

TESTIMONY OF HON. NEIL M. O'LEARY,
MAYOR OF THE CITY OF WATERBURY

I am here to express my concerns that this process already well underway, awarding MMCT the sole right to develop the State's first commercial casino, will jeopardize critical funding for the State's municipalities and for my city, the City of Waterbury, from what is called Connecticut's "Pequot Fund."

I'm concerned for the following reasons:

The Tribes are currently obligated to make certain payments to the State, as part of the arrangements under which they now operate two casinos on tribal land. In addition to contributing hundreds of millions of dollars to the State's General Fund, those annual payments support more than \$60 million in annual grants to Connecticut municipalities from the Pequot Fund. The Tribes' obligations to make those payments are put in jeopardy by the MMCT process now in place.

What does this mean for the City of Waterbury?

A potential loss of nearly \$3 million/year in Pequot Fund grants. \$3 million in grants may not seem significant for a City the size of Waterbury. Given Waterbury's fiscal constraints, however, the Pequot Fund grants go a long way to helping the City maintain fiscal stability while providing appropriate services to its residents.

I am honored to serve as the Chair of the Naugatuck Valley Council of Governments. I would remiss if I did not emphasize that cuts to the Pequot Fund grants will have an equally devastating effect on the other towns in the Naugatuck

Valley. For that matter, Fund cuts will certainly harm every Connecticut municipality.

So why am I here today? I am here to ask you to support a different commercial casino process, one that guarantees, at a bare minimum, that any chosen developer will have to guarantee the State a minimum payment of \$50 million per year, which is an average of what the Pequot Fund has contributed to the State of Connecticut since it was formed.

I am an elected official too, as you know, so I appreciate the challenge you face, especially this year, as you work to put together a budget that is a fair compromise of the long list of competing priorities faced by our state. That is fair to all of the State's residents, to big cities and small towns.

I know the choices you face are extremely difficult, and I know there are no easy answers.

But on behalf of my constituents, I am here to say "please don't jeopardize this critical funding." For the City of Waterbury, the Pequot Fund grants are essential to maintaining a reasonable quality of life.