

Wilmington City Council met in special session on Thursday, April 12, 2012, at 7:00 p.m. with President Scott Kirchner presiding.

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, present; McKay, present.

President Kirchner: The only item on the agenda tonight is on the president's portion of the council meeting.

President Kirchner opened the public hearing.

President Kirchner: It is a public hearing to address the issue of games of skill and the potential for legislation coming up in the city. Tonight's meeting overall is simply about getting public input to whether or not they have concerns or support for the games of skill. I know that many communities have reacted to it. Currently we have placed into law a moratorium on any further businesses locating here for six months while the state works to try to commonize legislation across the state regarding these types of businesses. At this point, it is an unregulated business from the state level. That's why local communities are having to grapple with it. At this point, I would let the chairman of our Judiciary Committee, which is working on draft legislation in the event that it becomes something that the city would need to allow and regulate. I'll let him tell you where that process is. Councilman Jaehnig?

Councilman Jaehnig: Thank you, Mr. President. Just to give you a little bit of an update on where things are so everybody has a good history of what has already come to fruition, where we are, what are options are as we move forward and where things could go, before we open it up for general discussion. The city did put a moratorium in place at the last council meeting for the purpose of hopefully the state will go ahead and put forth a common legislation for everyone. During that same time, if it indicates that they are going to be very slow in doing so or have decided not to, it will give the council time to look into this, to properly review the entire subject to have proper legislation prepared for the end of that time period. We don't have to necessarily use the entire six months, and the six months could be extended if council votes on it. We have, to my knowledge, as of the date of the moratorium, two locations in the City of Wilmington. One is Cactus Jack's, which is already open and has been operating in the complex including Cassano's pizza. The second one is under lease with money down and that is Lucky For You. I'm not sure if that will be the same name locally, and that's out in the old Kroger's/Wal-Mart plaza out on Rombach by the Taco Bell. The way the legislation works is any business that is already in place that already has money down so that it could be a loss to them, we, as a council, do not have the legal right currently to go in and decide that we want to ban them and shut them down and move them out of our city. At that particular point, we would be eligible for a lawsuit and we would most likely, based on other lawsuits that have already occurred in the state, we would probably lose. So, at that particular point, council then started looking at, it's apparent that we're going to have a couple of these facilities in the community, and so we need to start considering how we deal with those that are here. The second question is, okay, we have a moratorium in place; we already have two here; what does the community feel about any additional? If the state moves forward, the way the current legislation is proposed at the state level, if the state approves this legislation, this will give the community actually the right to go back and review those already in place. So, at that time, we could accept those that are already in place or do an outright ban in the entire city if the state goes through with what they are currently reviewing. That could be changed at any time, as we all know, with pieces of legislation the state can move very slowly. A prime example was the bath salts legislation that we took action on last year, and we did that because the state was moving so slowly. So, we are kind of in an unique position. If the state decides to strike that, a portion of the legislation, then we don't have as many decisions to make other than are we going to allow additional facilities. Are we going to put a limit on the number of machines and/or establishments in the community? What direction do we want to go? That's really what we're looking for – direction from the community and

their viewpoints. Is this something that is of high concern to the community and they prefer not to see them here? Is it something that is not a big concern, but we want to regulate it to make sure it is not in certain areas of the community? Or is it something that, it's jobs, it's revenue, it's opportunities for the community. Bring on all that you can. So, it's a pretty wide chance for opportunities to how the city proceeds. On our plate right now are basically two decisions. One is how do we deal with the ones that are currently here? The second one that we have to look into is what do we want to do with the future if we are given the rights to make decisions about future facilities. So, those are the two decisions that we are working with. The legislation that you have as a draft form in front of you deals with those that are already here. As the head of the Judiciary Committee, I felt that it was appropriate to look at what the industry is doing as a standard. Most communities that have these types of establishments in them have some type of a permitting or licensing legislation on the books. There would be a fee for each machine that is in the city. It spells that out. Just as a clarification, if you look at the fee, one through ten – that means machines one through ten are \$250. Machine number eleven then would be \$150. Just because you have eleven machines, doesn't mean the entire amount drops. So, you pay by machine. But, while that would bring some revenue into the city, the revenue is not huge. It's obviously not going to solve our budget deficit. The real purpose of the legislation is it's what gives us the legal right to actually inspect these facilities. Currently, with the current legislation that we have, we have no legal right to go in and inspect the machines to make sure they are what they say they are and they are games of skill rather than gambling. This permitting would allow us the right to actually inspect these machines. And, if at any time, the city feels that a machine may be improperly calibrated or fixed or something of that nature, then we can call in an independent third party to actually inspect the machines at the cost of the establishment only. So, the draft legislation that you're looking at, and there are some things that need to be addressed still in it, kind of speaks towards that piece of legislation and protecting the public from something that may be unscrupulous. The establishments – we do have one of them here tonight that would be more than happy to talk about the difference between a game of skill and gambling and answer any questions that you have. They're with Lucky For You, which is out of Jeffersonville and one of the larger establishments in the state and have been around for quite a while. They've worked very closely with the City of Jeffersonville in actually helping write and establish the ordinance that is in place up there. They are, from what I hear, very good community stewards from the City Council and from the Sheriff of Fayette County. So, please feel free to ask questions about it. I am not an expert in games of skill, so I'm very happy that they are here to answer those questions. But, we are interested in questions, opinions, thoughts and anything at all at that point. Is there anything I left out, Mr. President?

