MINUTES OF THE BLOOMINGTON
LIQUOR COMMISSION
March 8, 2016

1. Call to order

The regular meeting of the Liquor Commission was called to order by Commissioner Renner at 4:02 p.m. on March 8, 2016.

2. Roll Call

Tari Renner, Jim Jordan and Geoffrey Tompkins Commissioners, George Boyle, Asst. Corporation Counsel, Asst. Chief Clay Wheeler, Greg Moredock, Attorney, Sorling Northrup and Renee Gooderham, Chief Deputy Clerk.

3. Public Comment

Commissioner Renner opened the meeting to receive Public Comment. The following individual provided comments during the meeting.

Surena Fish

Commissioner Renner questioned TVEO Corporation, d/b/a Eric's Min Mart & Restaurant, 903 W. Wood St., currently holding an RAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week, business hours. He believed same should not be open after 10:00 p.m. George Boyle, Asst. Corporation Counsel, believed the same. Commissioner Renner believed the reduced hours of operation were a stipulation to maintain a liquor license. He stated the matter would be reviewed.

The following was presented:

4. Consideration of approving the Commission minutes of February 9 & 23, 2016.

Motion by Commissioner Jordan, seconded by Commissioner Tompkins to approve the Regular Meeting minutes of February 9, 2016 and the Special Meeting minutes of February 23, 2016.

Commissioner Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Commissioners Jordan, Tompkins and Renner.

Nays: None.

Motion carried.

The following was presented:

5. **Consideration of the request from Jordan Steidinger and Rachel Hettinger to allow moderate consumption of alcohol at their October 1, 2016 wedding reception to be held at Miller Park Pavilion.**

   Rachel Hettinger, bride, addressed the Commission. Ms. Hettinger stated that Famous Dave's in Bloomington would cater the reception. Beer and wine only would be served. Approximately 150-200 guests were anticipated.

   Motion by Commissioner Tompkins, seconded by Commissioner Jordan to recommend at the April 11, 2016 City Council meeting approval of the request from Jordan Steidinger and Rachel Hettinger to allow moderate consumption of alcohol at their October 1, 2016 wedding reception to be held at Miller Park Pavilion.

   Motion carried, (viva voce).

   The following was presented:

6. **Consideration of a change of Officer positions from Wal-Mart Stores, Inc., d/b/a Wal-Mart Supercenter #3459, located at 2225 W Market St, currently holding a PAS liquor license which allows the sale of all types packaged alcohol for consumption off the premises seven (7) days a week. Changes are: Cynthia P. Moehring replaced Phyllis Harris as Vice President; Steven Zielske replaced Jeff Davis as Treasurer.**

   Commissioner Renner questioned the requirement for a motion. George Boyle, Asst. Corporation Counsel, stated none was required.

   Commissioner Renner instructed the Clerk to address the appropriate letter to the State of Illinois Liquor Control Commission acknowledging same.

   The following was presented:

7. **Consideration of a change of Officer positions from Lakeside Country Club, Inc., d/b/a Lakeside Country Club, located at 1201 Croxton Ave, currently holding a CA liquor license which allows the sale of all types of alcohol by the glass for the consumption on the premises seven (7) days a week. Changes are: Jeff Holtz replaced Brett Krause as Vice President.**

   Commissioner Renner questioned the requirement for a motion. George Boyle, Asst. Corporation Counsel, stated none was required.

   Commissioner Renner instructed the Clerk to address the appropriate letter to the State of Illinois Liquor Control Commission acknowledging same.

The following was presented:

8. **Notification of Violation Complaint & Settlement for Dublin Bay, Inc., d/b/a Killarney's, located at 523 N. Main St., currently holding a TAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.**

   George Boyle, Asst. Corporation Counsel addressed the Commission. He stated the City filed a complaint against Dublin Bay, Inc., d/b/a Killarney's for violation of Chapter 6, Section 27B: No Underage or Intoxicated Person in Licensed Premises - Exceptions and Burden of Proof; which stated any licensee holding a Class T (Tavern) liquor license, or the licensee's officer, partner, associate, representative, agent or employee to allow or permit any person under the age of twenty-one (21) years to be or remain on the licensed premises.

   He stated the complaint occurred on January 26, 2016 on or about 11:45 p.m. The licensee allowed eleven (11) individuals under the age of twenty-one (21) to enter the licensed premises. Eleven (11) citations were issued.

   This was a first (1st) offense for the establishment since 1998. Settlement was agreed was a fine of $3,500 and camera system installation by April 5, 2016.

   Commissioner Tompkins questioned the licensee not complying with the stipulation. Mr. Boyle stated the issue would be brought back to the Liquor Commission.

   The following was presented:

9. **Notification of Violation Complaint for MCTH, Inc., d/b/a Lucky Sevens, located at 1804 S. Hershey Rd., Unit 9, currently holding a TAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.**

   George Boyle, Asst. Corporation Counsel addressed the Commission. The licensee had two (2) counts in the Violation Complaint. Count one (1) was in violation of Chapter 6, Section 4B: Creation of New License – Findings, b. (14); which states no license shall be created for, or maintained by, an establishment whose primary or major focus is video gaming. The Complaint believed the establishment's primary focus was on video gaming.

