



AGENDA
Committee of the Whole
Board Room
33 S. Arlington Heights Rd
March 9, 2026
7:00 PM

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL OF MEMBERS
- IV. APPROVAL OF MINUTES
 - A. 2/9/26 COW Minutes
 - B. 2/17/26 COW Minutes
- V. NEW BUSINESS
 - A. Video Gaming Discussion
- VI. OTHER BUSINESS
- VII. PUBLIC COMMENT

Anyone wishing to speak on a subject not on the Agenda may speak at this time. Please limit your comments to three minutes.

- VIII. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact the Health & Human Services Department, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, healthmail@vah.com or 847/368-5760.

**MINUTES
COMMITTEE-OF-THE-WHOLE
PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
MONDAY, FEBRUARY 9, 2026 7:00P.M.**

BOARD MEMBERS PRESENT: President Tinaglia; Trustees: Bertucci, Dunnington, Gilbert, LaBedz, Manganaro, Santa Maria and Zyck

BOARD MEMBERS ABSENT: Trustee Schwingbeck

STAFF MEMBERS PRESENT: Randy Recklaus, Village Manager; Nicholas Pecora, Chief of Police; Greg Czernecki, Deputy Chief of Police; Valerie Andrews, Deputy Chief of Police and Kim Peterson, Recording Secretary

President Tinaglia called the meeting to order at 7:00 PM. The Pledge of Allegiance was recited.

Approval of Minutes

A. Committee of the Whole 12/15/25

**Trustee LaBedz moved, seconded by Trustee Bertucci, to approve the December 15, 2025 Committee of the Whole Meeting Minutes.
The Motion: Passed**

Ayes: Bertucci, Dunnington, Gilbert, LaBedz, Manganaro, Zyck, Tinaglia

Nays: None

Passed: Santa Maria

B. Committee of the Whole 1/12/26

**Trustee Manganaro moved, seconded by Trustee LaBedz, to approve the January 12, 2026 Committee of the Whole Meeting Minutes.
The Motion: Passed**

Ayes: Bertucci, Dunnington, Gilbert, LaBedz, Manganaro, Santa Maria, Tinaglia

Nays: None

Passed: Zyck

New Business

A. Automated License Plate Reader Discussion

Mr. Recklaus advised that tonight's discussion will involve Automated License Plate Reader technology, which was originally discussed by the Board in December. Mr. Recklaus stated that this technology is a powerful tool and already an integral part of the Village's law enforcement efforts in the community and should be scrutinized by the industry, its users and the public. Mr. Recklaus advised that the Police Department, legal team and staff put a lot of time looking at how best to adjust the Village's contract to make sure that any concerns that were identified were addressed appropriately and believes the updated language really strikes an appropriate balance between the utility of the product and protecting the public. Staff is hoping to get a motion tonight to direct them to place this on an upcoming Village Board agenda for approval of a contract.

Deputy Chief Czernecki advised that there were several concerns raised by the Board at the December meeting which he will address tonight, as well as provide an overview of Automated License Plate Reader (ALPR) technology. Deputy Chief Czernecki explained how ALPR's capture computer readable images of vehicle details, such as license plates, which is the primary factor, that can then be compared against databases such as the Illinois Secretary of State, NCIS and the databases for missing persons. The software can pick up the license plate information which can be compared to any of the hot lists to determine if it is stolen or wanted for anything and also pick up the make and model and color of the vehicle. Once this information is translated into data points, it will alert the officers in the field in real time and then they can take appropriate action if needed. The APLR technology can also do partial license plate searches.

Deputy Chief Czernecki explained how an LPR is a force multiplier for the police department. It provides the officers with a tool that considerably makes their jobs more effective and efficient. It allows the officers to be proactive, helps solve cases quicker, and has the ability to reduce overall crime. Officer safety is another significant benefit of this technology, as it can provide the officers with critical information in real time about who could be in a flagged vehicle and the danger they may pose, which can drastically improve the outcome of the situation. Community care taking and safety is another benefit of LPR's, as it not only addresses criminal activity, but can also be used to help locate missing persons or someone suffering a mental health crisis.

Deputy Chief Czernecki advised that LPR systems have been in place since 2017 and the Village has had a very robust policy that has evolved since LPR technology has advanced. License Plate Readers are used for legitimate Law Enforcement purposes only and not to infringe on anyone's privacy rights. Any sensitive information will remain confidential. Deputy Chief Czernecki explained the policy's permitted uses and prohibited uses, and advised how they will not violate any federal, state or local law, and will not use it for the investigation or enforcement of anything that's related to reproductive health care services or detention or investigation of immigration.

Deputy Chief Czernecki discussed some LPR misconceptions, including surveils and tracks vehicles, sale and sharing of data with private organizations and federal agencies, cameras use facial recognition, private customers can access law enforcement data, cameras can be hacked and violation of the 4th amendment.

Deputy Chief Czernecki next discussed some of the concerns that came up during the December meeting, including data sharing with law enforcement agencies. Deputy Chief Czernecki advised that there are specific requirements for the Arlington Heights Police Department to share data with any other law enforcement agency, and explained those requirements. He also explained how they turned off the national look up and are only sharing data with agencies inside of Illinois. Another concern was the auditing schedule and one of the recommendations was to increase the frequency of the audits, which they determined a monthly audit is feasible. They will also review security protocols to make sure best practices are being followed, and will take a look at updated legal decisions and update policies when appropriate. The Board also discussed public transparency and what they would like to do is sometime in the first quarter of this year is implement a public transparency portal, which would provide information about what the LPR system is, what it does and what it does not do, the Village's LPR policy, disclose the data retention periods, disclose some of the agencies that data has been shared with, hotlist hits and general information about camera locations and numbers. There was also some concern with what the searches are, which Deputy Chief Czernecki reiterated that they must be tied to legitimate law enforcement purposes, including detection of crime, investigation, prevention and deterrence and prosecution. Anyone who logs into the system to conduct a search has to provide a reason for the search, and anything that happens within the system is logged and there is a record trail of it. There are also automatic features that Flock has put in place to flag or preclude certain types of searches.

Deputy Chief Czernecki advised that they did work with Flock to amend some of the language to be crystal clear in terms of what they are looking for in the LPR system. Some payment terms were updated, which included the grant funding received by the Illinois Attorney General's office for some of the cameras, and language was inserted in the contract to ensure that Flock cannot do anything that violates Illinois state law. In terms of customer generated data, Flock cannot sell or share any of Arlington Heights' data, nor can they integrate data with any other third party. Data retention will follow the industry's best practice of 30 days, and if there are any instances where Flock violates any specific State laws, they will be held responsible and will be obligated for the fees paid during the past 12 months.

Deputy Chief Czernecki discussed Flock's security protocols, which are mainly industry best practice standards and are up to the Village's standard. In addition, Flock does have multi-factor authentication and they have engaged with Bishop Fox, which is a company that specializes in in offensive security, to ensure that they are doing everything possible to keep information safe and secure. In regards to the cameras being used in Arlington Heights, they are not internet-based and cannot be accessed remotely, nor do they transmit live views. The vehicle data is encrypted.

Deputy Chief Czernecki advised that Mothers Against Drunk Driving (MADD) and the National Center for Missing and Exploited Children recognize the use of LPR technology as a good resource for law enforcement to have. He also shared some LPR statistical data, including how during the last 30 days, Arlington Height Police Officers conducted about 1,200 searches and there were about 31,000 hot list hits. In the past 12 months there about 25,000 stolen license plates detected, about 2,500 stolen vehicle hits, 1,600 registered sex offender hits, 365 suspected gang/terrorist hits, 245 felony vehicles hits and 48 missing person hits in Arlington Heights.

Deputy Chief Czernecki advised that all of the towns surrounding Arlington Heights have LPR technology and there has been a substantial increase in the number of LPR systems amongst mid-size agencies, according to a 2020 survey conducted by IACP. Deputy Chief Czernecki also shared some cases that the Department was able to successfully solve with the help of the LPR system.

President Tinaglia stated that this is clearly a useful tool and something the Police Department counts on regularly.

Trustee Dunnington stated that she really appreciates that they are adding the monthly audits, as well as the transparency portal. Trustee Dunnington asked if they will always be requiring a case number when a search is initiated, which Deputy Chief Czernecki advised that case numbers will be required for the vast majority of searches, but it isn't a required field. There will be instances where case numbers won't be required because time is of the essence and case numbers take time to generate, but these instances will be far and few. Trustee Dunnington asked if when our Police Department agrees to share information with another municipality, will they always be sharing with them or is on a case-by-case basis, which Deputy Chief Czernecki advised that it could be both. She also asked if there would ever be a time when they would share information out of state, which Mr. Recklaus advised that if this were to ever come up, they would discuss it with the Board. Trustee Dunnington stated that she feels very confident that the Arlington Heights Police Department has all the tools in place for the Flock cameras, but is concerned about Flock Safety's recent data breaches. She believes that Flock needs to stand behind their product and incur a pretty significant penalty if our data is breached.

