



**LACONIA CITY COUNCIL
PUBLIC FORUM ON GAMING
APRIL 19, 2010
CITY HALL – CONFERENCE ROOM 200A
6:30 P.M.**

CALL TO ORDER

Mayor Michael Seymour called the meeting to order at the above date and time.

Mayor Seymour took a moment to recognize the many members of local delegation present. Also, Mayor Seymour requested to limit comments to four minutes.

ROLL CALL

The following Councilors were in attendance: Councilor Knytych, Lahey, Lipman, Baer, and Bolduc. Also in present City Manager Eileen Cabanel.

INTRODUCTION

Councilor Lipman explained to the attending that the purpose of this meeting is to gather information from the public and constituents as to their feelings regarding the State of New Hampshire budget, as well as the prospect of gaming in New Hampshire. With the Fiscal Year 2011 short \$220 million, the estimates for the shortage in 2012-2013 Biennial Budget are \$500-900 million. The cuts to home and community based services will result in the elderly being institutionalized in county nursing homes, which will cause counties to incur the costs to support the elderly of the community.

As Councilors, everyone has their own opinion on the budget situation and gaming, however, it is important to represent their constituents when taking a public position as a Council.

SPEAKERS

George Roberts, Gilmanton

Mr. Roberts represents Yankee Greyhound located in Seabrook and is a supporter of the gaming bill. There is an amendment to Senate Bill 450 (SB450) which creates a pushback to

municipalities; not just in health and human services, but in educational funds. The Governor is proposing these cuts to get to the end of the current fiscal year.

Mr. Roberts spoke regarding Senate Bill 489 (SB489), which is more ambitious than what is being proposed for this weeks vote in the House of Representatives. The amendments to the bill would provide for 1% of the total net to the State of NH for any gaming problems encountered. There would also be five locations for gaming that would considered for licenses; Rockingham Park, Yankee Greyhound, a resort facility in Hudson, as well as one in the Lakes Region and the North Country.

To begin the licensing process, each applicant would pay between \$10-50 million just to be considered. All of the facilities would need to be built out, and the major capital investment would go into the State of New Hampshire general fund. This could add over \$100 million to the State budget before the fall. All of the fees for the licensing for these agencies would be expended by the proposed facilities; nothing would come from the State.

Mr. Roberts asked the Council to support gaming in general, with a reference of the proposed bill to the Weighs and Means Committee for further study.

Councilor Lahey asked Mr. Roberts if there are any other potential revenue source to the State, other than a broad based tax which is not likely to happen, that would generate the amount of revenue that gaming has the potential to generate. Mr. Roberts reviewed some statistics related to surveys conducted, with comparison from gaming and income tax questions. The people are overwhelmingly against a sales or income tax.

Councilor Lahey noted that Governor Lynch has stated that he will veto the bill in its current form, with reasoning being the lack of a regulatory framework, and asked Mr. Roberts what his thoughts were. Mr. Roberts explained the basic makeup of the bill includes provisions to require the Attorney General's office to investigate every person involved in every aspect of the operation from the ground up, as well as requirements to have a State Police Trooper on the property whenever it is in operation to make definitive decisions when local security cannot handle situations. It is the opinion of Mr. Roberts that the framework is sufficient.

Councilor Lahey asked if the revenue stream would be continual in the future, or would it be similar to the stimulus funds which distributed funds in bulk. Mr. Roberts explained that economists have analyzed the revenue and the long term effect relies on certain conditions. People are creature of habit; they will find one location they favor, and as long as that location is accommodating, they will patron that establishment. It also needs to be considered that Massachusetts is looking into the same type of gaming, and if they are quicker than New Hampshire at implementing this, we stand to lose revenue from losing clientele. The strategy for maintaining capital is to get the patrons and keep them.

Councilor Bolduc asked if this is going to have specific funds that it will support. Mr. Roberts stated that this decision is up to the legislators. When looking at the bill, the town surrounding the facility will be receiving money, as long as the legislature does not vote to take it away.

In closing, Mr. Roberts encouraged the Council to support the bill being sent to the Weights and Means Committee.

Bob Powers, Mallard Cove

Mr. Powers stated that he believes in free competition, not special interests. With all of the talk, he does not feel it is free competition. This is all about money, and if that is the case, the State of NH should run the casinos. Why should private enterprise make all of the money? If this is going to be considered, it should be to the State of NH first, and if not, then it should be opened up to free competition.

Beyond this, there is going to be a gambling problem as well as people over consuming alcohol and driving on our roads. These facilities are going to be destination locations, and it is going to affect the local businesses negatively. If the State of NH owned it, they could control what facilities could include, such as limiting alcohol or not having a restaurant available.

Mr. Powers stated that he was involved in previous conversations to have gambling at local locations, but does not think gambling is the best decision for the State, but if it is going to be considered it should be operated by the State of NH.

Ken Dyrsten, Hilliard Rd.

Mr. Dyrsten stated he is personally opposed to gambling. When he heard Mr. Roberts state it was going to cost \$90 million dollars for licensing, he was concerned. The money, in his opinion, is going to come from families that do not have the money to spend. He does not see this as being any better than drugs or alcohol. Gambling is being treated as the easy way out, and the people are going to suffer from it.

Dennis Fields, Representative District 2, Sanbornton

Representative Fields supports the gambling bill. In his opinion, he has been to several locations throughout the country, and has seen how it runs from the behind the scenes. He looks at gambling as entertainment; there will always be the bad bunch that comes from anything. Representative Fields also noted that the people of New Hampshire are not going to have to pay for this to start; the fees are going to come from the people requesting the license.

It is the choice of the people to choose if this is something they want to do, and if someone would like to entertain themselves with this, they should be able to. Representative Fields will be voting to send this bill to the Weights and Means Commission.

Gary Mattila, Shore Drive

Mr. Mattila thanked the Council for initiating this forum. One highlight not mentioned by previous speakers was the potential for jobs. Pressure needs to be made on the Governor and representatives to help destination locations like Laconia. Through travel for work, he has been to various areas of the country and seen what jobs can be created from this type of industry.

Calvin Fillmore, Parade Road

Mr. Fillmore was employed with the pari-mutuel industry for several years. He is not associated with this particular type of gaming; however, he was a key member in opening facilities throughout the country. It has been his experience that no matter what type of gaming it is, the security and enforcement of laws has not been an issue; people without a clean record did not get hired. Anyone involved with the facility is highly scrutinized with ongoing investigations, and could be required to go before the commission to explain themselves.

Mr. Fillmore is in favor of the gaming bill, as he has seen the process and the security involved.

Bob Powers, Mallard Cove

Mr. Powers chose to respond to the statements made by Mr. Mattila regarding employment opportunities. Using Foxwoods Casino as an example, Mr. Powers explained that initially people were hired locally making most of their income on tips. At Foxwoods, the staff was released and others were hired who had only been in the country a short time and did not speak English. Mr. Powers cautioned the Council to consider the employment aspects differently.

Councilor Lipman asked Mr. Powers if he has considered the jobs that could be created during the construction process. Mr. Powers stated that the jobs will not be there permanently, and they are not sustainable. Hiring people for minimum wage without benefits is not the best way to go. As soon as there is an issue with the people working, the dynamic is going to change.

Laurie Boyce, Representative, Alton

Representative Boyce expressed that she does not think gaming is the right choice for New Hampshire. This should stay a "family state". If we start gambling, people are going to come here just because they want to gamble.

Bill Johnson, Representative District 5, Gilford

Representative Johnson stated he is on the fence about the vote, even after hearing all of the information presented. Even prior to the vote on Wednesday, there are amendments and other actions being taken regarding this topic. In his opinion, there are no good options; Councilor

Lipman spoke regarding the cuts pending and that is not good, and neither is expanded gambling.

Representative Johnson moved to New Hampshire from New Jersey 19 years ago, and when he resided in New Jersey he witnessed the growth of Atlantic City. When they wanted to make Atlantic City an attraction and it was intended to fund programs and make Atlantic City “the gem of the seashore”. Representative Johnson made note that the slums at Atlantic City got worse after the casinos were built, and it was a failure.

Continuing, Representative Johnson made reference to the statements made by Councilor Lipman with regard to the cuts to services, as well as the question raised by Councilor Lahey regarding any other viable revenue opportunities. Representative Johnson currently sits on the Weighs and Means Committee, and the amendments presented have been divided up amongst various committees to review. There may be other options for revenue, but they are not going to come up with \$120 million. The negatives are tremendous, and trying to pick out what the least of the “evils” are and to vote in that direction is going to be difficult for any representative.

Councilor Lipman asked if there is any information available as to when the additional amendments will be finalized, as it has been the practice in the past for it to take several weeks after it is decided to get the information. Representative Johnson advised that part of the amendment is to set up a commission to review various revenues, and out of this they are looking for efficiencies. Some of these include adjustments at the Department of Corrections and Department of Health and Human Services, particularly with contracts and services rendered by non-profit groups.

Representative Johnson continued that he feels the solution is a broad based tax. There are some areas in relation to business taxes that need to be looked at also. New Hampshire claims to be a low tax state, but we have large taxes on properties and businesses. Representative Johnson would like to bring forward legislation to tax carbon.

Mayor Seymour asked when the details from the commission are due back to the Governor. Representative Johnson is unsure of the exact date, but knows it is sometime in May. A member of the public suggested the date is May 25.

George Roberts, Gilmanton

Mr. Roberts noted that this is a public issue that gets people highly engaged.

Mr. Roberts attempted to clarify the jobs that would be created by the acceptance of this proposal. There would be jobs in construction fields, engineers, surveyors, electricians, plumbers and other trades to finish the facilities. The locations of these possible facilities are not being chosen to favor one location or business over another, they are being chosen because

they are the locations with the highest projection of revenue. Studies have been conducted showing the two major interstates for the State are the better places for these facilities.

