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# The MICHIGAN GAMING Newsletter



# **Detroit Casino Council Issues Statement on Tentative Agreement**

The Detroit Casino Council issued the below statement via their website that a tentative agreement has been reached for a new five-year contract with MGM Grand Detroit, MotorCity Casino and Hollywood Casino at Greektown after 32 days on strike. According to the statement, unions will continue to strike until the members ratify the proposed settlement.

According to the <u>press release</u> issued on Friday November, 17th by Detroit Casino Council new agreement includes history wage increases in history of casino industry in Detroit. Please see full statement below:

The Detroit Casino Council has reached a tentative agreement for a new fiveyear contract with MGM Grand Detroit, MotorCity Casino and Hollywood Casino at Greektown after 32 days on strike. The unions will continue to strike until the members ratify the proposed settlement.

This settlement is a historic investment in Detroit's future. This new contract brings together workers and employers in partnership to fulfill the gaming industry's promise to Detroit of high-paying casino jobs with good benefits. The historic five-year tentative agreement covering 3700 employees includes the largest wage increases ever negotiated in the Detroit casino industry's 23-year history (including an immediate 18% pay raise on average), no health care cost increases for employees, workload reductions and other job protections, first-ever technology contract language, retirement increases and more.

Additional specifics of the new union collective bargaining agreement will not be disclosed publicly at this time to ensure unionized casinos workers have the opportunity to see full details of their contract first and vote on whether to

accept it. A ratification vote by the membership will be scheduled soon with all five unions that comprise the Detroit Casino Council: UNITE HERE Local 24, UAW Local 7777, Teamsters Local 1038, Operating Engineers Local 324, and the Michigan Regional Council of Carpenters.

"Our strike showed the casino industry and the world just what Detroit's casino workers are made of," said Tavera McCree, a Valet Cashier at Hollywood Casino at Greektown and member of Teamsters Local 1038. "This is a defining moment for workers in Detroit and nationwide. The gains we have made will change the lives of so many families who are living paycheck to paycheck. I would like to thank everyone who stood strong on the picket line to make this win possible."

"This historic agreement rewards the sacrifice that casino workers made throughout the pandemic," said Milledge McCaster, an Engineer at Hollywood at Greektown for 14 years and a member of the Operating Engineers Local 324. "We set a new standard with major wage increases and ground-breaking wins like first-ever workplace technology language and other job protections that will empower workers to have a say in the future of work in this industry."

"A contract of this significance makes me feel proud to work in Detroit's casinos once again," said Alicia Weaver, a Guest Room Attendant for 24 years at MGM Casino and member of UNITE HERE Local 24. "Cleaning hotel rooms is a really tough job that gets tougher every year, so the fixes we made in this contract to reduce my daily workload mean less strain on my body and more energy for my family when I get home from work. Everyone on both sides worked hard to get this done."

"We fought to defend our healthcare and win historic wages, and we won," said Terri Sykes, a Dealer at MotorCity Casino for 24 years and President of UAW Local 7777. "As a two-time breast-cancer survivor, I feel relieved knowing we have protected our healthcare with no increased costs. We stood strong—five unions united—showing it's possible to win big when workers do brave things and stick together."

On Oct. 17, unionized casino workers at MGM Grand Detroit, MotorCity Casino, and Hollywood Casino at Greektown launched a wall-to-wall strike affecting 3700 casino workers, including dealers, housekeepers and other cleaning staff, food and beverage workers, valets, engineers, and more. Workers were forced on strike to protect their healthcare and improve wages that have not kept up with the cost of living. It is the first casino strike in Detroit history, and the first wall-to-wall casino strike in American history.

The historic agreements come after years of hardship that Detroit casino workers have endured after sacrificing raises and shouldering heavier workloads so the industry could stay open during the pandemic. Since that time, Detroit's gaming industry revenues have hit record highs. Workers went on strike, demanding large wage increases in the face of high inflation and other job protections.

The proposed settlement represents another win for union workers nationwide fighting for economic justice with a historic wave of strikes that have resulted in big gains for American workers across many industries.

By striking, Detroit Casino Council Unions have moved the industry towards a new standard:

- Winning the largest wage increases ever negotiated in the history of the Detroit casino industry;
- Protecting the healthcare standard that Detroit casino unions have built over two decades with NO increased costs to employees;
- Reducing workloads in housekeeping and other classifications that have resulted from 1500 fewer workers post pandemic;
- Securing first-ever technology protections to guarantee advanced notification when new technology is introduced that impacts jobs, require training for new jobs created by technology, and provide health care and severance pay for workers who are laid off because of new technology.
- Improving the value of the retirement benefit

after no increase in 8 years.

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## Detroit Casinos Report \$82.8 Million in October Aggregate Revenue

According to the October revenues <u>released</u> by the Michigan Gaming Control Board ("MGCB"), the three Detroit casinos reported \$82.8 million in monthly aggregate revenue in October. Table games and slots generated \$81.7 million in revenue, and retail sports betting yielded \$1.1 million.

The September market shares were:

- MGM, 46%
- MotorCity, 31%
- Hollywood Casino at Greektown, 23%

Monthly revenue for table games and slots decreased 18.9% when compared to October 2022 results and decreased 18.3% when compared to September 2023 results.

