CITY OF
BLOOMINGTON
COMMITTEE OF THE
WHOLE MEETING
JULY 15, 2019
COMPONENTS OF THE COMMITTEE OF THE WHOLE AGENDA

On the third Thursday of each month at 6pm, the City Council meets as a Committee of the Whole. The purpose of this meeting is to present and consider agenda items that may be proposed for Regular City Council meetings, but that require further discussion before going in front of Council for an actual vote. The Committee of the Whole meeting is also a forum that allows the Mayor and Council Members to individually initiate proposed agenda items for discussion.

Council does not vote on any of this meeting’s agenda items, outside of voting to approve the minutes of the previous Committee of the Whole meeting. Committee of the Whole agenda items discussed can be moved to a future regular City Council meeting agenda, if a consensus exists.

PUBLIC COMMENT

Each regular Committee of the Whole Meeting shall have a public comment period not to exceed 30 minutes. Every speaker is entitled to speak for up to 3 minutes. To be considered for public comment, please complete a public comment card at least 5 minutes prior to the start of the meeting. The Mayor will randomly draw from the cards submitted and call names of submitters to come forward to speak.

Public comment is a time for citizens to give comment. It is not a question and answer period and City Council Members do not respond to public comments. Speakers who engage in threatening or disorderly behavior will have their time ceased.

REGULAR AGENDA

All agenda items that provide Council an opportunity to listen to a presentation, ask questions of City Staff, deliberate, and seek additional information prior to making a decision will be placed on the Committee of the Whole Regular Agenda. No final action, beyond action on setting future agenda items and/or Agenda Initiatives, may be taken at a meeting of a Committee of the Whole unless it has been called as a Special Meeting.

A portion of the meeting is dedicated to previewing non-routine items. A non-routine agenda item shall include: (1) the expenditure of money over $250,000; (2) development agreements; (3) amending the City Code and/or (4) the implementation or modification of policies. The failure to preview a non-routine agenda item at a Committee of the Whole meeting shall not prohibit its consideration and/or action at a future meeting.
AGENDA
1. Call to Order
2. Roll Call of Attendance
3. Recognition
   A. Proclamation recognizing the “2019 Friends Forever International Visitors”.
4. Public Comment
5. Consideration and action to approve Committee of the Whole Meeting Minutes from June 17, 2019, as requested by the City Clerk Department. (Recommended Motion: The proposed minutes be approved.)
6. Presentation, Discussion, and Direction on Future Agenda Topics
   A. Update and discussion regarding Boards and Commissions, as requested by the Administration Department. (Update and discussion only). (Brief overview and discussion by Tim Gleason, City Manager, 10 minutes, and City Council discussion, 15 minutes.)
   B. Discussion and direction on the City of Bloomington’s moratorium on the issuance of additional video gaming licenses, as requested by the Legal/Administration Departments. (Discussion and direction only.) (Brief overview and presentation by Tim Gleason, City Manager, and Jeff Jurgens, Corporation Council, 20 minutes; and City Council discussion, 30 minutes.)
7. City Manager Report (5 minutes)
8. Adjourn (Approximately 7:58 p.m.)
RECOGNITIONS
Committee of the Whole Date: July 15, 2019

COMMITTEE OF THE WHOLE AGENDA ITEM NO. 3

Recognition

A. Proclamation recognizing the “2019 Friends Forever International Visitors”.
PROCLAMATION

Recognizing the 2019 Friends Forever International Visitors

WHEREAS, Friends Forever International empowers youth leaders to connect, strengthen, and serve communities around the globe by combining their passion to make the world a better place with the skills, experiences, and resources required to do so; and

WHEREAS, Friends Forever International’s vision is that youth are recognized and supported as the catalysts for building a better world; and

WHEREAS, Friends Forever International is a 33-year-old program based in New Hampshire; and

WHEREAS, the Friends Forever International leadership program is based on six principles they call their RECIPE:

- R. - Identifying RESILIENCE
- E. - Practicing EMPATHY
- C. - Strengthening COMMUNICATION
- I. - Achieving IMPACT
- P. - Encouraging PLAYFULNESS
- E. - Giving EFFORT

WHEREAS, through leadership skills, public speaking, community service, team building, and bonding, the ten teens learn they are more alike than they are different and return to Israel ready to continue building peace; and

NOW THEREFORE, I, Tari Renner, Mayor of Bloomington, IL do hereby recognize our Friends Forever International visitors and ask all of Bloomington to welcome them.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Bloomington to be affixed this 15th day of July, 2019

Tari Renner
Mayor

Leslie Yocum
City Clerk
REGULAR AGENDA
FOR COMMITTEE OF THE WHOLE: July 15, 2019

SPONSORING DEPARTMENT: City Clerk

SUBJECT: Consideration and action to approve Committee of the Whole Meeting Minutes from June 17, 2019, as requested by the City Clerk Department.