Trustee Santa Maria stated that she supports adding the penalty if Flock violates our contract, as she has the utmost respect and trust in the Arlington Heights Police, but when the vendor is not following through with what they said they were going to do, having the penalty is something that our residents are owed. Chief Pecora advised that Flock Safety was amendable to taking what the Village pays them as a penalty, but they can certainly have a discussion with them to see if they will stand behind their product and accept a more significant penalty if data is breached.

Trustee Bertucci stated that there is no doubt in his mind that the Police Department needs this tool. Mr. Recklaus advised the other advantage of Flock is that it is an effective tool for exonerating individuals who are innocent.

Trustee LaBedz advised that she would support exploring a strong penalty if there is a violation. Trustee LaBedz asked if data is shared with another law enforcement agency, what prevents them from sharing the data and what prevents that organization from releasing information via FOIA, which Deputy Chief Czernecki advised that if another agency wanted to share our information it would need to be downloaded and released from our database, so there would be a trail showing this. He stated that everyone operates under the same FOIA laws and there is a level of trust and understanding that this information is very sensitive and confidential and shouldn't be released. Trustee LaBedz stated that she thinks this is a very important tool for public safety.

Trustee Gilbert stated that this form of technology is here to stay and asked what percentage of the market share Flock has in terms of police departments that are using it, which Deputy Chief Czernecki advised that they have a large majority. Trustee Gilbert advised that any other company's system could be hacked. Deputy Chief Czernecki stated that he feels more comfortable with Flock, as they have the resources and technology to be able to put security measures into place, unlike some of the smaller companies. Trustee Gilbert asked if our Village didn't use Flock but all of the surrounding communities did, would that make us more vulnerable to crime, which Deputy Chief Czernecki stated that he doesn't know about us being more vulnerable to crime, but it does take away from that cohesive relationship with the other agencies. Mr. Recklaus advised that all of the surrounding municipalities in the Northwest Central Dispatch area share the same dispatch center and there is a very high degree of interoperability between the police departments, which is very much a strength, and if we used a different LPR system, we would take a few steps back from that. In addition, Flock has been very responsive to these things when they occur. Trustee Gilbert advised that he thinks this is very valuable tool.

Trustee Manganaro thanked Staff for their ongoing conversations with Flock and for conveying the Board's concerns. In addition, he thanked Deputy Chief Czernecki for explaining the difference between Flock Condor cameras and Flock LPR cameras, as well as discussing public versus private in terms of camera data. Trustee Manganaro asked if Arlington Heights has a real time sharing agreement with our immediate neighboring jurisdictions, which Deputy Chief Czernecki stated yes. He asked if they also opt out of the national look up and out of state access, which Deputy Chief Czernecki advised that he believes the majority of them are. Trustee Manganaro asked if the Flock software has the capacity to support the audit and flag search terms, which Deputy Chief Czernecki advised that certain search terms are restricted from being used in the first place but also in the audits they could be flagged. Trustee Manganaro stated that he fully supports the need for these devices as a public safety instrument and for the Arlington Heights Police Department to be able to work with other police departments, however the vendor needs to understand that the ultimate responsibility is on them, therefore he agrees with Trustee Dunnington that they need to have penalties that are more than the cost of doing business.

Trustee Zyck thanked Chief Pecora for all of the work the Police Department does and asked if Staff is having continual conversations with Flock about potential issues,

which Deputy Chief Czernecki advised that Flock has a representative that works directly with them and they have been very responsive, especially when some of these concerns were raised, and provided updates with things they're doing to improve the security of their system. Trustee Zyck stated that he does agree with Trustee Dunnington in terms of penalties.

President Tinaglia advised that it sounds like the Police Department is using this system for various reasons, including catching criminals, avoiding crimes, protecting the residents and visitors and protecting themselves. President Tinaglia stated that this is very important, but like any technology there is a time period of growth, and hopefully Flock will learn and grow and become a better business.

Rob Brodecki, Arlington Heights resident, stated that he understands how this technology makes the job easier and safer for the police, but is concerned with once the data is captured, there are no guarantees that people will use it responsibly, especially outside of Arlington Heights. It's almost impossible to guarantee that the data is safe once it's in the database and if someone in another agency doesn't follow policy or chooses to ignore it, it's too late, which is why the Board should opt out.

Keith Moens, Arlington Heights resident, advised that he does trust the Village of Arlington Heights staff in using Flock, but sometimes best intentions can go awry. He is in favor of amending the contract to include some serious penalties, as well the ability to cancel the contract every year at budget time.

Trustee Dunnington asked if an LPR can help with speeding vehicles, which Chief Pecora advised that the LPR it is just taking a picture of the date and time the car passed the camera. It doesn't capture speed or the facial recognition of the driver.

Trustee Manganaro asked why 30 days is the best practice for retention of data, which Deputy Chief Czernecki advised that 30 days is more from the investigative aspect. Trustee Manganaro asked if a "bad actor" were to get access to data, what exactly would they get, which Deputy Chief Czernecki advised that it is very limited and what you could see with your own eyes standing on the side of the road.

Mr. Recklaus stated that from what he has gathered, the Board wants them to look at adding a strong penalty, perhaps looking at the city of Denver's language, and if they could achieve that they would bring it back to the Board for approval of the agreement with that provision.

Other Business

None.

Public Comment

None.

Adjournment

Trustee Bertucci moved, seconded by Trustee Zyck, to adjourn the meeting at 8:38 p.m. Upon a voice vote, the motion passed unanimously.

**MINUTES OF THE COMMITTEE-OF-THE-WHOLE MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF ARLINGTON HEIGHTS
February 17, 2026**

President Tinaglia called the meeting to order at 7:15 PM.

BOARD MEMBERS PRESENT: President Tinaglia; Trustees Bertucci, Dunnington, Gilbert, LaBedz, Manganaro, Santa Maria and Zyck

BOARD MEMBERS ABSENT: Trustee Schwingbeck

STAFF MEMBERS PRESENT: Village Manager Randy Recklaus; Deputy Village Manager Diana Mikula

OTHERS PRESENT: Ulaanbaatar Ganbaatar

V. NEW BUSINESS

A. Interview of Ulaanbaatar Ganbaatar by the Liquor Commissioner for issuance of a Class E liquor license to KAWAII ASIAN AMERICAN CUISINE dba KAWAII ASIAN CUISINE located at 60 S. Arlington Heights Road

Mayor Tinaglia confirmed that Ulaanbaatar is the owner of Kawaii Asian Cuisine. Mayor Tinaglia also confirmed with Ulaanbaatar that he has never held a liquor license before and has never had any sort of liquor violation. Ulaanbaatar stated that he has never worked anywhere that sold liquor.

Deputy Village Manager Diana Mikula gave the staff report. She explained that Ulaanbaatar, the owner of Kawaii Asian Cuisine, will be repurposing the space across from the former Wild Fish restaurant. Ulaanbaatar is seeking a Class E liquor license which allows for beer and wine sales. He is leasing the space and anticipates opening sometime next month. Ms. Mikula reported that Ulaanbaatar was BASSET certified in November 2025. Ulaanbaatar has some experience in a restaurant from his employment with Domino's in Winnetka, and he has no liquor violations. The site, under previous ownership, did have liquor violations in 2005 and in 2009. The Police Department conducted a background check on Ulaanbaatar and no issues were found.

Trustee Bertucci emphasized how seriously the Village takes the issue of serving alcohol to minors. He explained that the Village conducts compliance checks and he asked Ulaanbaatar to be diligent in checking IDs. Ulaanbaatar shared that his mother is a top ten cook in Mongolia and he decided to join in the family business. He finds that cooking comes easy to him and said that his sister is also going to help him.

Trustee LaBedz asked if any of the recipes are his mother's since she was such an excellent chef. Ulaanbaatar said that yes, he uses some of her recipes.

Mayor Tinaglia reiterated that the Village will conduct compliance checks and that no alcohol is to be sold to underage people for any reason. Mayor Tinaglia directed Ulaanbaatar to always have his staff check IDs. Ulaanbaatar confirmed that they will check IDs all of the time.

Trustees thanked Ulaanbaatar for bringing this business to Arlington Heights.

Trustee LaBedz moved, seconded by Trustee Santa Maria to recommend that the Liquor Commissioner issue a Class E liquor license to KAWAII ASIAN AMERICAN CUISINE dba KAWAII ASIAN CUISINE located at 60 S. Arlington Heights Road.

The following voice vote was recorded:

8 Ayes

0 Nays

The motion passed.

VI. OTHER BUSINESS - none

VII. PUBLIC COMMENTS

VIII. ADJOURNMENT – Trustee Bertucci moved, seconded by Trustee Zyck to adjourn.

The meeting adjourned at 7:25 pm.



