

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, OCTOBER 5, 2015**

1. Opening of Meeting

The meeting was convened by Chairman Stellato at 7:25 p.m.

2. Roll Call

Members Present: Chair. Stellato, Ald. Silkaitis, Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, and Lewis

Absent: Krieger

3. Omnibus Vote

None.

4. Mayor's Office

a. Presentation and public feedback for committee consideration to permit video gaming.

Chrmn. Stellato: We will start right off with Item 4 on the agenda. We purposely kept just this one item on the agenda this evening so that we'll have plenty of time to talk about this issue. This issue is very important to both sides whether you're for it or against it; so we want to dedicate enough time for this. We want to have staff give a brief presentation, allow council committee members to have a discussion amongst themselves, and then turn it over to the audience. Before we speak I'll go through some rules so that we keep everything professional and respectful and also timely because we have a lot of folks here that want to talk. We'll start with Mark Koenen to bring us up to date as to where we are.

Mark Koenen: For all of you who had opportunity to review the packet tonight, there is a memo in the packet which was prepared by our City Attorney, John McGuirk, and myself where we tried to build a bridge from the conversation that was had in this room two weeks ago to this evening. In that conversation of two weeks ago, there were generally three/four different points that were expressed. I am going to walk through those points briefly tonight to give people some perspective. If you have not had the opportunity to review that, hopefully this offers some clarity as we proceed to public conversation that will take place after that.

The first item in the memo deals with the legal basis for video gaming as the ordinance was proposed by city staff for committee and council consideration. As everyone in this room is probably familiar, the City of St. Charles is what we call a "home rule" community which we became in the mid-90's and gives us certain rights to do self-management or self-policing or self-determination of what yields your organization to want to look forward. We are not dependent on the State of Illinois for a sense of order but rather you take that on yourself. And

for the State of Illinois when they pass legislation, unless they prescribe in that state legislation that you are obligated to follow their rules, it goes above and beyond your home rule authority; you can make certain rules that are above and beyond and tailor them to the City of St. Charles. To that effect the video gaming ordinance that was in the packet presented a couple of weeks ago does take some local issues and tries to tailor them to the City of St. Charles to be respectful and reflective of what the community is asking us for. Atty. McGuirk, did I represent those thoughts fairly?

Atty. McGuirk: Yes.

Mark: The second issue has to do with what we sometimes refer to as a “sunset clause” or as I refer to it in this memo as a trial period or study period for video gaming. There is conversation about shortening the duration for which this trial period would be established. The original ordinance of guidance that staff accepted suggested a 5-year duration. A couple of weeks ago someone said five years is too long, let’s shorten it and make it three years. If that’s what the Council would like to direct the ordinance to say, I have included in this draft document/memo that language which provides how it would shorten the duration from April 30, 2020 to April 30, 2018.

Issue #3 that came up a couple of weeks ago, deals with signage that is exterior signage on buildings. There was a comment that some folks have driven through communities, I’ve heard this from a variety of City Council folks, that they have seen a video gaming signage that’s trying to attract people into their place of businesses. We did some research of adjacent communities within the metropolitan area: one in Lansing and one in West Dundee where they too had a local concern for this matter. They have tailored their video gaming license to not allow video gaming signage in part or in total in their respective communities. Again if that’s something the City of St. Charles would like to entertain there are some draft words at the bottom of this memo for you to consider if you so desire that sort of change to exterior signage in the City of St. Charles and that would be a condition to any license that was granted to an establishment for video gaming in the City of St. Charles.

The last issue that staff wants to present is that we went back and revisited the ordinance one more time and realized there were some cleanup issues that we have to deal with in regard to the fraternal organizations, e.g., VFW and how there are permitted to have video gaming in the City of St. Charles. Those cleanup issues are included in your packet, the draft language has all been updated, and if there are any specific questions, I’ll be glad to answer those; but from this perspective it’s pretty self-explanatory.

Those are the brief comments that I would like to offer that initiate the conversation for tonight unless there are some specific comments for me, I’ll turn this back to the Mr. Chairman.

Chrmn. Stellato: That gives us an outline to go with tonight and Ald. Payleitner you had a question about number 1?

Ald. Payleitner: Yes, first Mark and John thank you for addressing my concerns about the legality of the ordinance. Secondly, seems like we both talked to the same attorney at the Gaming Board, got the same answer but different takes on that answer. So I have one question in particular about the supplemental licensing. Did you ask specifically about that or just about if we were allowed to have a supplemental license? Not the fees as I'll address that in a minute, but the actual licensing because of lot of this falls under that. I understand that other towns have had it, but I'm just wandering if that came up in the same conversation with the attorneys at the Gaming Board – supplemental license?

Mark: I did not have that specific conversation with the Gaming Board attorney so I'll redirect your question to Atty. McGuirk.

Atty. McGuirk: I spoke to a gentleman who is their general counsel, Mr. Pellam, and he emphasized that the Gaming Board takes no position on local ordinances and he described to me that his talk at the Municipal League tried to emphasize it as an unsettled area. I think I tried to express that in my memo to you that in the legal world we have statutory law and case law and we have a statute that doesn't preempt our ability to create our own ordinance. There are no reported cases on any challenge to a local ordinance. I described to him generally what our local ordinance looked like and he said that sounded like what many other municipalities have enacted, which is the case.

Ald. Payleitner: Right and he said that to me as well, but he also said take your chances if you want. I think this is all so new, is this what we want to do – throw it up there and see if it sticks?

Atty. McGuirk: Another option the Council would have is simply to repeal the prior ordinance, have no local ordinance, and we could have video gaming in St. Charles regulated by the state – that's always an option you have. If you're concerned about this being challenged that might be another approach.

Ald. Payleitner: Right, than I wonder if my colleagues wouldn't have supposed safeties built in that they're requesting. Just real quick, the other point I want to make to that see ya in court kind of thing, you had put in our packets a case about somebody who took a video gaming distributor who took a town to court because they thought their gaming license fees were too high, similar to what we're offering as I recall. Even though the ruling was in favor of the town hanging onto it, the reason why it was in favor of the town is because the plaintiff didn't prove the case. I want to be careful if we tip-toe in and think that's our go to, just because the plaintiff didn't prove the case saying a license fee for regulatory purposes can be sustained as the license fee bares some reasonable relation to the cost of regulation. They could not prove that.

Atty. McGuirk: There was a presumption in favor of the municipality and they weren't able to sustain their challenge to that license.

Ald. Payleitner: Right because they couldn't prove this was above and beyond the cost; like you mentioned in you memo it is under appeal and maybe they'll come back. The other thing I want to point out too, and people may agree/disagree with this, but when I went through all the

case law having to do with video gaming, it isn't the establishments that are taking municipalities to court. We need to be clear on that.

Atty. McGuirk: Let me say there is no case law. There has been circuit court challenges.

Ald. Payleitner: Not case law but cases. I'm talking about going to court and who is going to take you to court. It isn't going to be the bars or establishments; it's going to be the video gaming suppliers, the distributors, and their pockets are way deeper than establishments. In this case that you cited, that is who took them to court. It wasn't the establishments who thought they were charging them too high, it was the distributors who were fighting and have the deep pockets to do so. That's who we're up against. We're not up against the little ma/pa bar downtown, we're up against the distributors.

Point two, I agree it is well within our power; that's about the only power we have. We have the power of liquor license and the power of lifting or setting the ban. So that's all the sunset clause is – is lifting the ban or not. I agree with that.

