and provide safety and mobility improvements for the Route 99 corridor including the route 1/route 99 interchange. So you see that there's sort of a mouthful of potential options which speaks to the further coordination with MassDOT about what exactly should be studied. In general, improvements to Route 1 can be very expensive. And so I know that both MassDOT and review and Saugus have been concentrating on these smaller projects that they could actually move forward within constraints of state resources. And with MassDOT's focus on multimodal applications, we really think the coordination between them and Revere and Saugus is necessary before we approve any revised scope of one or many of these studies.

>> COMMISSIONER ZUNIGA: But so the recommendation is and what we would -- if we approve this, that the specific scope come back to us like we've done in other instances.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: Once that project is better understood by the parties?

>> MR. ZIEMBA: Yeah, it certainly could. I think the recommendation and the memo is that it would come back to staff after review of that. But if the Commission wanted to see that as well, we could certainly make that happen.

>> COMMISSIONER ZUNIGA: Well, I'm indifferent on that. I just -- I just know that there is a lot of -- there's a lot to improve in that whole corridor.

>> MR. ZIEMBA: Yes.

>> COMMISSIONER ZUNIGA: But then the question for us really pertains to one of precedent, for example. How connected is any one of these improvements.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: To the casino.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: And that's just one that just does not seem very defined at this point.

>> MR. ZIEMBA: Well, I think it has become more defined over the years and that there's been a lot of focus on collaboration between the two parties. We asked Revere and Saugus how often they've been meeting with MassDOT and they included reference to a bunch of significant meetings even after we asked them a number of questions regarding the scope. We asked them to go meet with MassDOT again. We followed up with MassDOT regarding their support for this proposal, and they indicated that support.

>> COMMISSIONER STEBBINS: John, quick question. Just to follow up on that. Do we have, as I look at the draft motion you had given us when we approved these, part of our ability to actually effectuate those relationships and those parties talking together you envision through the grant agreements on how you plan to structure those.

>> MR. ZIEMBA: That's right.

>> COMMISSIONER STEBBINS: Okay.

>> MR. ZIEMBA: And one thing I will mention -- and we've had a number of conversations between Mary Thurlow and Joe Delaney and Catherine, we're starting to get some pretty significant number of projects under our belt. And they do require, you know, a good amount of conversations to go back and forth to make sure that they happen on time and that they get the input of all the parties. And so now potentially with a couple facilities that have been opened, we can devote even more time to making sure that things move forward quickly and that we get all the necessary reports and people pay attention to the details that we're describing in these Commission meetings.

>> COMMISSIONER STEBBINS: And in particular, as it relates to this application --

>> MR. ZIEMBA: Right.

>> COMMISSIONER STEBBINS: One of our partners, MassDOT is, like, we want to be at the table, we want to have some impact on the scope. So us being able to drive that not just hoping the parties are all on board, but to stipulate that somehow into the language of the grant agreement is the way to make it happen.

>> MR. ZIEMBA: That's exactly right.

>> COMMISSIONER STEBBINS: Okay.

>> COMMISSIONER ZUNIGA: One thing that's not part of this analysis and I think it should, it's just for future reference because I believe the guidelines speak to this,

eventually money that has-- grants that have been previously approved but not used, they have -- there's a sunset element to this, right? Isn't there, like, a three-year --

>> MR. ZIEMBA: Yeah. So our grant contracts are for a four-year period.

>> COMMISSIONER ZUNIGA: Yep.

>> MR. ZIEMBA: But in addition to the existing awards, we also have reserves that the Commission annually reauthorizes.

>> COMMISSIONER ZUNIGA: Yes.

>> MR. ZIEMBA: So if a community hasn't utilized their reserves, basically in the mitigation guideline process --

>> COMMISSIONER ZUNIGA: Roll it over.

>> MR. ZIEMBA: We renew those and roll them over. But, you know, we're thankful that, you know, some of the communities are still taking advantage of some of the existing reserves. For example, Foxborough later on in the analysis has volunteered to use its reserve for a multi-community effort. You know, there's good reason to take a look at those grants.

>> COMMISSIONER ZUNIGA: Yep.

>> COMMISSIONER CAMERON: Just an observation. More joint applications this year than ever before, which is a good thing.

>> MR. ZIEMBA: Yeah.

>> COMMISSIONER CAMERON: I know the team has encouraged that, so communities working together.

>> MR. ZIEMBA: That's right.

>> COMMISSIONER CAMERON: Because most of these issues, in particular with transportation, are not -- they don't end at the city line, right?

>> MR. ZIEMBA: Right.

>> COMMISSIONER CAMERON: So that was encouraging to see.

>> MR. ZIEMBA: It's great. You know, it was, I think, two years ago that the Commission included the new bonus structure for lack of a better word. So if communities work together, they can take advantage of some additional funding for planning activities, and it really is forming these partnerships. Specifically I want to commend Revere and Saugus. They worked together. In eons ago I used to work at communities and development, housing and community development, and we were always trying to promote regionalism. And these grants are really helping do that same sort of mission. So that's a great point, Commissioner.

>> COMMISSIONER ZUNIGA: It was a brilliant idea by somebody.

>> MR. ZIEMBA: Great job, Commissioner.

[Laughter]

>> COMMISSIONER CAMERON: Wait a minute. Did he want credit?

>> COMMISSIONER ZUNIGA: Wait, I cannot take credit for all of it.

>> CHAIR JUDD-STEIN: I have one question with respect to PVTA.

>> MR. ZIEMBA: Yes.

>> CHAIR JUDD-STEIN: John, I can't remember, when you briefed me, did we discuss whether there are readily available metrics on the usage in terms of -- I know we talked about it doesn't make sense to expand evening hours versus all. Do they have those -- that data now, or would that be something we could help them collect?

>> MR. ZIEMBA: So they are collecting ridership numbers, in answer to the review

team question they provided those numbers.

>> CHAIR JUDD-STEIN: So they're not having trouble figuring out -- how about -- so they have the analytics of actual ridership.

>> MR. ZIEMBA: Yep.

>> CHAIR JUDD-STEIN: Have they been able to conduct surveys for the community at large to see if, for instance, if opportunities for five days a week or seven days a week were provided, would that be something that they would like? I guess maybe we may be concluding based on the metrics alone.

>> MR. ZIEMBA: Yeah.

>> CHAIR JUDD-STEIN: But I think we did have a discussion about maybe they -- if it's not available every day, they don't make it part of their equation. So I wondered if there's been -- if there's any -- I know we're going to -- there's a suggestion of promotional dollars.

>> MR. ZIEMBA: Right.

>> CHAIR JUDD-STEIN: I wondered if there were any other -- if there's any other support we could provide to help understand the community' needs. If not, that's okay, too, but I just wondered.

>> MR. ZIEMBA: No, I think that's a very good comment. So one thing that we know will happen is we know that MGM Springfield and PVRTA have an ongoing dialogue regarding the use of the Loop service. And they have met numerous times to try to improve that service. And indeed, one of the recommendations from PVRTA that sprang some of those conversations was that potentially if you added a couple of additional days from the sort of the transit world, you provide more of an understandable transit environment. So if you know that the bus is going to be there every single day, you might be more inclined to take the bus on that Monday and Tuesday.

From our review, it competed a little bit with how we were looking at the projections because we know that both Monday and Tuesday, those are on the lower end of casino --

>> CHAIR JUDD-STEIN: Casino use.

>> MR. ZIEMBA: -- attendance. And so part of our concern was if you have an existing Loop service that is not being utilized as highly as everybody wants it to be, and then you added the two new days which are actually lower attendance from the casino's vantage point, it might provide further questions in regard to that service. So specifically for this year, we really thought that maybe the focus should be on just trying further efforts to enhance utilization of the existing service, and with all fairness to the PVRTA and their expertise, they say that one of the best ways is to make sure that people know that it's available for seven days. But we had asked them whether or not expansion into more nighttime hours would be beneficial because restaurants are -- you might want to have people to take advantage of some of the local restaurants past 9:00 P.M. even though that was part of their considerations, they determined that that wasn't going to be their priority for this, but the review team did eventually not recommend this grant.

>> CHAIR JUDD-STEIN: But it doesn't sound as though they're looking for any additional resources to assess community interest, but we are -- the recommendation that I'm hearing from you is that perhaps rather than funding their application request, that we provide some form \$25,000 for promotional.

>> MR. ZIEMBA: Yeah. Let me describe a little bit how we envision that could occur, and it could accomplish what you were just describing.

>> CHAIR JUDD-STEIN: Right.

>> MR. ZIEMBA: Is that what we would do is we would go and have a conversation with the PVTA, the City of Springfield, and MGM Springfield about this proposal for up to \$25,000. We would try to determine the time period for that marketing and advertising campaign. And what we would hope to do is not -- it would not only provide a benefit for the Loop service as well to make sure that people know about the Loop service, but potentially also could be utilized to get further interest in some of the stops for the Loop service. And so we would come back to the Commission with whatever proposal after those conversations. But to your point, if there's a need for further evaluation of what other elements might be necessary, we can have that conversation within that context.

>> CHAIR JUDD-STEIN: Excellent. Thank you.

>> COMMISSIONER ZUNIGA: You know, it occurs to me that, you know, and I think that's the right approach. That's a good compromise, just to try to promote the existing service. There's multiple ways, not just necessarily media. You know, those things that come out of -- that people put in restaurants where they put in the menu or the special, for example.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: If they were placed in each of the stops.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: That might prompt a bystander to kind of say hey, I didn't know, and let me now go to whatever.

>> MR. ZIEMBA: That's a good idea. The PVTA in its application, it noted that it wanted to do a lot of the outreach to the business community, and that's a good suggestion. And I wanted to just laude the PVTA because utilizing constrained resources, they were volunteering to go do all of these steps to try to promote the service. And we think the potential of this \$25,000 could assist them in that effort because they do have constrained resources that could be used. Once again, a lot of credit goes to the PVTA for their application.

>> CHAIR JUDD-STEIN: Any more questions or comments from Mr. Ziembra on this portion of the presentation? If it makes sense, it's 12:04. I thought perhaps we could go on with Ms. Howard's presentation and then break for lunch. Does that make sense? Is everybody --

>> COMMISSIONER CAMERON: Do we have (Inaudible)?

>> CHAIR JUDD-STEIN: Oh, should we do a vote? My apology. I guess we should probably vote in segments.

>> COMMISSIONER CAMERON: Madam Chair, what -- so we have workforce, and then we have -- we did transportation.

>> COMMISSIONER O'BRIEN: Significant impact.

>> COMMISSIONER CAMERON: Yes. I'm just wondering timeframe, if it makes sense to work right through or not.

>> CHAIR JUDD-STEIN: I'm always a fan of working through, but it depends on how everybody's stomachs are.

>> MR. ZIEMBA: So I think if I could just give a little preview of my colleague's

comments, I think workforce is sort of the next big one that might just take a little bit more explanation. But I don't believe the presentation is too long.

>> It's pretty concise.

>> MR. ZIEMBA: The focused Springfield discussion might take a little bit of time.

>> COMMISSIONER CAMERON: Yes.

>> MR. ZIEMBA: Might take a little bit of time. The remainder of the specific impact applications, I think we have a good handle on those. I'm not sure how long those would take. I don't know, Kate, what you think in terms of your presentation. Half an hour?

>> COMMISSIONER O'BRIEN: It would seem like a short lunch break after this and then powering through.

>> CHAIR JUDD-STEIN: After the vote on transportation?

>> COMMISSIONER O'BRIEN: Yeah, after the vote.

>> MR. ZIEMBA: Should we -- because one of my colleagues here has to catch a plane at the end of the day.

>> COMMISSIONER O'BRIEN: So get through Crystal's and then vote and then take the break.

>> COMMISSIONER CAMERON: That's fine.

>> MR. ZIEMBA: If I could sneak one more under her ground --

>> COMMISSIONER O'BRIEN: You just keep taking and taking.

>> MR. ZIEMBA: Everett and regarding workforce, but it should be really brief.

>> COMMISSIONER CAMERON: That's fine.

>> COMMISSIONER O'BRIEN: Anything else?

>> CHAIR JUDD-STEIN: I think we should -- I'd like to defer to Mr. Ziemba and take your recommendation. But in terms of transportation and transit, we are looking for a motion, and it would be with respect to -- my apologies -- each particular -- this is new for me in terms of the formatting -- each particular application or on --

>> MR. ZIEMBA: I believe a motion is included in your --

>> CHAIR JUDD-STEIN: Yeah, I saw.

>> COMMISSIONER ZUNIGA: Yeah, but --

>> COMMISSIONER O'BRIEN: But as to each individual.

>> COMMISSIONER ZUNIGA: We've done them separately in the past.

>> CHAIR JUDD-STEIN: Right.

>> COMMISSIONER O'BRIEN: So it would be starting with Boston?

>> MR. ZIEMBA: Yes.

>> CHAIR JUDD-STEIN: I think that makes sense. I did see the motion in front of me, but I wanted to make sure I was interpreting it correctly. So rather than at the end, we'll do them by categories but individually, move on each one.

