

Last-minute deal averts casino strike in Atlantic City

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ATLANTIC CITY, N.J. — The main union for Atlantic City casino workers reached agreements on new contracts with four casinos on Thursday, providing for what one its president called “the best contract we’ve ever had” and labor peace that will avoid a strike on Fourth of July weekend, one of the casinos’ busiest of the year.

Local 54 of the Unite Here union reached tentative agreements with the Borgata, which is owned by MGM Resorts International, and three Caesars Entertainment casinos: Caesars, Harrah’s and the Tropicana.

A Sunday strike deadline remains against the Hard Rock casino, but the new pacts appear to greatly increase the likelihood of a deal getting done with Hard Rock as well.

“This is the best contract we’ve ever had,” union president Bob McDevitt told The Associated Press shortly after a deal was reached around 11 p.m. “We got everything we wanted and everything we needed. The workers delivered a contract that they can be proud of for years to come.”

Workers, too, were elated at the deal.

“I’m super excited,” said Ronnette Lark, a housekeeper at Harrah’s. “I’ve been here 24 years and we’ve never gotten a raise like this. We got big raises.”

The union did not reveal the terms of the settlement, saying they need to be presented to the full union membership and ratified before taking effect. But it said it had been seeking “significant” raises to help employees keep pace with rising costs.

Representatives of the four casinos did not immediately respond to requests for comment on the agreements.

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The settlements come at a crucial time for Atlantic City and its casino industry, which is striving to recover from losses caused by the pandemic and exacerbated by inflation and a labor shortage.

Yet those same factors were the driving force behind the union seeking a much larger raise than it had in past years; the exact amount has not been made public. In past contracts, the union concentrated on preserving health care and pension benefits, but this time sought what it termed “significant” raises for workers to help them keep pace with spiraling prices for gasoline, food, rent and other living expenses.

The deals avoided what would have been the city’s first casino strike since 2016, when the union rejected demands by billionaire Carl Icahn that the Trump Taj Mahal casino operate without health care and pension benefits that were terminated by a bankruptcy court.

The union went on strike on July 1, and the casino shut down on Oct. 10. It was sold months later to Hard Rock International, which gutted it and reopened it as the new Hard Rock Atlantic City in June 2018.

The finances underlying the current dispute are complex.

Including internet gambling and sports betting revenue, the casinos and their online partners have won \$1.8 billion over the first five months of this year. That’s up more than 49% from the same period in 2019, before the coronavirus hit.

But the casinos claim those figures are misleading because third-party partners keep about 70% of internet and sports betting revenue, leaving little for the brick-and-mortar casinos.

They say a more accurate metric is money won from in-person gamblers. By that measure, the casinos have won only 5% more than they did from in-person gamblers over the first five months of 2019. Only three casinos — Borgata, Hard Rock and Ocean — have won more from in-person gamblers in that time frame.

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