Number 3, the signage. We're looking at this just by copying other ordinances in other towns? Is that what this is? I'm not an attorney, but I read the powers of "home rule" units and I saw as a home rule unit we're allowed protection of public health, safety morals, welfare, license to tax, and to incur debt; that's our limit which is pretty broad. It gives us a lot of freedom, but I don't see where signage is in there where we can pick out a particular business and hold them to a different standard than another business as far as signage goes.

Mark: Two weeks ago there was reference to an email that I drafted to an alderperson addressing my concerns about that, particularly in light of the First Amendment. This pointed out to me that when you couple it with the home rule authority, because we've attached it to the license, which is something the applicant would voluntarily request, recognizing that's a condition of receiving a license in the City of St. Charles for video gaming. It makes sense that they would choose to restrict their own signage because that's how they would want to pursue their business in the community. Again, it is a legal matter, but that was my take on it.

Ald. Payleitner: It goes back to the video gaming license that we're going to have. I was told by the attorney that Mr. McGuirk talked to that we can't have supplemental licenses. If that's a chance we want to take on that, so be it.

Chrmn. Stellato: Any other comments on the items from the committee members.

Ald. Lemke: Are there other communities? It seems to me that there may be as many as 5,000 locations in other communities that have supplemental licenses or particularly signage restrictions. The implication is perhaps we're the first. That is a concern that folks have that tends to somehow affect the nature of the appearance of St. Charles.

Mark: There are other communities that have the same structure that we're proposing. What we're doing is not particularly creative. It is something that has been done in the past.

Ald. Turner: We're proposing that there be no exterior signage for video gaming in the City of St. Charles?

Mark: What I've provided in the memo is some suggested language. If the Council would like to direct that be added to the ordinance that was proposed in Committee two weeks ago we would ask for that guidance as a condition of approval.

Ald. Turner: That was one of the suggestions and it sounded to me like other communities have had that as a requirement for video gaming.

Mark: That's correct. That's the Lansing and West Dundee model that's in your packet.

Ald. Payleitner: My understanding is all the communities I read; except for those two, is that other communities, Loves Park for example; they have all their protections written into their liquor code. Is that a direction we're taking?

Mark: The proposal in the packet tied the advertising for gaming to the gaming license. That's the only thing we would be restricting; pursuant to that permit for signage.

Ald. Lewis: Is there anything in there that restricts café gambling?

Mark: There is no specific language that says as clearly as you just stated that cafés are prohibited in St. Charles. When we first brought the ordinance forward we indicated that you had to maintain and operate as a liquor licensed establishment for a period of at least one year before you would be eligible to apply for a video gaming license in the City of St. Charles. It's our understanding, after talking with some other communities that have a similar strategy that this has tended to discourage the cafés from coming into the community because their primary business is video gaming. Whereas what we are saying is video gaming is an ancillary use or another activity that can be done in a liquor establishment in the City of St. Charles.

Ald. Lewis: Walk me through which comes first. First you get a liquor license from St. Charles then you get a gambling license from the State then you come back to St. Charles and get a video.

Mark: That's correct. You have to have your video gaming license from the State of Illinois. That's part of the application requirement to demonstrate that you possess the license from the State of Illinois. Then it will be submitted through the Police Department for your local St. Charles license.

Ald. Lewis: We will also be doing background checks if this were to pass?

Mark: We will be piggy-backing what the State of Illinois does. They will have done their exhaustive study and we will be part of that same conversation. Our roll will be to go to the site, make sure we understand how the establishment is going to be laid out relative to signage,

location within the establishment, management and control into the location and that there is always someone monitoring the location.

Ald. Lewis: If they pass their liquor license and get a video license from the State what cause would we ever have to deny one?

Mark: We would not have a cause to deny them if they have met the criteria.

Ald. Lewis: Anyone who gets one from the State, we will have to okay that?

Mark: That is the criteria.

Ald. Turner: I thought when I made the original ordinance I said anybody with a liquor or restaurant that's in good standing with the Liquor Commission. I don't know if we have definition of good standing. I would not give a gaming license to someone who has multiple liquor violations.

Attny: McGuirk: We did include that language that you proposed in the ordinance. We haven't defined it to any degree, but it would seem to me that if they had a liquor license and maintained it they are still in good standing with the City. If there is any other meaning that you wanted to ascribe to it, we can work on that as well.

Ald. Turner: I was just wondering if we had one. Thank you.

Ald. Payleitner: About the cafes. The towns that I have investigated that have these cafés or try to leave them out they have done so via the liquor license. Meaning they put in something that says we're not going to grant a liquor license to anybody who doesn't have 80% of their revenue coming in from liquor or food. Why do we think we will be able to trust everybody when these other communities have insisted on having this built into their liquor code?

Mark: It relates to the cafes' primary business purpose is video gaming and they make the money back based upon the amount of money that gets returned from the State of Illinois. We're promoting that it needs to be an auxiliary use, not the primary use to have in their operation. We demonstrate that with the 12-month liquor license in good standing.

Ald. Payleitner: Before they can even apply for a State gaming license they have to have a liquor license. Are we going to say no you can't have liquor license if this isn't the case? Are we running into trouble there by forbidding a business a liquor license without due cause?

Mark: I think we would vet the liquor license based on the plan and not the code at the time they applied for the permit. That would have to be the evaluation for the liquor license at that point.

Ald. Payleitner: Does that mean something will be written into the liquor code?

Mark: I have not proposed anything at this point in time. If that's something the Council would like us to do please direct us to do that.

Ald. Payleitner: We've worried before about saying yes to somebody and no to somebody else and that we'll be in legal trouble. Right here we're talking about a form of business that in their eyes is a legitimate request for a liquor license. If we don't grant that license are we asking for trouble?

Mark: I think we would deny them based on their application for the liquor license.

Ald. Payleitner: Meaning that they don't have the criteria that we're going to have in our liquor code?

Mark: Based on the criteria we have in our code today.

Chrmn. Stellato: Alderman Joe Krieger could not make it here tonight and she did ask me to read something into the record. Her comments are:

In addition to the many social, economic and moral issues that surround video gambling we will not have any control over the process. Video gambling in the State will have control over operational practices, signs and percentage of payouts to both the gamblers and the City. Currently the State is not paying lottery winners or tax money that is due the City. What promise do we have that anyone will ever see any money? I urge my fellow council members to consider all the negative issues associated with video gambling and join me in voting no on this issue.

Thank you,

Joe Krieger, Ald. Ward 4

Tina, I would like to include this as part of the record.

We've heard from the Committee at this point, obviously, we will come back if there are any comments later.

I will ask as a couple of ground rules that as everybody comes up please give us your name and address for the record. I ask that you be respectful when you're speaking and stay on point. We have a lot of folks that want to talk tonight. No personal or derogatory comments that's simply not allowed. No clapping, cheering or jeering. I can tell you as a veteran of this Council sometimes that works against you.

Don Ramsel, 100 Illinois Street, St. Charles – in favor: I own a Law Firm; I have a business here, 100 Illinois Street, St. Charles. I also own a home in unincorporated St. Charles. I've been here for 15 years. I also have the sad award of being one of the top 200 property tax for real estate residential payers in the county. I'm invested fully in St. Charles in a number of respects. I'm also a Moose member. I'm here to say that I'm in favor having video gaming here. 878

other municipalities have approved it since May 2015 according to the Illinois Gaming Board. I live in North St. Charles in Silver Glen; I'm closer to South Elgin than I am to St. Charles, but my preference it so try to spend my money in St. Charles. I'm a sponsor at the Arcada Theater. The Arcada Theater was built because people took a chance when vaudeville was not necessarily considered high end entertainment. St. Charles can do the same thing here. It can do what adults do everywhere else, and that is allow for very peaceful entertainment inside your city; including at the Moose. I can tell you that the Village Squire and the restaurants on Randall Road just north of Silver Glen, which is South Elgin, have video gaming. There are no great signs, no flashing neon lights, and there has been no change in the character of the restaurants or the people that are there. There are no motorcycle gangs, no crime in the parking lots, it's the same people they are just having another form of entertainment. I can tell you that those restaurants have had an uptake in the amount of people that are going there; I don't know if it's coincidental, but I see no change in the character of my neighborhood.

