

Village of Lombard

*Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org*



Meeting Minutes

Monday, October 22, 2018

6:00 PM

Lorraine G. Gerhardt Community Room

Finance & Administration Committee

*Trustee Reid Foltyniewicz, Chairperson
Robyn Pike, Alternate Chairperson
Mary Cation, Jim Hogan, Jay Tavian,
David Cain, Jr., Dan Hartweg, Randy King,
Ambareen Ahmed, Michael Himmes
Staff Liaison: Timothy Sexton*

1.0 Call to Order and Pledge of Allegiance

2.0 Roll Call

Present 7 - Reid Foltyniewicz, Mary Cation, David Cain Jr., Dan Hartweg, Jay Tovia, Randy King, and Michael Himmes

Absent 2 - James W. Hogan, and Ambareen Ahmed

Staff Present: Scott Niehaus, Nicole Aranas Tim Sexton, Jamie Cunningham

Others Present: Trustee Ware, residents and business owners (public participants who spoke: Liam Quirke, Theresa Brzezinski, Maryann O'Neill, Dana Moreau, Mike Cloud, Matthew Kirsh, Lynn O'Donnell, Stafa Amin, Brendan Fitcharris, Vicky Topalidis, Stephanie Zabela, Matt Cobb, James Obermeier)

4.0 Approval of Minutes

A motion was made by Jay Tovia, seconded by Mary Cation, to approve the minutes for September 24, 2018. The motion carried by the following vote:

Aye: 6 - Mary Cation, David Cain Jr., Dan Hartweg, Jay Tovia, Randy King, and Michael Himmes

Absent: 2 - James W. Hogan, and Ambareen Ahmed

5.0 New Business

Trustee Foltyniewicz moved the public participation agenda item until after the presentation on Strategic Revenue Generation Discussion-Video Gaming. During the discussion James Hogan arrived at 6:09 p.m.

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Strategic Revenue Generation Discussion-Video Gaming

Discussion of revenue generation and recommendation on whether video gaming should be permitted within the corporate limits of the Village of Lombard.

Trustee Foltyniewicz reviewed the Strategic Revenue Generation Discussion Video Gaming presentation with F&A Committee. The presentation included an overview of the budget, current and future fiscal

challenges, available revenue options and information on video gaming.

The F&A Committee discussed factors associated with video gaming such as licensing of alcoholic beverages, additional cost for safety and security, how the revenue is collected, if additional staff is required by the Village and the difference between revenue estimates if gaming parlors were allowed.

Trustee Foltyniewicz discussed that the State of Illinois sets forth minimum standards and regulations for video gaming. However, local municipalities may opt to enact additional regulatory restrictions pertaining to local applicants and license holders.

Included in the presentation were four possible local regulatory restrictions for the F&A Committee to consider when making their recommendation. The local restrictions were as follows:

1. Limiting the percentage of income received from video gaming to a certain percentage of the overall income of the restaurant (e.g., 30% maximum).
2. Waiting period for licensees (e.g., operations for one year prior to application for license).
3. Security & public safety requirements such as the following:
 - a. Licensees to install and operate video camera surveillance capturing clear recordings retained for a minimum time period (e.g., 30 days) and subject to inspection by the Police Department upon request.
 - b. Direct connect burglar alarms to centralized dispatch to protect against unpermitted entry to licensed establishments.
 - c. Regulations to ensure adequate safety measures are in place to protect against criminal conduct.
4. Promotional signage restrictions such as the following:
 - a. It shall be unlawful to advertise for video gaming via a sign visible from any street, alley or public right-of-way within the Village (includes external facing interior or window signage).
 - b. Business shall otherwise maintain compliance with all other Village sign regulations.
 - c. Regulations protect character of business districts and discourage promotion of video gaming to general public.