President Kirchner; I don't think so. I can cover the process if they want to get involved. For any of you who haven't been here before or perhaps have only been here a few times, to speak before council, because we need to have it on the record, you would just simply step up here to the podium, state your name and address for the record. Then you can speak on the issue that we have before us at this point. I think council is willing to hear any input that we have, and I encourage any of you. I would ask that you raise your hand so that we have an orderly flow to the podium. We don't want people jumping up and running to the podium. Everyone will get a chance to speak. So, if we can all just indicate if we want to speak, that would be great.

Dean Long, 102 McArthur Road, Jeffersonville, Ohio: I am with Lucky You. I just want to start out by apologizing to all the council members. You had to read in the paper that we were coming to town, and that's not usually how we like to do business. I should have been here a month ago letting you all know that we were coming to town. That's my fault; I am sorry about that. We do have a lease signed with Meadow Park Plaza out on Rombach. We made our deposit and signed the lease on the 21st of March. I believe that was in the deadline. We do a lot for the community over in Fayette County, but I really don't want to talk about that. This is a whole new county. I'm just asking for you to let me be here six months before you judge us. In six months' time, we will make a difference in the community. We've made a great difference in Fayette County. We help a lot of people, and we're more than willing to help Clinton County. I will take any questions.

Councilman Jaehnig: Could you talk to us about your constituency or your customers?

Dean Long: Our customers range from 40-year-old to 75-year-old mostly ladies. They're just looking to have a good time. A lot of people describe our place as more of a social hangout. They don't look at it as gambling. They come in there for entertainment. We have ladies that come in there – men too – they come in and they see somebody they hadn't seen in twenty years. They just laugh, giggle and have a good time all night. Any other questions?

Unknown Speaker: For example, you say you're doing a lot with the community. Give us an example of what you're doing with the community.

Dean Long: Okay, in Fayette County we do a lot with the 4-H program. We're big supporters of the fair. We do a lot with Commission on Aging. We do a ton with Hospice – every month. Boy Scouts of America. We're big supporters of the Shriners. That is one organization that we really feel strongly about. We do a lot with a lot of little people, but those are some of the bigger ones that we deal with.

Paul Hunter: Could you give a dollar amount possibly of the value of the community services that you rendered?

Dean Long: Last year - \$30,000.

Thomas Long: If I can address with him, I'm Thomas Long, I'm the dad and I also help run Lucky You. We, for instance, on the 4-H, last year, because the county was having a hard time, we actually donated \$12,000 just to the Fair Board. A lot of that was because in the hog barn, we helped them put \$5000 (I hate to say this, but it's the name of the business – it's called Big Ass Fans) But, in the hog barn, it keeps the pigs cooler and it makes a breeze in there. That's one of the many things we've done. Like I said, the Hospice is something that we do monthly. Meals on Wheels. So, we do have an impact. Of course, we operate 330 games in Jeffersonville. We're not planning on being that big here. Number one, because the clientele just wouldn't support it. We have a big facility down there. But, we do a lot of, by being in Jeffersonville, we always make sure that, because everybody's got a baseball team, you would not believe how many people want to get support for that. I'm not lying to you...we don't support...we try to support every kid versus Roger's baseball team. But out in Jeffersonville we do sponsor a boy and a girls baseball team, but that's the only ones that we sponsor. Hospice is a big thing. Shriners is a big thing for us. I would say 4-H is our biggest.

Paul Hunter: How big do you expect this to be compared to Jeffersonville?

Dean Long: We expect to open with 100 games over here. We have a 4000 square foot building.

Paul Hunter: Jeffersonville has how much?

Dean Long: 330.

Paul Hunter: So, we could expect maybe a third of the....

Thomas Long: That would be a good way to look at it.

Unknown speaker: Maybe this is just hearsay, I've heard that your place in Jeffersonville has been closed down a few times? Is that true?

Dean Long: We did shut down one time three years ago. The Attorney General was coming up with some new legislation and in the meantime, they told everybody to shut down. The sheriff came out and told us about it, and we automatically closed our doors until they said we could open back up.

Thomas Long: Let me address this. Your Chief of Police, who we will work very close with, all he has to do is walk in and say, "Mr. Long, we would like to shut down at 6:00 p.m. in the legislation." Let me tell you, at a quarter 'til, everybody would be out.

Lee Curtis: I've played there. You're a 24-hour operation.

Dean Long: Out there we are. Here we would close for that third shift. Don't hold me to it right now, but our hours would range from 8 a.m. to midnight throughout the week and then maybe on the weekend we would stay open 'til 2 a.m.

Councilman Wallace: Explain to me the difference between a game of skill and a game of chance.

Dean Long: Okay. The state of Ohio requires that 51% of the game has to have some kind of player interaction. Where a slot machine, you pull the lever or hit the button and it stops on one line, where this game...

Thomas Long: It can produce a winner on your first spin, where our game will never do that.

Unknown speaker: Are you talking maybe more like blackjack or something?

Dean Long: No sir, you've got the pay line and then you have to raise or lower a certain – say it's bars or cherries – you'll have to raise or lower that to make it a winner, and that's the 51% that the State of Ohio requires. You've got to know if you've got a winner or not. Like, I've seen people miss jackpots before because they moved it the wrong way. That's the skill part of it. If you move it the wrong way, you don't collect a win.

Lee Curtis: Well, I've played there. I've played there quite a few times – out of boredom. And I wouldn't call it a game of skill for the mere fact – to me – I look at it just like it's a game at the county fair. You throw that ball, if you knock over that item, if you miss, you win or you lose. I look at it – it's all about luck. Because you have a menu on the side of the machine and it tells you whether you lower or raise it. All you do is touch one button to raise or lower, so, an illiterate person can do that. Also, as far as the skill, anybody can touch a button and stop a button. So, I look at it as a game of luck – not skill. There's no skill to it.