I have a risk of losing my property value as a top 200 residential property tax owner and I'm willing to take that risk for the people of St. Charles. I'd like to see the money that is from St. Charles remain here and recirculate in this community. I'd like to see the Moose have a chance to continue to do their charitable work. The amount of laptops they have been able to give out to children has probably been cut in half as a result of the loss of one of those opportunities. Some of the fears that have been mentioned; the fear of this town being over ridden by video gaming have not come to fruition in the other 878 municipalities in Illinois. There hasn't been an overrun of litigation, I happen to be a lawyer, so I do somewhat pay attention to this area. I can tell you that many of the criticisms that are made were also made about lottery tickets and way-back-when, pinball machines. I think that the City Council can slowly move into this direction with a sunset provision. It would be safe. The Police Chiefs' throughout Illinois have said there has been no uptake in crime. I'd ask you to consider this ordinance and to allow the businesses here to continue to stay in St. Charles. I don't want to lose the Moose and I would like to see the businesses here have a chance to provide adult entertainment. Thank you.

Robert R. Brown, 1 Southgate Course, St. Charles – opposed: My wife Diane and I have been residents of St. Charles for 24 years. We're residents of this town because this town had what we wanted. It had the family atmosphere, the schools, the size and a beautiful library which was a big driver for us. Video gambling is one of the things we don't want at all. I sent, in May, a letter I'd like to read. I copied all of you. I said Diane and I wish to express our strong feelings against any type of gambling, but specifically video gambling, being considered in St. Charles. We believe that the harm significantly outweighs any financial benefit and that this vice will be detrimental to our beautiful town, which we love, like you do. Our feeling is that video gambling would be detrimental to the people of our community and adversely impact those folks who have the most to lose, the weakest among us. In our extended family we have seen first-hand how a gambling addiction can destroy families. Please consider our thoughts with this cancerous issue.

It was reported to me a week or so ago that one of our Aldermen had said that he/she didn't have time to go out and poll their constituents. I understand that, its kind-of tough, so I did it. I went

out to our local Rotary Club and offline I asked many women of that club if they were for or against video gambling. If they were against it I asked them to sign, put their names and addresses down. I then went to the mom and dads at the bus stops in our neighborhood off of Fox Chase Boulevard and Southgate Course and asked them the same question. They all signed. I went to my church, St. John Luke, and I did the same thing before and after mass, it took probably an hour and a half. Ladies and gentlemen I have something like 150 names. Then one of my buddies went to the Methodist church and after service at Baker Memorial and approached parishioners and they signed as well. If I can present to the Chair a copy of Rotary Club members, bus stop, other people from church and Baker Methodist. You'll notice that 99% of the names are St. Charles residents. I only had three people who said they wouldn't sign it. You're obligation is to ask the citizenry. I'm sharing information that says your constituents don't want this at all. Thank you.

Ald. Payleitner: Mr. Brown could you please restate what the question is?

Mr. Brown: On one side it says against video gambling in St. Charles, the other side is titled opinion expression we do not favor bringing video gambling into the City of St. Charles.

Lynn Creson, 7N310 Longridge Road, St. Charles – in favor: this is St. Charles Township, however, I have vested interest in the area. I am officially 11 months shy of spending 45 years of my life living in St. Charles. We chose St. Charles because I fell in love with the small town feel like I grew up in. We were proud to be parents here. In 1980 we opened our business here. We're a small mom and pop business. We are not a bar or a restaurant. Over the years I've seen a lot of things happen in St. Charles. Having a small business, I definitely understand, bottom line. So who's going to get anything out of it? What's the City going to get out of it? Maybe not that much, but for your small business owners, who can be the backbone of your city, it can be a great enhancement. That's the thing that sticks with me quite often. I do understand numbers.

On the moral issue, which this can be a very moral and emotional issue all the way around, gambling, video gaming, bingo, home poker parties, carnival games, they are all games of chance. The duck races, game of chance, so what do we do with that? I thought about it and I'd like to think I look at both sides. The only question I have is when we're talking about the 3-year limitation, but reading through it, I'm wondering if this will be issued 3 years from the date of, or do we get cut out half a year if it's gone through. Another thing that can help is all of our elected officials take it too seriously. I have respect for the gentleman who bothered to go out and actually look into this, go into places and see what it was like.

Ald. Payleitner: Did you say you were a business owner in St. Charles? I understand you don't live in St. Charles.

Ms. Creson: Both in St. Charles Township.

Ald. Peyleitner: I also want to correct the record. I know you weren't at the meeting. I have done more than drive by businesses checking out signs. I have spent a minimum of 50 hours on

this, researching, talking to people, be clear that my opinion is not the same as yours, but it's been researched.

Ms. Creson: I also do live in the same area as the gentleman that spoke first. It has not changed the look or the feel of South Elgin.

Ald. Payleitner: South Elgin's downtown. Do they have any video gambling?

Ms. Creson: Downtown, I don't think so, there's not much there.

Ald. Payleitner: I cringe at a comparison of our charming, historical downtown.

Ms. Creson: Randall Road corridor

Ald. Payleitner: This would be downtown.

Ald. Lewis: I would like to address her comment too, for the record; I too have been in several different establishments and have talked to the management about the practices of the video gambling in their establishments.

Melynda Litchfield, 118 Wredington Course, St. Charles – opposed: When I first spoke to you it was as a person and a resident who had been greatly affected by gambling and its profound negative consequences. However, since I began speaking out about this issue four years ago, please understand there a few more knowledgeable than me on how the Illinois Gaming Board works with municipalities such as St. Charles.

I run a hospital and I have a Master's degree, I'm neither stupid nor am I weak. I do not need my government to manage me (which is the comment that was made a few meetings ago), but what I do need them to do is protect me and all the citizens as much as possible. I'm basically going to approach you with what was emailed to all of you and was in the Kane Chronicle this past Friday, because I need you to hear it, and I know this is my last chance. It's noted that I received a "thank you" for emailing this from all of those that agree with me and not those that did not, and I'm a resident.

The term video gaming, by the way, is ruled by the Illinois Gaming Board because it's softer. It waters down the real concept of what they're promoting. Gaming is for monopoly and baseball. Gambling, the definition of gambling is wagering money for a chance. Gambling is all about the Pareto Principle, for those of you who are not aware of this widely accepted concept, it is a rule of thumb stating that 80% of an outcome is attributed to 20% of a cause, and in no arena is this more true than with gambling. It's also referred to as the Law of the Vital Few. Those vital few, minorities, women, and our cherished senior citizens, who by the way, are getting hammered on this issue, are now representing our largest and most growing group of compulsive and problem gamblers. Disproportionally, gambling revenue comes from our most exploited and vulnerable, not as the Mayor recently said, those out for an evening for dinner or those traveling to

St. Charles perhaps on the way to the flea market. Those casual gamblers only represent 4% of revenue. This has zero to do with tourism.