Mr. Roberts expressed his dislike with prior comments demeaning people in this particular industry. People who are working for tips in the hospitality industry do so with the understanding that they are working primarily for tips; these should not be considered low paying jobs simply because the hourly rate is lower than most, because they do have the potential for much more. It should also be noted that not everyone working in these facilities are not simply waitresses and bartenders; there are people managing these facilities that are much higher paying jobs. In closing, Mr. Roberts expressed his distress with the statements made in regards to people working at these facilities that do not speak perfect English because most of our ancestors came to this country and did not speak much English.

COUNCIL COMMENTS

Councilor Lipman read a letter from Senator Kathleen Sgambati, which was addressed to the City Council in her absence.

Councilor Knytych expressed his concern with the concentration being placed solely on the revenue factors of gaming, and not on the gaming itself. He stated he understands the necessity for the revenue at this time, but is unsure of the impact it will have on the community, such as additional needs that the City may have if the facility in Belmont is approved.

Councilor Baer chose to speak neither for nor against the gaming bill. This forum was held to gather input from constituents; not one person in her ward has commented on this issue. The representation tonight, in the Councilors opinion, did not show the opinion of the people. Councilor Baer also read a finding from the Institute of Taxation and Economic Policy, stating the policies of State sponsored gambling are “inequitable and inadequate as a long term revenue source”. Councilor Baer requested the delegation wait for the commission’s report before making this decision.

Councilor Lipman asked Councilor Baer if she was suggesting to keep this option open until the Commission has reported. Councilor Baer again stated that she is not taking a position. Councilor Lipman encouraged Councilor Baer to take a position.

Councilor Lipman reviewed the cuts made by the State that have directly affected the City’s budget this fiscal year, as well as the potential that exists for future cuts. In addition, Councilor Lipman noted that today, over 30 frail and elderly people have been shut out of home health agencies because the agency cannot take the economic risk associated due to the cuts that have already been made, and this is only \$25 million in cuts. This is going to cause these people to be institutionalized, and in retrospect will cause the County budget to increase. If the members of the Council does nothing they are not faithfully fulfilling their job as Councilors, which is to protect the property tax payers of the City.

Councilor Baer made the statement that you never really know where money is going to end up, even though it may be intended for a different purpose, and that the State has demonstrated this in the past.

Councilor Bolduc noted that his original thought when it was decided to put this out to a Public Hearing was that the Council Chambers would be too small. It was disappointing to see such a low public turn out. The Council still needs to make the decision, and some people are not going to be happy with it, but they chose not to speak. The City is going to have to continue to make cuts, and it threatens the general infrastructure of the City.

Councilor Knytych reiterated that the focus is being put on the revenue. He stated that he is not in favor of dropping this bill, but would like some focus in the other areas of gambling.

Councilor Lahey began by echoing Representative Johnson in regard to the future budget shortfalls. The simple logic of looking at the Department of Corrections and Health and Human Services is clearly not a viable way to make up for these shortfalls, because they would have already looked at them for this year. The municipalities are already having difficulty covering the cuts, and it is not going to get easier, particularly in Laconia where a tax cap is in place. Gambling is not always the best choice for revenue, but it is a quick source of income for the State, when valuable programs are being cut that many of the residence cannot go without.

Councilor Lipman clarified that Councilor Knytych and Baer are trying to reiterate that they would like to support the process moving forward, but that the other aspects be considered. Councilor Knytych and Baer both confirmed. Councilor Baer further noted that she is not comfortable making the decision when we have asked for public opinions and not received any.

Mayor Seymour pointed out that the public was notified of this discussion this evening and chose not to attend. Furthermore, the members of this Council are voted in and entrusted to make these decisions for the residence of the City. As Councilor Lahey stated, there comes a time when we need to stand up as a Governing Body and make a statement.

Councilor Bolduc stated that it has been noticed over the last several years that when the Council holds a hearing and the public do not come, they are usually in support of what the Council is trying to accomplish, and that is how he is going to look at this same issue.

Councilor Lipman requested to make a general resolution endorsing the preservation of the gaming legislation for this session, also encouraging the delegation to look at all angles of the gaming debate. Seconded by Councilor Lahey. **Motion passed unanimously.**

NON-PUBLIC SESSION

Councilor Knytych moved to enter into non-public session according to RSA 91-A:3, II:

a) The dismissal, promotion or compensation of any public employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted; and
(d) Consideration of the acquisition, sale or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community.

Seconded by Councilor Bolduc.

On a roll call vote, the Council entered into non-public session at 8:15 p.m.

On motion of Councilor Bolduc and seconded by Councilor Knytych, it was voted to come out of non-public session. Councilor Bolduc moved to seal the minutes for one year, seconded by Councilor Knytych. **Motion passed unanimously.**

ADJOURNMENT

On motion of Councilor Bolduc, seconded by Councilor Knytych, it was voted unanimously to adjourn at 8:30 p.m.

A True Record Attest:

Mary A. Cote
City Clerk