Trustee Foltyniewicz asked Tim Sexton to provide an estimate of the revenues that could be collected for each of the available revenue options presented in the PowerPoint. They were as follows:

- Video Gaming best guess \$150K/year without parlors but could vary

widely

- Places for Eating Tax was raised from 1% to 2% in 2017 and the additional revenue is about \$1.6M/year
- Vehicle Stickers would be around \$400K/year at the prices they were when they were eliminated
- Home Rule--Currently we have a NHR sales tax about \$9M per year that we can only use for infrastructure and hotel motel tax is about \$2M per year that can only be used according the State. Home Rule municipalities have the flexibility with the Village Board on how to spend those funds. The Village Board could choose how to allocate about \$11M of these funds, including application of the money to the General Fund for operations.

Public Participation

Liam Quirke (Punky's Pub) Provided some revenue numbers from video gaming in nearby municipalities. The information included projections of \$500 per terminal license fee. He knows of 15 establishments that would be interested in putting terminals in their business.

Trustee Foltyniewicz clarified that our max per terminal is \$25 per terminal since we're Non-Home Rule.

Theresa Brzezinski (Manger of O'Neill's Pub) Explained that she was here to speak for other business owners, to see this through and to hear both sides. She would like to bring this decision back to the bar and business owners and not have a ban that the Village Board decides for us. Would like to provide any support and hold forums for those that want to have more information.

Maryann O'Neill (O'Neill's Pub owner) Explained that she has supported Village for many years. Husband was on Village Board when Non-Home Rule referendum passed. Backstory to referendum was because there was a lot of mistrust by corrupt official in outlying villages around us and the fear that because they would have total control of that money that the temptation for embezzlement would be there for some individuals. She has supported through her establishment sports teams, fundraiser for teacher, and try to support Village in any way they can but also need to make a living for their families and employee families. Didn't even leave during downtown construction when lost 60% of her business. They are losing business. Bar owners in Villa Park and Westmont are bringing in money to help pay the bills and renovate establishments. Wants to know what the fears are like the Non-Home Rule referendum against bringing gaming to Lombard.

Mary Mae Meyer - Resident against video gaming. Went over budget online and came across window replacements for Village Hall and Fire Department. Things that can be deferred should be deferred until you have the money to pay for it. We all come from different places and have different perspectives. Legalizing video gambling is being presented as a budget issue but has more to do with the long range mission. Community image and branding is strength of Lombard. Gambling is a proven addictive behavior. Protect the branding of Lombard. Decision should be put to rest by referendum.

Dana Moreau - Resident -- Do we still provide tavern licenses? Nicole Aranas replied: Yes, 3 and you could apply for any license but we don't have a history of issuing them.

Is this A-1 class liquor license or do they have to have a pour license?

Nicole Aranas replied only for places that have consumption on premises. Dana commented that the projected revenue is \$150K but video gambling isn't going to take care of the entire deficit. When I look at the restriction you are considering, the parlors would actually bring in the most money. Maryann O'Neill responded it's not about the dollar amount you're going to raise for the Village of Lombard it's about keeping business in Lombard. Trustee Foltyniewicz responded money is a factor but it's not the only factor. The revenue from video gaming would not solve the future budget problems alone. The reason we are considering is because the business came forward recently in 2014 the business community didn't step forward.

Mike Cloud - Resident of Lombard, gaming should be allowed in Lombard. Freedom of choice and lets support our business and give them a choice. Prohibition didn't work and neither does exempting gambling.

Matthew Kirsh-Resident of Lombard. Would like to ask the Committee to hold off and it's important to get everyone's opinion because this is a big issue that is going to effect a lot of people. If there are 4 possible revenue sources on the board why are we considering one before we consider the others? If home rule and vehicle stickers can do it for us. We need to slow down and consider everything.

Lynn O'Donnell-Resident of Lombard against bringing video gambling to Lombard. Concerned what this will do to our community. Questioned whether new condo and apartment buildings would provide needed revenues.

Scott Niehaus responded by explaining that the new buildings will be good property tax base. However, the Village collects 7% of the taxes

and most go to schools. We do get one-time revenue when they apply for the permits. Tim Sexton explained how and what Lombard receives for use tax for online sales.