You have mentioned the Arcada Theater. There is currently, as you know, open storefront next to the Arcada Theater. Perhaps in comes a bar or restaurant that occupies that space and the owners apply for a liquor license, followed by a video gambling license. You may be successful with not having the signage up there, but you'll have slot machines next to the Arcada Theater. The Illinois Gaming Board does not care if the license application is for a historical landmark theater. Your elected officials are essentially out of the equation and have no control over where, or how many licenses are granted. Including certain safety nets effectively to the provision, I'm here to tell you that other municipalities have tried that and failed. By the way, I want to clarify one thing that was said about a month ago, liquor licenses and video gambling licenses go hand-in-hand; that is the intention of the statute, but you go to any Illinois Gaming Board in a month you will see that they dole out fines to establishments because they have failed to disclose the fact that they lost or have suspended liquor licenses. The onus is on the establishment to tell the Illinois Gaming Board that they lost their liquor license and they don't do it. They don't do it and they get fined. Often times it takes months for the Illinois Gaming Board to find that out. To limit liquor licenses due to a location in attempt to control gambling parlors, litigation is sure to follow. St. Charles would spend a lot of money to fight the litigation and ultimately lose. I can't believe that any of you would be okay with slot machines next to the Arcada Theater.

There is solid data that proves that 2/3 of those that don't gamble will incur higher taxes. Rockefeller Institute turns in gambling revenue. I'm citing the resource for you. I urge you to read it. Remember the stat that came out a while back that people have to lose \$1M for St. Charles to get \$50,000. Isn't that insane? Remember, that comes from the most vulnerable and exploited. Reckless gambling saturation is neither benign or economically honorable. This is proven to be unstable and a failed revenue source time and time again. It seems to me, a very flawed juxtaposition, that the very people that we charge with protecting the public are the ones that put us into harm's way. No citizen is expendable for the sake of revenue. Thank you.

Ald. Payleitner: You have spoken before us before and you're official role is?

Ms. Lichfield: National Victims Advocate, an organization out of Washington, DC.

Ald. Payleitner: I would call you an expert. I wondering how many, in doing their homework, how many of our researching staff or my colleagues up here contacted you for your expert opinion?

Ms. Lichfield: Again, they didn't email me back to thank me for sending an email. I was a little disheartened by that.

Ald. Payleitner: As am I.

Chuck McGrath, 1310 S. 4th Street, St. Charles – opposed: My wife is a lifelong resident of St. Charles. I moved here in 2001. I've lived here ever since. I love this gorgeous town. I work

in Huntly. Huntly has gambling. I drive 40 minutes to go to Huntly to work and I live here. I want to raise my kids here. My wife and I don't want this. We're the type of people that you want to come to your town and want to raise our kids here. I've been to plenty of these establishments, had a beer there, it's a great beautiful time. Towns don't stick a sign on the side of their welcome sign saying "Welcome to St. Charles, we've got video gambling". The gambling doesn't benefit families like me. We're not talking about millions of dollars being in fluxed into the economy. I really stress the Council to start thinking about the type of people Family Circle said they were targeting when they said we are First for Families. Did they say we're First for Families because we're for video gambling in St. Charles? No. It's a great place to grow a family. We've got great schools, police department and fire department. We love this town and it cheapens St. Charles. I'm a staunch conservative. I can tell you that just because there is a law, doesn't necessarily mean the municipality should allow it. We don't want a strip club downtown St. Charles either. Thank you very much.

Guy and Elizabeth Bellaver, 6 Aintree Road, St. Charles – opposed. Guy and I are residents, small business people and we are both volunteers for the City of St. Charles. We are both opposed to video gambling. Like many opponents of the proposed video gambling ordinance we have not previously been vocal about this issue believing that it would be inconceivable for our city government to adopt this ordinance. It is only recently become painfully clear that it's not, in fact, inconceivable to city government but only to hundreds of its residents.

Over the last two weeks we've executed an email vote. As of this writing we have received 205 no votes from the residents of St. Charles, representing every single ward in this City and including people who not only live here, but work here. People who volunteer their time and donate their money giving these assets and their energy to the government of this City. People are watching how their aldermen vote on this issue. St. Charles has worked so hard to address the negative behaviors related to excessive drinking, such as fighting and DUI. I've seen Mayor Rogina and our aldermen work to ensure that a downtown vitalization effort that has consumed so much time and energy has a chance to achieve its objective of a vibrant, healthy, enjoyable place for residents and visitors to work, play and visit. In our opinion video gambling is completely antithetical to this vision. I've heard the word elitist thrown at those who object to video gambling. It is nothing only to survive our concerns about video gambling. It is all about community, not an elite one, but a welcoming one. I've heard the expression that nanny government is used to describe the concerns that have been raised about some of the negative outcomes of gambling.

We raised three kids here. Over the years we've heard from each of them on more than one occasion that everybody else's parents are letting them go someplace or do something. When your kid said this to you what was your response. Did you say well if everybody else is doing it then sure you can too, I would be surprised if that was the answer you gave your children. It certainly was never the answer we gave ours. Video gambling was quoted in the news as saying some people are addicted to smoking, drinking or drugs. You're never going to cure people's addictions by telling them no. They are going to go wherever they want to get what they need. Then I say fine, let them go there. The expression, Follow the Money, is what resonates for us.

The projections we've read about for this ordinance estimate the income for the gambling locations would be \$1M per year. The operators of the machines, and we don't think any of them are from St. Charles, would make \$1M and the City would make \$100,000. To make that \$100,000 there would need to be a minimum of 11 places in St. Charles with video gambling. The entire pie that is split between the operators, the bars, the State – and the State would be financed with gambling losses. Who really benefits from this? How can anyone believe it would be the City and the residents of this City? Illinois has the good fortune to be considered the third most corrupt State in the Union and we're going to trust them to keep their word that the municipalities will receive 5% of this income. I think if we approve this ordinance even with the sunset clause you will have let the genie out of the lamp and it will be an incomprehensible difficult task to put that genie back. Please accept your community's resounding no vote to this proposed ordinance.

Buddy Johnson, 1241 Jewel Avenue, St. Charles – in favor. I'm the Governor at the St. Charles Moose Lodge. I'm not an expert at any of this. I speak for the people of our lodge and I would just read something that we've prepared:

The St. Charles Moose Lodge #1368, is a local member only establishment that is in favor of terminal gaming. We help to support the children in need by providing a safe, loving community to grow up in right here in Batavia. We also support senior citizens at a wonderful facility in Florida. We do numerous community service projects for St. Charles and the surrounding communities, including, but not limited to, ringing the bells for Salvation Army, collecting food for the food bank, cooking turkeys for needy families at holiday time, and supporting local high schools with donations at prom time, etc. We are educated, giving, responsible people who are capable of making our own choices while at the same time supporting a great cause. Machines would allow extra revenue that would in turn be given back to the community in different avenues and also will allow us to have another source of entertainment for loyal members. Thank you.

Chris & Tom Anderson, 712 Horne Street, St. Charles - opposed. **Chris:** Tom Anderson is 4th generation St. Charles. His family settled here in 1870. I'm a newbie. I came in 1972 when I married the ice cream man. Tom and I have not changed our position against video gambling in St. Charles. Our children of this town and our seven grandchildren that live here do not need to be exposed to gambling when we take them out to dinner in a restaurant. Grandmas and Grandpas should not need to be expected to explain to their kids what is and isn't gambling or why not to gamble. When you go to Vegas kids are not allowed into gambling places and we are bringing Vegas into St. Charles in my point of view.

How about the adult who cannot resist trying gambling just one time and that money maybe should be used for a better quality of life for their families? Gambling, the City only gets money when some of the citizens lose.