VILLAGE OF
ARLINGTON HEIGHTS
INC. 1887

Committee of the Whole
3/9/2026

Item: Video Gaming Discussion
Department: Integrated Services

Item Description:

Staff has prepared a memo with analysis on the issue of Video Gaming in Arlington Heights based on direction received at the December 8th COW meeting where it was last discussed. The memo provides additional research and legal options to better inform decisions by the Board on whether to legalize video gaming terminals at certain businesses in Arlington Heights. Staff will be presenting a summary of our findings under each of the topic areas related to Video Gaming and provide options for the Board to consider and discuss under each topic area. The goal of the meeting is to get feedback from the Board on each topic area and ultimately on whether to draft a video gaming ordinance, and what the general outline of any such ordinance would be.

I have attached the new Staff memo as well as materials from the December 8th meeting, including the report of the Video Gaming Taskforce.

Staff Recommendation:

Discussion of Video Gaming Terminals at the March 9th Committee of the Whole Meeting.

ATTACHMENTS:

1. Memo to VB re Gaming Analysis Final 3-3-26
2. Video Gaming Task Force Pros Cons Memo 11-7-25
3. IML fact-sheet-video-gaming-laws-update-2025-10-07 (1)
4. COW minutes 12-8-25 meeting final



VILLAGE OF ARLINGTON HEIGHTS

— INC. 1887 —

Date: March 3, 2026
To: Mayor and Village Board
From: Randall Recklaus, Village Manager
Subject: Staff Analysis of Video Gaming Regulation Options

Background

At the December 8th Committee of the Whole meeting, the Village Board discussed the work of the Video Gaming Taskforce. At that meeting, the Village Board directed staff to do further analysis, building off of the Taskforce's work, identifying the opportunities for and limits of local regulations that are permitted under State law if the Village were to permit video gaming terminals (VGTs) within the community. A staff workgroup made up of representatives of the Manager's Office, Legal team, Finance, Planning and Community Development, Police, and Health and Human Services departments met to analyze the different aspects of these regulations. This memo outlines the findings separated into several subcategories. If a change to the existing prohibition of video gaming is made, the Village Board will have to make decisions within each of the following subcategories, outlined below:

- Financial Impacts – This section will include analysis on the type and amount of fees to charge operators, and where these new funds could be programmed within the Village Budget.
- Zoning/Location Regulations – This section will include analysis on the potential limits on the permitted number of, locations of, and the type of businesses permitted to have video gaming licenses within the community. It also involves limitations on placement of such terminals within businesses, signage to be permitted or restricted, hours of operation, and other factors.
- Liquor License Compliance Issues – This section analyzing the interplay between liquor licensing and gaming licenses for entities that may have both licenses.
- Health Issues – This section will look at health and service implications for communities/areas that legalized video gaming.
- Enforcement – This section includes descriptions of options for enforcement of the various new regulations.

Analysis

Financial Impacts

Under the Illinois Video Gaming Act of 2009, the Village would be entitled to 5% of the net terminal income from video gaming terminals within its jurisdiction. Based on a review of information

provided by neighboring communities (see chart below), each establishment provided an average of \$21,440 in revenue to the host community. With the average number of establishments being 19, the average municipal revenue share is approximately \$407,361 per community.

Survey of Communities - Video Gaming Terminals				
	Video gaming	# of Establishments	# of Machines	Municipality Share 2024
Arlington Heights	No	0	0	----
Des Plaines *	No	0	0	----
Park Ridge	No	0	0	----
Buffalo Grove	Yes	13	74	\$ 206,153
Elk Grove Village	Yes	23	136	\$ 655,507
Hoffman Estates	Yes	31	184	\$ 725,826
Mount Prospect	Yes	23	120	\$ 349,872
Palatine	Yes	11	64	\$ 217,370
Prospect Heights	Yes	13	77	\$ 322,841
Rolling Meadows	Yes	8	47	\$ 260,800
Schaumburg	Yes	22	121	\$ 289,776
Wheeling	Yes	28	157	\$ 638,101
	Average	19	109	\$ 407,361

* The Rivers Casino is located in the City of Des Plaines. The City has a gaming tax for wagering and a gaming tax for admissions. However, Des Plaines does not have a separate video gaming ordinance.

Additionally, Section 7-1208 of the Village’s Municipal Code authorizes the Village Manager to accept 1% of all gaming revenue and 10% of all gaming revenue from slot machines in benefit of the Housing Trust Fund to provide and preserve attainable housing opportunities within the Village. Of the average municipal share of \$407,361, \$40,736 would be allocated annually to the Housing Trust Fund.

Finally, the Village would also receive revenue from a licensing fee similar to fees required for a Business License and Liquor License. Should the Village move forward with permitting VGTs, staff would implement a licensing fee structure that is competitive with comparable communities, as well as explore other fees that are common for VGT registration. Some area communities charge up to \$5,300 for a video gaming license, \$1,000 per VGT, and \$500 for the application fee.

Zoning/Location Regulations

The Illinois Video Gaming Act imposes limitations on the location of video gaming establishments. The Act prohibits such establishments from being located within 100 feet of a school or place of worship, unless the school or place of worship relocates within the restricted area after the gaming establishment is established. The Act also limits each establishment to a maximum of six VGTs and requires that the terminals be located in an area restricted to individuals 21 years of age and older. The entrance to this restricted area must remain within the view of at least one employee who is over 21 years of age. VGTs may only be operated during the legal hours permitted for the sale and consumption of alcoholic beverages. In addition, advertising is limited to on-premises signage that is directly and permanently affixed to a building or to a permanent pole sign, with this restriction taking effect 90 days after the establishment is issued a license. While the Village can limit the amount of total signage on a building (as we do currently), it cannot regulate the content of that signage, that is, we cannot say it is permissible to put up a sign indicating that they serve a type of

beer in their window, but it is not permissible to advertise their VGTs. Therefore, it should be expected that signs for VGTs would be present on the exterior of businesses.

Under the Village's Home Rule authority, the Village may adopt regulations that are more restrictive than those set forth in the Act. For example, the Village may define the zoning districts in which video gaming establishments are permitted; allow video gaming only as a special use; allow video gaming only as an accessory use to certain types of businesses rather than as a distinct principal use; provide for minimum distances between video gaming establishments; and/or limit the total number of gaming licenses issued within the Village. The Village may also impose eligibility requirements for those wishing to operate video gaming establishments, such as minimum years of operation of a principal use before video gaming terminals may be added as an accessory use (this helps prevent businesses from saying they are a restaurant when opening, but shift their business model to a gaming lounge at a later date); minimum floor area; minimum food sales thresholds; and/or only allow certain classes of on-premises consumption of alcoholic beverages to offer video gaming. Additional regulations may address the internal placement of video gaming terminals—such as requiring they be located toward the rear of an establishment, screened from exterior view, or separated by partitions. The Village may further regulate signage through its Zoning Code, including restrictions on pole signs or other permanent signage types, provided such regulations are applied uniformly to all businesses, content neutral, and not solely to gaming establishments.

Finally, it's important to note that video gaming, or gambling more broadly, is already regulated in Article 3 of the Village's Municipal Code. Also, it is the State of Illinois' responsibility to enforce the limitations in the Video Gaming Act; however, it will be the Village's responsibility to enforce any additional regulations imposed beyond State law.

Liquor License Compliance Issues

The Village has several liquor licenses classifications that allow the consumption of alcohol on-premise so long as the business maintains a minimum of 25 or 75 seats at tables, operates as a restaurant, and offers patrons full meals at all times when alcohol is sold or served. Examples of on-premise consumption establishments with food service include restaurants, hotels, bowling alleys, banquet halls, veterans and not-for-profit service clubs, non-public senior housing dining facilities, wine cafés, and coffee shops. Other liquor classifications with on-premise alcohol consumption, but no food requirements include indoor, not-for-profit live theaters; cosmetic facilities; microbreweries or breweries; and establishments located in the Downtown District on a second floor or higher.

While not always the case, VGTs are often located within businesses that hold a liquor license. Certain liquor license holders may not qualify for a VGT due to existing liquor license regulations. For example, there are a few liquor license establishments with smaller footprints that just meet the required 25 or 75 seats at tables. Unless modified by the Village Board, these establishments may not be able to install VGTs due to the inability of modifying their floor plan while maintaining the Village's liquor license requirements, as well as other physical and spatial requirements from the State. Those requirements include the following:

- Segregated Area: VGTs must be in a dedicated area that is separated from areas accessible to individuals under 21 years of age. This area must be clearly defined by a physical barrier, such as a wall, partition, gate, or rope.
- Visibility: The entrance to the designated gaming area must be directly visible to an employee of the establishment, who is at least 21 years old, at all times. While an

establishment can utilize surveillance cameras to monitor the VGT area, it may not utilize surveillance cameras in lieu of an employee.

