

Minutes
Gaming Study Commission
Meeting: Tuesday, December 1, 2009

Commissioners present: Andy Lietz, Chair; Joe Foster, Vice Chair; Jim Craig, Mark MacKenzie, Bob Odell, David Babson, David Bailey, Tom Ferrini, Michelline Dufort, Maggie Pritchard, Ned Densmore, Mary Heath, Karen Pollard, Lew Feldstein.

Commissioners Absent/Excused: Bonnie Newman (attempted to join meeting via teleconference but NHHEAF lines were down for the afternoon so Commissioner Newman was unable to connect)

Staff Present: Gail Wolek

Commission Chair Andy Lietz called the meeting to order at 1:05 p.m.

Chairman Lietz asked Gail Wolek to conduct the roll call. A quorum being present, Chairman Lietz then asked for a motion to approve the minutes of the November 17, 2009 meeting. Commissioner MacKenzie motioned for the minutes to be approved, which was seconded. Commissioner Ferrini asked that the record reflect his abstention from the vote because he was not present at the November 17 meeting. There being no further discussion, Chairman Lietz called for a vote to approve the minutes. The minutes were subsequently approved by the remaining commissioners.

Chairman Lietz provided an update on the public dialogue sessions to be conducted by the UNH/Carsey Institute during January, February, and March 2010. This work will be supported through private donations to the University. UNH will provide a report to the Commission which can be appended to the final report due next May. Four commissioners, led by Commissioner Ferrini together with Commissioners Pollard, Feldstein, and Odell, have agreed to form a subcommittee to work with UNH on what types of input would be most useful from the public dialogue sessions. Commissioner Ferrini briefly outlined how the public (study circle) dialogue format is configured and asked for all commissioners to share with him any ideas they may have for questions to be brought forward and communities that may be willing to commit to the deliberative process being planned by UNH. Commissioners discussed question construction, dialogue session format, participant selection, and other details related to the UNH public dialogue sessions.

The site visit team led by Commissioner Babson along with Commissioners Bailey and Pritchard along with Steve Norton reported on the visit to Hollywood Slots in Bangor, Maine. Commissioners Babson and Bailey met with the chief of police while Commissioner Pritchard met with Guy Cousins, Director of the Maine Office of Substance Abuse. Steve Norton met with local business and retail people in the vicinity of Hollywood Slots. Commissioner Bailey said the Bangor police chief reports no noticeable impact on crime rates in Bangor that can be attributed to the gambling facility. He said the local police respond to an average of ten calls a month to Hollywood Slots mostly to deal with minor problems. Commissioners Bailey and Babson said the building itself is drab and unmarked with any sort of highway signage or other advertising. The police chief noted that his department has a good working relationship with the facility. He said it is a very tightly controlled facility and they are not allowed to comp drinks. Right now, Hollywood Slots has 1,000 machines and would eventually like to build out to 5,000 machines. National Penn owns the building but leases the race track. The clientele seems to be mainly local, female and older, making mostly lower level type bets. The site team noted that they were there during the week when business was slower than weekends when local hotels report they are the beneficiaries of overflow business when the Hollywood Slots hotel is fully booked.

To summarize, Commissioner Babson said he particularly noted the tight security and though the building was drab and unimpressive from the outside, inside it was very nice and well-managed. Commissioner Bailey differed in that he thought the security was pretty simple, mainly because it is a slot machine establishment. Table games require much more labor and greater surveillance. He also said he would like to know about the original proposal—what was promised by the developer and what was delivered. Commissioner Pritchard said her impression was “no harm no foul.” She didn’t perceive that

there were any huge negative or positive impacts due to Hollywood Slots in Bangor. She did note the mostly female clientele, suggesting they probably were former primary bingo players at the tribally operated bingo hall in Old Town. They had now moved over to the racino.

Commissioner Ferrini asked if there was call and arrest data. Commissioner Bailey said he would follow-up to see if that could be obtained. Commissioner Dufort asked if the facility was new or built in an existing structure. Commissioner Bailey said it had a new four-story parking garage, but the slot machine facility itself was in rehabbed older building. He also said the rooms in the hotel were very nice and reportedly filled on the weekends. Commissioner Pollard asked if the police get extra money for covering this facility in their jurisdiction. Commissioner Bailey responded they may get some extra funding but since there is so little additional crime reported he didn't think they received very much.

Commissioner Pritchard reported her findings as well. She was told that the Old Town high stakes bingo facility run by the local native American group had suffered greatly by the arrival of Hollywood Slots. Mr. Cousins said that the money allocated for community mental health was so restricted that it couldn't be easily accessed. The problem is that people coming in for services don't generally identify themselves as problem gamblers, but the funds to assist this problem are directed specifically to address that issue, so there is a disconnect. Maine is trying to fix this problem through better training of intake staff to identify problem gamblers so the state can get a handle on who needs the help and how to get that aid out to them. Treatment is for pathological gamblers so additional funds need to be set-aside to support prevention, education, and mitigation for those who don't rise to the pathological level.

Commissioner Craig asked if Gamblers Anonymous played a role. Commissioner Pritchard said it was never mentioned in any of her conversations.

Steve Norton spoke with local business owners and said his main take-away was that location and current economic activity are important to understanding "impact". Because Bangor is not considered a destination city, impact is more complex than just cannibalization and availability of discretionary income. Steve pointed out that this is just one experience in a somewhat non-traditional setting. The Commission needs to look at other venues that would be perhaps more similar to the proposals being made for new gambling facilities in New Hampshire. Size and location matter in both positive and negative impacts. Also, it is important to note that the money to support mitigation for problem gamblers is subject to regulatory pressures just like every other revenue source. The challenge is to assure the integrity of this funding and that it is used for its intended purpose.

Chairman Lietz thanked the site visit team for the informative report and asked that they submit a brief (one-page) synopsis to the Commission for the files. Commissioner Lietz agreed that future site visits should include a racino, casino, and also a facility that had been around for more than two or three years to get a better fix on potential crime problems since newer establishments, like Hollywood Slots, generally report very low crime impacts in the first few years of operation.

Steve Norton, Executive Director of the New Hampshire Center for Public Policy Studies, then gave the Center's update to the Commission on work that has been accomplished so far and future analyses they will be pursuing (see separate PowerPoint presentation). Two key points: 1) Does expanded gaming occur within the current regulatory structure, or on a different regulatory structure than the one currently in place in New Hampshire? 2) Does New Hampshire set up a regulatory structure to fit proposed expansion, or does the state allow the market to decide what model of expanded gaming will be successful?

After the break, Chairman Lietz led a discussion of the draft outline of the Interim Progress Report that had been distributed previously to the commissioners. He asked that feedback from the commissioners be provided by Friday, 12/04, at the latest so that writer Phil Primack can get the next draft completed by the beginning of next week to allow time for discussion at the Commission's next meeting on December 15. Chairman Lietz re-emphasized that the Commission's charge is to provide a final report in May that has findings, not recommendations.

At 4:05 p.m. a motion was made, seconded and approved to adjourn the meeting.

NEXT MEETING: TUESDAY, DECEMBER 15, 2009, 1:00 P.M., NHHEAF

Respectfully submitted: Gail A. Wolek, Executive Director