Tom Anderson: St. Charles is the number 1 City for families in the country. Gambling is not a family activity. Colonial Café, I have two liquor licenses, and competition has come into the restaurant business. Liquor licenses are issued, business is tough, but what isn't, you've got to

compete. The success of restaurants and bars is the food service, the delicious food offered, the proper portion of beverages and the excellent service. The success of a restaurant is not by having gambling.

Pat Strader, St. Charles Moose Administrator, Unincorporated, St. Charles – in favor: The thing here is morals' rights; we have morals and not everyone looks at morals the same way and that's understandable. Everyone respects everyone's morals – right? And everyone should respect other people's rights too. We liked to have the rights here than having to go into other places. I believe the Queen Victoria donates money to other towns in the vicinity every year. They send St. Charles money from their video gaming – why would you accept that money – that to me would be wrong. You have lottery, etc. and you've let them come in. 7-Eleven shouldn't be selling lottery tickets. You should be able to have any kind of game of chance in this town because a prohibition is just that – prohibition. If you're looking at morals, look at them fully; or you look at the other side. You take some money now and you take some later. As has been stated, nothing has happen to these other towns. They are all thriving and agree that people should have gaming in a certain part of their establishment to where kids don't belong there such as a bar area. They don't need to be in the bar area and it's against the state law for a kid to be up on a bar stool even close to it. They should be sitting back by the table.

Brian Zierland, 610 Illinois Street, St. Charles and a resident since 2001 – in favor: I'm not a moral authority and not going to say if gaming is right or wrong. I am experienced with gaming and have a business that has gaming, so I speak as a proprietor that allows people to come to his establishment with my business partner and enjoy themselves playing gaming. As of right now we've seen no issues at all with any of our clients. We have families that come into our establishment, we are predominantly a food base establishment with gaming, but we are a bar as well. Once again no issues whatsoever. It's allowed us to do a lot of capital improvements on our location both inside/outside. So speaking as a business owner, giving us that additional flexibility; we're not having gaming to pay our bills or rent, it's just flexibility to improve our location and to give some extra aspects of entertainment to our clients as they come into our businesses. That's probably the true benefit of gaming. Once again I've seen no negative impact from our clientele, no negative impact from our employees. I've had no gang activity at my location. We all for the most part are St. Charles residents that are speaking and everyone has some great data out there, but this is really the first hand example of someone who has gaming in an establishment and I can tell you it's nothing but a benefit for us as proprietors and our customers as well to have additional entertainment.

Ald. Payleitner: Did you say where your establishment was?

Mr. Zierland: It's in the northwest suburbs.

Ald. Payleitner: So the money that comes in and is gambled at your establishment, is that new money or money not spent someplace else?

Mr. Zierland: I don't have data on that.

Ald. Payleitner: I do. \$2M are drained from local economies each year. So you're not creating new money, you just having people spend it somewhere else. That's \$2M that's not being spent to buy a car in our town or its \$2M that not being spent at Mr. Anderson's Colonial Ice Cream for his family. This isn't new money. This is the damage to local establishments. It may not be gaming activity, but it is economic draining.

Mr. Zierland: I can appreciate that, but it is entertainment money being spent. So whether or not they spend it on a new car or entertainment, it is still going somewhere.

Ald. Payleitner: That's your opinion, I'm going to gather that Melynda who spoke earlier would not concur on that as an expert in the field.

Mr. Zierland: I came up here to really talk what's been at our establishment because more people think about the ethics of what it's going to do to the community and what I've experienced has had no negative impact on clientele coming into our business.

Ald. Payleitner: I want to be clear too that negative impact predominantly is an image issue and also secondly its money being draining from other businesses.

Mr. Zierland: There has been no image issue at our business location, I just want to make that clear as well.

Bob Karras, 646 Lake Ridge, So. Elgin – in favor: I own Rookies and Village Squire restaurant and want to say we have nine locations and seven of them have gaming; two of them do not with one being St. Charles and the other Crystal Lake. I can also vouch for the gentleman who just spoke that we've had not one negative impact. I've had a few people state they would not come into my establishment because I have video gaming. I've had people tell me that they are okay with it but don't like it. Crystal Lake and St. Charles, to me, are similar towns and very nice towns. My kids go to school in St. Charles. We've been here since 1996 at Rookies, and we love this town. I can't believe a town like St. Charles can't manage video gaming. I think it would be managed well just like liquor licenses are. If there's any trouble with it, it will be gone and should be. The people that don't take care of this license, probably don't take care of their liquor license and will be escorted out of town very quickly.

It's a very tight time in the restaurant industry. Restaurants are constantly closing more than opening. I was downtown with my kids on 1st Street around 1:30 p.m. and there was not a soul out there in the heart of St. Charles. Is video gaming going to bring it – no, but it will help these restaurants stay open. My father was in the restaurant business since 1974 and I've been in it since 1990 and it's never been harder to run and to control costs. I will not allow my children to get into this business. You brought up downtown So. Elgin and you definitely don't want downtown St. Charles to look like downtown So. Elgin. Would video gaming save that – I don't know, but there's going to be empty storefronts in St. Charles. You cannot survive because of high rents, lack of business or lack of funds to keep the businesses open. This is first-hand experience. Of the seven locations we've had no issues with our license or the police. We also, like St. Charles, like to run a nice establishment with liquor. We don't allow people that are

abusive that would tarnish our reputation in our establishments. I think St. Charles would be the same way with the licensees.

Ald. Turner: Mr. Karras, would you mind not having advertising signs?

Mr. Karras: I have no issue with that at all. I don't have any now and I don't know if they're even allowed or not allowed. We're a restaurant first but these games add up a lot of money to the bottom line, and it's not for us to buy a sports car or vacation. It's to keep in our business, keep people employed that we may have to cut, improvements on the building. Restaurants are so abused and we don't have money to keep them up. I'll let anyone on the streets to come into my kitchen and I'll bet there are a lot that wouldn't. That money helps to keep everything in top-notch shape at our restaurants.

Kate Elliot, 916 Viewpointe Drive, Ward 4 – opposed: I've lived here 44 years and raised my sons here. I look at the people who are serving on the City Council as a City father. I see a good father as one who does more than just bring in money for the family. A good father, and this is referring to some people who have made comments that it's not our responsibility to say anything, a good father cares about the people they're serving. You are here to serve people of St. Charles, not just the businesses. St. Charles is the people. I've notice the people that have come up here for this are to get money out of this and the people who are against it are the community – the people you are serving. I appreciate people who are in business as I have two sons in the restaurant business and I understand that; but when we have to do something to keep our business going that can be a big expense of other people and when you read about the gambling addicts that are much higher than people want to believe, people don't always have that control. Life isn't about money. Life is about these people and everyone is precious. So many people's lives who could be impacted by this, how it affects their families; I would ask you to reconsider how this impacts people, not restaurants, not businesses.

Lisa Wyatt, 812 Delnor Drive, St. Charles - favor: My concern is the people who are gambling are going out to the other areas that have it. The City of St. Charles is losing that revenue. An addict is going to go where they can get their fix. Just because it's going to be here and it will because there is an unincorporated bar in St. Charles who is going to get their liquor license and they can get one since they don't need St. Charles permission. This revenue is going out of St. Charles to somewhere else and you're letting it go.