>> COMMISSIONER O'BRIEN: Madam Chair, starting with Boston, I move that the Commission approve the Community Mitigation Fund grant request from Boston in the amount of \$200,000 as described in the memorandum from Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019 Commission packet. Subject to this Commission to the Commission by the applicant have a detailed scope of work, time line for work to be completed under the grant in execution of a grant agreement between Commission and the applicant.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any questions? Those in favor? Opposed? 5-0.
Moving on to Lynn.

>> COMMISSIONER ZUNIGA: Lynn.

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the Community Mitigation Fund grant request from the City of Lynn in the amount of \$200,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions? All those in favor? 5 --

>> MR. ZIEMBA: Can I just clarify one thing? In conversations with Counsel Blue, when we referenced items that are in the review, there are other conditions that are included in that review, and the motion was designed to include those other conditions over and above the scope, work, budget and timetable.

>> CHAIR JUDD-STEIN: Set forth in the memorandum.

>> MR. ZIEMBA: Yes, correct. Just as a point of clarification.

>> COMMISSIONER CAMERON: So --

>> CHAIR JUDD-STEIN: Catherine, are you all set with the language that we're using, or should we amend our language?

>> MS. BLUE: No, I think your language is fine.

>> CHAIR JUDD-STEIN: Okay, thank you. Any further questions? Those in favor? Opposed? 5-0 on Lynn. Moving forward to Medford.

>> COMMISSIONER CAMERON: So Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from Medford in the amount of \$200,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any questions? Comments? All those -- oh. Commissioner? No? Okay. All those in favor? 5-0, Catherine. Thank you.

>> COMMISSIONER STEBBINS: Madam Chair, I think we need to go back and do Everett and Somerville. Did we jump over that one?

>> COMMISSIONER ZUNIGA: No, it's after Springfield.

>> COMMISSIONER CAMERON: It's coming up.

>> COMMISSIONER O'BRIEN: West Springfield is next.

>> CHAIR JUDD-STEIN: West Springfield is next.

>> COMMISSIONER ZUNIGA: At least from the update, we heard first from Medford, West Springfield and then Everett and Somerville.

>> COMMISSIONER STEBBINS: Sorry about that.

>> CHAIR JUDD-STEIN: Thank you. We don't want to miss -- so on West Springfield, this is the one in which we had the concern about conforming with our guidelines, and perhaps next year there will be an opportunity to address it. Do we

have a motion?

>> COMMISSIONER ZUNIGA: The recommendation of the review team is to deny their application.

>> MR. ZIEMBA: Correct.

>> MS. BLUE: So I think if you just move to accept the recommendation of the review team for West Springfield, that should be appropriate.

>> COMMISSIONER ZUNIGA: I'll move that the Commission move -- strike that. I move that the Commission accept the recommendation of the review team of the Community Mitigation Fund grant request from the City of Springfield to deny their application.

>> COMMISSIONER CAMERON: West Springfield.

>> COMMISSIONER ZUNIGA: I'm sorry, the town of West Springfield, thank you, to deny their application as described in the memorandum of the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions? Clarifications? Those in favor? 5-0.

>> COMMISSIONER O'BRIEN: My turn?

>> CHAIR JUDD-STEIN: Moving on to Everett.

>> COMMISSIONER O'BRIEN: Everett, Somerville, I move that the Commission approve the Community Mitigation Fund grant request from Everett and Somerville in the amount of \$425,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet. Subject to the submission by the applicant of a detailed scope of work, time line for the work to be completed under the grant and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any questions or clarifications? All those in favor? Opposed? 5-0. Thank you. Now moving on to Revere/Saugus. That's the Route 1. 107. Do I have a motion with respect to that proposal?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move that the Commission approve the Community Mitigation Fund grant request from Revere Saugus in the amount of \$425,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, included in the July 18, 2019, Commission packet subject to the submission of the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any questions? All those in favor? Opposed? 5-0. Thank you.

Moving on to the transit projects. We have two, Everett Somerville.

>> COMMISSIONER CAMERON: So Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from Everett and Somerville in the amount of \$500,000 --

>> COMMISSIONER ZUNIGA: No.

>> COMMISSIONER O'BRIEN: \$400,000.

>> COMMISSIONER CAMERON: Sorry, \$400,000, you're right. Yes. \$400,000. As described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any questions? Clarifications? Those in favor? Opposed? 5-0. The PVTA application.

>> COMMISSIONER ZUNIGA: I can take a stab at it. Because I think it's another one that we modified, correct?

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: Yeah.

>> COMMISSIONER O'BRIEN: \$25,000.

>> COMMISSIONER ZUNIGA: Yes. Yeah. Thank you. I'll move that the Commission approve the amount of \$25,000 of the Community Mitigation Fund grant request from the Pioneer Valley Transit Authority to be used to promote the ridership of the Loop, as described here in the memorandum from the Community Mitigation Fund with your team dated July 12, 2019, and included in the July 18, 2019, Commission packet, subject to the submission to the Commission of the detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any questions? Clarifications? All those in favor? Opposed? 5-0. So that completes your presentation, and it's your recommendation that we move on now to Ms. Howard, correct?

>> MR. ZIEMBA: That is my recommendation. Thank you.

>> MS. HOWARD: Thanks for squeezing me in. I will be concise because I'm also hungry. For the workforce applications -- Gayle knows that's important to me -- we did have three applicants come in for these workforce grants for a total of \$900,000. The committee is recommending an approval of \$813,000, just over that, actually, although we had targeted \$600,000. So I will start with the more complex application where we have adjusted the funding, which is Boston. The Boston application actually comes from the Mayor's office of workforce development. And it requests to continue building on previous work with the Casino Action Network which is a collaborative between training entities, community action agencies, Encore, and our community partners. The focus is on general outreach and updates, providing resume help, application assistance, and providing referrals for skills training opportunities, which is a little bit of a shift in focus from the skills training application that we saw in Boston previously. It does also provide culinary training slots at either NECAT, the Boston location, salvation Army's crock center and community work services. For bridge to hospitality graduates specifically. It also -- there's an additional -- a new opportunity that looks to offer contextualized ESOL training for Boston's Vietnamese community through Viet aid, and that's the newest component of the Boston applications that we're seeing.

So given the competition for funding, we recommend to award \$213,400 of that

\$300,000 request as part of our recommended exclusion, we have removed \$30,000 of the staff time to coordinate an employer convening through the PIC, private industry council, sorry. And that was just one of the least integrated programs in this application that we felt that we would be able to utilize the funding in better ways. We also, for that same purpose, we recommend reducing the culinary training from \$104,000 to \$75,000. Since this is a new program, we have seen in previous years that it takes time to roll these programs out. These are also bridge-to-hospitality graduates only, so they must first go through the bridge hospitality training and then enter one of these culinary programs. So we think that the \$75,000 would aid them in that.

And then we reduced \$17,000 from the community funding, which is because there seemed to be an overlap between La Comunidad and the Chelsea and the Metro application which we'll discuss next. Additionally, the overhead was adjusted once we finalized that. With the MassHire Metro North application, the program also continues to look toward working with the community action network which they've worked together in this past grant year, offering community engagement, outreach and recruitment. It also still offers culinary arts through NECAT and the Everett-specific program, but they will no longer offer English for hospitality or the direct hospitality readiness training. They do intend to expand the reach of services to more participants by reducing those direct service provisions and working more closely with the community partners for the referral of services. And this application we're recommending the full funding of \$300,000, but we are also requiring that both of these eastern Mass applicants meet at least once or twice over the course of this grant duration to coordinate the proposals and also seek to come together next year in their grant application.

In Western Mass, we have Holyoke Community College, which they continue to integrate the work done in the 2017 and 2018 community mitigation programs with STCC and Springfield public schools, still aiming to increase literacy in the Springfield area but also offering hospitality programming and hotel programming in the 2019 grant application. Specifically they are looking to enroll 180 individuals in the English literacy for workplace program and 100 in the adult-based education courses as well as continuing culinary arts offerings out in Western Mass. They also look to have 200 individuals receive gaming scholarships for the gaming school.

The most specific change to this model was that Hampden Prep, which is offered through STCC, will now focus on English in the workplace for hotels specifically as opposed to general adult and basic education, GED HISET courses. We are recommending full funding of \$300,000 for the Western Mass applicant as well. Any particular questions?

>> COMMISSIONER ZUNIGA: Well, just a question on the comment that you made that we will be encouraging the two applicants to come, you know, together next time. Is there an incentive like we have with regional applications that we might think about, or rather let me put it this way. Why would there be an incentive to come together if they were only eligible to apply for \$300,000, let's say. And I know this will be a discussion for the future guidelines.

>> MR. ZIEMBA: Right.

>> COMMISSIONER ZUNIGA: I just kind of wanted to touch on that.

>> MR. ZIEMBA: We had a similar circumstance out in Western Mass a few years

ago where we had two applicants that came in for the one program. In our guidelines we've stressed that we wanted one integrated whole program for the region, and we received two applications. And because of the needs at the time where MGM Springfield was getting up and running before then, we funded both. But we asked them to actually start working together. And as a result of that collaboration, we did receive a joint application in the following year. So people are mindful of the fact that we're trying to have basically one integrated whole for the region. They're probably also mindful that we continue to authorize one or two or however they may be.

>> COMMISSIONER ZUNIGA: Right.

>> MR. ZIEMBA: We're certainly encouraging. In regard to future guidelines, you know, perhaps that's something we could consider if you do have just one integrated whole that serves the entire region, maybe there's some way that we could reflect that for lack of a better word, some sort of a bonus structure.

>> COMMISSIONER ZUNIGA: Right. Well, and perhaps as we move forward with this program, if we can either fund or request that people come with, you know, specific data, let's say, as to what these grants are, you know, resulting in or what the need is out there --

>> MR. ZIEMBA: Right, right.

>> COMMISSIONER ZUNIGA: -- or more than one, even if it's done on a collaboration basis, that would be really good to try to ascertain.

>> MR. ZIEMBA: Yeah. And we're going to continue to try to do that. But in regard to the Eastern Mass applicants this year, we felt very comfortable recommending both because obviously there is a need out here for a good number of, you know, skilled trained workers.

>> COMMISSIONER ZUNIGA: The volume is larger.

>> COMMISSIONER CAMERON: But you did try to assess overlap and made adjustments accordingly.

>> MR. ZIEMBA: That's right.

>> COMMISSIONER ZUNIGA: Yes.

>> COMMISSIONER STEBBINS: Yeah, I would just add, you know, this year's applications for the eastern region varied from last year because last year we had two regional employment boards applying. One covered the host community and some of the surrounding communities. There was a separate one for Boston.

>> COMMISSIONER CAMERON: Yeah.

>> COMMISSIONER STEBBINS: Don't want to have overlaying kind of regional responsibilities. What was exciting about this year was the City of Boston kind of stepping into the mix. But I think to Crystal's point, you know, the collaboration, the requirement of meeting periodically with our licensee and a lot of the stakeholders was excellent. We had one of those. You know, I think it was almost the first of its kind to see community-based organizations, municipalities, training providers at the state level all coming together to try to work out, you know, opportunities to fulfill the training needs, not only of our licensees, but the impact that their hiring might have on the greater region. So there's some great parts about both applications, but I think we have an opportunity to kind of encourage that working together in partnership, perhaps, in the coming year.

>> CHAIR JUDD-STEIN: Any further questions for Ms. Howard? I think the fact that

we had the interest is exciting. As I understand it, there was -- there were guidelines that you set last time, and it was for two \$300 ones. In this case the recommendation is to exceed the original budget. So working going forward, I, too, would like to see the joint ventures so that we don't get any duplicity in the use of our resources, and it just will make greater collaboration and better outcomes, so thank you.

>> COMMISSIONER STEBBINS: If I just -- I also want to just touch on the Holyoke application and, you know, to echo what Crystal said, happy to see the Hampden prep component of STCC I think changed to more accurately reflect what the need is in the local hiring community. You know, the HCC program also continues to focus on funding for the gaming school. The gaming school has had great success in their conversion rate of graduates and getting them into employment opportunities with our licensee. I do worry that they have an aggressive goal of training 200 more students in the upcoming year. And I think hopefully, you know, Crystal and Jill, you know, working with John, we can look at what are they doing to get the word out? Is it a question of marketing, the fact that dealer jobs are still available? There's certainly, I think, also a need for dealers on the eastern end of the state, but we're getting into a tightening labor market where now we're going to advertise those opportunities. You know, the Boston and the Metro North applications rely a great deal or a good deal on community-based organizations who can go out and make that one-on-one touch to a potential job candidate. So I think we need to focus -- maybe offer some flexibility on Holyoke's grant to see what they're doing overall to try to recruit people for the gaming school. I think we've got to dispel a notion that just because the casinos are open, there are no more job opportunities at the casino or in the immediate area. But 200 --

>> COMMISSIONER CAMERON: Do you think that number is out there, Commissioner, that there may not be any more opportunities? Are you concerned that they won't fill these 200 slots?

>> COMMISSIONER STEBBINS: I -- I am concerned.

