

Village of Lombard

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



Minutes

Thursday, March 7, 2019

6:00 PM

Board Room

Special Meeting Board of Trustees

*Village President Keith Giagnorio,
Village Clerk Sharon Kuderna,
Trustee Dan Whittington, Trustee Mike Fugiel,
Trustee Reid Foltyniewicz, Trustee Bill Johnston,
and Trustee Bill Ware*

I Call to Order

The Special meeting of the President and Board of Trustees of the Village of Lombard held on Thursday, March 7, 2019 in the Board Room of the Lombard Village Hall was called to order by Village President Keith Giagnorio at 6:00 p.m.

II Pledge of Allegiance

The Pledge of Allegiance was led by Director of Public Works Carl Goldsmith.

III Roll Call

Present 8 - Keith Giagnorio, Sharon Kuderna, Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, and Bill Ware

Staff Present:

Village Manager Scott Niehaus
Director of Finance Tim Sexton
Director of Community Development Bill Heniff
Director of Public Works Carl Goldsmith
Chief of Police Roy Newton
Fire Chief Richard Sander
Assistant Village Manager Nicole Aranas
HR Director Kathy Dunne
Communications Coordinator Avis Meade
Executive Coordinator Carol Bauer

IV Public Participation

V Agenda

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Video Gaming

Review of a proposed draft ordinance lifting the total ban on video gaming, and allowing video gaming within the Village of Lombard, but only in regard to certain liquor license categories and subject to certain terms and conditions, with a sunset of said limited permissive video gaming on June 30, 2020, unless further action is taken by the Village Board. Review of a proposed draft ordinance placing an advisory referendum on the March 17, 2020 ballot with regard to video gaming.

Village President Keith Giagnorio reported that he wanted to review housekeeping rules; noted he read all of the e-mails that had been sent; spoke of the three-minute limit for public participation; stated that we are

all Lombardians and asked that all be respectful of each other's opinions; noted he would not tolerate outbursts, clapping, booing, etc.; stated that the Board was split on the matter of video gaming and he had hoped that some resolution could be agreed upon, but as no agreement could be reached, a compromise was being recommended; stated the compromise included lifting the ban on video gaming with a sunset clause of June 30, 2020 and adding the question of allowing video gaming to the March 17, 2020 ballot as a non-binding referendum; stated this is the longest standing one-item issue that he was aware of; felt this was the best compromise for the businesses and the residents; the question on the ballot relative to video gaming will be simple.

Village Manager Scott Niehaus provided the following overview: video gaming was reviewed at the January 24th Workshop which included staff and public comment; Village Board direction was to prepare two ordinances; if the ordinance lifting the ban was passed, video gaming would be allowed beginning July 1, 2019 through June 30, 2020; it takes a considerable amount of time for an establishment to get a video gaming license; ordinance would authorize video gaming and provide liquor licenses for establishments to have video gaming; ordinance includes conditions and restrictions on the adoption of video gaming as recommended by four Standing Advisory Committees; video gaming would require creation of new video gaming liquor licenses; reviewed the various liquor license classes including video gaming; ordinance contains local restrictions on video gaming licenses that go above and beyond the basic requirements of the Video Gaming Act; restrictions in the draft ordinance are matters of policy at the discretion of the Board; the scope and extent of these restrictions may be amended at the discretion of the Board; signage restrictions, video camera surveillance and burglar alarm systems restrictions reviewed; the percentage of income from video gaming is not to exceed 49% of the establishment's gross revenue; liquor establishment must be in good standing and meet all requirements; a sunset clause of June 30, 2020 was added; non-binding referendum to be included on the March 17, 2020 ballot. Village President Keith Giagnorio noted the upcoming April 2nd election and spoke of new members to the Village Board; stated he bent over backwards, but it appears that the only way to approach this is to have a compromise between the two sides; did not want to be put in the position between the two sides; the Board members have agreed to the compromise; he noted that not everyone will be satisfied; trying to be fair; we all love Lombard; there is not just a yes or no answer, but a middle ground approach. He asked those people who were going to speak to be mindful of other's opinions and respectful of each other whether you agree or disagree.