Michael Stengler, 816 S 6th Avenue, St. Charles – favor: Everyone here including myself works on a budget – correct? We're talking about somebody's budget, not their car payment, or house payment, we're talking about their entertainment. Whether it's going to the movies or to the local bar for a drink, going out to the race track – its spending their entertainment dollar. I've been to Vegas twice and have never spent a nickel on slot machines as I personally don't care about gambling, but I know a lot of people who enjoy and can afford it. It's not hurting their bottom line, it's not stopping their car payment or hurting their budget whatsoever. They set money aside to go out to Iowa and go to those boats or in Michigan. It's their choice on where they want to spend their entertainment dollar. It's not hurting themselves, they're still buying the cars at the local dealers, still going to local restaurants – they're doing their thing, but why

should we hurt our local businesses by sending those entertainment dollars elsewhere. I can't understand why some of you are so opposed to this. Gambling is a disease to some people but not for all people.

Mike Mirandus, resident of St. Charles and run Rookies in St. Charles with partner Bob Karras – in favor. It seems the City has a problem with making extra money on gambling/gaming but don't have a problem on making extra money on taxing liquor. Where's the value of what is worse with someone drinking their money or gambling their money away. You can't take gambling money but you can take liquor money. I don't see the difference there. I just wanted to make a point.

Jody Rhodes, 1241 Jewel Avenue, St. Charles – in favor: I do own a small business out of my house but has nothing to do with what we're talking about here. I have been here 44 years and raised three kids. Having kids go through the school system and knowing of bigger problems we have in town with drug issues, etc.; maybe \$50K or less that came into the City could be put towards programs like that to help what really are community issues that we see and at the same time we should have choices if we want to walk into a bar and someone runs up a \$100 bar tab, restaurant bill, or wants to put \$100 into a machine – that's their choice to make. Without the small businesses and restaurants downtown, we wouldn't have the town that we all love being St. Charles. As far as the comment made about the Moose Lodge, we are a private organization that is non-for-profit and we do have a lot very supportive members who are the reason that we do have the lodge that we have; but gaming would definitely bring more to us that we would in turn be able to give out to the community and we would like it to be considered that if this isn't able to happen that we be de-annex from the town and become part of Kane County and therefore we could get the taxes we currently pay and could have gaming and we all could be happy.

Pat Renz, 1509 Shoreline, St. Charles – opposed: I've listened to both sides here and the business owners all want the gambling, the majority of citizens do not. I want to know what size of the pie we're all talking about. Here we have a gambling boat in Elgin who has lost hundreds of thousands of dollars because of a new boat in Des Plaines. How much of the pie is going to go around if every town has gambling? It will bring money here for two years, than Geneva will have, etc. What benefit is it to the citizens to have open gambling like this? I've been to Las Vegas and its fun but there's addiction there. Why do we have to have gambling to make a restaurant successful? We go to restaurants as much as we can and support them here but why is it necessary to have gambling?

Mary Kane, 505 Post Road, St. Charles – opposed: We've been residents, my husband and I and our four children, for 42 years and after nine moves we landed here. We've never lived in a better place than all the places we lived. I'm so concern on your decision on this. The last time I made a plea when they pulled Mount St. Mary down from the hill with a different council, and afterwards they said it was the biggest mistake they ever made because 100-year old trees were pulled down and someone went in and started a condo association which failed, and sat there for many years. Just really think about this. It's a big decision.

Larry Norgaard, 1214 S 6th Street, St. Charles – opposed: I support everything that's been said against video gambling. I would like to add about the people that are hurt. I work at Hessed House in Aurora for 20 years and at the homeless shelter the people transfer throughout the western suburbs around us and back into the City. These people don't have much money and those that don't have money get involved in this and get rid of the little bit they do have. I don't think that's a target we want to make or need to offer. We've lived here 40 years and like the community the way it is. I would hate to have my grandchildren grow up and be aware that there are sad things going on. I don't think that's an appropriate city for me to live in.

Abby, 37W767 Dean Street, St. Charles – in favor: I would like to address the people who are in favor of video gambling. I, as well as other members of the Moose Lodge #1368, have received in less than two days 176 signatures for yes from our fellow members. I turned that list over to the Mayor a few weeks ago and all of you were to receive a copy of that. We had five no's of everyone we asked and want that on record. There are plenty of people and citizens that do want it. The concern you have from not receiving the money from the State of Illinois, I had a chance to talk to the Batavia and Sycamore lodges and they are receiving money on whatever basis it is and there have been no issues in receiving their money. As a citizen who benefits if we don't have it, we'll lose the revenue because they are going to go elsewhere. They'll go down to Village Squire in So. Elgin. In my opinion I don't see five small machines like Vegas or Victoria where a gambler that is really gambler is going to go because they want the big payout. These machines don't give big payouts, their entertainment.

Robert Zimmer, 16 N 12th Street, St. Charles – in favor: I'm a 5th generation of St. Charles. My grandma's name is on the statue outside, my mom grew up here, the entire family and I was born at the old Delnor. I want to make sure this issue is something about rights. We all have rights as citizens and I hope we don't go out and take away people's own ability to make decisions.

Gus Donzelli, 3410 Charlemagne Lane, St. Charles – in favor: I lived here 23 years and my boys graduated from St. Charles East. I'm here tonight as a proponent to ask you to lift the band on video gaming in St. Charles and support the ordinance allowing it. You've been provided with a petition supporting lifting the ban on video gaming that was turned into the City Clerk's office last Monday. You can see that there's just now owners of businesses whether its pet stores, cleaners, restaurants, real estate, there are also residents – over 400 signatures. The petition drive was circulated and signed by licenses holders and other businesses in supporting the ordinance that has been drafted by the St. Charles City Council. This petition supports the ordinance of supporting video gaming within the corporate limits of St. Charles; specifically the petition further address the concerns of the business community and residents of signage control; making Main Street not like Las Vegas Boulevard. I would also like to commend the city staff and police chief for their hard work and efforts and due diligence in the search of this matter. People that play these machines for recreational entertainment might just spend their money here in St. Charles. I believe video gaming will benefit the City revenue and will not have any negative effects on the City of St. Charles. It could bring in anywhere from \$150K to \$500K.

Ald. Payleitner: How many names are on that petition because I don't think we got the same petition? I see 189.

Mr. Donzelli: What petition do you got?

Ald. Payleitner: I counted business owners which they signed the petition as representatives of the business community. I got 53 people who own or work for businesses in St. Charles. I have 103 actual residents. Just making sure I have the same petition. You thought there were at least 400 names on this petition?

Mr. Donzelli: Maybe 357 names. I have other sheets I didn't even turn in.

Ald. Payleitner: I do this to a fault but I scrutinize petitions. Anyone can throw out and sign a name. Some are from Geneva and Batavia.

Mr. Donzelli: What I'm saying there are a lot more businesses that I have that I didn't even give to you that have signed it. I brought this in last week to give to you because we thought the packets needed to be in.

Ald. Payleitner: You want video gaming because it will add revenue to your restaurant?

Mr. Donzelli: It will add revenue to St. Charles.

Ald. Payleitner: I'm talking about why you want it?

Mr. Donzelli: I want it as a form of entertainment. I own A'Salute on the east side. Never had a police call or incident in the two years I've been there. I run a great establishment, have live entertainment and good food but you have to be 21 to get in.

Ald. Payleitner: So you just want it as entertainment?

Mr. Donzelli: Yes. I see what happens in a lot of establishments here in St. Charles. I'm not downtown here; I'm on the east side and about 8:30 they leave to go to other places for recreational activity. I like to keep the people there. If a person is playing a video poker machine and they win a little money, don't you think they might walk across the street and buy something?

Ald. Payleitner: Not at 10:00 at night.

Mr. Donzelli: We're trying to say keep the money here in St. Charles.

Ald. Payleitner: I want to keep the money in business in St. Charles. I want people to buy dinners but if they're gambling at your place, they are not spending money at other businesses in St. Charles. They're not going to the movies or the Arcada.