RECOMMENDED MOTION: The proposed minutes be approved.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The minutes of the meetings provided have been reviewed and certified as correct and complete by the City Clerk. In compliance with the Open Meetings Act, Council Proceedings must be approved thirty (30) days after the meeting or at the second subsequent regular meeting whichever is later. In accordance with the Open Meetings Act, Council Proceedings are available for public inspection and posted to the City’s web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared by: Amanda Mohan, Deputy City Clerk

Recommended by:

Tim Gleason,
City Manager

Attachments:
  - CLK 1A - Minutes June 17, 2019 Committee of the Whole Meeting
The Council convened in Regular Session in the Council Chambers, City Hall Building, at 6:00 p.m., Monday, June 17, 2019.

Mayor Renner directed the City Clerk to call the roll and the following members of Council answered present:

Council Members: Jamie Mathy, Donna Boelen, Mboka Mwilambwe, Julie Emig, Joni Painter, Jenn Carrillo, Scott Black, Jeff Crabill, Kim Bray, and Mayor Tari Renner.

Staff Present: Tim Gleason, City Manager; Billy Tyus, Deputy City Manager; George Boyle, Assistant Corporation Counsel; Jim Karch, Public Works Director; Scott Sprouls, Information Services Director; Clay Wheeler, Chief of Police; Scott Rathbun, Director of Finance; and other City staff were present.

Mayor Renner stated that Mr. Isaac Thorne, presenter and representative for Connect Transit, had another meeting in Normal conflicting with his presentation time for Item 5 on the agenda.

Council Member Mwilambwe made a motion, seconded by Council Member Emig, pursuant to Chapter 2, Section 85(c) of the Bloomington City Code, to change the placement of public comment, so that public comment would take place immediately following Agenda Item 5, the “Presentation and discussion of an update regarding Connect Transit.”

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

Ayes: Council Members Mathy, Boelen, Mwilambwe, Emig, Painter, Carrillo, Black, Crabill, and Bray.

Nays: None.

Motion carried.

The following item was presented:

Item 5. Presentation and discussion of an update regarding Connect Transit, as requested by the Administration Department.
Isaac Thorne, Connect Transit General Manager, came forward to address Council. Mayor Renner thanked him for attending the meeting.

Mr. Thorne provided an overview of Connect Transit’s Community Engagement Sessions, public hearings, recent route changes, fare increases, and the adjustment of the value card Connect Transit implemented. He reminded Council that Connect Transit is not a taxing authority and that fares have remained the same since 2007. He discussed what would happen if Council rejected Connect Transit’s budget, pointing out that it would be catastrophic and would result in suspension of service in December.

Council Member Crabill thanked Mr. Thorne for his presentation and asked him to discuss funding for public transit systems that have taxing authorities verses non-taxing authorities. He also asked if Connect Transit was to receive additional funding, would fare rates need to be increased. Mr. Thorne stated that public transit systems with taxing authorities receive three times the amount of funding received by those in non-taxing authorities.

Council Member Crabill continued by inquiring about proposed solutions to the Orlando Avenue route elimination and potential fare increases. Mr. Thorne discussed a deviation in the Pink route to accommodate Orlando Avenue and mentioned that Connect Transit’s Working Group, comprised of community members and transit riders, would also be discussing alternative solutions. He stated that Connect Transit planned in October of 2019 to request additional funding from Council to prevent the fare increase.

Council Member Painter asked about the discount card for para-transit riders and requested more details. Mr. Thorne walked through examples of discounts and mentioned that 85% of their riders weren’t using the previous monthly pass enough to break even, whereas the new value pass doesn’t expire and can be utilized until the balance is depleted.