Dean Long: Yes, sir.

Lee Curtis: I've played there and I've played over here. Most of your customers are poor people or middle class, and a lot of them – 80% are women. They play for, like you say, amusement, but in all gambling, some people can become addicted. So you have a lot of addicted gamblers that come there a lot. So, my feelings on it is, I don't know the judicial part of it or the legality of it, but I feel that our county fair charges that come in vendor's fees – some type of vendors fee or having a fee or whatever – a strawberry festival or whatever – they are charged a vendor's fee. So, I feel that your organizations should also be charged because those machines are vending machines. You can call them games of skill or whatever you want.

Thomas Long: Just so you know, we're right along with you.

Dean Long: In Jeffersonville, we pay the city every year - \$22,500.

Lee Curtis: For the amount of money you make in Jeffersonville, that is peanuts, okay, because I've been there several times. I even went there yesterday. So, \$30,000 is peanuts. I feel like, like I said, I don't know what the legal aspect of it is, but I know the city should be able, legally, to charge you under a vending license fee because the county fair, the strawberry festival, people that sell food, whatever, the games at the fair, they are all games of chance/luck.

President Kirchner: If I could interject, my preference would be that we get you up here and on the record to obviously get your opinion and council is very interested in it. This started out as a question and answer period. So, I'll encourage you to come up and give your opinion when you come up here. I do want to state, for the purpose of this meeting, that by law, by the interpretation of the State of Ohio, these games are considered games of skill. I simply say that because I don't want to have the debate become part of this. We can't have that debate. The state has made it clear to us. These are classified as games of skill, so I just want to make sure we keep on topic and have the discussion so that it is effective. Do we have another question?

Councilman Wallace: Are you required by law to give back to a tax-exempt thing – a certain percentage?

Dean Long: No sir. Not that I'm aware of.

Councilman Wallace: The reason I'm asking that is like we have Eagles and they have something there. I'm not sure what it is, but I know whatever it is, they have to donate those earning back to a tax-exempt entity.

Thomas Long: Just to help out, because I'm helping my son on this, we are a corporation in the state of Ohio. We do not fall into that because we are a profit company.

Councilman Jaehnig: Which means they are paying taxes on that. The non-profit for the Elks or the Eagles, in order to qualify to use gaming as part of their non-profit fundraising, they have to show that the money is going back to a nonprofit. Otherwise, they would fall under the normal gaming statutes of the state.

Paul Hunter: Like church bingo.

Councilman Wells: I have a question. It says no one under 21 can play a game, but are kids allowed in there?

Dean Long: No sir. In Jeffersonville, whenever we first came there, we worked with the sheriff. The state age regulation is 18. Our sheriff wanted it to be 21, so we worked with him on that and we wouldn't have it any other way. We like it being at 21. To answer your questions, kids are not allowed in there. If they do come in there, we ask them to leave.

Councilman Jaehnig: And that means that all of your employees are that age also.

Dean Long: Yes, sir. And we've got the windows dark to where you can't walk through that strip mall and look in there and kids look in there and see stuff.

Councilman Wells: So, you card everybody who enters?

Dean Long: Yes sir.

Councilman Wallace: So, with all of these machines, how many employees would you anticipate?

Dean Long: Around five or six, I would say. If we get over here and need more...

Thomas Long: As many as eight.

Dean Long: As many as eight.

Unknown speaker: Is there alcohol served in the facility?

Dean Long: No sir. There's no alcohol on the premises whatsoever.

Thomas Long: And, of course, no smoking.

Dean Long: No smoking. No alcohol.

Unknown Speaker: You can smoke outside.

Thomas Long: Yes. In fact, we would like to invite anybody, any of you all are welcome to come over and inspect us and let us answer questions.

Dean Long: You can always ask for one of us. We're usually around. We'll show you around.

Thomas Long: I will say that over there we do employ about 15 people.

Unknown Speaker: On that alcohol thing, are they allowed to step outside the premises and walk up to the counter of a business in the same mall and have a beer and come back in?

Dean Long: As long as they do not have it in our establishment. I don't know of any bars out there.

Councilman Jaehnig: Where you're located, that's correct, but we have another location that is in town that is very proximate to an establishment that serves alcohol. That is why that question is being asked.

Councilman McKay: How are your winnings paid?

Dean Long: We're on the voucher system. If you win...we've got a card that everybody gets when you come in. And, you load money on that card. You put the money up from your card on the machine, so it's all on that card. You don't feed bills in each machine. Whenever you're done playing, you come up to the counter and we print a ticket. And it kind of looks like a Lucky You check. It has recipient and amount. You write the number amount on there and date it. Then you would go to another business. In this case, we will have a location set up to where you buy like gift cards. And then you go over there and spend at least \$5.00 and they'll redeem the rest for you with the change.

Thomas Long: The state requires that you can win as much as \$10 per game. We've got ours set at \$5. But, by my no means, once you hit the button, that is one game. So, you might have three games that you win nothing. So, at that time, you would be able to get \$20 out of that machine on the fourth game.

Councilman Jaehnig: I could see eyes lighting up in regards to the vouchers and the paying out. Yeah, that's a whole other discussion. Unfortunately, it is at the state level because I have the same exact questions. We went in-depth how interesting it is that you can go next door, turn in a voucher for \$50, buy something for \$5 and get your \$45 back and how that is not different from gambling. Unfortunately, that is one of those things that is at the state level and is something that we are not able to review here locally.

Councilman Wells: How much does it cost you to play that one game?