- Location Constraints: Terminals must be placed in an area where alcohol is served.
- Structural Requirements (Local Ordinances): Some municipalities require the area to be enclosed by solid, floor-to-ceiling walls. Others may require a minimum 42-inch-high partition surrounding the area.
- Density/Spacing: While no strict minimum footage per machine exists, in certain circumstances at least 6 feet of distance between player bases may be required, or, in the alternative, transparent partitions between terminals. ADA requirements must also be maintained.
- Site Plan Submission: A detailed, to-scale floor plan must be submitted showing the exact location of terminals, seating, and barriers.

Health Issues

The Village Board asked that the Staff look at studies on health impacts due to video gaming. Research consistently shows that ease of access is a major driver of gambling behavior. According to the National Research Council, communities with gambling opportunities located in everyday venues experience higher rates of participation and problem gambling; and, according to the Illinois Department of Human Services, video gaming terminals (VGTs), which are already common across Illinois, normalize gambling by embedding it in routine social environments such as bars and restaurants. This normalization increases exposure for all residents, including older adults and financially stressed individuals who are more likely to engage in convenience-based gambling when machines are nearby.

One could argue that Arlington Heights faces particular vulnerabilities due to its demographic profile. With 20% of residents aged 65 or older, the Village has a large older adult population at elevated risk for gambling-related harm. Older adults may gamble to cope with loneliness, grief, or fixed-income stress, making them susceptible to rapid financial depletion. These losses can lead to increased demand for case management, eviction prevention, and emergency support. University of California Los Angeles Health (2024) notes that chronic stress associated with gambling addiction may also accelerate cognitive decline among older adults, compounding vulnerability.

The health consequences of gambling disorder are significant. The American Psychiatric Association (2013) identifies strong associations between gambling disorder and depression, anxiety, and other mood disturbances. In 2024, UCLA Health reports that gambling addiction also triggers physiological stress responses, including elevated blood pressure, sleep disruption, and weakened immune function, which can exacerbate chronic medical conditions. These psychological and physiological burdens often intensify as financial losses accumulate, creating cycles of stress that affect both individuals and families.

Co-occurring disorders further complicate the picture. People with gambling disorder frequently experience alcohol use disorder, depression, and anxiety (National Research Council, 1999; National Council on Problem Gambling, 2020). When gambling occurs in alcohol-serving venues, alcohol consumption increases impulsivity and prolongs gambling sessions, heightening risk. These overlapping conditions require integrated assessment and treatment approaches, increasing the demand for coordinated behavioral health and social services (APA, 2013; NRC, 1999).

Low-income residents face disproportionate harm from VGT availability. Although gambling may appear to be low-cost entertainment, repeated losses can quickly lead to rent arrears, utility shutoffs, food insecurity, and debt. Gambling often emerges as a hidden factor behind requests for emergency financial assistance, placing additional strain on municipal social service systems. Local staff frequently encounter gambling-related issues during financial assistance screenings, eviction prevention efforts, and mental health assessments. Co-occurring gambling, substance use, and

mental health conditions increase case complexity and require more staff time, contributing to higher operational costs for the Village. These harms translate directly into increased demand on municipal social workers and other health services.

Slot-style VGTs pose particular risks because they are designed with structural features that make them more addictive than other forms of gambling. These machines operate on rapid play cycles—often every three to six seconds—and incorporate near-miss outcomes, losses disguised as wins, and immersive sound and light effects that encourage continuous play (Harrigan & Dixon, 2009; Schüll, 2012). As a result, communities that introduce VGTs typically see increases in gambling-related harm.

The Arlington Heights Board of Health discussed the public and behavioral health implications of on-site video gambling at its January 26 meeting. The Board emphasized the potential mental health and social service impacts on Village residents and recommended delaying any decision to permit on-site VGTs until further research on public health risks is completed and reviewed.

Although there is clearly research showing the potential negative effects of gambling, it's important to note that gambling is already widely available to Arlington Heights residents via betting sites, casinos in the region, the Illinois Lottery, and VGTs in businesses in surrounding communities. The Village Board should take the existing accessibility to gambling into account during their considerations.

References available upon request.

Enforcement

The Police Department inquired with an Illinois Gaming Board (IGB) special agent and local municipal police chiefs to assess what, if any, workload could be expected by Arlington Heights Police should the Village adopt a local ordinance approving VGT. The IGB handles licensing, regulatory oversight, and enforcement of VGTs under the Video Gaming Act and the IGB's rules. IGB special agents conduct compliance inspections by investigating routine or complaint-based matters brought to their attention in addition to conducting unannounced inspections that include underage usage of VGTs. Related IGB laws and rules can be found through this link: [Laws & Regulations](#). Communities that allow VGTs also create local ordinances permitting and regulating the devices and uses. There was a general consensus among surrounding police departments that there was no additional burden on police staff due to the implementation of licensed VGTs. There have been some calls for service were attributed to the presence of VGTs within a licensed establishment such as break-ins to steal the machines or cash within. The level of Police resources required in the community are not impacted by the number of such incidents observed. The Police Department will handle complaint-based VGT issues or refer action to the IGB for follow-up.

The Police Department currently conducts underage liquor license compliance inspections; however, none of the surrounding communities conduct compliance inspections for VGTs. The Village of Arlington Heights could certainly conduct compliance inspections pursuant to a local ordinance if there was a concern, but this would not be normal for the region due to the fact that the IGB is tasked with enforcing its own rules. As an example, AHPD does not inspect cannabis dispensaries even though they possess a Village Business License. The regulatory authority remains with the overarching licensing authority which is the State of Illinois and the Illinois State Police. However, it should be noted that the Village would have the sole responsibility of enforcing any local standards created. Therefore, the enforceability of any new Village imposed standards should be taken into effect.

Options to Consider

The first option to consider is whether the Village Board is interested in permitting video gaming in the Village. If so, there are several other considerations based on the topics stated above.

Financial Impacts

Due to the Illinois Gaming Act, the municipal entitlement of 5% net terminal income is a given should the Village pursue implementation. Other Financial items that should be considered are:

- Should there be a fee for Village-issued video gaming license?
- Should there be additional Village fees like registration per terminal or others?
- Where should these new funds be programmed in the Village Budget?

Zoning/Location Regulations

Considerations of Zoning/Location regulations should include:

- Is the Village Board comfortable with the potential of Gaming Machine signage in windows, etc.?
- Should the Village only allow gaming licenses in certain areas of town?
- Should the Village establish specific zoning regulations like minimum distances, special districts, allowing as an accessory use, or other options outlined in this memo?
- Should there be eligibility requirements to determine which businesses qualify for a license?
- Should there be additional requirements for inside the business on distance, screening, etc.?
- Should there be local limits on the number and/or location of gaming licenses issued?
- What would be the basis of granting/not granting said licenses if there were more applications than available licenses?

Liquor License Compliance Issues

Considerations for Liquor License compliance should include:

- Is a video gaming license its own standalone license or is there a supplementary liquor license classification that needs to be created?
- Are all on premise liquor license classifications eligible to install VGTs? Or, is the Village Board only interested in allowing video gaming at certain types of businesses?
- Is there interest to reduce the existing liquor license requirement of 25 or 75 seats at tables in order to allow additional businesses to offer video gaming?

Health Issues

Considerations for Health should include:

- Should additional research on public health risks be conducted by the Board of Health?
 - o If so, are there specific topics related to video gaming the Board of Health should focus on?

Enforcement

Considerations for Enforcement should include:

- Should the Arlington Heights Police Department conduct compliance checks?
 - o If so, are the compliance checks for underage users, Village-imposed regulations, or something else?

Next Steps

Staff is seeking direction from the Village Board regarding video gaming at the March 9th Committee of the whole meeting. Based on this feedback, staff will develop a formal proposal for the Village Board's consideration at a regular Village Board meeting.

CC: Diana Mikula, Emily Rodman, Nick Pecora, Mila Tsagalis, Melissa Gallagher, Jack Cascone, Greg Smith



Date: November 5, 2025

To: Arlington Heights Board of Trustees

From: Video Gaming Task Force

Subject: Pros and Cons for Video Gaming in Arlington Heights

The goal of the Video Gaming Task Force was to issue a report on the pros and cons and factors for the Village Board to consider regarding the Village permitting local establishments to engage in video gaming. The Video Gaming Task Force met on September 24, 2025 and on October 15, 2025 in order to generate a list of pros and cons. Task Force members reached out to residents, Arlington Heights business owners and business owners in other communities. In addition, the task force members asked for reports from Police and Health and Human Services. After all of the information and reports were presented, the Video Gaming Task Force generated the following lists of pros and cons.