Council Member Boelen expressed concerns about the new 40-foot long electric buses, returns on investment from the solar panels, the amount of money budgeted for shelters, and the 30% increase in administrative costs. Mr. Thorne discussed $888,000 being invested into the Better Bus Stops Campaign over the next four years and that his staff are looking into Federal discretionary grants for additional funding; electric buses being available in a variety of lengths and, if maintained correctly, are less expensive to run than diesel buses; and solar panels will power Connect’s bus fleet and administrative building. He attributed the increase in administrative cost to an additional employee hired to process Medicaid billing. Connect Transit has been approved to allow riders to ride for free when the ride qualifies for Medicaid. Mr. Thorne stated that position will pay for itself as revenue is received from Medicaid.

Council Member Mathy expressed concerns regarding bus lengths, limiting accessibility to neighborhoods, and suggested that the Connect Transit Working Group investigate how to increase accessibility to fixed routes to accommodate more riders. He believed the focus should be on riders dependent on services and also explained how Connect Transit not being a taxing body is a benefit to the service.

Mr. Thorne stated that ridership has steadily increased since 2008 and discussed policies
Council Member Emig thanked Mr. Thorne for all the information provided to the Council. She asked about Connect’s projected 16% increase in ridership by 2023 and whether funds raised for the Downtown Transfer Center could also be used for other projects such as sidewalks. Mr. Thorne stated there had been a 10% spike in ridership this year and that route restructuring had been a big factor in the increase. He also stated the Downtown Transfer Center is grant-funded and that the focus would be to provide adequate amenities to properly serve the current 1,800 riders per day.

Council Member Carrillo asked the anticipated income the fare increase would generate and requested info on the Member Engagement Sessions. Mr. Thorne walked through funding changes and sources and discussed details on the engagement sessions held throughout the community.

Council Member Black appreciated the work of the Connect Board and staff. He asked for additional information on what would happen if the Connect Transit budget was rejected. Mr. Thorne stated that if the budget was not passed by July 1, 2019, Connect’s application for IDOT funding would stop, and it generally takes about six months to receive funding. The delay would result in suspension of service in December of 2019 and staff would have to be laid off.

Mayor Renner asked George Boyle, Assistant Corporation Counsel, for confirmation on the potential outcome if one of the bodies in an intergovernmental agreement did not approve the budget.

Mr. Boyle responded that the Ordinance provides that if the budget is rejected by one or both cities, the cities will work together to create a new budget with the system. The Ordinance does not mention how to further proceed.

Public Comment

Council Member Crabill made a motion, seconded by Council Member Carrillo, to extend the Public Comment time from 30 minutes to 48 minutes.

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

Ayes: Council Members Mathy, Mwilambwe, Emig, Painter, Carrillo, Black, and Crabill.

Nays: Council Members Boelen and Bray.

Motion carried.

Mayor Renner opened the meeting to receive public comment at 6:29 p.m. The following people came forward for Public Comment.

| Heidi Zimmerman | Rebecca Cook | Rebecca Brennan |

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Council Member Carrillo left the meeting (7:13 p.m.).

Mayor Renner asked Council Member Mwilambwe to take over running the meeting and excused himself (7:15 p.m.).

Mayor Renner and Council Member Carrillo returned (7:16 p.m.).

Public Comment ended at 7:17 p.m.

The following item was presented:

Item 4. Consideration and action to approve the Committee of the Whole Meeting Minutes from May 20, 2019, as requested by the City Clerk Department.

Council Member Painter made a motion, seconded by Council Member Bray, that the minutes from May 20, 2019 be approved as printed.

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

Ayes: Council Members Mathy, Boelen, Mwilambwe, Emig, Painter, Carrillo, Black, Crabill, and Bray.

Nays: None.

Motion carried.

The following item was presented:

Item 6. Presentation of the potential impacts the recently adopted State of Illinois FY 2020 Budget may have on the City of Bloomington, as requested by the Finance and Administration Departments.

City Manager Gleason discussed the recent passage of the FY20 State budget and the effects the Illinois Municipal League (IML) believed it will have on municipalities. He also mentioned that the four capital projects the City proposed, are still active.