Jay Payleitner, 629 N Tyler Road, St. Charles – opposed: We don't live in the biggest house in town or pay the biggest in taxes but I spent a quarter million dollars in real estate taxes over the last 34 years. I want to ensure that record reflects this that people who are against video gambling said "addicts are going to go where they can get their fix" that was said by someone who was pro-video gaming. Someone else also said "it was a disease to some people". Someone else said "what's worse – someone drinking their money away or someone gambling their money away. Someone else said as a citizen but they are not a citizen – they live in the township.

Now you guys work for me and all the people that live in this town. I understand why a handful of bar owners think this is easy money. It is not easy money. If video gaming passes next week, you can expect many hours of divisive debate amongst this group here. I don't know how many hours you put in researching this, but you've been here hashing it out, talking to each other, and I hope it remains friendly. The Council meeting will be long and loud especially as you quote "work to manage video gaming," that came up today. Imagine the arguments that are going to happen in two years when you do the sunset clause. You know the sunset clause is coming up – what is going to happen then? These people who will have spent \$50K, \$100K, \$200K... and your say sorry we're going to invoke the sunset clause and that's not going to happen and you'll have lawsuits from people with deep pockets.

Someone in audience: Sounds like a threat to me?

Mr. Payleitner: Yes it is a threat.

Chrmn. Stellato: Does the Council want to take a break or continue.

Ald. Turner: Let's continue. I like to bring up something that hasn't been brought up here. We talk about the people that are going to be losing some money and might be having to go into addiction problems. Then we talked about the image of the City. What about the people who are paying the bills here – the ever loving taxpayers? I can tell you that most people will tell you in this town that they're taxed out – just plain taxed out. And yet they're going to get an assessment increase this year, the state is going to come back with taxes no matter who lives in Springfield, you're going to pay more state taxes. The school district already said they're raising your taxes. Every municipal government in this area that depends on state money is getting cut, where's that money going to come from. Here we sit with over three years of money on the table and we're just going to tell our citizens "tough – you pay it". We'll just pile taxes on and on and on. That's what we're doing here. I know that some people in this room, and you can tell by the addresses and they speak so eloquently about how bad gambling is, their property taxes are nothing but a deduction on a 1040 form. The neighborhood I come from they have to struggle to pay their taxes. They got to make choices and I'm not sitting here and letting go of this money out here and saying we'll just put it on the property tax just for our image. You talk about people, the Mayor started this conversation off by saying this town is getting unaffordable for some people and up until now that's been hyperbole; but the way things are looking for the next 2, 3, 4, 5, or 6 years – that's going to be real. You're worried about 2 or 3 people getting some addiction and having some problems; I'm more worried more about the 5, 6, or 7 people who are

going to have to leave town because they can't afford the taxes. If we got non-tax revenue on the table, I'm taking it.

Ald. Lewis: It's actually described as tax bill in the Gaming Act that the State of Illinois taxes the money they put in there. They don't call it anything other than a tax – they were taxing the people who plays the games; so it is a tax.

Ald. Turner: Yeah but they don't pay it twice a year to the County Treasurer.

Ald. Lewis: They pay it to the State of Illinois who's not paying it back.

Ald. Silkaitis: Unfortunately it's not all about money in this world. If that was the case we should have strip clubs in St. Charles because they generate revenue. We should have more massage parlors and a hell of lot more bars. It's not about money all the time. It's about image of quality of life. I've been against this since day one and still am, but I believe you're out of line with those comments to the audience. I don't know how you can accuse them of that. This is a hot button issue and everyone says things. I just think this is not the way to do it. Is it image – yes. I've lived in this town for 59 years and raised my four kids here. Can they afford to live here – that's a whole other story but that's not the issue. The issue is do we want to just take money and not worry about what's going to happen down the road – no. That's not the way to do it. If I have to pay more taxes to make up the difference and agree that we'll have to make up the difference somehow. I don't know what's going to happen down the road, but to take the first thing that comes out – no, not for me. I will not accept that.

Ald. Payleitner: Bill, you're aware that the state is not paying right now; and who's to say they will?

Ald. Turner: Right, and who's to say they won't considering that the state legislature is made up of democrats who have video gaming in their districts. Why would they cut their own throat by not paying their own district?

Ald. Payleitner: Because businesses are still getting their money. The distributors have a contract with the state, the establishments have a contract with the state. Municipalities do not have a contract with the state. So municipalities are voting for their legislators. The people who are gambling, the establishments, and the distributors are the voters and they are getting their money and they are AOK with it. So right now the State of Illinois is paying nothing to municipalities and they're worried about it that it is going to change. Is it 5% now, maybe it's 1% and maybe it's none. You've seen that with our LGDF fund. The percentages are changing as we speak.

Ald. Turner: I fully believe that the argument of the state may want more gaming money, but they don't have to keep the machines at 92%, they could put them down into the 80's and still give the constituents their money back.

Ald. Payleitner: You are making a lot of my point too. Are we willing to trust the State of Illinois with this – because that’s what we’re doing? This isn’t a St. Charles thing, this a State of Illinois thing and we have to count on them to be paying and we have to count on them to regulate and right now they’re not doing a good job of either. I’m thinking as a Council, how could we possibly agree to this with so much uncertainty at the state level. All my other feelings aside, how could we possibly trust the State of Illinois right now with this?

Ald. Turner: I definitely think you have a point but if we don’t get it than the other 878 municipalities are going to make a stink about it too. We won’t be in it by ourselves saying why don’t you give us our money?

Ald. Payleitner: Despite of what they say, I have a list here of all the municipalities that are trying to get out of it. I also will go along with that point that just because municipalities aren’t getting their money, doesn’t mean that legislatures are going to change their minds because there’s a lot of other money being had by other people.

Ald. Gaugel: To carry on the same line of thought, that’s been my point of contention from the beginning of this. We’re putting our hands into the State of Illinois and they have proven time and time again that they will change the rules along the way. Last year from October 2014 to September 2015 there was \$9.7B that was gamble and wager just through these video gaming terminals. The municipality share was \$39.2M and state share was \$196M. When you look at the \$9.7B, I’m sure the state is going to look at that real hard and they will take another cut or change something along the way that will affect us here in St. Charles, whether it’s drastically, and it’s also going to affect the business owners. I would be fairly confident in saying that. They’ve proven this over the years. The tow-way was supposed to be temporary and lottery was suppose to fund education. How did those work out? They haven’t.

A couple of other points, by not supporting video gaming in our establishments, it doesn’t mean I don’t support our businesses. I think we need to do this a different way. The way we do that is by a Council putting things forward like the Active River Master Plan that’s out there right now, by finishing off 1st Street, by getting two mall sites up and operating and back on the City’s tax base. Those are the things I think we need to focus on. That’s planning and that’s what we need to do. I think we look at this as flipping a switch – easy – it’s very easy, but it doesn’t mean it’s right.

