

**CASINO REVENUE FUND ADVISORY COMMISSION
REGULAR MEETING ON MARCH 22, 2019
MINUTES OF MEETING**

The regular meeting of the Casino Revenue Fund Advisory Commission was held on Friday, March 22, 2019 at the State House Annex. Those in attendance were:

Members:

Jim Thebery, Chair NJACDS
Tina Zsenak, Vice Chair – NJDHS
Maureen Bergeron, NJ4A
Derek DeLuca, Assembly Rep.
Margaret Carrigg, Hudson Rep.
Tom Little, Rep. Senator Gopal
James Carney, Seniors
Ted Conrad, Rep. Senator C. Brown

Guests:

| | |
|-------------------------|---|
| Lisa Tulley, NJ Transit | Lauren Williams, NJ Transit |
| David Scanlan, CCC | Ana Magri, NJ Transit |
| Jennifer Milles, APS | Isabelle Rojas, NJ Transit |
| Michael Viera, NJ COST | Robert Koska, Brd of Directors, Trans. Assoc of America |
| Chris Smith, NJCOST | |

Support:

Desmond Webb, OMB

Jim opened the meeting and conducted the flag salute. Minutes for the January 11, 2019 meeting were approved.

Membership:

Introduction/welcome of committee and guests were announced.

AC HIGHLIGHTS:

DGE February 2019 gaming revenue results

Total Gaming Revenue was \$241.2 mill compared to \$192.1 mill in 2018, reflecting a 25.6% increase. Casino Win was \$196.7 mill increasing 15.7% from 2018. Internet Gamin Win was \$31.7 mill compared to \$22 mill in the prior period, reflecting an increase of 44.4%. Sports wagering gross revenue was \$12.7 mill for the month.

The total amount wagered on the Oscars at all retail and online locations and on all Oscars categories was \$747,696. The amount paid out to settle winning wagers was \$565,179. The Industry win percentage was 24.4%.

Total gaming taxes were \$20.5 mill. Total gaming taxes reflect 8% of taxable casino gross revenue, 15% of Internet gaming gross revenue, 8.5% tax on casino & racetrack sports wagering gross revenue and 13% tax on casino and racetrack sports wagering internet gross revenue.

INDOOR FOOTBALL

Indoor football is coming to Atlantic City. In January, CRDA approved a plan to bring an Arena Football League team to AC for the upcoming season. The authority agreed to make available \$500,000 on new equipment to convert Jim Whelan Boardwalk Hall for six to ten games a year – the improvements include sidewall padding, nets and goal post. This attraction will bring more employment opportunities to AC.

SHOWBOAT OWNER – ANOTHER CASINO TO ATLANTIC CITY

By petition filed February 5, 2018, Barton Blatstein requested that the CCC grant him a Statement of Compliance that he satisfies the suitability criteria to hold securities issued by, or otherwise be found qualified in connection with a casino license or casino licensee applicant after investigation and report by the Division. An applicant for statement of compliance may be required to establish at the outset that it actually intends, if found qualified, to engage in the business or activity that would require casino licensure or a determination of qualification status. A statement of compliance expires 48 months from issuance, but can be extended upon application and for good cause shown. Mr. Blatstein formed the Tides Entertainment, LLC, a NJ limited liability company on March 5, 2019 as a subsidiary of Showboat Renaissance LLC. Mr. Blatstein put forth that he intends to file an application for a casino license within the next 24 months. At the March 19, 2019 meeting, the Commission determined that Mr. Blatstein complied with all the requirements and submitted the necessary information for the Division to report on, and for the Commission to rule on his petition for a statement of compliance; that he established by clear and convincing evidence that he was qualified to the standard of a casino key employee, but for residence, and that his request for a statement of compliance as granted as to good character, honesty and integrity; sufficient business ability and financial stability; integrity and responsibility.

JENNIFER MILLS – PRESENTATION

Adult Protective Services (APS) programs have been established in each county in New Jersey to receive and investigate reports of suspected abuse, neglect and exploitation of vulnerable adults living in a community setting.

The purpose of APS: Stabilize a crisis situation using the least intrusive methods while respecting an individual's right to self-determination.

