

NORTHAMPTON COUNTY
GAMBLING IMPACT COMMITTEE

Meeting Minutes
Monday, October 13, 2008

The scheduled meeting of the Northampton County Gambling Impact Committee was held at 6:35 PM, October 13, 2008 in the third floor County Council Meeting Room.

ROLL CALL

The following Committee members were present:

Peg Ferraro	Constance Nelson
Ross Marcus, Vice-chair	Robert Pfenning, Chair
Vic Mazziotti	John Stoffa

The following media representatives were present:

No media representatives were present.

The following municipalities were represented:

Freemansburg Borough

APPROVAL OF MINUTES

After soliciting input from the municipality representatives, the Committee approved the June 9, 2008 minutes as distributed.

COURTESY OF THE FLOOR (regarding agenda items)

No comments were made by those present.

OLD BUSINESS

Request for Bethlehem Police Crime Study

John Stoffa reported that the Mayor of the City of Bethlehem still had not replied to a request for a copy of the police department's study of the impact on crime from gambling. Note that later in the meeting, John Stoffa raised the question of whether the County needs to hire a consultant to investigate the impact of the casino on the prison and the criminal justice system.

Municipal Grants

The Chair reported that County Council's Finance Committee has included a discussion of the distribution of gambling revenues on the agenda for its October 15 meeting. The Chair will attend this meeting.

Update on the County's Human Services Department's Gambling Committee

Ross Marcus provided the Committee with an update on the committee formed in the Human Services Department to look at impact of gambling on the County. It will be at least one year after the casino opens before impacts of problem gambling are seen. The committee has identified three areas of concern:

1. Lack of funding to pay for the services which will be needed.

2. Signs of addiction must be looked for, especially the recurring occurrences.
3. Extreme negative behaviors such as suicide, domestic violence and elder abuse.

The County's Information Referral function is tracking cases of gambling addiction. No cases have shown up yet, but the staff continually is looking for them. In Pennsylvania there are currently only sixteen certified problem gambling counselors - two of whom are located in Northampton County. County staff will not be trained as certified counselors as part of their County functions. County personnel, however, will be trained to recognize addictive behavior and where clients may be referred for assistance. The committee wants to be ready for the casino's opening. The County also wants to be involved in a Lehigh Valley addiction prevention program.

Other Old Business

There was no other old business discussed.

NEW BUSINESS

Comments about Pennsylvania Gambling and the Gambling Industry

The Chair made various comments regarding gambling in Pennsylvania. He congratulated Hellertown Borough on getting a \$ 41,000 Law Enforcement Grant for the elimination of illegal slot machines within the borough. Pennsylvania's Gross Terminal Revenue seems to be holding up in comparison to other states where gambling revenues are decreasing. Split Rock Lodge has decided not to pursue a Category 3 resort license leaving Fernwood and Valley Forge as the only applicants for the two available licenses. The western Pennsylvania Category 1 racino is in limbo due to financing issues. Philadelphia Park is seeking an extension of the operation of their temporary facility as construction continues on their permanent facility. The Chair visited the new permanent facility of Mohegan Sun at Pocono Downs. The impact of Pennsylvania's high tax rate on "customer reinvestment" is clear when comparing the "points" earned in Pennsylvania as contrasted with the Mohegan Sun facility in Connecticut. Slot players earn points in Pennsylvania at 50% of the rate earned in Connecticut -- video poker players earn at about 45% of the Connecticut rate.

The Chair also recently visited the two Connecticut facilities: Foxwoods and Mohegan Sun. Foxwoods in the Spring expanded with the opening of the MGM Grand at Foxwoods. Recently though they announced the layoff of 700 employees. Mohegan Sun in August opened the Casino of the Wind addition. However, they have since announced the suspension of the Project Horizon hotel tower due to a downturn in business.

Finally, the Chair commented on the recent financial difficulties of Las Vegas Sands. Two weeks ago the majority shareholder put \$ 475,000,000 into the company to avoid default on a bond covenant. Part of the company's liquidity problems stem from the Chinese government restricting the travel of its citizens to Macau where Sands has two large facilities and is developing more. The official opening date of the Sands Bethlehem continues to be the end of June 2009. The Chair noted that Musikfest will start July 31, 2009.

Future Activities of the Committee

The Chair led a discussion regarding the future of this Committee. He is concerned with the dwindling attendance and the lack of media coverage.

John Stoffa felt that the Committee has been educational through the good speakers we have had. He also noted that the meeting with the Sands Bethlehem representatives has improved the County's relationship with them. He wondered what the impact of the casino will be one to four years out. He leans towards using consultants to study that impact. He also feels County Council needs to act on designating the Authority to make the municipal grants.

Ross Marcus was concerned that the grant making authority would not be concerned with Human Services issues which need to be raised with County Council.

Constance Nelson volunteered to look into the impact of the casino on the Southside Bethlehem District Justice, and also to check with the Bucks County District Attorney's office regarding the impact of Philadelphia Park.

Peg Ferraro felt the Committee kept gambling issues before County Council.

The representatives of Freemansburg Borough appreciate the Committee as an information resource. They again expressed their need to know the procedures for obtaining municipal grants.

The Chair felt that meetings in 2009 should be held every other month. Future topics could include a report from the City of Bethlehem on how the city is preparing for the casino's opening, and input from Bucks County officials on the impact since the December 2006 opening of Philadelphia Park.

Other New Business

There was no other new business discussed.

COURTESY OF THE FLOOR(regarding any aspect of gambling's impact on the County)

The Borough of Freemansburg representatives again expressed their frustration that County Council is not designating a municipal grant making authority. They are also concerned with the traffic impact on their borough especially when the construction on Route 412 begins in 2011. They want the law to be followed in the awarding of municipal grants. The Chair repeated his concern about the need to do the awarding according to the law to reduce the likelihood of legal challenges which will delay the awarding of any grants as has occurred in Erie County.

ADJOURNMENT

The meeting adjourned at 7:45 PM.

Note that the next meeting will be Monday, November 10, 2008 at 6:30 PM.