Scott Rathbun, Finance Director, pointed out that the presentation being presented is preliminary. He discussed the FY 2020 State of Illinois Budget Impact on the Revenue Distribution for Home Rule tax collection, Income Tax distribution, and how it has minimal negative impacts on the City. He went on to discuss the State and City’s Motor Fuel Taxes, the expansion of Internet Sales Tax Legislation and a few other potential tax items of interest.
including a 3% local tax on legalized cannabis, potential revenues from the increase in the number of video gaming terminals allowed, aviation fuel sales tax, and a potential 6% parking tax.

Council Member Black thanked Mr. Rathbun and Mr. Gleason for the presentation and for being proactive in providing information. He suggested that Council hold local legislator meetings to focus on specific items to hear feedback.

Mr. Gleason mentioned that he had proposed the City’s Legislative Session, typically held in April, be moved to a Special Meeting on a Saturday in January 2020 as he believed that April was too late to allow the meeting to be as productive as it could be. He asked Council Member Black if he was proposing to ask legislators to attend a Special Meeting to discuss the State Budget sooner or if he was okay with January 2020.

Council Member Black stated that he also believed January 2020 would be most beneficial and recommended that an agenda of specific policies for discussion be set for the meeting.

Council Member Carrillo asked why the meeting had to be as late as January 2020.

Mr. Gleason stated it is more beneficial to catch legislators after the holidays but before the Spring Legislative Session. He asked Council Member Carrillo if she is proposing an earlier time frame. Council Member Carrillo wanted to see the meeting take place before the holiday season, specifically to discuss the legalization of cannabis so the City could be as proactive as possible.

Council Member Bray stated that on Tuesday morning, June 18, 2019, there would be a State of State meeting to discuss matters at Illinois State University. Senator Jason Barickman had also agreed to speak for the CPCU group, a large insurance group of insurance professionals at ISU, to discuss cannabis legislation and what it means.

Council Member Mathy recommended that if the City had to use Motor Fuel Tax for State-approved projects, that Market Street and Main Street be a part of the approved projects. He believed the money should be used to fix roads that absolutely needed repair. Mr. Gleason replied affirmatively.

Mayor Renner and Council thanked Mr. Rathbun for his presentation.

The following item was presented:

Item 7. Presentation and discussion regarding Boards and Commissions, as requested by the Administration Department.

City Manager Gleason opened with comments regarding boards and commissions, including a recap of what was requested by the Council. He called Billy Tyus, Deputy City Manager, forward to present.

Mr. Tyus discussed the two different types of boards and commissions, the number of
boards/commissions and went on to talk about current appointment procedures.

Mayor Renner explained the process of appointing members.

Council Member Crabill asked for clarification on the approval process. Mayor Renner explained the approval process and pulling an appointment from the Consent agenda for separate consideration.

Council Member Bray asked if staff maintained a list of current and upcoming boards and commission vacancies. Mayor Renner replied affirmatively.

Council Member Bray asked if notice is only given to the Mayor of a vacancy and if the Council could be notified. Mr. Tyus stated that if the Council requested notification, staff would comply.

Council Member Black left the meeting at 7:45 p.m. and returned at 7:47 p.m.

Council Member Mathy requested more information on how positions are filled and requested clarification of Council powers. He offered a variety of suggestions and emphasized the need for all procedures and powers to be stated in the Code.

Council Member Crabill left the meeting at 7:48 p.m. and returned at 7:50 p.m.

Council Member Boelen inquired about which boards and commissions are statutory.

Mr. Tyus stated that the Zoning Board, Planning Commission, Police Pension Board and Fire Pension Board are required by statute.

George Boyle, Assistant Corporation Counsel, added that the Board of Fire and Police is also statutorily obligated.

Council Member Painter commented on the Police and Fire Pension boards having two staff liaisons on both boards. She had reviewed the Illinois Municipal League (IML) Handbook regarding boards and commissions and believed Council should be more involved in the selection process of appointees.

Council Member Mwilambwe suggested the City give boards and commissions appointees the opportunity to meet with Council members to get to know one another and understand their views and ideas for boards/commissions.

Council Member Carrillo agreed that Council should be more involved in the selection process. She also asked if the Council could be notified and/or the list of openings could be included in the City Manager’s report or the Mayoral Comments to publicly notify the Council and the public. She also expressed concern with Council Member Mwilambwe’s suggestion of meeting with Council Members.

City Manager Gleason replied affirmatively and stated that if Council requested that form of notification, staff would comply.
Council Member Mathy agreed that vacancies and any upcoming vacancies should be included in the City Manager’s Report.