>> COMMISSIONER CAMERON: Okay.

>> COMMISSIONER STEBBINS: I think they've tried to be creative. I think we've made some adjustments to their current grant to fund a class as opposed to just offer scholarships so they could handle a group of students. But I think, you know, it's a tightening labor market. That's a pretty aggressive goal. So I think it's a combination of aggressive goal balanced with is there a just general perception out there in the community that MGM opened. There's no turnover. They're not still looking for employees, so I missed out. So I think we should have a conversation with them about doing some more marketing and maybe find some other models of marketing that I think Boston and Metro North have incorporated very well into their work.

>> COMMISSIONER O'BRIEN: Can I ask where the anticipated 750 vacancies number came from? It says MGM, the anticipated 750 job vacancies. Is that a stat from MGM or where does that come from?

>> MS. HOWARD: That's from -- so we are still having occasional workforce collaborative meetings out in Western Mass, and that was early on this year. But they had anticipated that they would have that range of turnover in the next year. Especially -- that was prior to Encore's opening, and they thought that they would be losing a lot of dealers out to Encore.

>> COMMISSIONER ZUNIGA: One important piece of data to look for us as we

move forward is that turnover rate, you know, that is supposed to diminish, it's supposed to be high in the first few years. The big question I have is whether it's a 30% or 25% rate. That perhaps by definition must apply differently to different occupations --

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: -- and that's what we really should be paying attention, which is part of your point, Commissioner, and so on. I just want to mention that I think the process that the team has set up here is really good in the sense of having guidelines, having us look at the guidelines every year to be able to react, to have enough flexibility to the proponents being to in and propose what might be more of the need that they're seeing or that they think they will see which is also important is really the best that we can do, and then just take this year after year.

>> MS. HOWARD: I think it's important to note, too, to Bruce's hesitation that they are now looking at different models of how they will operate this gaming school. You mentioned how we had transferred -- we had made an amendment to the budget last year in order to fund a course. But also they are looking to be able to work with different constituency groups that they hadn't in the past. For example, the farm workers, they want to pull in different students who wouldn't really think of this as perhaps their next step and get really in front of them and then offer something that specifically works with people who are all on the same level. So that's not really something they've done in the past. So that may help with some of the increased interest that they're looking to do. But we do keep an eye on their marketing and their budget as they come in, and they've requested amendments, and we just might see some more.

>> CHAIR JUDD-STEIN: Any further questions or comments? Thank you. Now, moving forward in terms of adopting the workforce applications. Do I have a motion with respect to the Boston application?

>> COMMISSIONER CAMERON: So Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from Boston in the amount of \$213,400 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the Commission -- subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of the grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: Any questions? Comments? Those in favor? Opposed? 5-0. Thank you. Moving on to Holyoke Community College.

>> COMMISSIONER STEBBINS: Madam Chair, I'd move that the Commission approve the community mitigation fund grant request from Holyoke Community College in the amount of \$300,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any questions? Comments? Those in favor?

Opposed? 5-0. And then the final workforce application is metro -- MNWB application.

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the Community Mitigation Fund grant request from Mass Hire, Metro North Workforce Board, in the amount of \$300,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any comments? The only -- the only thing I do want to comment is that the licensee comments that are throughout all the applications are very noteworthy, and this one, Encore Boston Harbor does support Mass Hire's application and recruiting and training qualified individuals at their facility and that they've enjoyed the partnerships that they see with these community collaboratives. So we -- I guess we just want to note that we understand that the partnerships extend with the licensee. So with that said, those in favor? Opposed? 5-0. Thank you. And Mr. Ziemba, I think that you thought perhaps Kate should move or was it a different applicant?

>> MR. ZIEMBA: I think we were going to ask for one on the nontransportation planning applications, which is the Chelsea Everett application. Crystal was going to provide some detail.

>> CHAIR JUDD-STEIN: Oh, it was Crystal. I apologize.

>> MS. HOWARD: Nope, another section. So while this isn't a workforce application, it did have a lot of workforce language drafted in it. You'll see that a lot of the application talks to the curriculum in which they bring about the workforce potential for some of the curriculum. But the cities of Everett and Chelsea came together for this proposal, requesting \$105,000 to implement a needs assessment for the planning of the establishment of a trilingual enterprise center at Bunker Hill as well as the development of a curriculum for its business students which would be minority small businesses is their target. It's being modelled after the enterprise center at Salem State College and the training curriculum will assist minority small businesses which may currently struggle with acquiring the skills necessary to compete for Encore's business in terms of vendor contracts. And these are things such as social media courses, business development, being able to market themselves more properly, and just networking and connection. So they are looking to program the needs assessment and then work from there to develop the curriculum for this, \$105,000, which we're recommending full funding.

>> CHAIR JUDD-STEIN: Any questions for Ms. Howard?

>> COMMISSIONER STEBBINS: More just a comment, Madam Chair. Again, I think this is an interesting proposal. I think as Crystal pointed out, it's driving some education for small businesses that might be impacted by the presence of Encore. At the same time, you highlighted our licensee's comments on the previous application. In this one they're talking about the fact that their WeSave program may come into play with some of the local participating businesses. So there could be some ancillary benefit going out the other way. We get back to the issue of some workforce skills training. I would suggest if we do approve this grant, that the folks at Bunker Hill

become part of our regional workforce applicant conversations. And again, it might serve as just another reason to consider more inclusive or a broader application from the region kind of going forward. But it was great to see the review team ask, you know, is this just limited to Chelsea and Everett and, you know, the kind of response back is, we do want to broaden this for the benefit of the entire region. So I think there's something to also build upon here at the same time.

>> CHAIR JUDD-STEIN: Commissioner, do you want to amend the recommendation to formalize that the community college become part -- or do you think you're comfortable with that just being an informal recommendation?

>> COMMISSIONER STEBBINS: Again, I think it's something that we can work out with the execution of the grant agreement kind of going forward.

>> CHAIR JUDD-STEIN: Any further questions for Crystal?

>> COMMISSIONER CAMERON: No.

>> CHAIR JUDD-STEIN: Okay. Do we have a motion for the nontransportation Chelsea/Everett application?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the Community Mitigation Fund grant request from the cities of Chelsea and Everett in the amount of 105,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12th, 2019, and included in the July 18, 2019, Commission packet, subject to the submission to the Commission by the applicant of a detailed scope of work, time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions? Comments? Excellent job. Those in favor? Opposed? 5-0. Thank you. And safe travels.

>> MS. HOWARD: Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: It's 12:40. I think that I'm hearing that a brief lunch break would be helpful.

>> COMMISSIONER ZUNIGA: It would.

>> COMMISSIONER CAMERON: Yep.

>> CHAIR JUDD-STEIN: Okay. I no longer defer to Mr. Ziemba.

>> MR. ZIEMBA: (Inaudible).

>> COMMISSIONER ZUNIGA: I want to approve these grants not on the basis of hunger.

>> CHAIR JUDD-STEIN: Right. So it's 12:40. Do we say 1:10, or do we say 1:00? 1:10?

>> COMMISSIONER O'BRIEN: No. I think you need at least a half hour.

>> CHAIR JUDD-STEIN: 1:10. If we could reconvene then, and we'll go back to the rest of our excellent applications. Thank you so much.

>> COMMISSIONER ZUNIGA: Thank you.

[A lunch break was taken at 12:41 P.M.]

>> CHAIR JUDD-STEIN: Austin, we're all set. Thank you. We're reconvening meeting number 274, continuing on our mitigation grants presentations. Mr. Ziemba.

>> MR. ZIEMBA: Thank you very much, Chair. In accordance to the plan that we talked about before the break, what we were going to do next is turn to specific impact

grants, and we are going to ask Counsel Blue to give a little bit of a description regarding one particular grant, Springfield Focus. So in that application, the City of Springfield is seeking \$555,925 to provide funds to the Springfield Technical Community College Assistance Corporation or other eligible public entity to construct permanent improvements for the relocation of the focus Springfield Community Television Public Access Studio or other community public access television studio.

During the review team's deliberations of this application, the 2019 application, involving Focus, the applicability of certain Massachusetts constitution restrictions remained an issue. The review team asked Springfield to provide a legal opinion explaining how this application meets the applicable Massachusetts standards. Because the response did not seem to answer all of the questions for the review team, the review team determined that the Commission should hear from the Commission's legal office on the matter. An opinion on this matter is included in your packet. The review team suspended further review of the application until the Commission could review more about the opinion. And so what we determined is that we would ask General Counsel Blue to provide you at least a little bit about that opinion.

>> MS. BLUE: Thank you, Mr. Ziemba. In your packet you have a memo from Carrie Torissi who has analyzed this subject very closely and a couple of times over the last year or two. In general and the memo goes into greater detail, the Massachusetts Constitution has what's called an anti-aid amendment. It prohibits using taxpayer-funded dollars for a private entity. The legal department has looked at the cases under that anti-aid amendment. There are a number of them, not a huge number, but there are a number of them. And we also, this year, were able to ascertain more facts about what Focus does and what services they provide. And in looking at that, the legal department's recommendation is that providing this money, which would be for the benefit primarily of Focus, to carry on its activities, Focus being a nonprofit entity but not a governmental entity, would violate the anti-aid amendment. So we did, as Mr. Ziemba said, ask the City of Springfield for a more detailed opinion on their views of the matter. They could look at the same cases we did and perhaps provide us with maybe a different opinion. We did not receive that from the City. So based upon our analysis, we believe that the Commission cannot grant this money to Focus without violating the anti-aid amendment.

>> COMMISSIONER ZUNIGA: Can you just go into a little bit more detail that the memo does? Because there is the public purpose element that some of the cases have looked at which does apply here. At least for the continuing of operations. And I recognize that an important piece here is the buildout in order to relocate. But in a scenario where without it, then the operations are in real jeopardy, let's say, in which then the public purpose operations might actually -- I don't know if this will happen -- but might actually cease to exist. How does that cut across some of the other cases that you've looked at?

>> MS. BLUE: So what you see when you look at the cases is the court's asking what is the primary benefit of the money that you're providing? Is the benefit primarily to the private entity, or is it to the benefit of the public? And so I think a case that makes it more clear for me is the Acton case where it was public money that was going to a church to put new windows in the church. The community was supportive of that application because the church was part of the historic city town center and that they

thought that that helped the town to have this church be renovated in the center. What the court basically said in that case, the purpose of new windows really benefits the congregation, primarily. There is a secondary benefit, but the primary benefit was to benefit the congregation of the church. I think in the Focus situation, the primary benefit of the money that's being requested here is to build out a new space, buy potentially new equipment, for Focus's primary use. There are potentially secondary uses such as they can provide some livestreaming to the City of Springfield, which the City could purchase from other sources if it wished. But that space and that equipment is going to be used by Focus. And when we asked if there were other potential uses for that, there was some sense that maybe, but there was no strong sense that anyone other than Focus would get the use of this, at least in the near future.

>> COMMISSIONER STEBBINS: In, you know, several of the cases refers -- I think Carrie noted -- to use of educational monies, private versus public education. And you talked about the Kaplan versus Town of Acton case. I found the Helms versus the Commonwealth case particularly interesting because actually this was money going directly to a private entity for a benefit that obviously had a benefit to the greater community with the stipulation that there was no indication that any private person was benefiting from the expenditure. So help me understand kind of how that would dovetail with the application that we're considering right now.

>> MS. BLUE: So the difference in that case, which it is an interesting case, is that that particular -- I think it's a shift -- was designated as a public memorial. And so while there was a private entity that was maintaining it, the actual item being maintained was considered a public memorial. So the money, yes, it went to a private entity, but the benefit was primarily public. In the case of Focus, Focus is not a public entity in any way, shape or form. And the money that's going to them is to benefit them first, but they do have secondary public benefit. So the distinction in the Helms case is that that particular shift was designated by the Commonwealth as a public memorial.

>> CHAIR JUDD-STEIN: Do you have any --

>> COMMISSIONER CAMERON: No, I thought the memo was well done and clearly explained, you know, the parameters of what can and can't be done with these monies.

>> CHAIR JUDD-STEIN: Commissioner O'Brien?

>> COMMISSIONER O'BRIEN: No, I was somewhat familiar with the anti-aid amendment from my work with a prior agency. And I have to say the outcome of the memo did not surprise me. That when this first came before us, what I anticipated seeing was potentially something where both the recipient and primary user were going to be public entities. That is not the case. And so if there were secondary or tertiary benefits to focus as a result of such an application, that might have put us in a different posture. But each time this has come before us, Focus, the not-for-profit has been the primary if not sole beneficiary. I would agree with the conclusions in the memo in terms of the problems with the anti-aid amendment in the application.