Pros:

- Control - The Village can control who receives a license, location, signage, visibility and enforcement.
- Increased revenue for the establishments - they could draw in customers who would stay longer
- Level the playing field for businesses who are currently losing customers to other towns
- Increased tax revenue for the Village, along with additional funds from application fees and licensing fees (It can help with Social Services programs, off-set general fund revenues/losses.)
- Additional entertainment source – adds variety
- Job creation – businesses that may not survive, could now stay in business (stabilize and retain businesses), and it also may recruit/entice new businesses to Arlington Heights
- Increased foot traffic to other businesses within our town, not just in the downtown area
- Additional revenue allows businesses to make upgrades
- No additional Village Staff needed – the same people who issue liquor licenses or business licenses can issue video gaming licenses, too
- Video Gaming would be optional, not mandatory, so if a business doesn't want video gaming, they don't have to add the machines
- Increased value of the business for re-sale purposes. Also, the value of the property could possibly increase, as well
- Village would have control of approving the video gaming licenses – the location, signage, visibility and enforcement – similar to liquor licenses.
- No increase in crime per Police Department report
- Historically, Arlington Heights has had gambling with Arlington Park, so Arlington Heights is unique from an image perspective

Cons:

- Social and public health cost issues: The Health and Human Services Department provided a document with the consequences of Video Gaming in Illinois from the lens of Health and Human Services. The information says that the cost of addiction is costly.
- Law Enforcement: Video Gaming needs to be regulated and enforced
- Image – not family friendly. Naperville, Elmhurst, Wilmette and Evanston do not allow video gaming so there is an image correlation.
 - It was reiterated that large neon signs should not be allowed.
 - The point was made that there is no correlation between how beautiful our downtown is and allowing video gaming inside a business.
- Gambling addictions and people losing money they can't afford to lose
 - Discussion ensued about gambling being readily accessible anyway. Gambling addiction was compared to alcohol addiction, yet Arlington Heights still allows establishments to sell alcohol.
- Increased Village Staff time and workload (permitting, processing, reviewing, compliance and walk-throughs). Along with the video gaming licenses, the businesses will need to remodel to make a separate place for the gaming area, so they will need permits and inspections from other Village Departments. Ordinances will need to be drafted with the Village Attorney, but ordinances from other towns can be used as a baseline.
- Finance Department research found that video gaming does not provide a stable revenue stream because it is highly sensitive to economic downturns.
- Revenue generated disproportionately targets lower income – a study found drastic and devastating impacts of video gambling on low income and minority families.
- Crime – Though not prevalent, according to the research done by the Arlington Heights Police Department, they are aware of regional concerns attributed to video gaming locations. The individual machines often hold a significant amount of cash, which makes a gaming location of interest to commercial burglars. There have also been incidents of armed robbery wherein a courier is robbed while leaving a gaming location after collecting cash from gaming machines. The research indicates that this was found in Wheeling and Prospect Heights.
- Gaming cafes are not desirable.

UPDATES TO VIDEO GAMING LAWS



[Public Act \(P.A.\) 102-0689 \(available via this link\)](#), effective December 17, 2021, makes several changes to Illinois' video gaming laws that impact both home rule and non-home rule municipalities. This fact sheet highlights several of the changes that may be of interest to municipal officials as they seek to regulate video gaming within their communities.

VIDEO GAMING TAX REVENUE

According to the Illinois Gaming Board, the total amount played at video gaming terminals in calendar year 2024 was \$33.6 billion, with players winning approximately \$30.6 billion. The net taxable income was \$3.0 billion, which resulted in \$884.2 million to the state and \$152.4 million to municipalities and counties.

The net proceeds from video gaming terminals are divided as follows:

- 65.15% to the venue and terminal operators;
- 29% to the state;
- 5% to the municipality or county where the video gaming terminal is located; and,
- 0.85% to the Illinois Gaming Board

Video gaming revenues have proven critical for local communities to be able to provide services to their residents without raising property taxes.

VIDEO GAMING TERMINAL FEES

The Act allows non-home rule municipalities to impose an annual fee for the operation of each video gaming terminal not to exceed \$250 per year. State statute previously capped this non-home rule video gaming terminal fee at \$25 per terminal per year. For home rule communities, state statute does not provide a cap for these fees.

For both home rule and non-home rule communities, the payment of this annual fee is required to be shared equally between the terminal operator and the applicable licensed establishment.

As a resource for our members, the Illinois Municipal League (IML) has updated our [model video gaming ordinance \(available via this link\)](#) to reflect the increase to the maximum terminal fee for non-home rule communities.

REGULATION OF GAMING AT FRATERNAL AND VETERANS ORGANIZATIONS

State law allows municipalities to pass an ordinance prohibiting video gaming within the corporate limits of the municipality.¹ However, beginning July 1, 2022, fraternal and veterans organizations that derive their charter from a national organization may apply directly to the Illinois Gaming Board for a license allowing video gaming in communities that have prohibited video gaming. If the license is granted by the Illinois Gaming Board, then the licensed fraternal establishment or licensed veterans establishment may operate video gaming terminals, even if located in a community that has prohibited video gaming by local ordinance.

¹ [230 ILCS 40/27](#)



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PUSH TAX

The Act prohibits home rule communities from imposing a video gaming push tax after October 31, 2021. This date was moved from June 1, 2021, at the request of IML, in order to allow municipalities that enacted such a tax prior to or after the adjournment of the General Assembly's 2021 Spring Legislative Session to continue to impose that tax.

Home rule communities that adopted a push tax before November 1, 2021, are allowed to maintain their push tax, but may not extend, expand or increase the tax after that date. Non-home rule communities have never had and do not have the authority to implement a push tax on video gaming.

The authority to levy this tax has previously been, and is currently, the subject of ongoing litigation in the courts. On March 4, 2025, the Illinois Appellate Court for the Second District ruled in favor of the City of Waukegan (City) and upheld the City's push tax ordinance on individual users of video gaming terminals as a valid exercise of home rule authority. Additionally, the Illinois Gaming Machine Operators Association filed an appeal challenging the Village of Oak Lawn's push tax ordinance with the Illinois Appellate Court for the First District, which has yet to be decided.

The impact of these two decisions will not be known until both appeals are fully resolved. However, due to the Waukegan decision, there may be no reason to further delay action to enforce a local push tax that was adopted before November 1, 2021.

IML sent a memo to home rule municipalities regarding the Appellate Court's decision on March 20, 2025. The memo and more information regarding the push tax is available at iml.org/pushtax.

On April 11, 2025, IML sent a letter to the Administrator of the Illinois Gaming Board requesting guidance for home rule municipalities wishing to implement the push tax. On June 3, 2025 IML received a letter in response declining the request for guidance. These letters are also available at iml.org/pushtax.

CLARIFICATION OF LEGISLATIVE INTENT

The Act provides that the licensure, registration and regulation of manufacturers, distributors, terminal operators and other gaming entities are powers and functions of the state. However, legislative intent entered into the record during legislative debate clarified:

“It is not the intent of the legislature for this language to diminish, alter or remove the current authority of municipalities to regulate businesses in matters such as, but not limited to, zoning, the issuance of business permits or liquor licenses, the performance of building inspections and/or other normal and routine matters that do not specifically relate to the conduct of video gaming. This is a limited and specific preemption, not a broad interruption of municipal regulatory authority.”

Municipal officials should consult with their retained attorney prior to taking any formal or informal action with regard to gaming regulation.

iml.org



**MINUTES
COMMITTEE-OF-THE-WHOLE
PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
MONDAY, December 8, 2025 7:00P.M.**

BOARD MEMBERS PRESENT: President Tinaglia; Trustees: Bertucci, Dunnington, Gilbert, Manganaro, Santa Maria, Schwingbeck, and Zyck

BOARD MEMBERS ABSENT: Trustee LaBedz

STAFF MEMBERS PRESENT: Randy Recklaus, Village Manager; Diana Mikula, Deputy Village Manager; Nicholas Pecora, Chief of Police and Kim Peterson, Recording Secretary

President Tinaglia called the meeting to order at 7:00 PM. The Pledge of Allegiance was recited.

Approval of Minutes

A. Committee of the Whole 11/10/25

**Trustee Schwingbeck moved, seconded by Trustee Zyck, to approve the November 10, 2025 Committee of the Whole Meeting Minutes.
The Motion: Passed**

Ayes: Dunnington, Gilbert, Manganaro, Santa Maria, Schwingbeck, Zyck, Tinaglia

Nays: None

Passed: Bertucci

New Business

A. Presentation of Chamber of Commerce Financials for Harmony Fest Featuring the Taste of Arlington Heights

Mr. Recklaus advised that Harmony Fest featuring the Taste of Arlington Heights is a joint venture between the Village of Arlington Heights and the Arlington Heights Chamber of Commerce. Mr. Recklaus explained how the Village incurred about

\$90,000 in hard costs, which includes payments to bands, the stage, all of the overtime, in addition to other expenses. This amount does not include the cost of straight time for staff. The Village receives revenues of about \$12,000, which is reimbursement from the Chamber for some of the expenses and sharing of the revenues, with the overall cost being about \$77,000 for the Village. The Chamber incurred about \$37,000 in hard costs and generated about \$100,000 in revenues, with a gross profit of about \$62,000. They do incur staff time, which is about \$30,000 in straight time.