Dean Long: We have games ranging from one penny up to a quarter. On a quarter machine it ranges – you can bet anywhere from one quarter up to five dollars.

Thomas Long: Just to help that out – even though it's a penny game, it might cost you 24 cents to cover all the lines.

Dean Long: You can play one line for a penny, but there might be 24 lines that you need to cover.

Thomas Long: You can play as much as \$5 per hand or toward a game.

Councilman Stuckert: How many different varieties or ways of payout exist. You say that you are on a voucher system.

Dean Long: Yes sir.

Councilman Stuckert: How many other kinds of potential systems are there?

Dean Long: To tell you the truth, I don't want to sound conceited, but we're one of the only businesses that go by that rule. The other guy in town here, I believe he does the same thing. But a lot of these people in Columbus and such, they're just paying out cash because they're not regulated. Whenever the Attorney General had that break three years ago, they went from you can't pay out cash to where you can pay out with the voucher system.

Thomas Long: That's why we actually stayed with that voucher system.

Dean Long: That's the only way I know of.

Unknown Speaker: Where's your payout location going to be?

Dean Long: Over here, we'll have our store right there, and then it will be right next door. It's going to be a little gift store.

Thomas Long: In Jeffersonville, there's actually two locations in the mall. One of them is a pizza shop and one of them is a restaurant. I'm not saying that we... This is just step one. Some of this we're just planning on, and there might be some questions that we can't answer for you right now.

Dean Long: Plans change. We might change it down the road. I will tell you about the gift card place. We plan on having gift cards around the city, you know to pizza places and stuff like that to where you can purchase that gift card for the \$5 or \$10.

Paul Hunter: Do you have an ATM machines in your big ones in Jeffersonville?

Dean Long: Yes sir.

Paul Hunter: Can we regulate it against that for habitual gamblers...if you have that machine right there?

President Kirchner: Again, if I can ask, for those opinions on requests for council to consider legislation, I would like to ask you to come forward. Asking questions is fine.

Councilman Wallace: Have you ever had an incident where you had to call the law? Did you ever have any problems?

Dean Long: Yes, sir. Like I said, we do have the elderly people and sometimes they fall or get sick and we call the ambulance and the police usually show up then.

Thomas Long: If you're asking the question if we are having trouble – No. My sheriff can verify that. We have had, because my son is correct, we've had a couple of people. For instance, one passed out from a heart attack and the life squad had to come in. But as far as have we ever had any trouble, we are fixing to celebrate our fifth year anniversary in Jeffersonville, and to this day we have yet to have a problem other than health.

Councilman Jaehnig: And I have to say, we have talked to the Fayette County Sheriff and he has confirmed that.

President Kirchner: What's the average annual salary of your positions?

Dean Long: They actually start at \$10/hour. Like I said, we won't have as many people here, but they all average about \$400/week.

Councilman McKay: Did I hear you say somewhere along the line that 51% is the percentage that is allowed to win?

Dean Long: No. That's 51% for the skill. There's got to be some kind of skill that requires 51% skill for you to win.

Councilman Jaehnig: And you'll drive yourself nuts, Mark, trying to figure out how they figure that out.

[Laughter]

Thomas Long: I've been doing this for fifteen years and that formula, I can't figure out.

Councilman McKay: I guess what I was getting at then, and I know you know, the percentage of winning.

Thomas Long: Each machine is different. I have some set on 92. To be honest with you, this is one of the things that is hard to understand. That machine will be set on 92%.

Councilman McKay: Which means what?

Thomas Long: Wins. In other words, just because you put a dollar in there, I'm not lying to you. I'm not saying that you're going to get 92 cents back on that dollar.

Councilman McKay: It's figured over a period of time?

Thomas Long: Yes. Over a period of time.

President Kirchner: So is it accurate that all machines are set...

Dean Long: Between 90 and 94.

Thomas Long: Not on dollar amount but on percentages.

President Kirchner: So, they are all in the house favor. There are none set at 100%.

Dean Long: No. None that I have seen.

President Kirchner: Okay. Do your machines indicate what percentage they're set at?

Thomas Long: No sir. If I'm inspected, for instance, if you want to see what that percentage is, yes sir, you would be able to. Does the patron see that? No. Some of them we will show them. Just so you know, that is in that game. We cannot change it.

President Kirchner: It comes from the manufacturer like that.

Thomas Long: In fact, the manufacturer regulates all that. I know everybody thinks there's button in the back, but there's not.

Councilman Wallace: Is Jeffersonville the only other establishment that you have?

Dean Long: Yes sir. We've been working on it. He's kind of a perfectionist, so we've been there five years perfecting it, and we feel like we're capable enough to set up another one.

Councilman Wallace: Where are the nearest facilities that are not you guys?

Thomas Long: Yes sir. That would be Circleville that I know of, which is 22 miles.

Dean Long: Greenfield has one.

Thomas Long: Yes, Greenfield has one. In fact, the young man that has one here, has one in Greenfield.

Unknown Speaker: Hillsboro.

Thomas Long: Hillsboro, yes sir.

Unknown Speaker: Hillsboro has three or four right now.

Thomas Long: Okay.

Unknown Speaker: Four if you count the one at Rocky Fork Lake.

Thomas Long: Yes sir.

President Kirchner: At this point, I want to be sure that we give members of the audience that have come here to speak about how they feel about this an opportunity, if we don't have any more questions about the type of operation and the structure of the operation. Seeing none, I would thank you gentlemen for coming and being willing to take questions.

Dean Long: I do have some personal invitations for council. I didn't know the At-Large members sat on the board, so I will get those to you. I promise. So, I will get those to you.

