

***** SPECIAL *****
WILL COUNTY BOARD
EXECUTIVE COMMITTEE MEETING
MINUTES

October 21, 2009

6:00 p.m.

Will County Office Building
County Board Committee Room
302 North Chicago Street
Joliet, IL 60432

CALL TO ORDER

Mr. Moustis called the meeting to order at 6:11p.m.

ROLL CALL

Present were Members: Bilotta, Adamic, Kusta, Stewart, Dralle, Goodson, Gould, Maher, Seiler, Wilhelmi and Moustis.

Absent were Members: Singer and Weigel.

Also Present: L. Smith, B. Smith, May, Rozak, Babich and Friefeld.

Present from State's Attorney's Office: Mary Tatroe.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. Maher led the committee in the Pledge of Allegiance.

APPROVAL OF MINUTES

No minutes were presented for approval.

OLD BUSINESS

NEW BUSINESS

Public Hearing Re: Video Gaming

A motion was made by Mr. Maher, second by Mr. Adamic, to open the public hearing at 6:12 p.m. On a roll call vote, Adamic, Kusta, Stewart, Dralle, Goodson, Gould, Maher, Seiler, Wilhelmi and Moustis voting yes. MOTION CARRIES.

A motion was made by Mr. Stewart, second by Mr. Adamic, to place the e-mail correspondence as part of the record. All in favor. MOTION CARRIES.

Mr. Moustis thanked the committee members for attending. This is an issue that the county board took up about 3 months ago; we decided to hold public hearings for input. The emergency rules are due November 6 – at that time we will have time to make comment on those rules. We will have another public hearing on November 18 here in Will County at 6:00 p.m. This is an opportunity for us to listen to comments from the public.

Mr. David Smith, Will County resident and Executive Director of Illinois Family Institute expressed concern about the harm video gaming will bring to our communities. We are working to get this bill repealed. LaSalle County and DuPage County unanimously passed legislation to ban it in unincorporated areas; many communities now are considering it. It is a public policy that is being promoted as public good that takes advantage of its citizen. The gaming industry needs losers to be successful; for every dollar spent in Illinois, it costs communities \$3 in social costs. It is a net loss to communities. Another study shows the addiction rates double within 50 miles of casinos. What are we doing putting these machines in our local establishments? It creates a convenience for many people who would have to travel long distances; these machines will be normalizing the message of gambling. We encourage you to support the ban on vending machines in our communities.

Mr. Babich arrived at this juncture.

Mr. Grueling, Will County resident and President and CEO of Will County Center for Economic Development stated the CED has not taken an official position on the issue of video gaming in liquor establishments. The CED believes the key is investment in our infrastructure. When Governor Quinn signed the Capital Bill he approved the Illinois Jobs Now program that will fund transportation projects all over the state; the key will be whether enough revenue will be generated from the various sources. Video gaming in local establishments was not the way to fund almost 1/3 of the revenue. If this is repealed they will have come up with another alternative.

Ms. Mary Goines with the Illinois License Beverage Association thanked the committee for allowing the opportunity to give some other feedback. In the state there are currently about 65,000 gaming machines in bars not counting casinos; this could change to 45,000 – it will drop down about 20,000 with the gaming bill. The maximum each bar could have is five machines; small operations may get one or two machines. The problem people do not understand is that currently you receive no money for the money that is gambled on those machines. With the new tax, 25% would go to the state and 5% the local municipality. In this economy small businesses are suffering – please consider the 44 small businesses. We think about gaming as a big industry – in this area there are two casinos, horse racing, off –track betting. This affects

44 business people; we want you to consider them when you consider this. The maximum bet is \$2.00 with a maximum payout of \$500. It is not going to be big like the casinos. The old machines will be illegal – they will be pulled out; if you are caught with an old machine it is a felony.

Mr. Adamic questioned the pay out on machines currently.

Ms. Goines replied regular machines are not supposed to pay out.

Mr. Adamic asked who owns the machines currently.

Ms. Goines answered sometimes it may be an Illinois Coin Machines operator or it could be the owner of the bar. With the new machines, the split is 35% to the Ill Coin Machine operator, who puts the machines in at a cost of \$12,000 to \$15,000; the bar owner receives 35% of the revenue; and the state gets 30% with 5% back to the local municipality.

Mrs. Rozak asked for clarification on who could have a machine.

Mr. Moustis answered if there is liquor poured on the premises you could have the gaming machines. There are 78 licenses total; 44 with liquor poured on premises.

Mr. Bilotta arrived at this juncture.

Mr. Maher asked if they have other kinds of games that do not relate to gambling.

Ms. Goines answered anything you can gamble on will have to be removed.

Ms. Goodson commented she understands the emergency rules came out last night.

Did you have a chance to review?

Ms. Goines replied she has not had the opportunity to review them.

Ms. Goodson stated the information from Springfield has estimated the revenue from machines would be \$70,000 to \$90,000 per day; most businesses would not get five machines –they would get three.

Mr. Moustis questioned what percentage goes to the gambler.

Ms. Goines replied there has to be a certain percentage according to the rules.

Mr. Moustis asked if it is the same as the casinos in Illinois. The casinos are required to pay a certain percentage back to the player. Will they use the same number here for local gambling? We will have to find that out.

Mr. Kusta asked how many machine vendors there are in Illinois.