APS CASES: APS may become involved in situations that meet all of these conditions: A vulnerable adult is: Age 18 years or older, Residing in the community, Due to a physical or mental illness, disability or deficiency, lacks sufficient understanding or capacity to make, communicate, or carry out decisions concerning his or her well-being and is the subject of abuse, neglect or exploitation.

A community setting is: A private residence or any non-institutional setting not licensed by, operated by, or under contract with a State department or agency.

Making a referral to APS:

The referral should be made by the person with first-hand information about the client. The referral should be made directly to the county in which the client reside. The referral should consist of as much information as possible, including:

Client's name, address, phone number. Date of birth and SS#. Diagnoses – health and/or mental health issues. Family members/support systems (services/agencies involved). A specific allegation of abuse, neglect or exploitation.

Confidentiality: All records and communications pertaining to any report, evaluation or service provided pursuant to the Adult Protective Services Act (P.L.1993,CH.249,C52:27D) are confidential. APS is only permitted to share the results of an APS assessment when directed to do so by court of competent jurisdiction or when disclosure of information is necessary for the Division or the APS provider to perform its responsibilities as set forth by statute.

Limits to Assistance: An APS worker is not authorized to: remove a vulnerable adult from his or her home without a court order. Force an adult with capacity to accept services. Move an individual to an alternate living situation without his/her agreement or a legal representative's agreement.

Mandatory Reporting: In 2010, New Jersey's APS law (N.J.S.A.52:27D-406 to 426) was amended to require health care professionals, law enforcement officers, firefighters, paramedics or emergency medical technicians who have reasonable cause to believe that a vulnerable adult is the subject of abuse, neglect or exploitation to report that information to the county Adult Protection Services office.

ADULT PROTECTIVE SERVICES – ALLOCATIONS 2019

| COUNTY | APS | COUNTY | APS | COUNTY | APS |
|------------|---------|------------|---------|----------|---------|
| ATLANTIC | 192,359 | GLOUCESTER | 136,904 | OCEAN | 374,556 |
| BERGEN | 473,235 | HUDSON | 519,360 | PASSAIC | 323,802 |
| BURLINGTON | 185,789 | HUNTERDON | 72,903 | SALEM | 71,847 |
| CAMDEN | 304,106 | MERCER | 207,997 | SOMERSET | 118,361 |
| CAPE MAY | 78,353 | MIDDLESEX | 376,420 | SUSSEX | 75,082 |
| CUMBERLAND | 118,156 | MONMOUTH | 317,114 | UNION | 307,634 |
| ESSEX | 581,556 | MORRIS | 199,488 | WARREN | 74,978 |

| | |
|----------------------|------------------|
| Casino Revenue Funds | 1,842,000 |
| State Appropriations | 3,267,000 |
| Total | 5,109,000 |

ANNA MAGRI – PRESENTATION

Director of Local Programs, Minibus Support and Community Mobility at NJ TRANSIT. NJ Transit local programs team administers the State's "Senior Citizen & Disabled Resident Transportation Assistance Program" (SCDRTAP) in accordance with the "Senior Citizen and Disabled Resident Transportation Assistance Act" of 1984. SCDRTAP is funded through an annual allocation of 8.5% of the annual Casino Revenue taxes. Eighty-five (85%) percent of the annual SCDRTAP funds are provided to the counties to provide transportation to senior citizens and people with disabilities; funds are distributed to the counties in proportion to their senior residents' share of the state's total senior population. The remaining 15% is allocated to NJ TRANSIT: 10% is used for administration, compliance and technical assistance of the SCDRTAP program to the 21 counties and 5% is for NJ Transit accessibility improvements for our bus and rail systems. SCDRTAP funding to the counties remains 50% below FY2008 levels due to reduced overall receipts to the Casino Revenue fund. Over the years, some counties have responded to the reduced funding leveraging other funding sources or by increasing county appropriations to their respective community transportation services.