Thomas Long: Because we really would enjoy you all coming down to see our place...just to see how we are...because we're pretty proud of it.

Lee Curtis: My name is Lee Curtis, and I live at 1004 Southridge Ave., Wilmington, Ohio. I will compliment the gentlemen. They do run a pretty clean operation. I have played there several times. I've never seen any trouble. I've never seen any arguments or anything like that, so I'm really proud of how they run their operation. But I do feel, as a citizen, that all operations like that do prey on the poor people. I don't look at it as a game of skill or how the state looks at it. Like I say, I don't know what the legal aspect of it is as far as charging them a vendor's fee. I feel that they should be charged some type of fee. Like I said, you run a good a operation as far as that goes. I still feel like all those operations prey on the poor. I don't care whether they run a good operation or not; that's my feelings on it. Because most of your people that play those games are generally poor or some middle class that just want to have a little fun. The win-versus-lose ratio is way below the standards you said. You know, you lose more than you win if you play at those games long enough.

Councilman Jaehnig: Well, otherwise, they wouldn't be in business.

Lee Curtis: Right. Otherwise, they wouldn't be in business. But, I will have to say, they run a good operation up there. But as being a citizen, I think if it's legally correct, we should charge them a vendor's fee because the state hasn't regulated them yet like they do all the other gambling, I think the city should charge them a vendor's fee, because they make a lot of money.

Councilman Jaehnig: Are you talking other than permitting fees?

Lee Curtis: I would probably imagine that...I don't know, like I said, the legal aspect of it, but I don't know what each vendor...like whether you can clarify just like you did in here, a certain percentage. If you was to charge them a fee per machine, I feel that would be correct – whichever way you decide to do it. But I would say, let them bring their operation to town because they do run a good clean operation up there as far as I am concerned. But, it's not a game of skill; it's a game of luck. I'll say that, but I do know you run a good operation.

Thomas and Dean Long: Thanks.

President Kirchner: Any other members of the audience? Paul, I think at one point you had started to have an opinion.

[Banter]

Paul Hunter: 200 Randolph Street, Wilmington. My only thing is you can't declare it illegal because the courts, so far, have said it's not a game of chance. However, we have zoning options and we can put them where we want them to be rather than just let them set up any place they want to be. And you guys will pay income tax on your earnings in our community, for example. So, say you make \$10,000, you would pay city income tax on the earnings at the shop here. And, of course, your employees would too. I do agree it's a tax on the poor, but it always was and ever shall be...sad as that is.

Bennie Guardado: I live at 484 Marlena Drive. They had mentioned their hours of operation: I was just curious if you guys were going to do anything to regulate those hours or if you were going to let them. Is that something you can talk to?

Councilman Jaehnig: That is something we would look into considering. The other establishment that is already located here in the historic district does have to fall under more restrictive hours than they would out at their location, because the historic district has a curfew that is much earlier. But, that is one of the items that we would definitely have to review.

Bennie Guardado: Have you guys talked about it all? I don't know how far in the process you guys are.

Councilman Jaehnig: We have not.

Bennie Guardado: I also was thinking, they mentioned that their business generally brings in an elderly crowd. It is just hearsay and stuff; I've heard about the crowd that Cactus Jack brings in. Do you foresee issues in becoming more of a rowdy place or a rowdy crowd? I mean, what kind of things do we regulate there?

Councilman Jaehnig: I think I understand what you're saying – if it all of a sudden trends to the young and more adventurous than the more well-behaved seniors. Is that what you're trying to say?

Bennie Guardado: Yes.

Councilman Jaehnig: I would assume that the same regulations and guidelines would apply that establishments that would normally attract that type of crowd currently already have to operate under. You know, whatever ordinance that is put into place will obviously have to be consistently reviewed to make sure it is current with current city conditions, what the public is seeing, and then, of course, state regulations. Yeah, but if all of a sudden it became a very young crowd out there and if it became very rambunctious, we would have to take additional precautions if we found that what we have on the books already is not properly addressing that situation.

President Kirchner: For the record, even if the elderly crowd got rowdy, we would...

[Laughter]

President Kirchner: So, this is not discrimination against the young or the old. We would address any issues we had. Really, we would look for our law enforcement officials to let us know if there were issues they were concerned about. But, your questions about zoning, hours of operation, and things like that are all things that this council will have to address with the legislation associated with this.

Lee Curtis: To answer his question as far as – I know these gentlemen here...from what I...I have a lot of friends in the Washington C.H. area that go there frequently. I've never seen an argument in their establishment or anything. People are friendly, respectable. I've never seen anything like that happen. Friends that I have that go there, they've never seen an argument or anything there. I can say, I am for charging them a fee, but they run a good operation as far as no rowdiness, no trouble. They're a good group of people.

Councilman Wallace: Mr. President. As far as seniors are concerned, if the rowdiness hasn't happened prior to 9:00 at night, it's not going to.

President Kirchner: Would that be the voice of experience or hearsay?

[Laughter and banter]

President Kirchner: I thank you for coming and speaking – everyone that has spoken so far. Are there other individuals?

