

Growing concern over casinos

The seeds of discontent about the role Casino Niagara and Niagara Fallsview Casino Resort play in their host city appear to be taking root just days after city council pointed them out. But the casinos' spokesman said they have always been committed to helping Niagara Falls, but have to make sure their business is profitable first.

City council passed a resolution Monday saying the „symbiotic relationship“ between the casinos and the city needs to improve. There has always been an expectation the casinos would be more than a cash cow, raising money for the provincial treasury.

Whether it's talk about employee relations with their 5,000 associates, competitive practices that hurt existing businesses, or the perception they're backing away from their support of community groups, there seems to be more grumbling now than ever before.

Heart Niagara director Karen Stearne said she noticed a change in February when her agency ran Fit for the Future, a daylong event for Niagara's health-promotion agencies to promote their services to families. They rented the Fallsview Casino's ballroom and found the staff was all business, right down to charging them a CAD 105 fee for each electrical outlet they wanted to use.

„I thought it was the attitude of not trying to foster relationships in the community that was sad to me,“ Stearne said.

She talked to Mayor Ted Salci and Niagara Falls MPP Kim Craitor about what she perceived as a „shift“ in the casinos' approach to community groups.

„I just need to understand why they are shifting from the

community," she said.

The casinos do what they're supposed to, locally – providing employment generating economic spinoffs. But they've also had to respond to a changing gambling industry, said Greg Medulun, the casinos' public relations manager.

„Frankly, we can't be either of those things – be an economic generator and employ so many people – if we're not competitive within our own industry," Medulun said.

Coun. Jim Diodati complained the casinos are becoming a „black hole" – a phrase associated with the problems communities face when casinos come to town and draw existing tourism business to them.

The change is tracked to a year ago when Art Frank became president of Niagara Casinos. Frank delegates Medulun to speak publicly on his behalf.

Mayor Ted Salci has been more diplomatic, saying he respects the job Frank has. But the mayor also says Niagara Falls feels more „detached" from its biggest employer than it ever has.

Recently, Niagara Falls Chamber of Commerce members have also talked „informally" about changes in the way the casinos relate to the community. The chamber's government affairs committee, a group of business people who look at the effect of political issues on business, is scheduled to discuss the casino at their regular meeting Wednesday.

„It's certainly something the chamber of commerce has had some discussion about," said president Carolyn Bones.

As the voice of the city's business community, the chamber occasionally takes formal positions on political issues. In the past, the chamber polled its members on issues like municipal amalgamation, the ward system and the business impact of Canada's stance on the war in Iraq.

„Perhaps there’s a way for us to reach out to our members to see if they feel that detachment as well,“ Bones said.

Despite city council’s perception, the casinos stand on their 10-year record of corporate citizenship, Medulun said.

„Perception is always difficult to gauge,“ Medulun said. „There may be groups or pockets of individuals that may not look to the casino favourably. There are often times, as big businesses go through their cycles, difficult decisions have to be made.“

One restaurant owner in Chippawa said he has lost business to the casino.

Bus-tour groups make up a significant part of Betty’s restaurant clientele. But earlier this year, a company out of Florida told owner Joe Misk said they wouldn’t be stopping at his place any more because the groups were getting free meals at the Fallsview Casino’s buffet.

„They’re getting free dinners there. How can you compete with something like that?“ Misk said, adding Betty’s is losing „hundreds of buses“ this year.

Misk said he understands the casino needs to look after some of its high rollers by giving them complimentary meals and hotel stays. But the bus-tour travellers he has lost are average American tours, he said.

Losing that business will be a challenge, but the restaurant has other clientele to cater to, Misk said. But he questions what that kind of competitive practice does to the local economy, especially since one of the selling points of having a casino would be the increase in spinoff business it was supposed to bring.

„I’ll survive. It can be more detrimental to some than to others,“ Misk said.

The casinos offer food vouchers as part of their group-tour business, Medulun said. In the past, they've also used gambling tokens as incentives. They need to attract a lot of people into the building to remain profitable.

„It's an extremely competitive market. What's most important is we operate in a profitable manner to ensure the long-term viability of our 5,000 employees,“ Medulun said.

Diodati points to changes at the Niagara Falls International Marathon as evidence the casino is backing out of some of the community groups it has traditionally supported.

For 10 years, the marathon has been associated with with Casino Niagara, then with both casinos.

The event that started out as Casino Niagara Marathon has gone through several different names. Last October, it was known as Fallsview Casino Resort International Marathon.

For 2007, it has dropped the reference to its sponsor and is simply the Niagara Falls International Marathon, reflecting the fact runners start in Buffalo, cross the Peace Bridge and run to Niagara Falls, race director Jim Ralston said.

The Fallsview Casino and Casino Niagara are both listed as sponsors on the marathon's website.

„Everyone refers to it as the Niagara Falls marathon,“ Ralston said, adding the name change brings it in line with the New York and Boston marathons.

„We had a meeting with the casino. They were fine with that.“

The casinos' Cares Foundation, its charitable arm, is giving CAD 60,000 to the marathon this year. That's down from a peak of CAD 80,000, Medulun said, but the casino told marathon organizers funding would be gradually reduced.

That decision was made before Frank arrived.

Ralston said the marathon has been „very lucky“ to have the same sponsor for 10 years, a situation he said was unusual.

Marathons are different from other sports events because the athletes themselves help generate the revenue to run the event. The marathon attracts about 4,000 runners who each pay CAD 80.

„The more people that we have, the more money we have coming in, the more self-sufficient we are,“ Ralston said.

Since Diodati publicly questioned what he called a shift in the casinos' approach, he said he has received numerous e-mails and calls from employees and former employees. They're consistent in criticizing how the casinos' treat their employees. Complaints centre around abrupt terminations, reduced hours, the perception management has replaced full-time workers with part-time and contract positions.

„Full-time employees are like ducks in a shooting gallery. They want as many gone as possible. It simply means more profit,“ said one message Diodati shared with The Review after removing the sender's personal information.

But Medulun said the casinos' track record shows Niagara Casinos is „a formidable employer“ where one-third of the employees have been around since Casino Niagara opened 10 years ago. Turnover is one per cent a month and Niagara has the highest wages among Ontario's commercial casinos.

Over the years, they have adjusted the number of workers as the market changed, especially with the arrival of competition from Niagara Falls, N.Y.

„The landscape has changed so dramatically,“ Medulun said.