Stafa Amin (Overtime Bacon Bar) Explained that property taxes have significantly increased over the past few years. There is a lot of stuff that needs improved and would like to hire another General Manager but can't afford it. The revenue will help pay for a lot of expenses. Businesses can leave and go to Oakbrook Terrace 4 miles down the road. Most people only put \$20 in and this doesn't bring a bad element to Lombard. We are missing out on the revenue for our food and beverage. Villa Park has had video gaming for 5 years and won top 8 places to live.

Brendan Fitzharris (Owns 2 bars in Elmhurst, 1 in Villa Park, 1 in Glendale Heights) Would like to expand and ideally in Lombard. It is too hard to compete without video gaming. Provided beer sales data from Euclid Beverage a large local distributor for increases and decreases in various towns when video gaming was put in place. Estimated \$2M in liquor sales loss for Elmhurst. His sales in Villa Park increased 15% when video gaming was introduced. This isn't a forced tax if you want to gamble you can play poker on your phone.

Vicky Topalidis (Owner of Maxfield's restaurant) Wants to make business grow and has customers asking for video gaming. No restaurant or establishment will put video gaming in sight of children. No business wants to close doors and move to another town. Freedom of choice and free will. If you're an adult and want to do this you can just as easily go to Villa Park.

Stephanie Zabela-Resident of Lombard against video gaming. Families will be discouraged to move here because video gaming is undesirable. The benefits of the Village may not be enough to offset the possible detriment.

Matt Cobb-Resident of Lombard for video gaming. Lombard is limiting themselves from an opportunity. Friends don't come visit Lombard, they want to go to other communities to play the games. The establishments are nicer in other communities because they reinvest in their place.

James Obermeier-Resident against video gaming. Wants to preserve property values as much as possible.

Dana Moreau asked what was the time frame for a referendum. Trustee Foltyniewicz and Scott Niehaus responded that this is an early phase and

one committee of many and the Board will probably go to a workshop and there is no time frame nor has a referendum been discussed. We have and will continue to advertise and over communicate on social media.

Trustee Foltyniewicz closed public participation at approximately 8:00 p.m.

Finance and Administration Committee member David Cain discussed that based on the information provided, adoption of video gaming would not create an administrative burden and a will provide a conservative estimate of revenue is \$150K. Looking at the large future budget deficits, this could be \$150K/year towards the solutions. We aren't making a motion on the overall proposal and looking at it from a financial perspective. The Village Board will have to make the overall decision.

Jay Tovia said we've been cutting so much and we're at the bottom of the barrel before we get into serious cuts that could impact services. When you're looking for money you don't leave anything on the table.

Mary Cation explained that she was not in favor of a blanket motion and that in her opinion the motion had to be more specific with regard to possible restrictions.

It was moved by Jay Tovia, seconded by David Cain, to recommend to the Village Board consideration of video gaming to include restrictions that would:

- **Prohibit parlors and require businesses to operate for one year period prior to application for video gaming license;**
- **Restrict signage as noted in the presentation;**
- **Limit the percentage of income received from video gaming to not exceed 49% of the overall income of the business; and**
- **Impose security and public safety requirements as noted in the presentation.**

The motion carried by the following roll call vote:

Aye: 7 – Mike Himmes, Mary Cation, Jay Tovia, Dan Hartweg, David Cain, James Hogan, Randy King

Absent: 1-Ambareen Ahmed

Trustee Foltyniewicz discussed the next meeting dates when other Committees review video gaming. The Village Board will meet for a hearing and workshop after the Committees provide recommendation.

Public comments will be taken throughout the process and the Village is committed to transparency and open communications.

- November 7, 2018 Public Safety & Transportation Committee
- November 10, 2018 ECDC
- November 12, 2018 Community Relations

6.0 Other Business

7.0 Review of Financial Information

8.0 Future Meeting Dates

November 26, 2018 at 6:00 p.m.-The Committee review of 2019 Insurance Renewal

9.0 Adjournment

**It was moved by Hogan, seconded by Cain, to adjourn the meeting at 8:05p.m.
The motion carried unanimously by the following voice vote:**

Aye: 7 - Mary Cation, James W. Hogan, David Cain Jr., Dan Hartweg, Jay Tovian, Randy King, and Michael Himmes

Absent: 1 - Ambareen Ahmed