TRANSCRIPTION INTERRUPTED – END OF TAPE

Mike Bray: 308 High Street. ...I'll try not to make this in the form of a complaint. I would just let you know, first of all, I appreciate the work you all do. I know it's a lot of effort and a lot of time and a lot of service, and I'm thankful for that. I would like to put a word in opposition. It's hard to extrapolate on what Mr. Curtis said. There is generally an understanding that this type of enterprise – if you don't say "prey" on the poor – at least it takes advantage perhaps of vulnerabilities that the poor have to fall in this kind of thing. I think that's pretty well established as a fact that it doesn't really raise the standards of behavior or quality of life among the people. But I would like to argue on the basis of a more aesthetic argument. When I think of what the city looks like, when I speak of its face, if I may. I come from a town, Bowie, Maryland, where I lived for about twenty years. It's right between D.C. and Annapolis. We don't have but a weekly paper there. It's very transient. We don't have anywhere near the roots that we have here...that I've come to love here...the deep roots and the life. You can see the difference when you just drive up to a stop sign and you hear someone say, "After you." "No, after you." "No, after you..." And it takes a lot of time sometimes to get through the stop sign, but it's a whole different world from the D.C. area that I came from. As I mentioned, we only had one paper for Bowie. Bowie is the second largest city in the state. It came into existence in the 60's just to house all the federal employees there, with the expanding government. It just came into existence. It's small...Levitown. You've heard of Levittown, PA. It came and built Bowie. So, Bowie just came out of nowhere and it's the second largest city in Maryland. Right behind Baltimore...bigger than Annapolis. But, we have a weekly paper...for as big as that town is. What that states is the fact that there is no real need for it. There is no real community like there is here. We have this daily paper. We have no money in this town, but we still have a daily paper. I like to pick it up and read about my town. I hate...Pottersville comes to mind. There was Pottersville and then there was the other town. You watch the movie every year...it's the movie about Christmas.

[Banter about Bedford Falls in *It's a Wonderful Life*]

Mike Bray: When I think of that and when I think of the face of the city – I think of our murals and I think of the pictures of the people working and people doing productive things. I think of walking downtown. I think of the churches here and there. You go down to the great Murphy and you look up and see Anno Domini 1918 – the year of our Lord 1918. You go down to the courthouse and you see the big four symbols there – agriculture, education, industry,

[Discussion about what the four symbols are]

Mike Bray: It has to do with the image of our town. It has to do with when you come to town – when you come downtown, what do you see? What's the face of the city? What does the city speak to? Do you see a gambling center or do you see places of business...of buying and selling...and people gaining things for their money rather than throwing it away. That's what I argue. Just for the aesthetics of the city, keep the city without that kind of an activity in it. Let it go out to the outskirts. Let the city remain a city without the gambling type facilities going on.

Lee Curtis: In rebuttal to you sir, it's going on all over America.

President Kirchner: Lee, if I could. I don't want this to become a debate necessarily between citizens. You are welcome to come back up if you want to make a point before council, but I want to be sure that we understand we are going to respect everybody's right to say how they feel about what they think about this issue. I appreciate your willingness to pause. I just don't want a debate citizen to citizen. Ultimately, council needs the input from all of you. We need to know what everyone thinks that wants to give their opinion. I appreciate that all of you are. So, if we can keep that to the focus, I will appreciate it. Thank you, Lee.

Mike Bray: My point is, and I thank you for helping me out there, is just that I think it's bad aesthetically for the city. Let that go outside of the city limits. Thank you.

Ken Gosney: 736 Mead Street. I just had a question in regards to the alcohol. Is there anything that is going to be established so that we can't provide that in the future.

President Kirchner: Actually, it is my understanding that based on state law, these facilities cannot service alcohol with the current state of the Ohio Revised Code. The expectation would be that that does not change. I have not heard that the state's legislation is considering changing that.

Councilman Jaehnig: I have not heard that either.

President Kirchner: So, we don't know that that is a possibility. We don't expect that as a possibility, and we know right now it is not a possibility.

Ken Gosney: Who is going to be enforcing the ordinance? Is that the Police Department or is that someone from the city who will be enforcing it, inspecting it, that sort of thing?

Councilman Jaehnig: We have to work that out through the administration. The department they feel is most appropriate to have that on their work schedule. Now, the mayor has at least stated that the Police could show up at any time and have the right, based on this legislation, to come in and check to make sure there are not underage children in the facility and that things are copasetic.

Ken Gosney: And the funding comes from...the funding to do that?

Councilman Jaehnig: The fees. Like I said, the fees that are proposed are not going to solve any type of budget deficit, but they will make us whole - minimum. We will have the right to revisit it each and every year, assuming that the state doesn't take that right away from us.

Ken Gosney: And just as a citizen, I personally wouldn't want something like this in our community. From the standpoint of the alcohol and that sort of thing...we had my daughters 8th birthday party at Cassano's in the back room, which is right by where you go in. And I had to explain to her at an early age why they kept coming in and out, drinking. Why those games were in there, why she wasn't allowed in there. I think from a small town standpoint, I hate to see that in our community and have to explain that to her at such an early age.

Councilman Jaehnig: I don't mean to speak for the rest of the council, but I believe if we hear of a continued issue of alcohol being purchased, drank quickly, to be allowing them to get right back into the gaming area, that would be of great concern to us.

Ken Gosney: It's my concern, there's a bar right outside the door...

Councilman Jaehnig: Correct.

Ken Gosney: That used to serve ice cream. I don't know what they serve now...

Councilman Jaehnig: Supposedly it's not a bar at the moment. They're selling snacks and things of that nature. It's my current understanding; Cassano's is literally right around the corner, and of course they do serve alcohol in that establishment.

Ken Gosney: Thank you.

Brent Cunningham: 451 Westfield Dr. My question really is for the Lucky You guys. Also, just as a citizen here in Wilmington. I do think it's a bad idea – bad stewardship – especially with the financial condition of our community. It's not like we have overflows of money laying around. Most families are in very tight budgets, if anywhere, at least here in our town. I know the state doesn't consider this gambling and we can't say what it is or what it isn't. But, to me, it just seems like a gray line – the game of skill – the gambling. My question to you is do you guys support anything that would help someone addicted to gambling or someone who may be addicted to games of skill? Do you support any type of...I know some casinos do that. I know you guys aren't a casino, but do you support...