1. Jerry Nash opposed to video gaming; residents going to Villa Park and other communities that offer video gaming; businesses should look

at other avenues to attract patrons.

2. Chris Cholewa, past President of LTC, stated she has been involved in downtown; feels video gaming plays on vulnerable people; opposed to video gaming; felt people should spend money in other ways.

3 Maryann O'Neill, resident of Lombard since 1971; homeowner and parent with 11 grandchildren; owner of O'Neill's for 32 years; husband passed away in 2006; 33 years as teacher and Chief Administrator at Montini; would never do anything to jeopardize or endanger children; spoke of addictions internet, gambling, liquor, smoking; felt people will go or do whatever it takes to satisfy their addictions or engage in activities they choose to do; spoke of video gaming as a form of entertainment; asked that businesses be allowed to make their own choice; felt their business was struggling and looked at adding video gaming as a means of helping to retain their customers and draw new customers.

4. Jeanine Gray, Trustee of Punky's, asked the Village Board to allow video gaming; customers leaving to go to other towns that allow video gaming; a lot of discussion about this since August 2018; would generate additional revenue and also more revenue to the Village based on Places for Eating tax, etc.; spoke of no negative impact on property values, and that Villa Park, community that allows video gaming, was voted #8 best small town to live in; Carol Stream also allows video gaming and home values have increased 3.5%.

5. Dana Moreau, resident and business owner, spoke of investment in downtown; did not see video gaming benefitting the Village; not fair to the residents and businesses; spoke about a referendum.

6. Marymae Meyer felt it was a sad decision relative to the issue; look at big picture; felt video gaming was not what the majority of taxpayers wanted; spoke of people spending their money on gambling and felt it was addictive.

7. Liam Quirke submitted petition with over three-hundred (300) signatures supporting video gaming; form of entertainment for all ages; spoke of people attending sporting events, concerts for entertainment and some enjoy video gaming; spoke of Queen of Hearts raffle with a \$500,000 jackpot; questioned not allowing a \$2 bet on a video gaming machine when Queen of Hearts raffles and lottery tickets cost more than that; will result in increased sales tax, amusement tax and Places for Eating tax; deficits in budgets and this would generate revenue to help police, fire and public works; lifting ban on video gaming would help small businesses stay in business.

7. Deb Dynako spoke of slippery slope; community spirit; opposed to video gaming.

8. Brendan Fitcharris has businesses in Villa Park, Elmhurst and Glendale Heights, and looking at expanding business to Lombard, but only if video gaming is allowed; allow businesses to choose what is best

for them; spoke of addictions and being able to gamble on Internet, laptop and phone; customers who want to play video games will go and play video games elsewhere; provide revenue to the Village; losing business to towns who allow video gaming; can lower price on food and beverages and make up with video gaming revenue.

9. Lynn Mitchell, sister of John Mitchell owner of Otto's Bar & Grill, spoke of competition and customers going to other communities that allow video gaming; customers looking for the most value for their money; 97% of people who play video gaming are recreational players; can lower cost on food and beverages and offset with video gaming revenue; cannot afford to do any capital improvements at bar such as the \$25,000 in repairs needed for the parking lot.

10. Nicole Malinowski grew up and lives in Lombard; requested the Village Board lift the ban on video gaming; most people who play video gaming machines are not addicts; will the Village look at banning alcohol, cigarettes, or shopping for those people who enjoy smoking, drinking or shopping; those people who spend money on video gaming also spend money on other products and food; if people cannot play video games in Lombard, they will go elsewhere.

11. Ann Mastiodonato requested the Village Board lift the ban on video gaming; works at O'Neills and Otto's and brings in customers; video gaming a form of entertainment; Lombard bars cannot compete with bars in other towns where video gaming is allowed.

12. Marc Cook, part owner of Brauer House, spoke of the disadvantage for Lombard businesses with the ban on video gaming; asked the Village Board to lift ban on video gaming and felt it was necessary for survival.