Trustee Bertucci stated that the Village is not necessarily looking for a gross profit, as this is an investment in the community, which Mr. Recklaus agreed with. Mr. Recklaus explained how the Village has a net loss for all of the different events they hold, however this event has a great net loss than other events.

Jon Ridler, Executive Director of the Arlington Heights Chamber of Commerce, advised that the Chamber views these events as a core component of its mission, connecting local businesses with residents to foster community, promote economic development and create a family-friendly environment. Mr. Ridler advised that this event is considered a true P3 Public-Private opportunity, meaning there is public money put into it, as well as a lot of private money that the Chamber raises through businesses, registration fees and sponsorships to cover the expenses. The Chamber doesn't receive any of the dollars that are budgeted for this event. They have to make sure they raise that \$70,000 or \$80,000 each year to cover the expenses.

Mr. Ridler advised that this past year's event had increased sponsorship and explained how the Village continues to support the kid's activities, the stage and the bands, and the Chamber organizes all of the vendors, the restaurants and businesses, supplying the tent and water barrel rentals, as well the games. Mr. Ridler advised that over two decades this event has grown in size and business and food sponsorship has become the sole source of revenue that the Chamber gets outside of paying the expense that they have. The vendor fees that they collect pay the direct operational costs and the sponsorships that they assume pay for the operational budget and Chamber staff time as well.

Mr. Ridler advised that the staffing investment is critical, as this becomes a portion of their budget for this fundraising event. If the Chamber doesn't assume sponsorships for this event, they don't have the money in their budget to pay for their staff, which is why these sponsorship relationships are so important. If there are opportunities for the Chamber to look at cost saving measures for this, they welcome that discussion, as long as it doesn't take away from the event itself.

Mr. Ridler advised that this is the first time since he has been with the Chamber that they hit over \$100,000 in revenues, which is mainly due to having two \$10,000 sponsors which they haven't had in the past and may not be guaranteed in the future. If the staff time expense is removed from the total revenue amount, the net profit for the Chamber is about \$32,000, with \$20,000 of this being two businesses that may not be there next year. The Chamber works very hard to make sure that they are

doing all they can so that these businesses get that community investment exposure that they are paying for.

The Chamber is thankful for the partnership and collaboration with the Village and looks forward to delivering another successful year of increased programming, experiences and a great community event.

Trustee Bertucci asked Mr. Ridler if this event is a fundraiser in their budget, which Mr. Ridler advised it is and explained how everything they do is mission focused and staff spends a great deal of time working with the businesses and restaurants to make sure everyone has what they need to be successful. Trustee Bertucci stated that he wanted to be sure that this is still the idea of the Chamber being involved. Mr. Ridler advised that it absolutely is and every restaurant that is at the event is a brick-and-mortar restaurant in Arlington Heights, as the food and beverage tax money is being used, as well as money from the A & E fund. In addition, any business can participate, they don't have to be a member of the Chamber. Businesses also have the option to just participate on Saturday, as some don't have the staffing for both days.

President Tinaglia asked Mr. Ridler when the Chamber starts preparing for next year's event, which Mr. Ridler advised during the current event. It's a 12-month process and they start selling sponsorships for the following year at the event. Mr. Recklaus advised that Village staff is already preparing for next year's event as well.

Trustee Schwingbeck asked Mr. Ridler if the Chamber has ever done any surveys or talked to some of the non-restaurant businesses to see if this event is generating business for them. Mr. Ridler advised that they have done surveys and have had one-on-one conversations with them and explained how the Chamber believes if this was not beneficial to these businesses, they wouldn't have the retention rate of the local businesses that they do. The Chamber calls these businesses community investors, as they go beyond wanting to just get customers in the door so that they make money, but want to be known for giving back to their community. Trustee Schwingbeck asked how many of the restaurants that set up booths are located outside of the downtown area, which Mr. Ridler advised about 40%. Trustee Schwingbeck stated that he would like to see restaurants from all over Arlington Heights participate. Mr. Ridler advised that more and more patrons are coming from outside of Arlington Heights to experience this event, which is even more valuable for the participating businesses.

Trustee Gilbert thanked Mr. Ridler and the Chamber for all of the work they do to make this event fantastic, including organizing all of the volunteers. Trustee Gilbert also thanked Mr. Recklaus and Village staff for their efforts. He advised that the partnership with the Village and the way this event has evolved is fantastic and he is very proud to be a part of it.

Trustee Zyck advised that this is a great event and he too does see the expense for both the Village and Chamber as an investment in the community and money well spent. Trustee Zyck asked what the plans for the future with this event and if there is any talk about moving the event and making it bigger. Mr. Ridler explained how they

have never had to say no to any businesses and still have room for more vendors, but they do have to be careful with the number of restaurants they have so that everyone still makes a profit. Trustee Zyck advised that he agrees with Trustee Schwingbeck in terms of making sure restaurants from outside the downtown area are included.

Mr. Ridler thanked Chief Pecora and the entire Police Department, and acknowledged all that the Public Works Department does to help with this event.

Trustee Gilbert advised that it is a lot of work for some of the restaurants located outside the downtown area to participate, as they have to transport equipment, and some may not have the resources to do this. President Tinaglia acknowledged the difficulty with restaurant owners transporting equipment and how this is not an inexpensive venture for any of them.

B. Discussion of Possible Change to Video Gaming Regulations

Ms. Mikula stated that she will be discussing the Video Gaming Task Force tonight. She began by advising that in 2009 the Village passed an Ordinance that prohibited Video Gaming in Arlington Heights, which is still in effect. In the fall of 2025, the Video Gaming Task Force was established after several Board members heard from some of the businesses that they were interested in the Village revisiting this ban on video gaming. The Task Force consists of members of the Village Board, Village Staff and business owners, including some present at tonight's meeting. Two meetings were held, one in September and one in November, with the goal of issuing a report on the pros and cons and factors for the Board to consider regarding the Village permitting local establishments to engage in video gaming. Ms. Mikula discussed the Illinois Video Gaming Act, which was enacted in 2009 and it legalized and regulates Video Gaming Terminals (VGT). Ms. Mikula presented a chart that showed some community data, including which municipalities allow video gambling, which are most that surround Arlington Heights, and what the municipal shares of revenue were for 2024 for those municipalities. The chart also shows the average number of establishments in any one community that offer video gambling, which is 19. Ms. Mikula advised that Trustee Bertucci will be going over the pros and cons that were generated during some of the Video Gaming Task Force meetings.

Trustee Bertucci began by first introducing the Task Force members, including Deputy Village Manager, Diana Mikula, who serves as the Village liaison, co-chair Trustee Tom Schwingbeck, Planning Commissioner Terry Ennes, business owners Brian Roginski and Peter Demarakis, and Bill Cooney, resident of Arlington Heights and retired Mount Prospect Director of Community Development, who was integral in bringing video gambling to Mount Prospect. Trustee Bertucci advised that they were tasked by the Mayor to come up with not a recommendation but the pros and cons of video gaming. Trustee Bertucci advised that all of the municipalities that touch Arlington Heights' border allow video gaming.

Trustee Schwingbeck discussed some of the pros, including the Village's ability to

control licensing, locations and signage, increased revenue for businesses, attract new customers, level the playing field with surrounding communities, additional entertainment source, job creation, no additional Village staff time needed, video gaming is optional, increased value for the business and no additional crime related to video gaming. Trustee Schwingbeck also discussed some of the cons, including social and public health issues, law enforcement regulation and enforcement checks, the Village's family friendly image would suffer, gambling addiction, especially for those who cannot afford to lose money, although gambling is available everywhere in our society, permitting and processing may take some time, video gaming is not a stable source of revenue, targets lower income people and gaming cafes. These items were not discussed in detail by the Task Force, as they were just tasked with bringing this information to the Board for discussion.

President Tinaglia advised that this is something that was brought to his attention a while back and heavily discussed during the campaign. There are restaurants in town that feel like it is difficult to compete with neighboring communities that have video gaming and they don't, which is why President Tinaglia promised to bring this up for discussion so that all voices are heard. President Tinaglia advised that the Board is hoping to provide staff some direction after tonight's discussion about the next steps.

Trustee Dunnington advised that she has some concerns with signage outside of an establishment and the positioning of the video gaming section inside an establishment and asked those business owners wishing to comment on this topic, to address her concerns.

President Tinaglia advised that his position on signage outside an establishment is that there will be none. He stated that he doesn't think this is a look that is beneficial to any community.

Ms. Mikula advised that the video gaming terminals have to be in an area that is restricted to those that are 21 years and older, and the area has to be visible by an employee that is at least 21 years of age. Fully enclosed areas are not permitted.

Henry Beardsley, Arlington Heights resident, advised that he is generally opposed to Video Gaming Terminals (VGT) in Arlington Heights, and specifically in the downtown area. He is staunchly opposed to VGT's in family-friendly establishments entirely. Mr. Beardsley stated that he opposes VGT's because of their bad image for the community and the negative impact to low-income neighbors. If VGT's are allowed in Arlington Heights, he strongly recommends they're only permitted in establishments that are ages 21 and up, 24/7. He also recommends that VGT's only be permitted in areas with access to major traffic corridors. Mr. Beardsley is very concerned that video gaming in the downtown will hurt property values and asked for a study to be performed to address this.

