

MINUTES OF THE BLOOMINGTON LIQUOR COMMISSION April 12, 2016

1. Call to order

The regular meeting of the Liquor Commission was called to order by Commissioner Renner at 4:00 p.m. on April 12, 2016.

2. Roll Call

Tari Renner, Jim Jordan and Sue Feldkamp Commissioners, George Boyle, Asst. Corporation Counsel, Asst. Chief Clay Wheeler 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.

Bruce Meeks Tony Wargo Joe Dehn Phil Boulds Peter Poutius

The following was presented:

4. Consideration of approving the Commission minutes of March 8, 2016.

Motion by Commissioner Jordan, seconded by Commissioner Renner to approve the Regular Meeting minutes of March 8, 2016.

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

Ayes: Commissioners Jordan and Renner.

Abstain: Commissioner Feldkamp.

Nays: None.

Motion carried.

The following was presented:

5. Consideration of the request from Eric Lott and Summer Baughman to allow moderate consumption of alcohol at their June 10, 2016 wedding reception to be held at Davis Lodge.

Eric Lott, groom, addressed the Commission. Mr. Lott stated that Biaggi's Restorante Italiano would cater the reception. Beer and wine only would be served. Approximately 75 - 100 guests were anticipated.

Motion by Commissioner Feldkamp, seconded by Commissioner Renner to recommend at the May 9, 2016 City Council meeting approval of the request from Eric Lott and Summer Baughman to allow moderate consumption of alcohol at their June 10, 2016 wedding reception to be held at Davis Lodge.

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

Ayes: Commissioners Feldkamp and Renner.

Abstain: Commissioner Jordan.

Nays: None.

Motion carried.

The following was presented:

6. Consideration of the application from Hurley Entertainment Group, Inc., d/b/a Spotted Dog Tavern, located at 1504 Morrissey Dr., requesting a TAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.

Robert Lenz, attorney, applicant representative addressed the Commission. He noted that the he was assisting Rich Marvel, attorney with the application. He explained that the building had been vacant for many years. Nick and Jennifer Hurley, owners/operators would operate a pub type tavern. He noted that same owned Drifters, located at 612 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. Drifters had not had a violation in three (3) years. George Boyle, Corporation Counsel, confirmed same.

Commissioner Renner questioned video poker. Jennifer Hurley addressed the Commission. She stated that they would be applying for machines. They wanted the business to remain competitive. She anticipated having five (5) machines.

Commissioner Jordan questioned familiarity with Chapter 6, Alcoholic Beverages. Nick Hurley responded affirmatively. Commissioner Jordan reminded Mr. and Mrs. Hurley that revenue from video poker could not exceed other business operations. Mr. Hurley acknowledged that establishment's revenue would not be from video gaming.

Commissioner Jordan noted a letter dated April 4, 2016 written anonymously that had concerns with water pumped from the basement which looked like contained an oily substance. Mr. Hurley stated that he had spoken with the Illinois Environmental Protection Agency (IEPA). The IEPA did not indicate concerns. Mr. Boyle stated that City Inspectors had inspected same. There were no concerns.

Commissioner Jordan questioned food sales. Mrs. Hurley stated that lunch and dinner would be served. Breakfast would be a possibility if there was a demand. Employees who served alcohol would be BASSET (Beverage Alcohol Sellers and Servers Education) certified. They anticipated ten to fifteen (10 - 15) employees.

Motion by Commissioner Jordan, seconded by Commissioner Feldkamp that the application of Hurley Entertainment Group, Inc., d/b/a Spotted Dog Tavern, located at 1504 Morrissey Dr., requesting a TAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week be approved contingent upon compliance with all health and safety codes.

Motion carried, (viva voce).

The following was presented:

7. Consideration of the application from VenuWorks of Bloomington, LLC, d/b/a US Cellular Coliseum (USCC), located at 101 S. Madison St., requesting an EAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week.

Commissioner Renner noted that the applicant's representative was currently on their way. He provided a brief history. The City Council had approved a transitional 90-day management agreement with VenuWorks on March 28, 2016 to operate the USCC. Central Illinois Arena Management (CIAM) had chosen not to renew their contract for same.

Timothy Berry, Interim Executive Officer, VenuWorks arrived at 4:30 p.m.

Commissioner Jordan questioned familiarity with the pending liquor fee increases and Chapter 6, Alcoholic Beverages. Mr. Berry responded affirmatively. He stated that staff would have BASSET (Beverage Alcohol Sellers and Servers Education) certification and there would be no video gaming.

Motion by Commissioner Jordan, seconded by Commissioner Feldkamp that the application of VenuWorks of Bloomington, LLC, d/b/a US Cellular Coliseum (USCC), located at 101 S. Madison St., requesting an EAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week be approved contingent upon compliance with all health and safety codes.

Motion carried, (viva voce).

The following was presented:

8. Consideration of proposed ordinance increasing liquor license fees.

Commissioner Renner provided a brief history. He noted that liquor license fees had not increased since 1983. Costs associated with same have risen. The Town of Normal (Town) licenses were \$1,300 higher. He believed the proposed increases were modest. The increases were ten percent (10%) below the Town.

Commissioner Jordan believed that the fee increases should balance with the surrounding communities and the Town. Incremental steps were better for the business owner. He noted that at the end of 2019 the City's restaurant license would be \$300 less than the Town's. The cost to the City requires review. Compromises were required from the business owner and the City. The Liquor Commission makes recommendations, Council had final approval.

Commissioner Feldkamp believed fees should be increased incrementally. She believed that that the citizens should not shoulder the total Police/Fire Pension cost.