When compared with October 2022, all monthly gaming revenue decreased as follows:

- MGM, \$37.3. million, decrease of 19.6%
- MotorCity, \$25 million, decrease of 22.8%
- Hollywood Casino at Greektown, \$19.4 million, increase of 11.7%

The three Detroit casinos paid \$6.6 million in gaming taxes to the State of Michigan in October, compared to \$8.2 million for the same month last year. The casinos also reported submitting \$10.1 million in wagering taxes and development agreement payments to the City of Detroit in October.

The three Detroit casinos reported \$18.1 million in total sports betting handle and total gross receipts were \$1.1 million. Retail sports betting qualified adjusted gross receipts ("QAGR") reported for October were down by 46.3% compared to October 2022. Monthly QAGR was

down by 28.6% when compared to September 2023.

October QAGR by property were:

- MGM, \$365,705
- MotorCity, \$669,028
- Hollywood Casino at Greektown, \$90,430

The three Detroit casinos reported submitting taxes on retail sports betting in the amounts of \$42,531 to the State of Michigan, and \$51,982 to the City of Detroit for October 2023.

In addition to reporting revenue from the three Detroit casinos the MGCB released revenue numbers from fantasy contest operators.

Fantasy contest operators reported total adjusted revenues of \$2.1 million and paid taxes of \$178,346 during September 2023.

Top revenue generators were:

- PrizePicks, \$997,566.78
- DraftKings, \$651,712.17
- FFPC, LLC, \$151,329.59

For the first 9 months of 2023 fantasy contest operators reported \$16.8 million in aggregate fantasy contest adjusted revenues and paid \$1.4 million in taxes.

## West Virginia Joins Online Poker Compact Which Includes Michigan

In a significant development for the world of online gaming, West Virginia Lottery announced on Tuesday, November 14th, that West Virginia became the fifth state to join the Multi-State Internet Gaming Agreement ("MSIGA"), an accord that allows states to share online poker player pools. This strategic decision not only opens new opportunities for poker enthusiasts in the state but also marks a collaborative effort among multiple jurisdictions to enhance the online poker experience.

MISGA is managed by its member states which now includes West Virginia, Delaware, Michigan, Nevada, and New Jersey. The primary aim is to create a larger player base, leading to more active tables, bigger tournaments, and an overall improved gaming experience. This collaborative approach breaks down the barriers that individual states might face in terms of limited player liquidity and helps create a more vibrant and competitive online poker environment.

By joining forces with other states in the compact, West Virginia instantly gains access to a larger pool of online poker players. This not only means more opponents for local players but also attracts a diverse range of skill levels and playing styles, making the gaming experience more dynamic and exciting.

The collaboration with other states allows West Virginia to establish itself as a competitive player in the online gaming market. The states that participate can leverage this to attract more players and create a thriving ecosystem that benefits both the industry and the states' economy.

West Virginia's decision to join a multi-state poker compact has broader implications for the online poker landscape in the United States. With West Virginia's inclusion, there are now only two states where online poker is legal, which do not participate in the MSIGA (Pennsylvania and Massachusetts).

West Virginia's entry into the MSIGA marks a significant step toward fostering a dynamic and thriving online poker community. The compact exemplifies the potential of unity among states to create a stronger, more vibrant online gaming environment for players nationwide.

# Clarion Gaming Announce New Charity Partner

The US-based International Center for Responsible Gaming ("ICRG") has been <u>confirmed</u> as Clarion Gaming's new Charity Partner covering the period November 2023 to October 2024.

The partnership was announced during the UK's Safer Gambling Week (13th – 19th November) and follows applications received from a total of 24 not for profit organizations active in the safer gambling space.

ICE Event Director Andy Ventris, said: "ICRG's stated mission is to help individuals and families affected by gambling disorder and to prevent the onset of gambling problems through high quality scientific research and evidence-based educational programming on gambling disorder and responsible gambling. It was this commitment to robust, independent research which shone through in the ICRG's successful pitch to become our Charity Partner."

He added: "We are committed to supporting the international industry's safer gambling and gaming undertakings and the partnership will see ICRG have a high profile presence at ICE 2024, as well as at the co-located iGB Affiliate show, July's iGB L!VE which takes place in Amsterdam and via Clarion Gaming's content platforms. Our sector-leading events and media brands will provide an opportunity for ICRG to extend its reach and connect with relevant international stakeholders."

Highlighting the significance for both parties, Art Paikowsky, President at the International Center for Responsible Gaming, expressed: "Becoming Clarion Gaming's Charity Partner is a great honor that recognizes the 25-year history of our organization's leadership in providing peer-reviewed evidence-based research to inform decisions to mitigate harm to players.

"It stands as a testament to the dedication and hard work of our board and staff in advancing responsible gambling initiatives. This collaboration presents a remarkable opportunity for both the International Center for Responsible Gaming and Clarion Gaming to join forces, contributing to and making a meaningful impact on the responsible gambling landscape together."

Established in 1996, ICRG has provided

independent, peer-reviewed research to help increase the understanding of gambling harms and find effective methods of mitigation. Work undertaken by the ICRG is impacting public policy and strengthening responsible gambling. Nearly \$40 million has been committed to the ICRG through contributions from the casino gaming industry, equipment manufacturers, vendors, sports wagering companies, tribal casinos and related organizations.