>> CHAIR JUDD-STEIN: I am struggling with this one not because as I think Catherine and Carrie know, I thought this was an excellent memorandum. I do have experience from my prior work on anti-amendment analysis, the anti-aid amendment analysis. It is a difficult one. And the Helms case makes it a difficult analysis. I -- I was familiar with the Acton case and the facts before the SJC ruled on it. I think the analysis includes a three-prong analysis. And the third one, I think, is an important one

to consider, and that's whether the grant avoids the risk of the political and economic abuses that prompted the passage of the anti-aid amendment. You know, Acton involved a church. And that was a significant factor in the analysis because the anti-aid amendment stemmed, in many ways, from the use of public resources to support not simply public schools but private schools, particularly those that were religious in affiliation. So I'm having trouble figuring out whether Helms applies here, and it's the public purposes that Focus provides. The one I am focused on, not to make a pun, is, you know, that they broadcast the school board -- school subcommittee meetings, and they broadcast the Springfield City -- City Council meetings, and they have that purpose. I think what I'm struggling with is understanding Focus as an entity because of its licensing process and how it became designated by Springfield to be this provider of public educational and government broadcasting and whether that makes its purpose shift more from -- even though it is an absolutely a private entity, of a 501(c)(3), if it shifts somehow because its purposes are, in fact, somewhat public. It is not an easy analysis. And I can see either conclusion. And so I feel like I'm back in law school, and I had readily been -- I'm not in a legal role now, but, you know, it's what did the judge eat for breakfast question? Where do we go in terms of the application of Helms versus Acton here?

With that, I want to be deferential to our legal team, but I understand that Springfield, there are some real practical implications in terms of there's a deadline coming up in terms of its eviction, and I'm not even sure what happens next, if -- I assume that they will still go without this money. I don't even know what the plan is. But with that said, I absolutely respect the conclusion that you've come up with, and I have to say given the difficulty of these analyses, if you had concluded otherwise, I would absolutely have respected that, too. And so it's, for me, a little bit of a call. It's a difficult call. In many ways because I probably don't fully understand the entity.

>> COMMISSIONER O'BRIEN: Well, one of the conundrums that I have, though, is this is not their first bite at the apple. I mean, they withdrew the last time, understanding there was an issue, and there was not a substantial change in my view in terms of what they submitted. And so if the question and the conundrum before the Commission is, in part, the details of Focus, who will own the equipment, et cetera, et cetera, that would clarify this, this is -- they've had multiple opportunities also. And so I do -- I guess I sit easier with the analysis and the end result in part because they've had opportunities. And I don't see a substantial answer to the questions that would move the analysis.

>> COMMISSIONER ZUNIGA: I agree a lot with what -- I agree with everything you say, Chair. I think it's a bit of a judgment call, but, you know, I'm comforted with the analysis. I have a question relative to what happens next. Does the analysis -- and I think I mentioned this earlier -- but does the analysis change if the entity was to cease operations? There's a direct benefit going to the improvements where -- and equipment. But is there a nexus? Because -- and I don't know the answer to this. If they cease operations, then the public purpose is certainly eliminated, meaning to the detriment of it being a public purpose. Does that change the equation in any way? They're not suggesting that in their application, I should add? They're not saying, you know, we'll go out of business. But it is at least conceivable that if they are -- have to abide by, you know, the nonrenewal of their lease without a place to go, that at least

temporarily, those operations would cease to continue.

>> MS. BLUE: I think that's an interesting question. I don't think it changes the analysis. I think the analysis, when you look at it, really, is what's the primary use of the money that the Commission would be providing. And if they went out of business but were going to try to come back into business, their primary use of the money would still be to lease and renovate space and potentially purchase equipment. So they could use it for themselves, while they do have a secondary benefit to the City. The benefit to the City, as I understand it, is that they livestream city council meetings. They have some City notifications of things like when meetings are upcoming and I think potentially some school issues. There are other benefits that they provide to the city. What we've understood this time come from them assuming the obligations that Comcast has under Comcast franchise agreement with the City. And so that's not -- I mean, it's a benefit that the City, I believe, negotiated for, but it's not -- it's really Comcast's obligation to provide some of those. So I think it's still the primary use of the money would be for their purpose and not primarily for a governmental purpose.

>> COMMISSIONER CAMERON: Ombudsman Ziemba, do you have more background on their plans and the effect of this?

>> MR. ZIEMBA: Well, the effect is that significant funds were invested to get this facility up and running a number of years ago. And the reason why they're focusing on this -- forgive me for saying that word -- the reason why people are paying attention to this now is that we're coming near the end of the lease. What MGM Springfield had notified us is that they didn't -- they don't plan or they don't expect to -- for Focus to move before the end of the year. They've stated that in their letter to us a little bit earlier. But time is pressing. Focus has indicated that in order to move and establish a new facility, it would require at least six months, but it really comes down to a matter of what funds would be available to establish a new center so that the City would not lose any of the services that are currently provided through Focus. And so that's the distinct question of what the City might lose even in the short term and would Focus and/or the City have funds to build a facility and have someone else provide these types of services to the City of Springfield.

>> CHAIR JUDD-STEIN: Could I just follow that up? That's one of my questions, Catherine. It's a two-part question. One, I don't know if I understand truly what Focus does for private purposes. And would there be another option? I suppose -- does Springfield's designation of Focus as its community provider, broadcaster, if you will, does that make it more of a public entity in our mind because it's -- or could they just designate another entity tomorrow? I just am wondering if Focus has a special position because of that designation by Springfield.

>> MS. BLUE: So my understanding of how this particular kind of public access works is that the cable companies are required to provide this if they negotiate this in their contract to obtain a franchise from the City. So -- and in fact, there is some discussion in front of the FCC of removing this requirement in the next couple of years from cable companies. So a cable company goes in, and if the City says I want what they call a peg station, then they have to negotiate as to how that sets that up. That doesn't really change the status of the entity. The entity is still legally -- this one in particular -- is a 501c3. The services that they provide could potentially be provided through a lot of different sources. So in livestreaming, for example, like the

Commission livestreams or purchases livestreaming services, there are other places for the City of Springfield to purchase those. It's possible that the local public television station, which is different from this kind of a peg station, could provide some of the same services that Focus provides.

The difference is this is something that the cable company is required to offer. All cable companies as of the moment. And so Springfield, appropriately, negotiated with that as part of their cable franchise. Comcast put in the majority of the money in the beginning to set it up. Part of the money that keeps Focus running, as I understand it, comes from the cable fees that are paid from the cable company to the City. So it's still very much a private entity. Ombudsman Ziemba and I have talked about this a lot of times. Potentially if a municipality were to create -- the facility itself that it owned and created, or in this case let's say STCC had the facility that it owned and created -- and leased that space to somebody like Focus, that would be a different situation for the Commission because you would be giving money to a governmental entity that controlled the facility and could make it available for others to use as well as well as this particular entity. And I think to Commissioner O'Brien's point, this is the third time this application has become before the Commission. It has morphed and changed over time but never quite gotten to the point where there's a governmental entity that actually owns the facility, the equipment, is responsible for its operation. So we're always confronted with the same question about the anti-aid provision.

>> MR. ZIEMBA: With that reference is that we do, in this new amended application, you would have a public entity, the STCC Assistance Corporation, that would basically lease the facility to Focus. Focus would come with its private equipment. And so there's questions about that. But the City of Springfield did amend its application originally. They were asking for assistance for directly to the private entity. And they did change its application over time. Part of the question that is what is the purpose of our funds, and what is the nexus to the casino? And so part of what Springfield's challenge has been to construct something that would meet constitutional muster, but with the underlying purpose is that they could potentially lose the services that are provided by Focus, and that is the reason why we can get involved, because it's Focus that is potentially losing its space at MGM Springfield. So we couldn't necessarily just go and pay for Springfield to build a cable studio because that would be a general purpose for Springfield. The difficulty is that Focus is necessary to the equation because we can only provide funding if there's an impact that's caused by the casino. And so the question -- we do reference that Springfield has had a number of different opportunities to try to provide different structure on here. And I'm positive that they have provided a different structure this last time around where we asked for a legal opinion -- further legal opinion on this. They provided a legal opinion but on different questions. They provided a legal opinion on the public -- whether or not the new assistance corporation does have a public purpose and it serves a public purpose, but they didn't specifically respond to who has the primary benefit. Is it Focus or is it the City of Springfield? And that sort of remains out there.

>> CHAIR JUDD-STEIN: And you're addressing one of the questions that I raised. If I could put aside the anti-aid amendment issue, was this even a valid application if the community -- STCC is the applicant because it wasn't directly impacted but apparently in the past the Commission has decided that if the private entity has a strong public

partner and the impact is shown, then it's an acceptable application. I may not be saying it as well as you, but --

>> MR. ZIEMBA: Let me just reframe it in my own words. I think the Commission determined that there is an impact that is being caused through the casino. And that would be the relocation, the need for relocation of this entity. And then there's a separate question of is the remedy for that impact, is that a viable remedy for the constitution?

>> CHAIR JUDD-STEIN: Under the constitution. And having -- bringing in a public partner, even if the partner wasn't the original directly impacted entity, that's okay.

>> MR. ZIEMBA: Right. So that may be part of the remedy, but then you still have the question --

>> CHAIR JUDD-STEIN: You still have to do -- right.

>> MR. ZIEMBA: Who has the primary benefit there.

>> CHAIR JUDD-STEIN: And I understand. I was saying if we separate that out, at least that threshold question was resolved for me, too.

>> MR. ZIEMBA: Yeah. So, for example, if a city had a number of different businesses that were impacted by parking restrictions in an area, we could spend our dollars to build a public parking lot that would serve the wide area as long as we're creating the public purpose to make sure that there's enough public parking in the area, even though it would have the private benefit to others. And that's the type of thing that we've tried to construct finding an answer in the past.

>> COMMISSIONER ZUNIGA: Is it possible that the City, without this funding, goes back to Comcast to say, you're still required to meet this obligation. And when you build out the space, it was all on your dime, but that was part of the requirement, and the lease assistance was embedded in the, you know, in both the lease and the improvements. So it's really your responsibility to go back and find a new space. In other words, that the City go back and turn around to the original requirement, which is really Comcast.

>> MS. BLUE: I don't know if they can do that --

>> COMMISSIONER ZUNIGA: Under their current agreement?

>> MS. BLUE: -- under the midst of their current contract. I believe that their contract is coming up for renewal soon. So I would think if the FCC doesn't change its requirements --

>> COMMISSIONER ZUNIGA: Oh, there's that.

>> MS. BLUE: -- they could raise the issue in the next contract. With any cable company that bids on the franchise, it may not -- you know, there may be more companies that come forward. But I think when the next cable franchise comes up, this could be the subject of negotiation between the City and that cable company or cable company.

>> CHAIR JUDD-STEIN: Does Focus now broadcast commercials and private -- it's private menu of offerings and commercials, and does it do that kind of thing? But it's a 501c3. I assume it fund-raises for the benefit of its 501(c)(3).

>> MS. BLUE: It does not -- it does not broadcast commercial types of material. It creates a great deal of its own community-based material. It does do that. I don't believe they fund-raise.

>> CHAIR JUDD-STEIN: I wondered if they did like Channel 2.

>> MS. BLUE: No. This is one of the things we also discussed as part of the review team. Could they potentially go out to fund-raise to cover some of their relocation costs? And in fairness, we didn't ask them that question. But it doesn't -- I don't believe that they do. They are well supported because we've gotten letters of support in the past. But I don't believe they fund-raise. And I'm certain they do not broadcast commercial-type material or commercials.

>> CHAIR JUDD-STEIN: So the content is community-based content.

>> MS. BLUE: Yes.

>> CHAIR JUDD-STEIN: So it's really a local community network for individuals who reside in the Springfield and the greater Springfield area to access that information.

>> MS. BLUE: They tend to focus on, you know, school plays, school sports teams, public meetings of different types, that kind of information.

>> COMMISSIONER STEBBINS: I just -- I have some -- I'm familiar with Focus only because they used to cover our city council meetings when I was in Springfield. This application process has been, for lack of a better word, kind of clunky. I don't think it's anybody's fault in particular. But, you know, there's been requests made of the City of Springfield, further information that they could provide. I think the most recent request we had for that kind of came back with a new proposed solution as to how to address the anti-aid amendment as opposed to trying to give us a legal explanation for it. You know, money that's currently generated from the contract with Comcast or Charter would then -- comes into the city coffers. The city has a responsibility to put it out. Without an entity or a facility to do that, the money just kind of accumulates and accumulates, you know, throughout the term of the contract. I also have a concern that in this current request that we're being asked for the lion's share of the money, even though we're not the one who's doing the displacing. I have a further concern that that corner of the MGM property not go dark. We understand that some of the related developments have taken longer than expected. If there is a lease that is expiring at the end of September and Focus or the entity or the studio closes, that MGM is left with a dark corner as part of their property and as part of their project and as part of the downtown community.

>> COMMISSIONER ZUNIGA: I can speak to that if you want to finish your thought.

>> COMMISSIONER STEBBINS: So I do have concerns about that. I also see the need of the City, again, to take the use of these funds that are building or provided through their agreement with Comcast to do this community program. And obviously, we're not talking about granting money specifically to Focus. We're talking about granting money specifically to the City of Springfield. Help me understand if the hypothetical was the City was out looking for a facility, the City signed a lease for space, again, to fulfill their obligations under the contract with Comcast, how would that be affected by the anti-aid amendment in this case?