13. Jen Cardelli requested the ban on video gaming be lifted as she goes to other towns who offer video gaming.

14. Jordan Oprondek works at O'Neills and a bar in Villa Park, and customers leave Lombard to go to Villa Park to do video gaming; can bring more customers to Lombard if video gaming is allowed.

15. Kathy Gilroy stated it had been five years since she last spoke about video gaming; feels businesses who need video gaming to survive, need a new business plan; felt no one is born an addicted gambler.

16. Colleen Whittington, volunteer with LTC and former business owner of a business that did not succeed, spoke of businesses benefitting from someone's losses; residents are split on issue; this matter has been discussed for years; felt the matter should be put to a referendum; wait to make decision until after referendum; wait to make decision until after the new Board members are sworn in.

17. Jennifer Shannon poured heart and sole into business and the community; allow the businesses to make a decision on whether they have video gaming or they do not.

18. Cary Weisgram, spoke of great process; inquired about estimated revenue to the Village; spoke relative to addictions.

19. John Mitchell, owner of Otto's for 35 years, stated business is really tough; had to close kitchen; can not compete with \$2.00 beers with bars that have videogaming; building was built in 1918 and needs work; losing business to towns that allow video gaming; felt compromise was a good solution.

20. Theresa Brzyinski, works at O'Neill's and is a past LTC Board member, stated this is about the business and keeping the patrons in their seats versus having them leave to go to a town that offers video gaming; businesses need the opportunity to compete; spoke of having the money to make improvements at the bar; customers want to stay and spend money in Lombard and not leave to go to other communities; spoke of being able to keep staff; have tried other avenues to bring and keep customers that have not worked, and would like to offer video gaming to their customers.

21. Joel Ragg, owner of Brauer House, many opposed to video gaming, but this is about small business; people who stop to play video games, also spend money on food, gas and other items in Lombard; form of entertainment; people choose to spend their money on whatever they like and some like playing video gaming machines and it is their choice; allows business to help with school activities and sponsorships; helps expand the business.

22. Tami Urish stated she was opposed to video gaming and requested the Board consider the referendum.

23. Clayton Bernstein, customer at Brauer House, enjoys playing video gaming machines; gaming brings revenue to businesses; competition with other businesses that allow video gaming; changing world; gaming brings more people to business; Lombard great community.

24. Steve Brauer of Brauer House noted gaming terminals are harmless; video gaming does not decrease property values; gaming is accessible on phones, laptops and desktops no matter who you are; it is person's choice to participate or not; bars surrounding Brauer House have video gaming putting them at disadvantage; would like to be able to compete with other bars and restaurants; video gaming is harmless entertainment; employs fifty people and does not want to cut jobs.

25. Jennifer Maercklein, Cub Scout Leader, opposed to video gaming; raising kids here; keep current ban on video gaming; felt video gaming was tacky and lowers reputation of community; every dollar spent on video gaming takes \$300 in addiction help; encouraged the Village Board to have referendum and make the referendum a binding referendum.

Village Manager Scott Niehaus reviewed Power Point and noted this was a workshop and no vote would be taken on video gaming tonight. Any ordinances relative to video gaming would be required to have two readings without a waiver of first reading. The non-binding referendum would be held on March 17, 2020.

Trustee Foltyniewicz asked that the language on the referendum be clear and should read "should video gaming be permitted in the Village". Staff requested to change wording on referendum.

Trustee Ware asked that the wording be changed to read "allowed" instead of "prohibited".

Village Manager Scott Niehaus reviewed information on ordinances pertaining to liquor licenses and video gaming, and definitions; noted 35 active licenses and availability of licenses; stated liquor license classes would be changed to add "VG" for a liquor license with video gaming; there are zero liquor licenses currently with video gaming and each request would generate a new ordinance allowing for the liquor license holder to have video gaming for the business; reviewed license fees, license restrictions, signage, video camera surveillance, alarm systems, percentage of income from video gaming and liquor, businesses needs to be in good standing with the Village.

Trustee Reid Foltyniewicz questioned the year waiting period.

Trustee Bill Ware agreed with Trustee Foltyniewicz and also was opposed to gaming cafes.

Trustee Robyn Pike also agreed to remove the year waiting period.