Council Member Black asked what power Council had if the Mayor didn’t want to appoint a certain person to a board or commission.

Mr. Boyle stated that currently, per the Ordinances, Council didn’t have the authority to overturn the Mayor’s decision.

Mayor Renner asked Mr. Tyus about the qualifications for removing someone from a board or commission. Mr. Tyus responded by listing the qualifications from the Code.

Council Member Painter expressed concern on the process of voting on appointment.

Council Member Bray believed Council should be more involved with board and commission members and that expectations from Council should be made clear to them once appointed.

Council Member Mwilambwe expressed concerns about how Council should handle situations where appointed persons are not representing the vision of Council.

Council Member Emig summarized recommendations of Council that resulted from the discussion.

The following items were presented:

Item 8. Presentation, Discussion, and Direction on Future Agenda Topics.

A. City Manager’s Report

City Manager Gleason walked through future Council items for June 24, 2019 and pointed out future event calendar items available on the City’s website.

B. Council Initiatives

i. Discussion regarding the Connect Transit Budget, as requested by City Council Member Jeff Crabill.

Council Member Crabill discussed his experience navigating the Connect Transit route in a wheelchair. He stated he would like to use Section 8 of the Intergovernmental Agreement to reject the budget of Connect Transit and that proposed alternatives exist that would not require increasing fares.

Council Member Carrillo excused herself at 8:37 p.m. and returned 8:40 p.m.

Council Member Black expressed concerns about what will happen if Connect Transit’s budget is not passed by Council.
Council Members Painter and Mwilambwe agreed with Council Member Black’s concerns.

Council Members Painter, Mwilambwe and Mathy expressed concerns and are not in favor of the initiative.

Council Member Mathy made a motion, seconded by Council Member Bray, to extend the discussion by ten minutes.

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

Ayes: Council Members Mathy, Boelen, Mwilambwe, Emig, Painter, Carrillo, Black, Crabill, and Bray.

Nays: None.

Motion carried.

Council Member Bray echoed some of the other Council Members concerns previously mentioned.

Council Member Emig discussed opportunities to address expectations.

Council Member Black stated he would like to review the current intergovernmental agreement and add more specific verbiage of Council expectations.

Council Member Carrillo was in favor of the initiative.

Council Member Boelen mentioned that Ward 2 does not have bus service.

Mayor Renner requested a show of hands as to whether Council Member Crabill’s Initiative to bring Connect Transit’s budget should be brought to the next Council Meeting.

Ayes: Council Members Carrillo and Crabill.

Nays: Council Members Mathy, Boelen, Mwilambwe, Emig, Painter, Black, and Bray.

Adjournment

Mayor Renner asked for a motion to adjourn the meeting.

Council Member Painter made a motion, seconded by Council Member Carrillo, to adjourn the meeting.

Motion carried unanimously (viva voce).
The meeting adjourned at 9:00 p.m.

CITY OF BLOOMINGTON

_____________________________  ATTEST
Tari Renner, Mayor

_____________________________  Amanda Mohan, Deputy City Clerk
FOR COMMITTEE OF THE WHOLE: July 15, 2019

SPONSORING DEPARTMENT: Administration

SUBJECT: Update and discussion regarding Boards and Commissions, as requested by the Administration Department.

RECOMMENDED MOTION: Update and discussion only.

STRATEGIC PLAN LINK: Goal 5: Great Place - Livable, Sustainable City.

STRATEGIC PLAN SIGNIFICANCE: Objective 5b. City decisions consistent with plans and policies.

BACKGROUND: Boards and Commissions were discussed by City Council at the City Council meeting on May 28, 2019 and the Committee of the Whole meeting on June 17, 2019. City Manager Tim Gleason will provide an update to Council and additional discussion will follow.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: N/A

Respectfully submitted for Council consideration.

Prepared By: Leslie Yocum, City Clerk

Recommended by:

Tim Gleason
City Manager
FOR COMMITTEE OF THE WHOLE: July 15, 2019

SPONSORING DEPARTMENT: Legal and Administration

SUBJECT: Discussion and direction on the City of Bloomington’s moratorium on the issuance of additional video gaming licenses, as requested by the Legal and Administration Departments.

RECOMMENDED MOTION: Discussion and direction only.