>> MS. BLUE: I think it's hard to say, without seeing what they would do, I think if the City came and said, we're building a public access television station, we're going to own it, we control it, you know, it's not a 501c3. It's part of the City of Springfield's governmental entity, then I think that makes it easier on the anti-aid piece. I think we then get to Ombudsman Ziemba's question about where's the impact from the casino. Now, maybe because of where we are now and Focus has to move because of the casino, that, you know, that might be easier to address. I think as we have seen a

number of entities were required to move, as MGM assembled its property parcels. And in most of those cases, I believe MGM made some provision for those folks to move.

>> COMMISSIONER STEBBINS: As they have in this case, too.

>> MS. BLUE: Yeah. This one is a little different. They got to stay on past MGM's opening because originally they were asked to move sooner. MGM let them stay on. MGM is contributing a termination fee under the lease, so they are providing some benefit, some resources. But I think the cleanest way would be potentially if the City of Springfield had, as part of its governmental entity, the facility for public access television station. And then it would be -- we'd be giving money to a governmental entity, they would be providing the service, they might hire someone else to run it for them, but they would be ultimately responsible for it.

>> COMMISSIONER STEBBINS: They do have to have an -- I mean, I'm just speculating on the bandwidth of city government to run these type of services might certainly fall to an outside entity, Focus or anybody else who they would choose to select to do their business with. I'm sorry, you were going to --

>> COMMISSIONER ZUNIGA: Yeah. This is only a minor comment you made, but I think let me just mention. I am really not concerned that that space would be empty. It would be up to MGM, first of all, to tell them to move upon lease expiration. They could go month to month. They could also renew at a new rate of rent if it was in the commercial interest of MGM. Or they could themselves occupy that space, MGM. Just from a local landscape perspective, MGM is really holding all the cards here, and they have, as you mentioned, Counsel, already extended what was the originally anticipated date of vacating the premises and, you know, and that could actually continue. It is Focus that finds itself with an ability to build out something, you know, that's according to what operations they need to carry out that puts them in this situation.

>> MS. BLUE: One of the things the Commission could consider, because we don't necessarily have to make a decision on this one today, is you could ask the City of Springfield, in a formal manner, to respond to the memo that the legal department has put together and come back and offer their side of the issue. We did ask a fairly explicit question, but I also know the City is busy. They don't have a huge legal department. Perhaps a request from the Commission that, you know, you would find it helpful for them to respond and come back with something might add to the discussion.

>> COMMISSIONER ZUNIGA: To respond to the memo that you have here, why does Helms versus Acton and so on and so forth?

>> MS. BLUE: Basically, their view on the law and however they see it.

>> COMMISSIONER CAMERON: So they've never really given us that, have they?

>> MS. BLUE: No, they have not.

>> MR. ZIEMBA: They haven't had the benefit of this opinion, obviously.

>> COMMISSIONER CAMERON: Okay.

>> MR. ZIEMBA: We've asked them for a legal opinion. They answered some questions regarding the structure, but they didn't answer the specific question or maybe -- they provided some case law in the last go around, but the benefit of a concrete understanding in this memo may assist them in addressing all the specific points about primary benefit, secondary benefit, and the like and structural issues

regarding the cable franchise, whether or not additional ancillary services such as shot spotter and others could be negotiated as part of a cable franchise fee. So there might be some benefit in that to the City weighing in.

>> COMMISSIONER CAMERON: So you're agreeing with the General Counsel here that maybe that would be helpful to go back to the City.

>> MR. ZIEMBA: I think the General Counsel has a good idea that we have discussed in the past.

>> COMMISSIONER O'BRIEN: My concern with that is I thought we had a fairly robust conversation about the problems of the anti-aid amendment the last time this came before us. And we had a solution of not moving forward in the application at that time, allowing them to resubmit, extending lease, et cetera. I feel like Groundhog Day, to some extent, where at a certain point, you know, how many opportunities are you given, and I hate to sound heartless, but the onus is not on us to prove the sufficiency of an application. Am I wrong?

>> MR. ZIEMBA: That's correct.

>> COMMISSIONER O'BRIEN: And what is the normal burden or standard we put on an applicant in terms of their responsibility to come forward and give us an application that is sufficient? And I'm not trying to minimize the loss potentially of a public benefit to them in Focus, but their adherence to Focus maybe is misplaced. I don't know the nuances of the agreement with Comcast, et cetera. But I'm not going to stop giving a pointed direction to the City to respond on that legal point, but I don't feel like this is a surprise either.

>> MR. ZIEMBA: I do think that, you know, there's some underlying goals that we all share, which is to try to mitigate the impacts from casinos, right? And the City also has responsibilities for its use. So if it has to follow the law in all of its grant-making activities. So I do understand that there has been significant back and forth on this particular issue over time. But, you know, there could be some -- obviously some real-world impacts that may result from these questions.

>> COMMISSIONER ZUNIGA: Well, just to add to your point, Commissioner, you know, denying or suspending or not acting on this application by itself could then cause the City to reevaluate and apply the next time around. We have a yearly process. This is not the last time that could -- they could come back with something that satisfies -- a structure that satisfies all of the concerns stipulated here.

>> COMMISSIONER CAMERON: So we see some value in going back, but on the other hand, we feel like they've had -- they've had ample time to supply us with the materials needed, right?

>> COMMISSIONER O'BRIEN: I mean, I guess there's the procedural question today, which is the initial recommendation going into this I believe was to withdraw or take no action on this or deny the application?

>> MR. ZIEMBA: It was the suspension.

>> COMMISSIONER O'BRIEN: To suspend the review. And so the question probably in the first instance is are we agreeing to suspend the review based on the recommendation of the status of anti-aid amendment causing a problem and then there's a secondary issue, is there a supplemental motion going to be put forward in terms of specific directive to the City to respond pointedly to the anti-aid amendment.

>> CHAIR JUDD-STEIN: When we say suspend review, does that mean decline the

application? I want to make sure. So it is a suspension put on hold. And that is the recommendation originally? I thought -- was that the original --

>> MR. ZIEMBA: The recommendation is that the review team suspended its review pending a legal review by the Commission.

>> CHAIR JUDD-STEIN: Right. And now we have the legal review. So now what was -- what was today's recommendation coming in from the team?

>> MS. BLUE: I think it would be up to the Commission at this point to determine whether they wanted further legal information from the City or whether the Commission felt comfortable enough based upon the legal department's analysis to deny the application at this point, knowing that they can always refile next year if there are different facts or a different situation.

>> CHAIR JUDD-STEIN: But unlike the other applications, there is not a team recommendation in light of -- in light of the legal opinion. I understand -- I just want to --

>> MR. ZIEMBA: As Commissioner Stebbins pointed out, beyond the legal questions, there's questions regarding the grant in terms of the amount of the grand.

>> CHAIR JUDD-STEIN: Right, right.

>> MR. ZIEMBA: Contributions to MGM.

>> CHAIR JUDD-STEIN: And to make those subset decisions.

>> MR. ZIEMBA: Reasonable actions as to the cost of the facility and the like.

>> CHAIR JUDD-STEIN: Right. I understand. It wasn't a bifurcated analysis.

>> COMMISSIONER ZUNIGA: Well, I would suggest that at a minimum there is a consensus at least emerging that we not approve the application as submitted. And so the question perhaps is one of suspending or denying, you know, where we may have a difference of opinion.

>> MR. BEDROSIAN: Is there -- I mean, I'm going to jump in. Is there a difference? Because in the end, there's a grant cycle. If it's suspended for this grant cycle --

>> COMMISSIONER O'BRIEN: Well, I think didn't we defer the last time? Didn't we defer a decision rather than suspend?

>> MR. ZIEMBA: Correct.

>> COMMISSIONER O'BRIEN: So that it could have been taken up at a subsequent hearing prior to the February 1st application deadline.

>> MR. ZIEMBA: Correct. I think defer or suspend would result basically in similar results.

>> CHAIR JUDD-STEIN: So I do need to -- I feel a little bit disadvantaged here because I wasn't part of the earlier conversation. So I do need to understand the implications of a suspension. Does this mean that --

>> MR. ZIEMBA: These are not magic words. Defer and suspend could be interchangeable.

>> CHAIR JUDD-STEIN: Could we have a motion that says review with -- there's one option -- review, suspended with the opportunity and give a deadline to the City of Springfield to provide an opinion? Perhaps they might even go to an outside firm because this is complicated to get an opinion for analysis? Is that one option? Another one would be deny straight out. And another one would be -- I can't imagine that there's another suspension of something. Or given -- deny given your analysis, I guess, because that was requested before, in light of the opinion to deny, or it could be

denied notwithstanding the anti-aid amendment.

>> COMMISSIONER O'BRIEN: Although it doesn't sound like you've had the opportunity to do that analysis yet.

>> CHAIR JUDD-STEIN: No. That's exactly right.

>> MR. ZIEMBA: Correct.

>> COMMISSIONER O'BRIEN: Would it be welcome for you to be given the direction of this Commission to go ahead and complete the second part of the analysis? In terms of is there a possibility here that the recommendation of your route would be to deny it because it doesn't meet the other aspects?

>> MR. ZIEMBA: I think it's probably more likely we would discuss the actual amount of the grant rather than -- and whether or not the total amount of assistance is warranted and what role would other parties involved including the City to play a part in the funding of the application. Those would be more likely the questions that would be resolved by a further review. Which is one of the reasons why we said if we needed the initial determination before we give it to all of that.

>> COMMISSIONER O'BRIEN: Right.

>> COMMISSIONER CAMERON: Well, I don't -- if we have a legal opinion that says we can't -- you know, we don't believe it fits, to go back and do more work and say you come up with a lesser number because you think that's more realistic, we still have this legal opinion. So I'm just not really clear on why we would do that additional work. I mean, maybe the City getting back to us with their own analysis would have some value, but I actually don't see the value in the team going back to do work when we have this legal opinion.

>> COMMISSIONER ZUNIGA: Yeah, if anything, go back and work on the structure that addresses the constitutional concern.

>> COMMISSIONER O'BRIEN: But that would be on the applicant.

>> COMMISSIONER CAMERON: Yes.

>> COMMISSIONER ZUNIGA: Right.

>> CHAIR JUDD-STEIN: I'd like to take a brief break just to check something if that's okay.

>> COMMISSIONER ZUNIGA: Sure.

>> CHAIR JUDD-STEIN: That would be great if we could have five minutes, please. Thank you.

[A break was taken at 1:59 P.M.]

>> CHAIR JUDD-STEIN: Thank you. We're reconvening. And just turning back to where we were on this particular issue, I think we're looking to decide on whether or not we move forward on the recommendation that is -- I guess it's not really set forth in front of us. So we would have to have a motion as to what we would like to do.

>> COMMISSIONER CAMERON: I -- I agree with Commissioner O'Brien that there have been opportunities to provide additional information, and that has not come forth. And I am comfortable with our legal analysis and move that we deny the application.

>> COMMISSIONER O'BRIEN: I would second that.

>> COMMISSIONER ZUNIGA: Yeah, I'm persuaded by the arguments here as well. I'll vote in favor of that motion. I think it's a very sympathetic applicant. I think there is a clear public purpose, albeit not primary when it comes to the monies that are being requested from us, and that ultimately is -- or should be the basis of our analysis. So

I'll go along with that motion.

>> CHAIR JUDD-STEIN: I think that I can note that unlike my fellow Commissioners, I'm singularly situated because I haven't had the experience of having this application in front of me. And perhaps if I had been here in the prior meetings, I might have thought differently than where the Commission has come out. I am likely to not necessarily have voted to support the application but would have invited further advice perhaps from an independent counsel because my prior experience does say -- and I think Catherine appreciates this -- it's a very, very difficult analysis. And so I am -- I'm not likely to support this motion. I think for Focus, I do think it's also a difficult application, but I would just have invited additional -- additional information, and I do know that they may not have provided that in the past, but I do understand that this is a distinctly different application given that we do now have a public entity as a partner here.

So any further discussion, Commissioner? Anyone? Commissioner? Good. All right. So in terms of those in favor? And those opposed?

>> COMMISSIONER STEBBINS: No.

>> CHAIR JUDD-STEIN: 3-2. Thank you. And thank you again for -- and Carrie's not here, but Catherine and Carrie, thank you very much for the analysis. Thank you again for the analysis and the briefing. Thank you very much.

Moving forward.

>> MR. ZIEMBA: Thank you, Chair and Commissioners. We're going to move to complete the review of the remaining specific impact grant applications. The remainder of the applications involve public safety matters. And we're joined by Enforcement Counsel Kate Hartigan to give us her review.

>> MS. MUXIE-HARTIGAN: Good afternoon.

>> All: Good afternoon.

>> MS. MUXIE-HARTIGAN: I'm here to discuss the remaining for specific impact applications with you. These came from the --

>> COMMISSIONER ZUNIGA: Kate, a little closer.