Motion by Commissioner Jordan, seconded by Commissioner Feldkamp that the liquor license fee ordinance be approved as presented and recommend to the City Council for final approval at their April 25, 2016 Regular City Council meeting.

Ayes: Commissioners Jordan, Feldkamp and Renner.

Nays: None.

Motion carried.

The following was presented:

9. Consideration of proposed ordinance establishing video gaming licenses and fees.

Commissioner Renner stated that fees collected could be earmarked for Police/Fire Pensions. He believed that the City was the only metro city to not charge fees for video gaming. There was concern with the City having more video poker machines then Peoria. He had spoken with the Mayor in Des Moines, IA, they had place a ceiling on same. He did not prefer that method. He noted that Decatur had a ceiling on liquor licenses.

Commissioner Jordan believed video gaming and liquor license fees were two (2) separate issues. He noted that each business' profit was posted on the Illinois Gaming Board website (www.igb.illinois.gov). He believed vendors had the biggest risk. The licensee pays initial application costs and eventually taxes on profit to the state. He was not aware of a municipality that did not charge gaming fees. He questioned the total dollar amounts dollars wagered versus the amounts paid out. He believed that what was left over was divided up, 34.7%, between the vendor and the licensee. The state collected thirty percent (30%) with five percent (5%) given back to the City. Less than one percent (1%) went to the administration costs. He believed that earmarking the revenues would be received favorably.

Commissioner Feldkamp echoed Commissioner Jordan's comments.

Commissioner Renner noted that a previous suggestion was to have a tiered license fee. Staff had cited concern with administration of same.

Commissioner Jordan acknowledged a letter received from an establishment in opposition to the fees. Tavern owners had held a meeting on March 22, 2016. He was provided a list of concerns and had reviewed same. He understood the request to have a tiered licensing program but believed that the City would have to review the administrative costs. Prorating or averaging would be required. He stated that with a set fee amount if the business owner finds that the machines do not justify the cost they could remove same. The machines were not mandatory.

George Boyle, Corporation Counsel, noted that the proration section was exactly the same as the Town's with the exception of the fee. Prorating was not allowed. He noted that with prorating, figuring or monitoring there were administrative costs associated.

Commissioner Renner questioned the effective date. Mr. Boyle responded that same could begin January 1, 2017.

The Commissioners agreed that the January 1, 2017 begin date was better. Commissioner Jordan questioned non for profit fees. Mr. Boyle responded that same were not excluded. Commissioner Renner noted that the ordinance replicated the Town. Mr. Boyle responded affirmatively.

Commissioner Renner questioned the impact of a \$500 fee for all establishments. He requested Chief Deputy Clerk Renee Gooderham speak to administrative concerns.

Ms. Gooderham stated that when a new business has video gaming machines staff would have to estimate earnings. This could result in the business over paying or not paying enough. The Finance Department had indicated that refunding money would take considerable staff time and resources.

Commissioner Feldkemp believed all establishments should pay the same amount. If a business was unable to justify the fee then the machines could be removed.

Commissioner Jordan echoed Commissioner Feldkemp's comments. He believed fewer machines could equal more revenue for other establishments.

Commissioner Renner stated that he was unable to locate a municipality that had a tiered system. He requested that Peter Pontiac, owner/operator B & B Amusements address the tiered system.

Mr. Pontiac stated that a tier structure allows a municipality to charge an income tax, which is illegal.

Commissioner Feldkemp questioned the \$500 fee. Commissioner Renner stated that the fee ranges across the stated varied. Commissioner Jordan noted that the Town fees were \$200. He believed there was discussion from same to increase video gaming fees.

Commissioner Feldkemp questioned nonprofit organization exemptions. Mr. Boyle stated the draft ordinance could be amended. Commissioner Jordan believed there was no justification to have exemptions. Commissioner Feldkemp agreed.

Motion by Commissioner Jordan, seconded by Commissioner Feldkemp to amend the draft ordinance to reflect that proceeds from the video gaming licensing be earmarked for Police and Fire Pension and recommend to the City Council for final approval at their April 25, 2016 Regular City Council meeting.

Ayes: Commissioners Jordan, Feldkamp and Renner.

Nays: None.

Motion carried.

Motion by Commissioner Jordan, seconded by Renner to approve the recommended \$500 video gaming fee currently in the draft ordinance and recommend to the City Council for final approval at their April 25, 2016 Regular City Council meeting.

Ayes: Commissioners Jordan, and Renner.

Present: Commissioner Feldkemp.

Nays: None.

Motion carried.

Commissioner Renner questioned nonprofits exemptions. Mr. Boyle questioned defining same. He noted that Terry Moore, operator, Loyal Order of Moose BLM #745, d/b/a Bloomington Moose #745, located at 614 IAA Dr., had spoken at the March 8, 2016 Liquor Commission meeting stating that proceeds from their machines went to charity. He questioned other nonprofits proceeds distribution. Staff could research nonprofit qualifications and present to Council.

Commissioner Jordan stated that he viewed Veteran associations differently than fraternal organizations. He recommended that the ordinance remain the same with the exception of Veteran's associations. Commissioner Feldkemp agreed.

Motion by Commissioner Jordan, seconded by Commissioner Feldkemp to amend the draft ordinance to reflect a January 1, 2017 effective date and exempt Veteran associations be approved and recommend to the City Council for final approval at their April 25, 2016 Regular City Council meeting.

Ayes: Commissioners Jordan, Feldkamp and Renner.

Nays: None.

Motion carried.

10. Adjournment

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

Motion carried, (viva voce).

Respectfully submitted,

Renee Gooderham Chief Deputy Clerk