Thomas Long: At this time...not that...

Brent Cunningham: So if somebody is spending a lot of money and going into incredible debt by being at your facility, you would offer them help?

Thomas Long: We haven't had that problem, but there again. Would I pay for somebody's...?

Brent Cunningham: I'm not asking that, but maybe steer them in the right direction.

Thomas Long: Let me ask you this...would I ask somebody to leave if they were losing too much? Would I bar them from my establishment? Yes sir, I have done that before. Not here, but in Atlanta, Georgia.

Dean Long: We're not after people's rent checks or electric money.

Brent Cunningham: But you don't know where the money is coming from.

Thomas Long: There again, when you come through that door, you're coming on your own will. We're not encouraging you...

Brent Cunningham: I know you're not holding a gun to them...

Thomas Long: Like I said, if I thought you were overboard – like I said, I haven't had that problem in Ohio – but I have had that problem in Atlanta and I have asked them to leave my establishment.

Brent Cunningham: Okay. I don't know if this question is out of bounds, this is silly, but what is the profit of your establishment in Jeffersonville. Are you allowed to disclose that information. I'm just curious.

Thomas Long: I can't....

Lee Curtis: To answer both gentlemen's questions – you take for instance the Ohio State Lottery, they have a 1-800 number for anyone who's a compulsive gambler, the same way with your casinos. An individual chooses – that's an individual's choice. That's free will. I look at any jobs that come into the city that will give someone a job; we need some jobs in Wilmington. If that individual has the free will that he wants to lose his paycheck or whatever, that's his property. We have to separate religion and state from our government. We have to separate it. I feel that it's an individual's choice. If he sits there and wants to lose all his money – that's his stupidity. I'm all for charging them a fee and also they do run a good establishment. I've never seen a fight or an argument or nothing there. I've never seen anyone under age go there before. I'm all for bringing as many jobs to Wilmington as you can, because we need jobs. I think the location, if you're all going to be near TSC?

Thomas Long: Yes, sir. On the other side.

Lee Curtis: On the other side. I think the location there is far enough away from the bars – Buffalo Wild Wings or what have you, that there is not a drinking facility in that complex. I'm all for charging them a fee and bringing some jobs here. If a person wants to lose their money – that's their free will.

Councilman Wells: Will you be hiring people from our area? From Wilmington?

Thomas Long: Yes sir. Another thing that we do...in Jeffersonville...of course you know, we're small in Jeffersonville. We buy our pop and as much as we can...we will buy from your people who are in business here already. We offer free soda. We go through about \$750-\$1000 in week in Jeffersonville. My IGA, Jeff Davies owns that, we've become good friends, and I buy all that through him. That's what we would buy. Of course, this is a different county, we would buy from stores here in town.

Councilman Jaehnig: You're about to be inundated tomorrow as soon as this hits the paper.

[Laughter]

Dean Long: And we do cater food in. We do it locally. We don't go to Papa John's and do it.

Thomas Long: For instance, on Tuesday nights, one of the things that we do...we have three pizza places in there. Well, I, because it's a small town, we go through about 40 pizzas, and we have each one of them deliver their pizzas to us. Like I said...when we buy stuff with the hardware, Mr. Kline's hardware store, we get it. Now, if he doesn't have it, we go to Home Depot, but we try to give as much or as much business to surrounding businesses around us.

Councilman Jaehnig: Thank you.

Dean Long: And we will be hiring in Wilmington.

Thomas Long: Yes sir. If you work in Wilmington, you will be living here.

Councilman McKay: Refreshments are provided free of charge?

Thomas Long: Yes sir. They are.

Councilman McKay: At all times?

Thomas Long: Yes sir.

Dean Long: Pop, water, coffee.

Paul Hunter: I would like to ask him another question, if I may.

Thomas Long: Yes sir.

Paul Hunter: What's the most a person could lose if they really went nuts and gambled the maximum they could for a few hours?

Thomas Long: I can't really give an answer on that, because I don't know how fast you can hit that button at a quarter a time.

Paul Hunter: So, a quarter a time is the most you can do?

Dean Long: No, you can pay five dollars at a time if you'd like.

Paul Hunter: So, you're hitting five dollar, five dollar, five dollar, so it could really add up.

Thomas Long: Yes, sir.

Paul Hunter: Thanks.

Bennie Guardado: I have a question for you guys. Do you keep track of any records. Say everyone get's their own voucher card, do you have any records of what the average person nets – whether they're losing or gaining? Because as he mentioned, it could bring jobs in this community – we're talking between 5-8 jobs at \$10/hour. If everybody works 40 hours a week, that's about \$20,000 a year job. So, we say we have five of those, that would be \$100,000 you guys would be putting back into employees. But, if the community is dumping more than \$100,000 into your establishment, what have we gained? It's just a comment. Excuse my youth here, it's the first time I've been a public forum, so I'm learning.

President Kirchner: You're doing a great job. You know what, incidentally, I think it is for most of us too.

Bennie Guardado: I'll come back up here when I remember my second question.

President Kirchner: If I can ask, if we can, keep it new topics. Also, I want to make sure that everybody's aware. This is about taking community input primarily for council to be able to understand what the preference of the community is. Again, I don't want to get into debating the values of their business with them as much as I want to keep it about input to council about concerns associated with the laws around that type of business. If we can keep it to new topics, that's the other thing I'll encourage folks to do.