>> MS. MUXIE-HARTIGAN: Oh, sure. Sorry. Thank you. Is that better? I hope so. Okay. So we do have four remaining specific impact grant requests to discuss. They come from the Everett Police Department, the Hampden County District Attorney's office, the Hampden County Sheriff's Department, and also the Springfield Police Department. And I will take them in that order for you. Noting that of the four, two we are recommending full funding for, two we are recommending partial funding for. The first application comes from the Everett Police Department. The total requested amount of funds was \$232,088.90. We are recommending reduced funding of \$182,088.90, and the reduction is due to a portion of the request of \$50,000 that was asked for to offset overtime costs for directed patrols surrounding the 2:00 a.m. to 4:00 a.m. extension of the liquor license at Encore Boston Harbor. Upon further review and as is indicated in the memo submitted by the review team, this particular request did not fall within the guidelines due to a timeframe that specified within the guidelines that mitigation funds can only be expended for costs that were being experienced or that were experienced by the time of the February 1st, 2019, application date. So unfortunately although we think this is a meritorious request, due to the specifications in the guidelines, we did not find that the Community Mitigation Funds could be applied here. However, as the memo notes, we do and did have discussion of pending next

year's Community Mitigation Fund guidelines, whether or not this may become an eligible expense, evaluating whether or not operating costs incurred by police departments could then be included as the Commissioners -- or certainly are well aware training costs are able to be used by Community Mitigation Funds, but again, next year's guidelines remain to be seen, and there was a suggestion that perhaps funds from the host community agreement, payments could be used to offset the costs for this year, again, pending the costs for next year.

The remainder of the costs for Everett came to offset the cost of sending six police officers to the police academy to backfill six positions that were vacated by current members of the Everett Police Department who became members of the Gaming Enforcement Unit, working in conjunction with the Massachusetts State Police. And that is a similar expense that was requested by Springfield in previous years. That was found to be acceptable. We are recommending funding that portion of the request from the Everett Police Department. Those officers have been through the academy and have graduated and are working currently. As are the members, six members, who are in the GEU and working with members of the Massachusetts State Police.

So that --

>> COMMISSIONER CAMERON: Can I just comment on this one?

>> MS. MUXIE-HARTIGAN: Certainly.

>> COMMISSIONER CAMERON: Were you finished with this explanation of this applicant?

>> MS. MUXIE-HARTIGAN: I was. I was going to ask if there were any questions regarding --

>> COMMISSIONER CAMERON: Sorry, I beat you to that. You know, I really applaud Everett for really being proactive in thinking about 2:00 to 4:00 and thinking about what that will take to make sure communities are safe. In fact, we hosted a meeting this week -- you were both there, Commissioner O'Brien, myself -- really to talk about this issue. Are we doing enough as a group to make sure we're keeping it safe as possible? So, I mean, I think unless a very worthy idea, and I hope that we do consider allowing the costs next year because I really think it's critically important. And you mentioned the six new officers and, you know, we got a report that the six officers working in the Gaming Enforcement Unit, they are working really well together. Security, you know, force multiplier, so a very productive meeting. All the chiefs are focused on this issue. So I do commend Everett, although I understand that it doesn't fit the guideline this time, but I just -- I don't -- you want it to be -- I want Everett to realize Everett PD, that we really commend this and think it's worthwhile. But, you know, next year's application hopefully will take some of these costs into consideration.

>> MS. MUXIE-HARTIGAN: Certainly. Thank you. Any other questions or comments on this particular grant? Okay. In that case, moving on to the Hampden County District Attorney's Office. The total amount of funds requested by District Attorney Gulluni was \$100,000. The community -- the review team, rather, is recommending full funding of this grant at \$100,000. The reasoning behind this particular grant, as it has been in past years, was to mitigate the cost of personnel that need to be added to the office to handle the increased caseload from the casino. At the time of the application, 255 cases had come through the Springfield District Court, as I'm sure the Commissioners are aware, this is one of the busiest district courts in the

Commonwealth of Massachusetts. And these cases were, again, directly attributable to the casino.

There was an additional amount of money that had been previously requested beginning in 2018 to develop a tracking tool so that we have consistent definition and consistent data reporting on what types of cases we are deeming attributable to the casino. Certainly that will be valuable data moving forward for future grants. And although that money has not been expended, the recommendation of the review team was to leave that portion of the 2018 grant active and to coordinate with the district attorney's office to develop that tracking tool. As we anticipate continued increased caseload in the district attorney's office from casino-based activity. So we did feel that that amount was also appropriate given the increased burden on victim witness advocates in particular who do screen in all of these cases at the district court level as they come in through the arraignment session, victim witness advocates as I'm sure some of you are familiar in your prior careers are really key to the process of reaching out to victims. It is quite time consuming, and it is extremely valuable in terms of processing a case, first contact with someone and seeing a case through to its end.

So in terms of adding victim witness advocates, administrative personnel who will also help to intake these cases at the district attorney's office, we did feel the amount of the grant was appropriate and that it was appropriate for full funding.

>> COMMISSIONER O'BRIEN: When this came up the last time, I know there was some on my part whether they should reach out to the MDAA. So has anything moved in that regard?

>> MS. MUXIE-HARTIGAN: Not that we're aware of at this point, but I will say in my past employment at a former agency I'm familiar with the MDAA and the tracking system that's used statewide. And in terms of our coordination with the district attorney's office in Hampden County, certainly we could open discussions about maybe adding on to or building off of the system that's already in place if that may built some efficiency into the timing especially to get this up and running so we're generating the data.

>> COMMISSIONER O'BRIEN: Because I know there was some discussion about Norfolk County and Bristol in terms of them saying that they didn't get enough of a caseload out of the casinos to merit really investing in a case tracking in that regard. But if you put any of the jurisdictions that would feed into the district courts, host and surrounding communities, that maybe there somebody some discussion in conjunction with the MDAA so that you can get a case system that is consistent with everyone.

>> MS. MUXIE-HARTIGAN: That's an excellent idea, and certainly we can have discussions about that.

>> COMMISSIONER CAMERON: I think that's critical to be able to track real impacts, right, with the DA's office. I know -- same thing. I remember Norfolk County saying, hey, we don't really have a way to track, and they didn't have the resources to try to even investigate a tracking system.

>> MS. MUXIE-HARTIGAN: And certainly as Encore is up and running and we are able to determine what directly attributable cases are from the casino to have comparable data from the regions, I think would also potentially be valuable to all the stakeholders here.

>> COMMISSIONER ZUNIGA: That's the tracking tool that you were referencing

earlier, right?

>> MS. MUXIE-HARTIGAN: Yes.

>> COMMISSIONER ZUNIGA: Different from -- what was the acronym that you used, Commissioner, for this other state?

>> COMMISSIONER O'BRIEN: Oh, the MDAA is the mass district attorney's office. So each of the county DAs are members.

>> COMMISSIONER ZUNIGA: Oh. I thought that was a tracking tool.

>> COMMISSIONER O'BRIEN: No, but last I knew, they provide a lot of the underlying IT support for all of the DAs' offices. There's already a system in place.

>> MS. MUXIE-HARTIGAN: Correct. Any additional questions? All right. Moving on, the next grant request was from the Hampden County Sheriff's Department. This was a request that began in 2016 due to the need to relocate the Western Massachusetts Correctional Alcohol Center, WMCAC. This facility was displaced by the construction of MGM Springfield. There was a \$2 million cap set on this request in 2016 and a yearly allocation was capped at not more than \$400,000. This is to mitigate the relocation costs and having to find a new facility, rent costs, et cetera. And we do have a request for \$400,000 from the sheriff in Hampden County, and we are recommending full funding of that. This is an extremely valuable facility. I know certain members of the committee are familiar with its functionality and its tremendous success in Western Massachusetts. So we do think that this was also appropriate -- an appropriate request to continue the functioning of this facility in Western Massachusetts. Any questions? Okay.

And finally, we have a request from the Springfield Police Department. This was the second grant request that we are partially funding. The full requested amount was for \$360,129.42. We're recommending funding at a level of \$228,457.68. This was primarily a request for equipment related to public safety costs incurred and the need -- public safety needs that have arisen since the opening of MGM Springfield. There was quite a long list submitted by the Springfield Police Department that was very carefully reviewed by the team. And we have funded the majority of the list. I think it perhaps is easier if I kind of point out what we have chosen not to fund rather than what we are funding. So there was a request for four license plate readers. And I'm happy to explain what those are if members of the Commission aren't familiar.

>> COMMISSIONER O'BRIEN: Yeah, I do want to hear about -- yeah.

>> MS. MUXIE-HARTIGAN: Certainly. So license plate readers, they requested four. There are six already in operation around the perimeter of the casino. These would be stationary plate readers as opposed to license plate readers attached to police vehicles. They would be at the kind of on and off ramps surrounding the casino. So a license plate reader -- and these are very prevalent and not only used by law enforcement these days. I don't know if some of you are familiar with when you go and you pay to park somewhere. And all you do is input your license plate or your registration number. And oftentimes municipalities will have a small little golf cart that drives around and it has an automated license plate reader on the front of it. And it just reads your plate and if you've paid and inputted your plate, you're all set. If you haven't, you get a ticket. So this type of technology is extremely prevalent both in the private sector and in law enforcement. It's quite valuable for law enforcement in terms of being able to identify vehicles that, you know, may or may not be significant in a

potential investigation. It's also significant for members of MGM Springfield security, you know, in terms of investigating things that may happen in house like a property crime or whether a vehicle has been parked in excess of some parking limitation.

>> CHAIR JUDD-STEIN: So it's my understanding you said that there are six. I did read in Catherine's -- I guess it was Carrie's memo on the anti-aid amendment that Focus had actually provided license plate readers. Are those the six or are there in addition?

>> MS. MUXIE-HARTIGAN: There was an additional request. There was an additional request for four, and we were recommending just two.

>> CHAIR JUDD-STEIN: So but the six that are there are the ones that Focus provided?

>> MS. MUXIE-HARTIGAN: Correct.

>> CHAIR JUDD-STEIN: So Focus provided six and you're suggesting two so that would make a total of eight?

>> MS. MUXIE-HARTIGAN: Yes.

>> CHAIR JUDD-STEIN: So it definitely reflected the earlier ones. Thank you.

>> MS. MUXIE-HARTIGAN: So any further questions on license plate readers? Not at this time? Okay. So in addition, there was a request for two motorcycles. These are kind of compact sport style motorcycles. Not the traditional Harley-Davidson model police motorcycle that you may be familiar with. And the request for these was so that officers may be able to maneuver in tight spaces in and around the casino. However, we did agree to fund pedal bicycles, more traditional bikes, and felt that these also would be able to maneuver in tight urban areas where members of the GEU or metro unit may need that particular capability. So we declined to fund or recommend to fund two motorcycles. And similarly, two Polaris Rangers, and these are ATV-type vehicles, and one utility trailer that could be attached to the back of these ATV-type vehicles. And similarly, we thought there were perhaps other ways that these could be valuable to the department that were not directly attributable to the casino. So these are particularly helpful on rugged terrain, and there is not a great deal of rugged terrain surrounding the casino where it's situated in Downtown Springfield. . So for that reason, we did not recommend funding for that. But the majority of other items, and I'm happy to give the Commission some examples that we thought were directly attributable, there were message boards that were used during the opening that were rented that the police department found helpful in maintaining crowd control and traffic. They are asking for message boards of their own to be able to use to put them up around the casino. And they do tie into the software requests for the traffic software because there is a link between the traffic software that would be accessible to the police department and the message boards. They can broadcast directly out to the message boards using that software. So there was an appreciation by the members of the committee that they were looking to build efficiencies into the requests and allow pieces of equipment to coordinate with one another.

Also request for things like cones. Because MassMutual generates a lot of pedestrian traffic whether they have large-scale events there. And as the Commissioners are aware, this is a downtown setting and can be highly trafficked when events are letting out. And the police department has found that use of cones, some of which they've had to borrow from the DPW, has been particularly effective in limiting

pedestrian traffic to the sidewalk areas and preventing people from being too close to oncoming traffic.

Also, water rescue kits. This may not seem to have as obvious of a connection. However, as the Commission may be aware, the waterfront park, the riverfront park, was part of MGM's development of its property. And there have been and are planned to be events on the riverfront. And so these water rescue kits would be very useful for the department in terms of first response to an incident involving someone going into the water.

So unless there are any questions on particular items, and I'm happy to go down the list if you'd like. But I'm also wary of the hour, so. . .

>> COMMISSIONER CAMERON: I just had one question about the trunk vaults. Are we talking about weapons storage with the trunk vaults?

>> MS. MUXIE-HARTIGAN: Yes, they would be used to retrofit cruisers.

>> COMMISSIONER CAMERON: Yes.

>> MS. MUXIE-HARTIGAN: And specifically there was a request for patrol rifles as well. And it's very much -- that's an efficiency builder as well in terms of officers being able to secure their weapons.

>> COMMISSIONER CAMERON: Yes.

>> MS. MUXIE-HARTIGAN: In their cruisers and have them easily accessible when responding to a call instead of keeping them in an armory which is an option but not as sufficient.

>> COMMISSIONER ZUNIGA: I have one perhaps historical context question. John, maybe refresh your memory. At other instances on these types of costs, the host community payment, the impact fee at least in some cases was towards public safety items that could have been anticipated when the host community agreement was signed relative to these types of costs. Have we looked into that in the past, or what can you sort of comment on?

>> MR. ZIEMBA: We have looked at that in the past, and Springfield provided an answer regarding the applicability of the host community agreement and why it is appropriate. They noted that there were 20 additional officers that were hired over and above what was anticipated when they entered into the host community agreement and that that represents a very significant expense for the City of Springfield. So in terms of reasonableness of the grant, we took a look at the equipment costs versus the overall costs of all of the personnel, and we felt that it was a reasonable and justifiable event for the mitigation fund.

>> COMMISSIONER ZUNIGA: So the host community funds went to pay for the 20 --

>> MR. ZIEMBA: Over and above what was already allocated for public safety expenditures. The city is incurring expenses for an additional 20 officers.

>> COMMISSIONER ZUNIGA: 20 officers and their associated equipment.

>> MR. ZIEMBA: Yep.

>> COMMISSIONER ZUNIGA: That's part of your analysis in the reasonableness.

>> MR. ZIEMBA: Reasonable amount in comparison to those additional expenditures Springfield has incurred.

>> COMMISSIONER CAMERON: If the committee, you know, this was -- this was a detailed job to have to go through each item and determine whether or not is a

casino-related expenditure, so I really do give you credit for being that thoughtful about the list. That's -- I think your decisions were wise as far as what is reasonable and what is not with this list of equipment.

>> MS. MUXIE-HARTIGAN: Thank you. And that completes my portion of the impact grants.

>> MR. ZIEMBA: So Commissioners, I think what we'd be looking for is a vote on the specific grants under the specific impact grants.

>> COMMISSIONER O'BRIEN: Everett.

>> CHAIR JUDD-STEIN: Everett, please.

>> COMMISSIONER O'BRIEN: Madam Chair, I move the Commission approve the community mitigation grant request from Everett in the amount of \$182,088.90 as described in the memorandum from the community mitigation review fund team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to submission by the applicant of the detailed scope of any work aside from the assignment of the officers to be completed under the grant and an execution of any grant agreement between the Commission and the applicant.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Any questions? Those in favor? Opposed? 5-0. Moving on to Hampden County DA's office. Their application. Can I have a motion?

>> COMMISSIONER CAMERON: Yeah. Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from Hampden County District Attorney's office in the amount of \$100,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> CHAIR JUDD-STEIN: Is there a second?

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Those in favor? Opposed? 5-0. Moving on to Hampden County Sheriff's application.

>> COMMISSIONER STEBBINS: Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from the Hampden County Sheriff's Department in the amount of \$400,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission of the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: Any questions? Those in favor? Opposed? 5-0. Moving on to the Springfield Police application.

>> COMMISSIONER O'BRIEN: Madam Chair, I move the Commission approve the Community Mitigation Fund grant request from the Springfield Police Department in the amount of \$228,457.60 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019,

Commission packet. Specifically subject to -- and this may be up for comment -- whether confirmation by the applicant with the Commission in terms of the list of equipment to be purchased, a time line for those purchases to be completed, and the execution of the grant agreement between the Commission and the applicant in connection with the request.

>> COMMISSIONER CAMERON: Quick question. Is that 68 cents as opposed to 60 cents, or is that the old number?

>> MR. ZIEMBA: It's 68 cents.

>> COMMISSIONER CAMERON: It is 68 cents.

>> COMMISSIONER O'BRIEN: 68.

>> MR. BEDROSIAN: Do you get a coin or is that a ticket?

>> COMMISSIONER O'BRIEN: Put it back in the slot machine.

>> CHAIR JUDD-STEIN: So with that friendly amendment, 60 to 68 cents, do we have a second?

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Those in favor? Opposed? 5-0. That concludes specific impacts. Ombudsman Ziemba, what's next?

>> MR. ZIEMBA: Thank you very much, Chair. So to conclude the presentation today, we're moving on to nontransportation planning applications. All of these applications are reasonable-sized applications. I'll provide a general overview, and I know that Commissioner Stebbins is ready and able to provide any amplification regarding these summaries. So the first one is Chicopee and Springfield. So the cities of Chicopee and Springfield are requesting \$50,000 to begin implementing potential projects as outlined in reinvesting in the gaming economic development fund implementation blueprint and economic development strategy for the renaissance of a Great American Downtown, Springfield, Mass. They recommend we approve of the requests of Chicopee and Springfield. The purpose articulated in the application and further found in the response letter to the review team are consistent with those articulated in the guidelines for nontransportation planning grants. Foxborough, Plainville and Wrentham --

>> COMMISSIONER ZUNIGA: You mentioned it was for the activation of downtown?

>> MR. ZIEMBA: Correct.

>> COMMISSIONER ZUNIGA: Did that mean both the downtown of Springfield and Chicopee or just the Springfield one?

>> COMMISSIONER STEBBINS: Yeah, just to be clear, they're referencing two documents. One, our white paper, but one, a second document that is being developed locally that I believe included the input of MGM Springfield which is that implementation blueprint. I think Chicopee is looking for some exploration of expanding air service to Westover Air Reserve Base as a means of maybe being able to allow easier access for some of their patrons to fly in and out of the region.

>> COMMISSIONER ZUNIGA: Yes. I remember those proposals, if you will, from the white paper efforts.

>> MR. ZIEMBA: So the next application is a joint application by Foxborough, Plainville and Wrentham. They have requested \$75,000 to hire a professional marketing consultant firm to prepare a marketing strategic and creative plan for the

destination marketing of the towns of Foxborough, Plainville and Wrentham. The joint applicants envision this regional approach benefiting Plainridge Park Casino by attracting more tourists, business travelers, meetings and conventions, and visitors to the region and establishing this area as a viable destination for overnight stays. The review team strongly supports this initiative which could provide substantial benefits to the region and Plainridge Park which will continue to face growing regional gaming competition. We do note that this grant would not count against the overall totals allocated for this particular year because Foxborough has very nicely volunteered to utilize its reserve to pay for this grant.

>> COMMISSIONER STEBBINS: Yeah, if I can just add, this is -- this and the application before it I think are really unique and may be something to watch in terms of the results as we look at future years of mitigation funding. But if you go back to the original purpose of the reserves, it may be used to help communities plan how to avoid potential adverse impacts and how to best take advantage of the economic opportunities that may result from such facilities. And what impressed me about this is that they're almost doing both. They're almost using the reserve to ensure the ongoing competitiveness of Plainridge Park and the jobs they provided and the revenues that they generate as well as look at how they might improve the fortunes of the entire region. So it's creative that they found a way to kind of meet both objectives of reserve funds within one application.

>> MR. ZIEMBA: The next application is from the City of Northampton. It's requesting \$29,000 for continued marketing activities building on the activities that have already been funded by the Commission. Such activities include an evaluation of the marketing campaign performance, and they will focus on the newly posted Northampton live website and monitoring how traffic is going on that website and how that could impact their ability to focus on local restaurants and hotels. The review team supports this very reasonable request from the City of Northampton to continue its marketing efforts.

>> COMMISSIONER STEBBINS: Just to add to that, you know, again, kind of compliment the city of Northampton for being proactive and what they may foresee as negative impacts to, you know, their local restaurant and hospitality businesses. I think the review team and John and I have talked about making sure that there's still ongoing conversations between MGM and Northampton so that it's not necessarily an adversarial impact, but there are opportunities to partner. I think something the Commission should look at going forward is, as we do additional research on economic impact, is assessing impact in communities of both locally collected taxes like hotel and meals taxes, which would certainly, I think, be an identifier of whether a community is being negatively impacted by the presence of MGM. But, again, you know, we'll certainly encourage MGM and Springfield and Northampton to continue to work together and think about opportunities to partner. I think it's a reasonable request.

>> MR. ZIEMBA: One good thing that I will add is that MGM Springfield has provided a support letter for this grant as well.

>> COMMISSIONER ZUNIGA: Is there any data, anecdotal or otherwise, and I agree with you, Commissioners, that they're taking a good approach in both reasonability and proactive, but is there any data from that -- it's the City, right, the City of Northampton --

>> MR. ZIEMBA: Correct.

>> COMMISSIONER ZUNIGA: Relative to any impacts to business?

>> MR. ZIEMBA: So part of it is they're now in the phase of evaluating how their marketing efforts have gone, but they do know that the spending supports over 250 small business retail businesses in Northampton who employ hundreds of people Northampton annually generates nearly \$100,000 a year which results in \$6 million in state tax revenues and \$750,000 in city revenues. And so the case that was made is that this small expenditure would help make sure that those revenues continue to be available for the City of Northampton and for the Commonwealth.

>> COMMISSIONER CAMERON: Yeah. One of the things I liked was they are going to monitor and measure, you know, the feedback, the resources. So I think that's a really important piece of this. It's not just marketing. It's how are we doing, right? What's effective?

>> COMMISSIONER STEBBINS: It says pretty small dollars.

>> MR. ZIEMBA: Right. The next application is from the City of Revere. The City of Revere has requested \$50,000 for the development and distribution of a tourism video that will promote the City of Revere as the destination and will also feature Encore Boston Harbor Casino as a nearby major attraction. The review team recommends that the Commission approve of Revere's grant request. It has a clear plan for implementation of the results, and it is clearly related to addressing issues or impacts potentially caused by the gaming facility. One thing we also make mention is this is a continued further effort by Revere and Saugus to work together. They both filed matching applications because they wanted to promote their individual communities, but they're working together on a lot of similarly ideas to promote both of those communities. So we commend them for working together.

Along those lines, the town of Saugus has also requested \$50,000 for the aforementioned video focusing on Saugus locations.

>> COMMISSIONER STEBBINS: I would just add again, John mentioned it, the fact that these communities are working together. They're certainly trying to see how they can maximize the location of Encore Boston Harbor Casino being so close. I'm also encouraged by the fact that, you know, we talk about this a lot. We have two major licensees that encourage their patrons to get out and explore the area in and around the casino, whether it's MGM Springfield or whether it's even, you know, Plainridge Park to an extent. But Encore has done that also. You know, boat trips to get you to downtown faster, to explore downtown. You know, the change they went through to, you know, change around some of the retail, knowing that getting somebody to go out shopping in downtown Boston is just as beneficial for the region. So I applaud these two communities working together and trying to get folks coming to the region who may not have come to the region to think about taking a side trip out to a neighboring community.

>> COMMISSIONER CAMERON: Yep. I agree. It's a great -- a good idea. I did not realize that Revere Beach was the oldest public beach in the United States.

>> COMMISSIONER STEBBINS: It is.

>> COMMISSIONER CAMERON: I did not know that. Did the Commission -- did the review team realize that?

>> MR. ZIEMBA: I may have missed that one.

>> COMMISSIONER CAMERON: You did.

>> COMMISSIONER STEBBINS: John talked about it often during our review meetings.

>> COMMISSIONER CAMERON: See, you learn something from these applications.

>> MR. ZIEMBA: That's right. So with that, that concludes the nontransportation planning applications.

>> CHAIR JUDD-STEIN: Moving forward on individual nontransportation planning applications, Chelsea/Everett's application. Do we have a motion?

>> COMMISSIONER ZUNIGA: I think we did that one already.

>> COMMISSIONER O'BRIEN: We did Chelsea already.

>> CHAIR JUDD-STEIN: I'm sorry, Chicopee/Springfield, so sorry. Yes, I know, it was with Crystal. Chicopee/Springfield, please.

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the Community Mitigation Fund grant request from Chicopee and Springfield in the amount of \$50,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of the detailed scope of work, time line for the work to be completed under the grant, and execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Those in favor? Opposed? 5-0. On Northampton, please. A motion?

>> COMMISSIONER ZUNIGA: Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from the City of Northampton in the amount of \$29,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the packet dated July 18, 2019, subject to the submission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any discussion? Those in favor? Opposed? 5-0. And going back in terms of the memo, we have the joint application of Foxborough, Plainville, and Wrentham. We approved the application, although we understand that the reserves are being used generously by Foxborough.

>> MR. ZIEMBA: That's correct.

>> CHAIR JUDD-STEIN: \$75,000. Do we have a motion?

>> COMMISSIONER CAMERON: Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from Foxborough, Plainville and Wrentham for the amount of \$75,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, a time line for the work to be completed under the grant, and the execution of the grant agreement between the Commission and the applicant.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: Any discussion? Those in favor? Opposed? 5-0.

Moving on to **Saugus**. Wait --

>> COMMISSIONER O'BRIEN: Revere.

>> CHAIR JUDD-STEIN: Revere. I'm sorry.

>> COMMISSIONER O'BRIEN: Madam Chair, I move that we approve the grant request from Revere in the amount of \$50,000 from the community mitigation review fund team included in the July 18, 2019, Commission packet subject to the submission to the Commission by the applicant of a detailed scope of work, time line for the work to be completed under the grant execution of grant agreement between the Commission and the applicant.

>> COMMISSIONER CAMERON: Second.

>> CHAIR JUDD-STEIN: Discussion? Those in favor? Opposed? 5-0. And now **Saugus**. Do we have a motion?