Ms. Goines answered any machine operator cannot handle more than 5% of the total in Illinois;

Mr. Moustis thanked Ms. Goines for the information. He asked if there was anyone else who would like to speak.

Mrs. Rozak questioned the purpose of the emergency rules.

Ms. Goodson replied they wanted to get the emergency rules in place in order to allow the video gaming to move forward; they are also out there for public comment. They will be refined again within 18 months.

Mr. Moustis commented he is confused as well – we do not know what the emergency was.

Mrs. Dralle indicated she is not sure about the entire process. We have a number of entities that are opting out. If this movement continues revenue will decrease. What happens to the Capital Bill?

Mr. Moustis stated if the state legislature did not want local jurisdictions to decide what was best for them, they would not have put in it in the bill; they had to know there were a percentage of local jurisdictions that would not participate. He does not believe this whole thing hinges on video gaming. It does not mean they cannot increase the number of machines for those who decide to participate.

Ms. Goodson commented she attended a session at the Illinois Municipal League on video gaming; there were 400 people in the room representing the whole state – both municipal and county. There was only one person in that room that was in favor of it. The feeling was if there was a big movement not to adopt; the legislature will have to go back to the drawing board.

Mr. Maher indicated he has a lot of problems with this on many levels. With the riverboat gambling they provide jobs and a financial shot to that community that is not just a tax to the people. There is employment there for people to make a living. He does not see any benefits with this. This is the State of Illinois not being fiscally responsible and having to tax people in a way they have not taxed before.

Ms. Seiler stated when it comes to our local communities they all have the option whether to jump on board or not. Have we all heard back from our areas? Lockport is up in the air; she has not heard from Homer Glen or Romeoville. She has concerns if this was to go in, it would place a financial burden back on the county. It will take people to enforce this; do we have the funds in our current budget? How do we pay for those positions?

Mr. Moustis commented enforcement in the county is much different than the municipalities; we are spread out over 850 miles. It does put an additional burden on us.

Ms. Goodson indicated it will be paying for itself with the application fees and annual fees for the license; 25% goes to IDHS for addiction services and 75% will be used for oversight and administrative enforcement – making sure they are in compliance.

Ms. Seiler commented it will still be adding an additional layer.

Mr. Moustis expressed frustration with the prior administration, which diverted gas tax dollars over to social programs; it was done with very little resistance. They could have looked at other revenue sources for infrastructure.

Mr. Kusta stated as board members we are asked to vote on some pretty high price issues. This is a roughly a \$292,000 decision. With five machines in 40 eligible places, that is 200 machines at \$80 per day - \$16,000 per day. Think about all the decisions we make that is way more money than this. Do we want to do all of this for \$292,000?

Mr. Adamic indicated he is not a gambler. We already have it in the bars where they are not supposed to pay out; a situation that is not supposed to be there is already happening and they are paying out on the QT. The law will eliminate some of the machines that are out there. It is premature to decide anything until the rules are in place and we do not know what the rules are yet. We are facing a budget where we will have to dip into reserves probably this year and next year. The question becomes how we want to finance government. This is not a perfect solution. He is willing to listen to both sides, hear everything, and then make a final decision.

Mr. Moustis stated it is already in bars; there are card games and dice games that go on in back rooms of bars for those who want to go back and play. Why not make everything legal? Why stop at video gaming? That type of logic does not hold any water.

Mr. Babich commented we have pull-tabs and bingo, which are legal. We have not realized any money from the riverboats in this town. He cannot see how we can say no; we should take a better longer look at this. He is not for or against it.

Ms. Goodson stated as of October 8, approximately 21 units of government have opted out of video gaming; that is about 855,000 of the 12.9 million people in the State of Illinois. That is still a very small percentage of the entire state. Video gaming and the revenue that is expected to come of it is not in jeopardy at this point. There is some consideration at this point of allowing the airports additional terminals than what they were originally allowed; this would take some of the burden off the residents. People passing through Illinois will have access to terminals. That is an option our legislators are looking at and it could be a positive thing. If the funding is decreased the Capital Bill will also have to be decreased. She believes that many options were investigated and this is the only option they could get everyone on board with. The state has many needs; the roads are in horrible condition. She understands this is something that is done for amusement purposes and can be abused; there are abuses in many things in our life every day. The legislature has tried to put things in place for those cases. The county should remain open until we have the final rules.

Mr. Moustis indicated he has heard from legislators on both sides of the aisle that if you opt out we will not do the work in your district. This does not add anything to the local roads; this is state projects only.

Mr. Kusta asked if this is a one-time option.

Mr. Moustis answered you can opt in or out at any time.

Mr. Smith expressed concern about the social issues. This will only fund part of the Capital Bill. The lottery was put in place to help the schools, the Tollway for the roads. At what point once we pay the Capital Bill, does that money go away? He is concerned there is no end in sight.

A motion was made by Mr. Maher, second by Ms. Seiler, to close the public hearing at 7:20 p.m. and continue on November 18. On a roll call vote, Bilotta, Adamic, kusta, Stewart, Dralle, Goodson, Gould, Maher, Seiler, Wilhelmi and Moustis voting yes. MOTION CARRIES.

Other New Business

ANNOUNCEMENTS BY THE CHAIRMAN

EXECUTIVE SESSION

ADJOURNMENT

A motion was made by Mr. Adamic, second by Mr. Stewart, to adjourn the meeting at 7: 20 p.m. All in favor. MOTION CARRIES.