   Count two (2) alleged the licensee was not in good standing with the office of the Secretary of State. Same had been rectified.

   The licensee requested additional time for review of count one (1). Mr. Boyle noted that four (4) days is the statutory minimum for service of a complaint.

   Joe Dehn, owner DePew and Dehn, and applicant representative, addressed count two (2). He stated action was taken and same was reinstated. He questioned count one (1). He

believed Chapter 6, Alcoholic Beverages did not provided a gaming parlor definition. Commissioner Renner stated the majority of receipts should not come from gaming.
Mr. Dehn stated the percent from food and beverage exceeded fifty percent (50%) with the soft opening, September 15, 2015 and Grand Opening, October 15, 2015. January and February 2016 same increased five to six percent (5 - 6%). The belief was growth would continue increasing. He noted that there was vacant space next door. Mr. Harris, owner/operator anticipated expanding to offer more seating and more food selections.

Commissioner Renner stated the Liquor Commission and City Council were concerned with gaming parlors. Complaints had been received. A business plan was required that consistently sustains over fifty percent (50%) in non-gaming receipts. He believed more than two (2) months were essential to see a trend.

Mr. Dehn believed that food sales were increasing. He requested more time. Commissioner Renner questioned the time amount needed. Mr. Dehn stated he could not predict time required to show trend. He requested sixty (60) days to bring a business plan resolution to the Commission.

Terry Harris, owner/operator, Lucky Sevens stated city inspectors said air conditioning was inadequate in dining/kitchen area. He believed same contributed to the lack of food sales. He noted that air conditioning was increased in the vacant unit. He stated the business plan for the restaurant had not changed.

Commissioner Jordan questioned income from gaming obtained from the Illinois Gaming Board. He believed January 2016 income had increased from December 2015. He believed same showed the establishment was primarily a gaming parlor.

Mr. Dehn questioned the percent received by the licensee from the gaming income. Commissioner Jordan stated 34.7% of the gaming income was the amount the licensee would receive. Invoices from vendors support how much the licensee purchased for food and beverage. Mr. Dehn stated the plan was to monitor the situation.

Motion by Commissioner Tompkins, seconded by Commissioner Jordan to allow an extension to May 10, 2016 for the licensee to provide the Liquor Commission with a business plan that consistently sustains over fifty percent (50%) in non-gaming receipts.

Commissioner Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Commissioners Jordan, Tompkins and Renner.

Nays: None.

Motion carried.

The following was presented:

10. Discussion on Liquor License Increases and Video Gaming Fees.

Commissioner Renner provided a brief overview of the February 9, 2016 Public Hearing. He noted liquor license fees had not increased since 1983. At that time the increases were considered excessive. Researched held the reason for same was cost recovery for enforcement and associated costs. He noted that associated costs included inflationary increases to Police Officer salaries, pensions, legal fees and court reporters and equipment such as cameras. The Budget Task Force (BTF) reviewed services and activities for cost recovery opportunities. Downtown Police patrols costs were $130,000 which benefits the establishments and community. To pay same entirely with liquor license fees was not reasonable and not recommended.

The recommendation for was to obtain same from liquor license fees and video gaming fees. The proposal for liquor fees was a ten percent (10%) increase for two (2) years. Per machine fees for Video gaming was recommended. Another liquor fee option was for a separate fee for establishments open till 2:00 a.m.

Commissioner Tompkins believed thirty-four (34) years with no liquor increases was imbalanced. He believed costs for services were paid for by all citizens. The Federal Reserve website indicated inflation had doubled. A modest increase would assist in paying for services were favorable.

Commissioner Jordan compared Champaign/Urbana to Bloomington/Normal, he believed both were College Communities. He recommended a competitive liquor fee comparison with the surrounding communities including Champaign/Urbana, Springfield and Decatur. He suggested a reasonable increase over a two (2) to four (4) year period. He cautioned against additional costs passed to consumers. That care should be given to liquor fee increase implementation. He believed Video gaming fees were a separate issue.

Commissioner Renner stated the Town of Normal (Town) does not have Tavern licenses. Tavern licenses could not be compared to Restaurant licenses in the Town. Commissioner Jordan believed a surrounding community gage would assist with the question of a reasonable increase. He believed it was unfair to blame the licensee for the current situation. Commissioner Renner agreed.

Commissioner Tompkins requested accountability for services provided by the Police Department. A modest increase was not unreasonable. Commissioner Jordan agreed. He stated the Police Department's presence was needed, especially in the Downtown.

Commissioner Renner noted Council debated service level options including eliminating the Downtown Hireback. Same was rejected; the belief was police officer presence was important. The establishing a video gaming fee was discussed by Council. As of December 2015 the City had more video gaming machines than Peoria. Council recommended exceptions for non-profit organizations or a dollar threshold determining the fee amount.