However, in other counties, the decline in funding has resulted in some service impacts including: reduced number of trips provided by the counties; reductions in frequency of services; longer wait and ride times; implementation of fares or increases from systems with mandatory fares; possible prioritizing of trips for consumers; and waiting lists for and/or elimination of dialysis trips. In response, NJ Transit local programs staff continues to work with counties to coordinate services with other providers and counties and encourage counties to think about alternative funding including additional federal sources, on-vehicle advertising, and implementing mandatory fare policies in place of suggested donation programs. In 2018, we began a pilot project allocating a small portion of our SCDRTAP funds to encourage counties to supplement their services utilizing TNC's e.g: Uber, Lyft, or other app-based ride hailing providers. Counties have an opportunity to expand their services through the use of TNC's to enhance services for seniors and persons with disabilities. This is especially true for providing more individual based trips freeing up space on their fleets for other trips such as dialysis, shopping and nutrition group trips. Two counties, one rural and one urban, have been identified for this pilot and are expected to begin to offer service in 2019. NJ Transit will evaluate this program after a full year of service with hopes of expanding it to other counties. The launch of internet gaming seems to have increased the Casino tax proceeds and SCDRTAP funds slightly over the last two years. We believe the June 2018 launch of sports betting in NJ will similarly increase Casino tax proceeds and the SCDRTAP funds will grow again beginning with the 2021 budget year. However, the gaming industry remains highly competitive among states, so it is not clear what the long-term SCDRTAP funding levels may be. This increase may only be temporary as other states start their own sports betting programs. The State's population of persons aged 60 and older, and persons with disabilities, continues to increase and has led to an expanded need for personal transportation of these populations. Because of the increasing need, we believe that additional sources to supplement SCDRTAP funding levels should be explored.

JOE TYRELL – VIA EMAIL

Regarding the Federal Wire Act – The DOJ issued a 60-day stay which gives all states until June 15, 2019 to comply with new opinion. New Hampshire has filed in the federal first circuit to challenge the DOJ opinion based on States rights. Lotteries and their multi-state compacts may be impacted by the opinion as well. Many other states such as Michigan, Georgia, West Virginia, NJ & PA have filed amicus briefs in support of NH. This will continue through the year and AC operators will continue until all efforts have been resolved. So we will continue to operate and generate revenue for now.

PEGGY CARRIGG

Report from Hudson County:

\$1,000 donation obtained to Project Search recruitment and promotional activities.

Donation obtained from the NJ Chapter of IAWP (International Association of workforce Professionals) of which I am a member. Donation to be distributed in late April/early May to the Hudson County Office of Disability Services. NOTE: Project Search is a national program designed for students in the last year of high school who are intellectually challenged.

Funding received would go to outreach and recruitment of interns interested in applying to next year's program as well as supplies for the program and setting up a skills day. The training sites are the Jersey City Medical Center and the Doubletree Hotel. On a national level approximately 70% of the interns obtain employment after graduation.

Desmond Webb provided following reports: (increase in revenue)

NOTE: all of SCDRTAP’s funding in the FY20 budget will come from PTRF (Property Tax Relief Fund) – same as last year. We do not have an estimate for sports betting revenues in FY21, however the revenues will not change SCRFTAP’s allocation since SCDRTAP no long receives funding from Casino Revenue Fund.

Senior Citizen and Disabled Resident Transportation Assistance Program

| Revenues | | |
|-----------|-----------------|--------------|
| <u>FY</u> | <u>Revenues</u> | <u>8.50%</u> |
| 2016 | \$209,417,118 | \$17,800,455 |
| 2017 | \$218,650,195 | \$18,585,267 |
| 2018 | \$217,735,675 | \$18,507,532 |
| 2019 | \$178,512,249 | \$15,173,541 |

| Appropriations | | | |
|----------------|---------------|---------------|----------------------|
| <u>FY</u> | <u>Amount</u> | <u>Source</u> | <u>Based On (FY)</u> |
| 2018 | \$17,801,000 | CRF | 2016 |
| 2019 | \$18,586,000 | PTRF | 2017 |
| 2020 | \$18,508,000 | PTRF | 2018 |

Reports (Desmond Webb)

- CRF Revenue as of March 20, 2019 (by Fiscal Year)
- End of Year Total CRF (2015- Mar 2018)
- Gross Casino Revenues as of February 2018
- Monthly Internet Revenues as of March 2018

General:

Travel expense reports were distributed to the committee and instructed to use for travel expenses to and from the CRFAC meetings in Trenton. (i.e., Mileage, tolls, parking)

Our December 6, 2019 meeting has been changed to November 15, 2019.

Motion to close the meeting – motion seconded. Meeting concluded at 1:05p. Next meeting will be on Friday, May 10, 2019 at the State House Annex, 145 W. State St, Rm 10 – 3rd floor, Trenton, NJ