STRATEGIC PLAN LINK: Goals 1. Financially sound City providing quality basic services; 3. Grow the Local Economy; and 5. Great Place - Livable, Sustainable City.

STRATEGIC PLAN SIGNIFICANCE: Objectives 1c. Engaged residents that are well informed and involved in an open governance process; 3a. Retention and growth of current local businesses; 3b. Attraction of new targeted businesses that are the “right” fit for Bloomington; 3d. Expanded retail businesses; 3e. Strong working relationship among the City, businesses, economic development organizations; and 5e. More attractive City; commercial areas and neighborhoods.

BACKGROUND: In 2012, the Illinois General Assembly approved the Video Gaming Act ("Act") which legalized video gaming statewide. The Act, in part, permits municipalities to adopt local video gaming ordinances to either allow or ban video gaming within the municipality’s boundaries. In line with this, on July 23, 2012, the City Council decided to allow video gaming within the City by removing prohibitions on video gaming equipment at establishments with liquor licenses. At that time, no other local license requirements were established for video gaming, nor were any local fees implemented.

In 2013, the City Council amended the City’s liquor code provisions to prohibit issuing liquor licenses to businesses that have video gaming as their primary focus. This has prevented the proliferation of video gaming cafés and/or video gaming parlors within the community.

On February 26, 2018, the City Council amended the City Code to establish a framework for licensing video gaming establishments within the City. Under the framework, effective April 1, 2018, no establishment was to have on its premises any video gaming terminal without first obtaining a video gaming license from the City. Along with this framework, the City Council also placed a moratorium on new video gaming licenses until March 1, 2019. The moratorium was later extended to September 1, 2019. On March 25, 2019, the City Council approved a licensing fee of $500.00 per video gaming terminal.
The City of Bloomington currently has 52 licensed video gaming establishments, with a total of 243 video gaming terminals. While the number of establishments and gaming terminals have held steady since 2014, the wagering activity continues to increase. For example, the total wagering activity in 2014 was $147,619,388. In 2018, the total wagering activity was $197,793,068 (an increase of over $50,000,000).

Under the Act, the municipalities where the video gaming terminals are located receive 5% of the net terminal income (defined as the amount put into a machine minus the amounts paid to players). As the wagering activity has increased, so have these tax distributions. For example, in 2014, the City received a total distribution of $559,014. The tax distribution increased to $795,121 in 2018.

The last extension of the moratorium included discussion from the Council that the issue would be revisited after the end of the legislative session in Springfield and was to include discussion on how the expansion of gaming generally in Illinois, as well as the legalization of cannabis, may impact video gaming locally.

These and other issues associated with the moratorium will be presented at the meeting. In addition, City staff will present the following options as potential next steps for video gaming:

A. Lift the moratorium, but limit the number of available licenses and establish standards for the creation of new licenses;
B. Lift the moratorium and place no limit on the number of available licenses (specific license requirements and standards could still be established); and
C. Extend the moratorium

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: If option A or B is adopted, the City may realize additional Video Gaming Tax revenues.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: Jeffrey R. Jurgens, Corporation Counsel
Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director
Recommended by:

Tim Gleason
City Manager

Attachments:
- LD 1B May 2019 VG Revenue Report
- LD 1C IML Cannabis Fact Sheet
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**REPORT TOTAL:**

| 52 Establishments | 243 | $17,994,094.64 | $16,546,649.49 | $1,447,445.15 | $5,784,265.00 | $4,336,152.69 | $1,448,112.31 | $434,436.10 | $362,030.17 | $72,405.93 |
Adult-Use Cannabis

HB 1438 (Rep. Cassidy, D-Chicago, Sen. Steans, D-Chicago) creates the Cannabis Regulation and Tax Act. Effective January 1, 2020, the Act legalizes the possession and private use of cannabis for Illinois residents over 21 years of age. The legislation has passed both Chambers and the Governor has indicated he will sign it.

LOCAL REGULATION OF CONSUMPTION

Municipalities may not restrict the private consumption of cannabis that is authorized by the Act. However, the Act prohibits the use of cannabis in public places, schools and child care facilities among other locations. Municipalities may adopt and enforce local ordinances to regulate possession and public consumption of cannabis so long as the regulations and penalties are consistent with the Act.