Commissioner Jordan assessing a video gaming fee structure was difficult when based solely on numbers. There was no way to determine if same would sustain. He had spoken with the Illinois Gaming Board in Springfield. Illinois video gaming market was successful. The City received five percent (5%) of the thirty percent (30%) the State charges. He believed establishments had marginal investment to add gaming machines. Vendors had the greatest investment with the ATM's and video gaming machines. The Vendor and licensee split 34.7% equally on what was left over. He believed the licensee received a profit. The fee could be used for Police and Fire Rescue services. The Town charged $200 per machine.

Commissioner Renner questioned if he was in favor of a video gaming permission fee. Commissioner Jordan agreed but requested fee research charges in surrounding communities.

Commissioner Tompkins stated he was in favor of the ten percent (10%) increase of liquor license fees or approximately $25 per month. He recommended charging $1,000 per video gaming machine per year. The Illinois Gaming Board website: www.igb.illinois.gov provided the net terminal income (NTI) per establishment. He believed having too many gaming machines change the community. He noted that the City of Carbondale capped the number of machines licensees.

Commissioner Renner opened the Public Comment.

Peter Pontiac, owner/operator B & B Amusements, addressed the Commission. He stated that he worked with the Town, specifically Mark Petersen, City Manager prior to gaming fees being established. Prior to establishing same the Town believed costs had to be justified.

Phil Boulds, owner/operator, Mugsy's Pub, located at 1310 N. Main St., addressed the Commission. He believed all establishments had investments, he cited building space as an example. He stated that when costs rise owners do not usually make a profit. Businesses had to remain competitive. Commissioner Renner stated that the City wanted to encourage business. Mr. Boulds believed that alcohol was the most taxed industry than any other.

Charles Jurgus, addressed the Commission. He questioned why alcohol had a tax. He believed taverns did not produce a product. Liquor and video gaming machines was the perfect storm. He cited concern with all establishments having video poker. He believed same should be controlled.

Terry Moore, operator, Loyal Order of Moose BLM #745, d/b/a Bloomington Moose #745, located at 614 IAA Dr., addressed the Commission. He requested non for profits be exempt from a video gaming fee. The Moose had five (5) machines; profits from same went to charities.

Commissioner Renner questioned policy changes for exempting non-profit organizations. Mr. Boyle stated research would be required.

Bill Flessner, Gaming Operator, Midwest Electronics, addressed the Commission. He noted that Bloomington was a unique area, citing the three (3) interstates. He believed the City could set the standard in not having a video gaming fee. Commissioner Renner noted that it was required to have alcohol in order to have video gaming machines. There were associated cost increases with alcohol.

Jan Lancaster, owner/operator, The Momma, Inc., d/b/a The Bistro, located at 316 N. Main St., addressed the Commission. There was a misconception that tavern owners were making huge profits. She had been in business for twenty-five (25) years. Business was declining. She cited the smoking ban and DUI as examples for same. Most individuals who went out on weekends did so between the hours of 12:00 a.m. (Midnight) to 2:00 a.m.

James Gastin, owner/operator, Setinthebar, Inc., d/b/a Jazz Up Front, located at 107 W. Front St., addressed the Commission. He stated that his establishment had entertainment four (4) nights a week. He brought in video poker machines because his customers requested same. He believed this was not the time to increase/establish fees.

Commissioner Renner stated increasing liquor fees had been discussed for several years. He suggested liquor fees increase ten percent (10%) for two (2) years and the video gaming fee of $500 fee per machine per year, with an exemption for non-profit organizations. He noted that recommendations would be presented to Council for approval.

Commissioner Jordan recommended licensees contact their Aldermen with recommendations. He suggested a percentage basis to increase liquor license fees. He believed video gaming was a separate issue as the revenue was larger. Costs to the City and the revenue from video gaming needed to be balanced.

Commissioner Tompkins agreed with the need for more input and discussion. He stated having video gaming machines was voluntary.

Commissioner Renner questioned Commission consensus with his recommendation. Commissioner Tompkins agreed with both. Commissioner Jordan suggested charging different fees per level of income from the video gaming. He agreed with the liquor license fee increase.

Commissioner Renner suggested a sliding scale for video gaming machines, depending on level of profit, with an exemption for non-profit organizations. The Commission had no specific dollar amount recommendation. Commissioner Jordan recommended the minimum for each machine be $500.

Mr. Boyle suggested an Ordinance to address legal and administrative issues.

Commissioner Jordan agreed to amend his recommendation to a minimum of $500 per video gaming machine per year. An establishment had the option to reduce machines if same became an issue.

Commissioner Renner requested Mr. Boyle prepare an Ordinance for consideration at the next Liquor Commission meeting to be held on April 12, 2016.

13. Adjournment

Motion by Commissioner Tompkins, seconded by Commissioner Jordan to adjourn. Time: 6:03 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham
Chief Deputy Clerk