Larry Rebodos, owner of Big Shots Piano Lounge & Restaurant, advised that he owns another restaurant in Schaumburg, McCullough's Pub & Billiards, and was the second licensee in 2021 for video gaming. Mr. Rebodos advised that Schaumburg's video

gaming ordinance that was created in 2019 is geared towards restaurants and establishments that are 2,000 square feet or larger and already doing business in Schaumburg, and not towards cafes. Mr. Rebodos stated that their average Net Terminal Income (NTI) is \$407,000 per year, with the Village of Schaumburg receiving about \$20,354 in revenues, plus the additional \$5,000 licensing fee, from their establishment per year. The cost for the establishment is minimal, as is the cost for the Village. Mr. Rebodos advised that in the five years he has had video gaming in Schaumburg there have been zero criminal incidents. His main demographic is 30+ year old women who see this as entertainment. When it comes to revenues and costs, the establishments and Village have a lot to gain, as you generate revenue at a very low cost.

Rob Weber, Arlington Heights resident, advised that he enjoys modest gambling but thinks that allowing video gaming in the downtown is not a good look. It will degrade the image of the Village which has been so carefully crafted over many years.

Jon Ridler, Executive Director of the Arlington Heights Chamber of Commerce, advised that the Chamber resources are available as the Village starts looking at getting more data from the downtown businesses, but it's very important to look at uptown, downtown and south town. Mr. Ridler advised that the Chamber is in support of what helps businesses and they look at this as a choice tax. If a business sees this as something beneficial for their business, and if it's allowed, they can put it in place. As a consumer, if video gaming is offered in an establishment, you have the choice whether to play it or not, and also have the choice of visiting that establishment. Businesses, if given a choice, should have the right to decide if this is right for their businesses or not.

Chip Brooks, Arlington Heights resident and owner of Hey Nonny, referenced the chart Ms. Mikula presented that listed the surrounding towns who allow video gaming and explained how Arlington Heights is not like the other towns in our area and those that live and work here are very proud of what makes this town so special. Mr. Brooks advised that the two pros for video gaming that are really significant are the increased revenue for the businesses and the increased revenue for the Village, especially when it comes to the businesses outside of the downtown area who may need some help. Some of the other pros listed don't have anything to do with video gaming and are just speculation. Mr. Brooks stated that he doesn't think that video gaming will provide an additional entertainment source, especially in the downtown area, and does not think that the additional revenue is reason enough to go down this path.

Keith Moens, Arlington Heights resident, advised that the Village has a process to put special committees together and the Video Gaming Task Force was not formed in a transparent manner or in compliance with Village code, and as a result, that questions its legitimacy to begin with. Mr. Moens read some excerpts from the Village code and stated that the Board must insist on using the transparent method to set up any special committees in the future for a fair and objective analysis of the topic that is being considered.

Trustee Bertucci advised that the Village attorney felt that everything was being done properly and encouraged the Task Force to move forward.

Ernie Rose, Arlington Heights resident, advised that as much as he would like to support opening another revenue stream for fellow business owners, he wants to urge the Board to continue prohibiting video gaming in Arlington Heights. Arlington Heights is a destination and needs to remain one for residents, visitors, families and future partners. Successful destination towns do not permit video gaming. Mr. Rose explained how he hasn't heard any residents who have said they want this and wants to keep Arlington Heights the place that people want to visit, invest and raise their families. It may work for others, but is not right for Arlington Heights.

Peter Demarakis, owner of Jimmy D's District, advised that he is present to represent the some of the businesses outside of the downtown area. Mr. Demarakis stated that over the last few years, operating costs have risen to an astronomical level and it is getting tougher and tougher to run a small business like his, which is why video gaming is important at this time. He has personally experienced losing customers to establishments in other communities who offer video gaming and is asking for the opportunity to compete on a level playing field.

Janice Phares, Arlington Heights resident, stated that she is unsure why the Village is using the word gaming, as they should just say what it is which is gambling. Ms. Phares asked if this is considered adult entertainment, because if it is and it is zoned for that, couldn't a strip club be included in this zoning. Ms. Phares stated that she doesn't think video gaming will lead to job creation and believes that there will be an increase in low-key crime. Gambling looks like a very sad, lonely experience.

Timothy Bauer, Arlington Heights resident, stated that he doesn't believe the Village's businesses are at a disadvantage because they don't offer video gaming. These video gaming machines are not built to engage people socially and offer a good time. Mr. Bauer stated that the Village has a good image and doesn't need to get a cheap tax through gambling.

Trustee Manganaro stated that there is no reason for haste in this matter, and he doesn't understand why this was the first of the Board generated projects being discussed. Trustee Manganaro advised that during his campaign he did not hear one person say that Arlington Heights needs gambling. Trustee Manganaro referenced Ms. Mikula's chart that listed the surrounding communities that allow video gaming and what their revenues were in 2024. and stated that about \$400,000 on average is the revenue to the municipalities and people in those municipalities lost on average \$8 million in 2024 gambling. He asked what is the opportunity costs to the local economy of those dollars wasted on gambling. Trustee Manganaro agrees with Mr. Moens and his concerns about the formation of the Task Force, as it seemed to have a task of forcing gambling on to the people of Arlington Heights. The Village Board needs to see a significantly more detailed study and take a lot of input from residents before they proceed with this kind of expansion. Trustee Manganaro advised that the Village already has a pilot going on at the VFW post, although 100% of their proceeds go to

charity, and the establishment has received less than half of the revenue that the video gaming providers said that they would. Trustee Manganaro stated that not all of the restaurants in town will succeed and once you open the door to this activity, there's really no stopping it. Trustee Manganaro advised that the biggest factor for him not wanting to do this is because of the social impacts to the community, as there is a strong correlation between the expansion of legal gambling and development of gambling problems. Voting for this, is voting for more people with gambling problems and more criminal activity in Arlington Heights.

Trustee Gilbert stated that this is a good thing for our town and he is generally for it. Trustee Gilbert advised that he thinks that the concern for the Village's image is all subjective, as some like the look and some don't. Trustee Gilbert stated that times are changing and operating costs are up, and if we want the places that make our town vibrant and a destination place to survive and to continue to exist, we need to throw them a lifeline. He would like to see an expedited way for some of the existing businesses to get this done and cut through some of the red tape so that they can start taking advantage of this. There are people in town who enjoy these games and it's not because they're addicted, it's because they have fun playing them. Trustee Gilbert advised that he is not ashamed of this being in any business, therefore is not too concerned about the signage. He stated that choice is important and a business owner should have the choice as to whether or not they want to put this in their business and people have the choice to play these games if they want to. It's not the Board's job to say that nobody can have this opportunity because they don't think it's right. Trustee Gilbert advised that if a stadium is built in Arlington Heights, there may be a Sportsbook where people will go to gamble socially, which may detract people further away from the existing bars and restaurants, which is another reason he feels this could be a major benefit for everyone involved.

Trustee Zyck asked Mr. Rebodos from Big Shot Piano Lounge how many years he has had video gaming at his establishment in Schaumburg and if he is past his break-even point. Mr. Rebodos advised that he has had video gaming for five years and has recouped his initial investment. Trustee Zyck advised that when he first learned that this was going to be discussed, his initial reaction was against it, as gambling is not his thing. However, he is trying to figure out if this is a winning proposition for businesses. Trustee Zyck stated that he understands that businesses are trying to figure out additional revenue streams, but wants to be sure the expenses for this are not more than what the projected revenue is. He is also concerned with the societal issues and what this could do to the community. Trustee Zyck advised that he does think there needs to be more open discussion about this and allow more people to come in, as this can change the scope of our community. Trustee Zyck stated that he does not want to base this on what the other communities around us are doing. If the Village is going to do this, it has to be because they really understand what the people in the community want to do and they have to understand the financial impact and what it means for the businesses. Trustee Zyck stated that he is leaning more towards that this is not the right fit for our community, but more discussion is needed.

Trustee Dunnington thanked the Video Gaming Task Force for their work on this and

for those business owners that came out tonight. Trustee Dunnington stated that she thinks there are a couple of things that the Village Board really needs to consider, including how many establishments would they want to allow to have these video gaming machines, as there are 114 businesses that have liquor licenses, and what will the criteria be when deciding which establishments get the video gaming license and which ones don't. In addition, what about a brand-new business that is coming into town and they need to compete with the existing businesses that do have gaming, they're also going to want gaming. Trustee Dunnington advised that the Board has spent a good amount of time discussing the homeless issue in Arlington Heights and even formed a task force to address it and some of the studies that she has read about the effects of gambling on homelessness found a disproportionate rate of harmful gambling in persons experiencing homelessness and a disproportionate rate of homelessness in persons experiencing harmful gambling. Trustee Dunnington stated that she doesn't want to bring in gambling that goes against the work that the Board is asking of the Task Force to combat homelessness in Arlington Heights. Trustee Dunnington advised that she has also been talking to residents about what they want and what she is hearing is that they more events, similar to Harmony Fest, not video gaming. Trustee Dunnington stated that she doesn't think the revenue the Village may receive is going to have a significant impact on the Village budget and doesn't see the value that it is adding to our town and in fact would have a big impact on the downtown area.