HOME GROW LIMITED TO MEDICAL PROGRAM PARTICIPANTS

Home grow cannabis will be authorized only for medical cannabis program participants, and is limited to five plants in their residence and subject to specified restrictions. Home grow of recreational cannabis by non-medical participants is prohibited. More information about the medical cannabis program is available via this link.

ZONING

The Act preserves local zoning authority and directly authorizes municipalities to prohibit (opt out) or significantly limit the location of cannabis businesses by ordinance. Municipalities will have the authority to enact reasonable zoning regulations that are not in conflict with the act. This would include the authority to opt out of either commercial production or distribution (dispensaries) of adult-use cannabis within their jurisdiction. Municipalities also may enact zoning ordinances and regulations designating the time, place, manner and number of cannabis business operations, including minimum distances between locations through conditional use permits.

BUSINESS REGULATION

In addition to their general business licensing authority, municipalities will have the authority to allow for on-premise use of cannabis at locations to be determined locally. The Act anticipates that local authorities will engage in inspections of cannabis-related businesses. Municipalities may establish and impose civil penalties for violations of the local business licensing ordinances and regulations.
LOCAL REVENUE

Municipalities, by ordinance, may impose a Municipal Purchase Excise Tax on adult-use cannabis products of up to 3% of the purchase price, in .25% increments. Counties may impose up to 3.75% in unincorporated areas, in .25% increments. The taxes imposed under this Act shall be in addition to all other occupation, privilege or excise taxes imposed by the State of Illinois, such as sales tax.

SMOKE FREE ILLINOIS ACT

The Act applies the restrictions of the Smoke Free Illinois Act on smoking cannabis, and provides that property owners may prohibit the use of cannabis by any guest, lessee, customer or visitor. In addition, lessors may prohibit cultivation of cannabis by their lessees.

EMPLOYER PROVISIONS

The Act provides employer protections including that nothing in the enactment prohibits employers from adopting reasonable zero-tolerance or drug-free workplace employment policies concerning drug testing, smoking, consumption, storage or use of cannabis in the workplace or while on-call. These policies must be applied in a nondiscriminatory manner. Employers may prohibit the use of cannabis by employees in the workplace, and engage in discipline, including termination, for violations of those polices and workplace rules.

STATE LICENSING

The Act authorizes the production and distribution of cannabis and cannabis products through state-licensed cultivators, craft growers, infusers, transporters and dispensaries. Cannabis transporters will be separately licensed by the Act, as well. A market study due in March 2021 will inform future licensing. The state will issue licenses according to a graduated scale. By the end of the first year, there will be up to 295 dispensing organizations. The Act will allow up to 500 dispensing organizations by January 1, 2022. Cultivators will be capped at 50, and 100 craft growers will be allowed. By that same date, 100 infusers will also be authorized to be licensed.

GRANTS AND INVESTMENT

The Act establishes the Restore, Reinvest and Renew (R3) Program to invest in communities historically impacted by economic disinvestment and violence. The Illinois Criminal Justice Information Authority (ICJIA) will identify R3 areas that qualify for funding, and grants will be awarded by the R3 Board. A 22-member R3 Board will award grants throughout the state, subject to an application process and the Government Accountability and Transparency Act (GATA); the R3 Board shall be chaired by the Lt. Governor.

SOCIAL EQUITY

The Act provides for a social equity program to establish a legal cannabis industry that is accessible to those most adversely impacted by the enforcement of drug-related laws in this state, including cannabis-related laws. Qualifying social equity applicants may be awarded financial assistance and incentives if they are interested in establishing cannabis related businesses.

DECriminalIZATION AND EXPUNGEMENTS

A significant portion of the Act addresses the decriminalization of cannabis through mandatory and discretionary expungements of criminal convictions relating to non-violent cannabis offenses.

STATE REVENUE

State revenues derived from the Cannabis Regulation and Tax Act will be deposited into the Cannabis Regulation Fund. The funds will be distributed to multiple state agencies for implementation of the Act. The legalization of adult cannabis also includes a new source of Local Government Distributive Fund (LGDF) dollars. A portion of the Cannabis Regulation Fund (8% of deposits) will go to local governments as LGDF to be used to fund crime prevention programs, training and interdiction efforts. The Cannabis Regulation Fund is derived from moneys collected from state taxes, license fees and other amounts required to be transferred into the Fund.