>> COMMISSIONER ZUNIGA: Madam Chair, I move that the Commission approve the Community Mitigation Fund grant request from the City of **Saugus** in the amount of \$50,000 as described in the memorandum from the Community Mitigation Fund review team dated July 12, 2019, and included in the packet dated July 18, 2019, subject to the submission to the Commission by the applicant about a detailed scope of work, a time line for the work to be completed under the grant, and the execution of a grant agreement between the Commission and the applicant.

>> COMMISSIONER O'BRIEN: Second.

>> CHAIR JUDD-STEIN: Any discussion? Those in favor? Opposed? 5-0.

>> MR. ZIEMBA: So Madam Chair, I have one final grant category which is tribal gaming technical assistance fund. So this is a category of grants that is a carryover from last year's grant, does not represent new funding. And what this fund does, it makes available no more than \$200,000 in technical assistance funding to assist in the determination of potential impacts that may be experienced by communities in geographic proximity to the potential tribal gaming facility in Taunton. Pursuant to our guidelines, the Commission has determined that any such funding would only be made available after approving of any application by the Southeast Regional Planning and Economic Development District if it is determined by the Commission that construction of such gaming facility will likely commence prior to or during fiscal year 2020. So even though that this is just a continuation of prior -- priorly approved funding, a separate vote of the Commission would be necessary to move on any such technical assistance based on the criteria that I just described.

>> CHAIR JUDD-STEIN: Any questions?

>> COMMISSIONER STEBBINS: Are you looking for just a general carryover motion to continue the funds?

>> MR. ZIEMBA: Approve of the -- correct, yep.

>> CHAIR JUDD-STEIN: Any substantive questions? Do we have a motion?

>> COMMISSIONER ZUNIGA: I can make the motion. I move that the Commission approve the continuation of the reserve for traveling and technical assistance from the southeastern regional and planning economic development agency in the amount of \$200,000 subject to a further finding by this Commission that the casino -- the proposed casino in Taunton recommends construction before the end of fiscal year 2020.

>> COMMISSIONER STEBBINS: Second.

>> CHAIR JUDD-STEIN: Any questions? Comments? Those in favor?

Opposed? 5-0. Thank you.

>> MR. ZIEMBA: Chair and Commissioners, that concludes my report.

>> CHAIR JUDD-STEIN: Ombudsman Ziemba, your team and you did awesome.

Thank you so much.

>> COMMISSIONER STEBBINS: Outstanding.

>> CHAIR JUDD-STEIN: Great work.

>> COMMISSIONER CAMERON: Good work. Thank you.

>> CHAIR JUDD-STEIN: This is -- the whole process, I think, John, you sat down with me on day two to go over this initially the process, and so that was in February, so I've sort of seen it in the snapshot, it's excellent work, and it's exciting work. Mary, congratulations on all. I know you are --

>> COMMISSIONER STEBBINS: She looks really happy right now.

>> CHAIR JUDD-STEIN: Yeah. She's -- safe travels wherever your vacation leads you now. So thank you. If that concludes your presentation, Director -- I think that you have someone you wish to acknowledge.

>> MR. BEDROSIAN: I do. Thank you. I'd like to reclaim some of the time I deferred on my administrative update for two things, actually. The first thing is a couple people reminded me what I forgot to remind the Commission, July 28th, a week from Sunday, is the Spirit of Massachusetts at PPC. The Spirit of Massachusetts did not happen last year. It happened the year before. It is a joint race put on by Plainridge Park Casino and the Harness Horsemen's Association of New England. It's a \$250,000 race, and it really brings in the finest horses available. And for those of us who were there two years ago, it is really something to behold. I think we have a great stock of horses that race at PPC, but this is the equivalent of watching future hall of fame pitchers pitch in their prime. These horses are spectacular. If you have the opportunity to go and watch it, it's a great day. Two years ago they had the revolution -- who did they have?

>> COMMISSIONER STEBBINS: The End Zone Militia.

>> MR. BEDROSIAN: Yeah, the End Zone Militia. They do all sorts of things there. It's quite a day. Just a reminder, that is July 28th, which is a week from Sunday.

The last matter is a thank-you to a staff member, Joan Matsumoto, our Chief Project Manager, who is leaving us. I am not going to disclose where she is going. But it's an important job. I'm not surprised. Joan has done a great job for us, specifically Joan led us through a transition and a licensed management system that was crucial, crucial for our success. If we didn't have a licensed management system that was up and running when we were trying to license our two category 1 casinos and also Plainridge Park Casino shortly after it opened. It was done, I think those of you who were here at the time, remember. And I don't know how everyone did it. They did that licensing on paper of 500 employees. That's quite a challenge. We never could have done that. Thanks to Joan, working with our outside vendor and our folks here, we were able to get an, I'd say, premier system up and running. We're still working on it, but we're very fortunate to have had her help. The other thing that she was crucial in was creating a tracking commitment management system that helped us both on the gaming and license commitments side track our commitments for opening the two facilities. You know, we thought how are we going to track these thousands of things? You know, spreadsheet. There was no way it was going to work on a

spreadsheet. So the system she developed helped us and our licensees get through the opening process of two casinos in a year, helped everyone be on the same page, literally, and track, you know, where we were in terms of, you know, what we had to work on and what was on fire, what was smoking, those sorts of things. So I do want to thank Joan for all the work on our behalf, wish her the best. And she's going on to a big, important job. I'm not surprised. And I know she'll take the talents that she used here to that new job. So Joan, thank you very much.

>> MS. MATSUMOTO: Thank you, sir.

>> COMMISSIONER CAMERON: I'd just like to add to that, Joan, I think you brought very different state government experience as well as other experience to the job. And I think that was critical. And you were very helpful to me coming from another state government and not this one. Even the acronyms. What the heck does that mean? So -- but really very helpful and a very organized brain that helped us when we had I don't know how many projects going on at one time in the early stages. So very appreciative of your calm demeanor, very good teacher to others as well. Your trainings have been superb. And I know that all of those skills will serve you well in the next job.

>> MS. MATSUMOTO: Thank you very much. I appreciate it.

>> CHAIR JUDD-STEIN: Well, I learned early on that you were a Bradford Institute Fellow. And in fact, I learned that, and that's exactly what happens when you lend somebody. We were contacted to provide Joan's assistance to other parts of state government because of that fellowship. And in fact, that probably introduced you to other state government, and that's why we are now going to be saying good-bye to you. So when you lend something, sometimes it doesn't quite come back. So good luck to you. And both Ed and I heard about the work that you did while we were lending you, and I know it was really applauded for how you facilitated that work, and so thank you. And good luck.

>> MS. MATSUMOTO: Thank you, Madam Chair. Appreciate it.

>> COMMISSIONER ZUNIGA: It seems like a long time ago, but it's not that long that we were wrestling with the projects that you mentioned, Director. The licensing management system was really a trial by fire when you came in to help -- to help fix that. And you with Director Paul --

>> COMMISSIONER CAMERON: Connelly.

>> COMMISSIONER ZUNIGA: Connelly. See how people who leave get forgotten.

>> COMMISSIONER CAMERON: We'll be asking next year, who was that? Joan?

>> COMMISSIONER ZUNIGA: No, really formed a great team to try to get this on a steady state of correcting something that we had just gone down -- something that really needed to be corrected for the operation of this. And this was a mission-critical project, and it was very well executed. So we're sorry to see you go, but we know you will do well wherever you go.

>> MS. MATSUMOTO: Thank you.

>> COMMISSIONER STEBBINS: I would echo what Gayle and Cathy and Enrique have said. You came in and helped us out of a jam with some big, big projects. I think we should memorialize your wall of Post-its before you leave. But, you know, integral part of making this work and allowing us to stand up casino gaming in Massachusetts as well and as quickly as we did. And I won't lose track of you because someday I

hope to go to Hawaii. I'm going to have to reach out and figure out where I need to go.

>> MS. MATSUMOTO: Thank you. I'm happy to consult. I just want to thank all of the Commissioners, Executive Director Bedrosian, Mary Ann Dooley who's been there from the very first day helping me to navigate. And I'd especially like to thank everybody who at the Commission who led and who followed either hesitantly at first, enthusiastically at times, to attempt new things. That's what attracted me to this agency. I actually had no interest in the gaming industry at all, but I was convinced to come here because you wanted to be a 21st Century agency, to not just be a regulator with a hammer but to be a partner, and you were open to new things. And I know and I hope that that spirit will continue. There's a lot more to do. There's a lot more coming down the pike that you can anticipate and that you can't anticipate. But I really appreciate your willingness. Madam Chair, even on such things as being open to lending me to another agency. Not every agency in state government does that. It's not, I think, the common because of the potential to lose somebody. But I appreciate all of that and your longer-term vision of assisting the whole state. So I want to thank everybody for all of their support. And I want to thank all of the staff who you may not have witnessed or you may have heard through the grapevine had to tolerate thousands of questions from me. Sometimes questions that led nowhere, and sometimes questions that led to quite fruitful opportunities and new capabilities. So I just want to thank everyone. It's been quite an experience. And I look forward to staying in touch.

>> COMMISSIONER CAMERON: We do, too. Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> COMMISSIONER CAMERON: Thank you.

[Applause]

>> MR. BEDROSIAN: Thank you, Chair.

>> CHAIR JUDD-STEIN: Moving on to Commissioners' updates. Just looking at our clock. It is 2:57. Does anybody have an update? You had referenced your public safety meeting. That went well yesterday.

>> COMMISSIONER CAMERON: Yes.

>> CHAIR JUDD-STEIN: I think I ran into the Everett Police Chief.

>> COMMISSIONER CAMERON: Oh, you did. No, it did. I do appreciate the enthusiasm, the willing -- I mean, everybody showed up. Every community. We called a meeting to really make sure we were all on the same page and asked them for their advice, as we always do, because, frankly, it's their expertise, and they do come up with good ideas or information that we hadn't had. So those are kind of my favorite meetings, and I do appreciate all of the willingness by all of the communities, all the chiefs, to interact, to be part of our solution to keep it safe here in Massachusetts. Your thoughts on the meeting?

>> COMMISSIONER O'BRIEN: I also, just the collateral benefit, just other thoughts of collaboration that came out of the meeting, a happy coincidence of other things that I think will come out of it, so I thought it was good.

>> CHAIR JUDD-STEIN: Excellent. I think Commissioner O'Brien and I could just update on the RFR that was issued in connection with the retention of an independent monitor pursuant to our April decision, reported publicly in the RFR. The due date was June 28th, and we were very pleased with the response. And we have been -- we convened a team. We don't call them procurement management teams anymore. It's

a different acronym to report on acronyms. But in any case, we have been meeting at length and continue to work on the selection process. So stay tuned.

>> COMMISSIONER CAMERON: Thank you. I want to thank you both because it's apparent to all of us how hard you're working to get that right, and I know it's an awful lot of work. So we appreciate it on behalf of the Commission that you're willing to serve, and the entire team is -- I see they're reading, they're reviewing, they're really trying to get it right. So thanks.

>> COMMISSIONER STEBBINS: A lot of good responses. Sheer volume.

>> COMMISSIONER ZUNIGA: I think it's called a strategic sourcing team. The new acronym. SST.

>> CHAIR JUDD-STEIN: SST. Yes, it shifted. And that makes sense, too. Strategic.

>> COMMISSIONER ZUNIGA: Strategic.

>> CHAIR JUDD-STEIN: And I think that's what we're attempting to be. So. . .

>> COMMISSIONER ZUNIGA: I'd like to just mention one thing. We all received a communication from -- that came to Commissioner Stebbins, and Commissioner Stebbins responded. I think it was very appropriate. We've done that in the past when some of the communications come in. I would just -- the letter that came in suggested that there was little that MGM was doing relative to entertainment compared to other casinos in Connecticut. And I think your response was adequate to note that they are doing quite a bit, and there are also other things that they do via MassMutual which they now manage. I would add just one thing, you know, for the record for our edification here, and that is unlike Connecticut, anybody that came into Massachusetts was required to abide by certain things that impacted the entertainment offerings. For one, they could not build any theater or arena or hold an event that had more than 1,000 or less than 3,000 seats. They were also required to -- and this is something that we still monitor -- enter into an agreement with what was designated an impacted live entertainment venue. From my view, and I think I'm interpreting the general spirit of the legislation in this effect, was that there was an intention to build on the entertainment options of the places that these casinos were going to go. And I think that's something that's important to maybe, you know, communicate in the future if that concern continues to arise. Again, I think your response was very on point. And most importantly, timely because we've also operated under the principle that when we get communications like this, we respond, you know, expeditiously and also just copy the rest of the Commissioners and the staff. I just wanted to mention that.

>> CHAIR JUDD-STEIN: Any further update? Do we have a motion?

>> COMMISSIONER CAMERON: So moved.

>> COMMISSIONER ZUNIGA: Second.

>> CHAIR JUDD-STEIN: That would be to adjourn, for clarification. All those in favor? Opposed? 5-0.

[The meeting concluded at 3:02 P.M.]