Trustee Bertucci advised that the purpose of the chart shown by Ms. Mikula was to show to show the possible revenue, as well as the competitive advantage they need to give back to the restaurants and those who might need the video gaming to boost business. Trustee Bertucci stated that they are not just talking about the restaurants in downtown Arlington Heights, but more so places like Jimmy D's who are located on the edge of town and subjected to competition from surrounding communities. Trustee Bertucci stated that Trustee Dunnington brought up some good questions that they can use to direct staff. Trustee Bertucci advised that there are addictions in our society but does not believe that our Village will suddenly be in the position where people will be walking the streets of downtown Arlington Heights committing crimes. Trustee Bertucci stated that from his experience talking with people, the typical person playing these machines are 40 – 70-year-old women who enjoy doing this as a form of entertainment, and what right does the Board have in telling these people that it's not okay. Trustee Bertucci stated that this is something that is very doable and does not see the younger people participating much, as they can just use their phones to engage in this type of activity. He thinks people who live downtown would appreciate this, as well as the people on the north and south sides of town and the businesses could really benefit from it.

Trustee Santa Maria stated that the Board needs a lot more data to give them some more information before they make any type of decision. Trustee Santa Maria advised that some of things that she has been thinking about include, has the Village analyzed whether the projected revenues truly outweigh the downstream public health costs over time, how as a Board and as a Village do they reconcile evidence that video gaming disproportionately impacts lower income and minority communities especially

when they have strong equity and inclusion goals, and if this is something that they do, they need to look at a cap on the number of licenses Village-wide or per geographic area or the density. Trustee Santa Maria stated that what stuck out to her the most after hearing public comments, is the fact that this is a strategic choice and the real question is whether it aligns with the Village's long-term identity and values as a town and what problem are they actually solving and is this the best tool to solve it. Are there other ways that are more sustainable and more helpful in helping the businesses, and getting more of this information would be really helpful before she makes any decision.

Trustee Schwingbeck advised that when he was asked to sit it on this group, he didn't have any pre-conceived ideas of where he wanted to go with this, as their main focus was to just come up with the pros and cons and everyone that sat on this group, came up with things on both sides. Trustee Schwingbeck stated that people can choose how they want to spend their money and what they find fun to do and knows there are residents and business owners that would like this form of entertainment. If the Board decides to move forward with this, all of those questions, including signage, number of licenses, location, are up for discussion. Trustee Schwingbeck stated that he looks at this as an additional entertainment source that a lot of people like and an additional revenue source for businesses, which would help them immensely, as their costs to run their businesses has gone up. If the Board chooses to do this, businesses can choose if they want it or not, and as Board members they are tasked with looking at ways to help the town and residents, and try and help the businesses, which are the backbone of our community. Trustee Schwingbeck advised that he is in favor of this, however he still does have some questions, as he wants to make sure things are set up properly so that they can help the businesses bring in some needed revenue.

President Tinaglia stated that's a perfect explanation, as there may be people on the Board or in the audience that are worried that they are being hasty and not careful enough to even have this dialogue. President Tinaglia advised that this Task Force did exactly what he had hoped they would do by providing some initial information and then setting up this dialogue tonight. This is a big responsibility and far from a done deal, as there is a lot to do and think about. Nothing is being voted on tonight. President Tinaglia advised that Arlington Heights is a wonderful town and the role model for any other community around and he would never jeopardize this. However, things change and he does not want to make a rash or hasty decision about something that might not be a horrible thing and there might actually be some good from it. There may be a restaurant owner that is struggling to pay their property taxes and gets an extra \$25,000-\$30,000 that might just be enough to cover the property taxes, that everyone benefits from, is something to think about. President Tinaglia advised that he came into this completely open and continues to contemplate which way they should go on this. The goal for tonight was to get this part done so that they can ask Staff, or decide if they want to ask Staff, to dig deeper on this. There is an Ordinance in place right now that says no. The question is does the Board want to keep it this way or do they want to think about an alternative approach. President Tinaglia stated that he would like to know the will of the Board and if it's going to be to ask for further research from Staff or are they good with the Ordinance as is.

Trustee Manganaro advised that the Board generated projects from the Strategic Planning sessions were never prioritized and he is concerned with Staff not being able to support all of these projects, in addition to researching video gaming. Mr. Recklaus advised they can accomplish anything and everything if given enough time, and if the majority of the Board is not interested in this topic, he asks that they not be given homework on it. If the majority of the Board is sincerely interested in this, they are very happy to do what the Board wants them to do in coming up with a variety of different pivot points on this, with the goal of bringing this back to another Committee of the Whole meeting for discussion with Staff leaving with marching orders for a potential ordinance. Mr. Recklaus advised that this is something that they will not be able to report back on at next week's meeting, but they can come up with a reasonable timeframe. Trustee Manganaro stated that in his opinion they don't have enough consensus and enough information to move forward and they have a lot of other things that they need to address that are more important. President Tinaglia stated that the Board will be discussing everything on their list of priorities, including Airbnb's and historical preservation, and some of it will be cumbersome for Staff to do, and just because this topic was started a few months ago, it has nothing to do with the others happening. It is his commitment as the Mayor of this town.

Trustee Gilbert advised that he sees this issue and the Airbnb issue rolled into their number one strategic priority, which has to do with the redevelopment of Arlington Park and the Chicago Bears potentially coming. There will be things like this that come up that will have a direct impact on the development.

Trustee Zyck stated that this is something that they do need to take a look at, but they need to address the questions posed by Trustees Santa Maria and Dunnington and determine what the costs are and if this will be a good thing for the businesses.

Trustee Dunnington advised that this is a low priority item for her and she would rather see Staff working on other things like the Airbnb issue and historical preservation. She stated that she is happy to listen to more information about this but thinks there are a lot of better ways to improve the economic environment for the businesses and would rather work on those than gaming. She stated she doesn't think this is right for Arlington Heights.

Trustee Santa Maria stated that there are a group of business owners present who are asking the Board for something and it is their job to listen, get more information and respond to that.

Trustee Bertucci advised that he agrees that there is enough interest to move forward and thinks that it does fit into their strategic planning.

Trustee Schwingbeck advised that one of the things they are tasked with doing is being fiscally responsible, and he looks at this like some of the other things that they have done, which involve finding new revenue streams for the Village. This is potentially a fairly good-sized revenue stream for the Village and the Board should be looking at it to generate income for the Village and more importantly help the businesses and would like to move forward with it.

Trustee Dunnington asked if this is an issue that they have ever done a referendum to ask the residents for their input, which Mr. Recklaus stated no.

Trustee Manganaro stated that he really thinks they need to provide some space to socialize this to the residents and get their input, as they work for the residents of Arlington Heights and they are the ones that make the businesses strong.

Mr. Recklaus advised that they do have the capability thru the Village's survey provider to do an online survey for the residents and businesses.

Trustee Gilbert stated that getting more information on this is a great thing, but doesn't necessarily think that they need to go the survey route, as that creates a lot more work for the Village. Residents have the opportunity to email the Board and attend meetings and speak.

President Tinaglia stated that they are elected to be the voice of the residents and business owners and are listening. President Tinaglia advised that six of the eight Board members present feel that it would be worthwhile to go further and get some additional information from Staff about how this might be regulated, beneficial and what the financial implications might be.

Trustee Gilbert stated that he would be interested in knowing if any municipality who put this into place has backed out of it.

Trustee Zyck asked if this is an area where they get a couple of the commissions involved to gather some more information. President Tinaglia stated that this would be reasonable, as they have asked commissions to get involved in the past. Mr. Recklaus advised that very often when you go to a commission, they ask Staff to do similar research, although it can be good to get their perspective. Mr. Recklaus also explained that when he suggested doing a survey, he was thinking it could be used as a tool with businesses to help identify how many businesses might be interested if it were offered.

Trustee Schwingbeck advised that the Board initially voted against allowing cannabis companies in town because of what it would do to the Village's image, but after much discussion and a lot of input from the residents, they voted to allow it. Trustee Schwingbeck stated that there will be plenty of opportunities for the residents and businesses to come and talk at the meetings.

Mr. Recklaus advised that the will of the Board is clear and Staff will get to work and report out along the way.

Other Business

None.

Public Comment

None.

Adjournment

Trustee Bertucci moved, seconded by Trustee Gilbert, to adjourn the meeting at 9:30 p.m. Upon a voice vote, the motion passed unanimously.
