

City Council Chairman Sam Fruscione reports on recent meetings held with regard to solving the casino revenue impasse

On Wednesday April 25, 2012 City Council members Sam Fruscione and Glenn Choolokian drove to Albany to meet with Howard Glaser, Director of State Operations, to discuss the casino cash impasse. Joining the meeting were Senator Mark Grisanti, Senator George Maziarz, Assemblyman John Ceretto and the Governor's Counsel, Seth Agata.

Facts found

- The Seneca Tribal Council rejected the State's recommendation to make direct payment to the City of Niagara Falls
- The Seneca Tribal Council is seeking a one-year arbitration time frame while the State is recommending an arbitration period of no more than 90 days. Arbitration is expected to begin within 10 days.
- The State is unable to provide a bridge loan to the City as the impasse is negotiated.
- Private casino operators are lobbying the State, hoping to open and operate State casinos if and when such an opportunity arises.
- The State wishes to arrive at a reasonable arbitration result but if that is impossible the State would consider the options of modifying or ending the Niagara Falls casino compact when the compact is due for review.
- The State is disappointed as to how some casino funds have been utilized by the City since the beginning of the agreement. State noted that casino funds were not meant to be used for "operational expenses" and should only be used for economic development and infrastructure repair.
- The State will consider arranging an interest free loan for the City in the amount of five millions dollars with the loan amount to be dedicated to the current payment due on the bond indebtedness for the City Municipal Building.

On Wednesday April 25, 2012 City Council members Robert Anderson and Charles Walker met with Seneca President Robert Odawi Porter. Also participating in this meeting were members of the casino revenue ad hoc committee: Mort Abramowitz, Richard Palladino and Gary Parenti.

Facts found

- Seneca President Robert Odawi Porter is sincerely concerned that the City has not received its share of casino revenue and he trusts that a reasonable and mutually beneficial solution will be reached as soon as possible.
- The City Council and the ad hoc casino revenue committee will remain in contact with the Seneca President as they seek his continued input.
- The Seneca Tribal Council appears not to be in a hurry to resolve the matter.
- Members of the Seneca Tribal Council believe the host communities should receive no casino revenue.
- The Seneca President agreed with Mr. Abramowitz's request that the Seneca Niagara Casino provide for City public safety costs related to the casino.

Conclusions

In light of the two meetings the Chairman of the Niagara Falls City Council reports the following and makes related recommendations

- No casino revenue will be committed in the future for any expenditure or project not directly related to economic development or infrastructure repair. No casino revenue will be used for operational expenses. Some examples of operational expenses being: employee wages, overtime for events and temporary workers.
- A review of casino expenditures from the beginning of the compact will be conducted. Existing City projected casino revenue budgets will also be reviewed.
- The City Council will remain in close contact with the Office of the Governor in order to work closely and cooperatively to help solve this current impasse.

- The City of Niagara Falls is in the middle of the Seneca and State dispute, a dispute that hopefully can be resolved through a 90 day arbitration procedure. The City Council supports the Governor's plan to end arbitration within 90 days.
- The City is at the mercy of the arbitration outcome. That outcome could vary greatly from the awarding of a full, partial or zero portion of the anticipated casino revenue.
- The current impasse between the Seneca Nation and the State has wide-ranging ramifications well beyond the results of the pending arbitration. With the casino compact coming due for review and or renewal, this means that the City is looking at three potential scenarios: 1) continued Seneca gaming; 2) State gaming; 3) no gaming.
- The casino revenue impasse has created the need for a focused bipartisan outreach effort blending the cooperative efforts of City and State elected officials. To that end the City Council majority is working cooperatively with Governor Cuomo along with Senator Mark Grisanti, Assemblyman John Ceretto and Senator George Maziarz.

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