The other piece is there are two sides and I’m in a very difficult position. I’ve spoken with many of the business owners, I’ve spoken with Mr. Donzelli many times and we have gotten to know each other over the last couple of months, and I’ve also spoken to many of the residents and there is a clear divide to me. The business owners are yes; residents are no. I have to weigh both of those options, both of those opinions to make a decision. Overwhelmingly the responses I get from the residents are no – they do not want it. So that weighs quite heavily on my decision. The other thing I would like to pose back to this committee and council is we have a proposed ordinance that has more than a few restrictions to it. The restrictions are to prevent things that we don’t want to happen. We’re apprehensive about something. I would suggest if we’re apprehensive about those things, we need to look at everything as a whole. Our businesses and

the ones I know who say they have no interest in putting signs up, I trust then implicitly with what they are saying. It doesn't mean a new business won't come in and put them in. The one year delay, I don't know if I fully understand that in terms of having to have a liquor license for one year. If we want to be business friendly, why would we make it difficult to allow other businesses to establish shop here. I think we put things into this proposed ordinance that are because of our apprehension about what's going to be out there. The biggest one being that sunset clause; I don't understand that. It's very difficult for me to say yeah in three years we're going to take it away. I don't think that will ever happen. If it gets in right now, it's never going away. It'll be here for the long haul. It's no doubt a very difficult issue but through the course of this evening, my position hasn't changed. I can't support it.

Ald. Bancroft: I've come to a different conclusion than Ald. Gaugel when I agree with about 90% of what he is saying. He's right. We need to focus on economic development, focus on all of the projects that he listed and all the activities as well. The difference between the two of us right now is that I have confidence in what the city staff prepared and I have confidence in what the city attorney wrote and I don't look at the sunset provision as something that is a complete negative. I actually think this is a good way to try and allow people to exercise their rights and allow them to take part in an activity that is legal and allow them to do that in our town and spend their money in our town. The sunset date, in of itself, is simply a protection, from my perspective in case we're wrong. I won't know that unless we try this. I don't know if this will be a success or failure but I am confident that the way its drafted if it doesn't go the way this council will hope, that on April 30, 2018 it's not going to be renewed. All the business owners are on notice of that so they need to sort of plan their business plan accordingly. To me this is an amount of revenue worth the try to see if it comes together and its success or failure will be seen by trying and not just by prohibiting it.

Ald. Bessner: To add on to this my concerns originally were the sunset clause; not only so much the length of it but if it had teeth into it as Ald. Payleitner spoke out early of any ambiguities of it; so I did reach out and do have faith and trust in our city attorney, city staff, and city administrator and the questions that were answered about that. And as Ald. Bancroft stated when it ends – it ends. Also my concern was not five years but three years. I thought five years was a long time for us to test the waters, seek what revenue is coming; where three years gives all of us the opportunity, as I stated at the last meeting, us a council, all the parties involved, and city staff to understand the logistics and mechanics and the financial aspects of what's to come so when three years roll around we'll have the opportunity to either move forward or not.

Signage was a huge issue for me because everywhere I went, I saw every kind of sign imaginable and nothing was coordinated at all. Again staff addressed that on how we can eliminate the signage. I don't have an issue of being apprehensive about signage in regards to the activity that we're exploring. I just feel that if it's a legal entity going on in a legal business, I don't want to see it outside and don't see any reason to advertise that fact. With that said, I will be supporting this ordinance.

Chrmn. Stellato: Thank you all. You've all been cooperative tonight. This is a very tough issue. In my 20 years I've only seen this happen a few times where it is so divided; the number

of speakers for and against, even from the first meeting, have been very equal. There is no right or wrong answer on this just as other issues we have faced like this. Whatever happens here tonight, whichever way it goes at the next Council meeting, understand that nobody is looking upon this lightly. We've all done our research. We've all spent time; I was in a neighborhood get-together last week and this conversation came up and in my neighborhood I got support from every single person there on video gaming. It depends what crowd you're with at that time – whether it's for or against. Most of them a) had no issue at all or b) thought it was okay. We've all gone out and talked to people and we take this very seriously. I also want to point out that I was the one, I think the Mayor was quoted as saying he was against it in 2010, he was not even on the Council. It was me who voted against this in 2010 because at that time it was just a moral issue – nothing else but a moral issue and if we didn't have to worry about finances to pay the bills to take care of the people that you so eloquently put, I wouldn't care. Video gaming doesn't mean anything to me. I'm not going to be one of those people pulling the slot machine, but I will tell you the game has changed within those five years. I heard a comment from a former council member that we have not done our job in proving that we need that money. I did hear from staff that we do need that money and I know we're going into our 2016 budgets; folks it's going to be a real lean couple of years; so any source of revenue peaks my interest right now. The only thing I felt we had accomplished that does make me feel comfortable is that it's a small window and we're going to take a look at it for a couple of years and see how it works. If it does not work, I'll be right here with the people against it today and say no I don't agree on renewing it. So let's understand I will support this issue this time around because there is a game changing financial issue that is facing us and that is the State of Illinois. Yes we all are putting our cards on that table but so are a lot of other communities. We got to look at every source of revenue because the neighbor across the fence is saying if it comes down of someone worried about playing a machine, taking tax dollars out of my pocket, I rather put the burden on that person that has the choice of doing so.

With that, the next point is if we're going to move this issue up to the City Council we need a motion to approve or adopt the video gaming ordinance and I believe we want to add in there the 3-year sunset clause, no visible advertising, and the adoption of the new wording for the fraternal organization. Is there a motion to that effect?

Ald. Payleitner: What are we voting on?

Chrmn. Stellato: Voting to approve to adopt the video gaming ordinance as presented with a 3-year sunset clause, no advertising allow, and additional wording that staff has put forth on the fraternal organizations.

Motion by Ald. Bancroft, second by Turner recommend approval of an Ordinance to approve to adopt the video gaming ordinance as presented with a 3-year sunset clause, no advertising allow, and additional wording that staff has put forth on the fraternal organizations.

Ald. Payleitner: I made my plea to my colleagues to change your heart; not happening. You don't see this changing our city's character or culture like I do and a lot of our residents. I tried to make my arguments to change not your heart but your mind. What the heck, we're trusting

Illinois? Okay – go for it and all that to say in moving forward on this, we’re not just saying that St. Charles will continue to be the #1 City for Families. I’m sorry that my colleagues on Council, half of them anyway, don’t share that view and this breaks my heart. I’ll remember it – thank you.

Ald. Lewis: I want to thank you all for coming out tonight. All the residents who live in the neighborhoods and have made St. Charles the great place that it is. I’m sadden that this is not going to go the way you wanted it to go. I will not support this and haven’t supported it. The little bit of money that’s going to come into the pocket of St. Charles is not worth this divisiveness and I’m very sorry that I wasn’t able to change the hearts and minds of the Council members.

Ald. Lemke: I’ve been kind of on the fence with all of the back and forth; we certainly have people on both sides of the issue and certainly I have read all the emails and made notes of the speeches. I probably have spent 200 hours with the news clippings about what’s happening in the state. Certainly the state cannot function all year and not pass a budget; and the fact that there isn’t a budget is the one that causing things like local distributive fund not to be reimbursed. So what I seen here with the city staff putting together something has tried as best as we could to allay the concerns of the 3-year sunset is automatic. It doesn’t require voting to turn it on. It’s an automatic if there isn’t satisfaction and a positive vote to continue it. As Ed said there is a signage issue that was a concern that somehow affects the visibility. I will support the issues that we’ve talked about here to try to mitigate and try to draw a middle ground between those for and against.

Roll Call: Ayes: Bancroft, Bessner, Lemke, Turner; Nays: Gaugel, Lewis, Silkaitis, Payleitner; Absent: Krieger. Chrmn. Stellato voted yes to break the tie and send it up to City Council with a positive recommendation. **Motion carried.**

5. Executive Session

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

6. Additional Items from Mayor, Council, Staff or Citizens.

7. Adjournment

Motion by Ald. Bancroft, second by Lemke to adjourn meeting at 9:35 p.m.

Voice Vote: Ayes: Unanimous; Nays: None. Chrmn. Stellato did not vote as Chairman. **Motion carried.**