Trustee Bill Johnston spoke of being fair to all.

Trustee Fugiel spoke of gaming cafes.

Trustee Whittington was opposed to punishing businesses.

Village Manager Scott Niehaus reviewed the \$25 license fee; no more than five terminals per business; draft ordinance with Sunset Clause; no further action would terminate allowing video gaming as of June 30, 2020, and language would revert back to current language; cannot assume at this point that the revenue from video gaming would be there year after year.

Village President Keith Giagnorio thanked the Board members and noted he was proud that even if the Board members did not agree, they were able to view the compromise as a way of moving forward for the coming year. He thanked the committees for reviewing video gaming from different aspects depending on the committee and the committee's requested review of a specific aspect of video gaming. He noted the current Village Board would be voting on this matter, but the new Village Board would also be reviewing video gaming.

Trustee Whittington felt that the Board was not a Board divided and would like the new Village Board members to have a vote on the matter. He noted there were three Board members who wanted the referendum and three who did not want it. He spoke of the risk for the businesses if they proceed with submitting an application and all the costs involved to obtain a video gaming license, not knowing if they would be able to keep the license after June 30, 2020. He inquired about costs.

President Keith Giagnorio noted that allowing video gaming for approximately one year would provide the residents, staff and Board

members time to view video gaming in the community before taking any other action on the matter next year.

Trustee Reid Foltyniewicz felt there was no ill will among the Board and he did not want a town divided. He felt the residents had spoken three different times (2010, 2014 and now) relative to video gaming. He did not feel a referendum was necessary and he did not want a referendum. He felt the residents had spoken and felt the Trustees had been voted in to be leaders for the residents. He noted a compromise had been reached.

Trustee Robyn Pike felt the Board needed to not just listen to the residents, but the businesses as well. She asked the Board to be open and explore all options.

Trustee Bill Ware stated he wants to give the choice to the businesses. He thanked President Giagnorio for coming up with the compromise and felt the compromise was a good one. He spoke of the referendum giving the residents a chance to voice their opinion and by removing the ban at this time, it was allowing businesses to have video gaming for a year. It is a compromise for residents and businesses.

Trustee Bill Johnston noted that his position had not changed and did not feel a referendum was necessary as the Board should just vote on the matter. He felt it was unfair to the businesses to allow them to have video gaming with the possibility of not having it after one year. He felt the Village Board should just vote on the matter.

Trustee Mike Fugiel spoke of the capital outlay that a business would need to make in order to apply and receive a video gaming license. If residents want a binding referendum, then they should go out and get the 4,000 signatures needed to have a binding referendum. He felt this was the path of least resistance.

President Keith Giagnorio asked for direction from the Village Board.

Trustee Bill Ware suggested that both ordinances (one relative to placing the question of allowing video gaming on the March 17, 2020 as a referendum and one lifting the ban on video gaming and allowing video gaming for one year) be placed on the next Village Board agenda - March 21, 2019.

Trustee Dan Whittington felt the new Board should make the decision.

Trustee Bill Johnson agreed with Trustee Whittington.

Trustee Reid Foltyniewicz asked what the Village Board would be voting on.

Village President Keith Giagnorio indicated the Board would be voting on two ordinances - one ordinance placing the question of allowing video gaming on a non-binding referendum on the March 17, 2020 ballot and one ordinance lifting the ban on video gaming and allowing video gaming for a period of one year to June 30, 2020.

All Board members agreed to having two ordinances on the March 21, 2019 agenda.

A motion was made by Trustee Bill Ware, seconded by Trustee Mike Fugiel, that staff be directed to prepare two ordinances with amendments as agreed upon by the Village Board and to place the ordinances on the March 21st Village Board agenda on Separate Action first reading. The motion passed by a unanimous vote.

VI Adjournment

A motion was made by Trustee Dan Whittington, seconded by Trustee Bill Ware, that the Special Meeting of the President and Board of Trustees of the Village of Lombard held on Thursday, March 7, 2019 in the Board Room of the Lombard Village Hall be adjourned at 7:51 p.m. The motion carried by the following vote:

Aye: 6 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, and Bill Ware