Thomas Long: Can I make one more statement – just so everybody knows? We actually have certain days that we have specials go on. I can tell you right now, we average on a Wednesday or on a Saturday, and this gentleman can probably verify this, during that time, we're probably getting 60-80 people in a three-hour period from this town. That just kind of gives you an idea of how many people you've already got going up there.

Councilman Jaehnig: So you're saying, that's people leaving our community to spend their money outside of our community.

Thomas Long: Yes, sir. And I just wanted to throw that in there so you would get an idea of how many people are coming from Wilmington.

Unknown Speaker: How are you tracking that?

Thomas Long: Because we know our customers. We know your name when you walk through the door. We know what you drink and we know where your from.

Lee Curtis: If they purchase their pop, water, pizzas, if they cater meals in, if they are buying these items from our city, that will bring revenue to our businesses here in town. And they do a good job of stocking up with sodas. You can drink as many sodas as you want there. You can eat potato chips and snacks. They have pizza nights. I went up there yesterday and I put \$20 in. I left out with a \$125. But, it was luck. It's not a game of skill. But they do run a good operation. And it will bring revenue into the city. Whichever pizza place they decide to buy or sodas or water, so that will bring revenue into our city.

Councilman Jaehnig: When you talked about people from our community up in Jeffersonville, of that, what would the percentage overall of people in the establishment at that time, I mean, in general. 15%?

Thomas Long: It's less than that.

Dean Long: You have to understand that it's the busiest day of the week and we run probably 300 people through the door.

Thomas Long: In three hours.

Councilman Jaehnig: Do you expect to be able to draw...obviously, you're not going to be able to draw as well, simply because you don't have as many machines...

Thomas Long: Right. Let me say here, and it's really weird. Here's my vision of what Wilmington will do. I can already tell you we'll have one of what we call a wicked day. We have Thunder Thursday. We're just like anybody else. The way I look at it, we're in the entertainment business. But, you would be surprised how many people we will have from Xenia, Washington C.H., Lebanon that will come here on those days. Now, they won't be here any other day, but they will be there that day. Right now, on Wednesday and Thursday we have Xenia, Wilmington, of course, Columbus. We pull from other... Because we do have such a good business, we get everybody from other towns. I'm proud that our business is not your average game room. Like I said, there are some people in our industry that it's dark when you walk in. You don't know if you want to be there or not. I've been in this business a long time. I don't agree with them kind of places. Our place will not be like that here.

Lee Curtis: May I say one more thing?

President Kirchner: One more thing.

Lee Curtis: To speak on these gentlemen's behalf, these guys have the best operation of these types games I've ever seen. These guys run the best operation. But you have to charge them.

[Banter]

President Kirchner: Is there anyone else who has not spoken yet. There are a couple of people here, I would like to give you the opportunity. If you wish not to, that is fine. I think we have pretty much covered every topic that we are getting from the audience so far. I want to thank everybody for the input and the willingness to be here tonight.

Bennie Guardado: If this goes toward regulation, hopefully, you will talk about how you can't drink in the establishment. So, if you want to put it in the regulations that you want to set up, but there's nothing that says you can't go to the place next door and get a drink there and come back in. Have you given any thought to a regulation about not allowing anyone to be under the influence of alcohol inside, whether you get it from the bar next door...?

President Kirchner: It's not necessarily something that we can regulate at any business, let alone theirs. I understand what your concern is. In zoning, they can look at their proximity to things, so there is that opportunity. But, the question of someone entering their establishment having chosen to go somewhere else before, that is not something that we can look at. You had some other thoughts on the process moving forward?

Councilman Jaehnig: I wanted to clarify a couple of items. One of them is, the two establishments that we are aware of, what we are looking at in regards to them is simply what are the guidelines that they are going to have to follow since they already here. Currently we are not able to take any type of action that would say, "We don't want you here; you have to leave." So, I don't want there to be confusion. Now, what else is allowed in the future will partially be determined by the state, assuming that they ever make a decision on finalizing the legislation they're looking at and what it's final format is, and then what the city is eligible to do at that particular point. So, we are looking at two different things: How do we deal with the fact that we have a couple of establishments now, and how do we want the city to be in the future? Do we want to ban all additional, and if they were to close their doors and leave, no others would be allowed to replace them? Do we want to have a set number of establishments or a set number of machines in the city? Or, this is capitalism and we really shouldn't be involved in actually trying to control that. So, there are two completely different things. This is why the moratorium is in place, because it is a very complicated process that we do want to take the time to do properly. But, we didn't want to be infiltrated with an influx of six or seven of these establishments while we were doing our proper

homework. So, that's the kind of the two different areas that we are looking at. At this particular point, with the current state law in place, an option for us is not to close down these facilities. While I believe that most of council would agree that having one in the historic district would not have been at the top of our list, at our current time, I don't believe that there's anything legally that we're allowed to do about it if we decided we wanted to. Moving forward, we are going to be reviewing the draft legislation that is put before you. I've already noticed that there are a few typos and word issues in there. But, we will be reviewing that in terms of permitting and licensing, then we will be moving to the second phase of "Okay, what do we want in the community?" We would be very open to additional suggestions, ideas, comments and thoughts as we move through this process, and we will make sure that everything is publically noticed, so if you have an additional interest in participating, you can attend our committee meetings and/or council meetings. I believe that's all I have, sir.

President Kirchner: Okay. At this point, I want to thank everybody for coming tonight and giving their input.

President Kirchner closed the public hearing.

A motion was made by Wallace and seconded by Wells to adjourn.

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk