

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
TUESDAY, JULY 5, 2005

The City of Springfield Council met in a work session in the Jesse Maine Room, 225 Fifth Street, Springfield, Oregon, on Tuesday, July 5, 2005 at 6:32 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Ralston, Fitch, Lundberg, Woodrow and Pishioneri. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorneys Joe Leahy and Matt Cox, City Recorder Amy Sowa and members of the staff.

1. Social Games (Gambling).

Police Chief Jerry Smith presented the staff report on this item. Council has been requested by Mr. Don McCabe to consider adopting a Social Games Ordinance, narrowly constructed to permit "tournament" poker games commonly known as Texas Hold-'em.

Council adopted Ordinance No. 5576 on June 17, 1991 to enable social games as provided by ORS 167.121 and defined by ORS 167.117. That ordinance was repealed by Ordinance on June 20, 1994.

Texas Hold-'em is a poker game in a tournament format that has spread across the state and is being held in neighboring communities. Repeal of the Social Games Ordinance essentially prohibited gambling in the City of Springfield with exceptions as defined in the 5.254 of the Springfield Municipal Code.

The experience of the police department with the previous ordinance that enabled social games found that none of the games were being operated legally. Investigations are labor intensive and it is unknown what the position of the District Attorney will be for prosecution or sanctions of those who are charged with gambling violations.

We have no experience from other jurisdictions that would suggest that these tournament games have presented local law enforcement with any law enforcement problems. Eugene, Corvallis and Junction City have ordinances enabling social games and respond on a complaint basis only.

Chief Smith noted that the attached ordinance in the Agenda packet was inadvertently added and was not created by his department. A document with the Springfield Ordinance regarding Social Games and the Oregon Revised Statute (ORS) was distributed to the Mayor and council.

Councilor Lundberg recused herself from discussion on this topic due to a conflict of interest.

Chief Smith gave a brief history of social gaming in the City of Springfield and some of the difficulties in monitoring and enforcing such an ordinance.

Councilor Fitch said she had discussed this with friends who had played Texas Hold-'em so she could understand how it was played. She asked what type of ordinance the cities of Eugene, Corvallis and Junction City had in place.

Chief Smith said Corvallis had an ordinance specific to tournament play. Eugene and Junction City had ordinances allowing social gaming. He described the difference with each.

Councilor Ballew said she didn't mind if tournament play was allowed, but not full gambling. She would like the proprietor to have responsibility and consequences if the ordinance was being violated, such as a fine.

Councilor Pishioneri said an organizer of these tournaments would collect a fee at the start of the tournament and later in the tournament. He described these fees and the lack of limits and controls on these fees.

Councilor Ralston and Councilor Pishioneri discussed limiting the buy-in and fees.

Mr. Leahy reviewed the past ordinance that specified rules to protect the public. He discussed the complaints that came in and the issues that came to surface from social gaming. If council chose this path, it needed to be explicit, with easily understood rules that the police could enforce easily.

Councilor Ralston agreed and suggested a license system to track who was holding these tournaments. He said Texas Hold 'em was different than the standard social gaming.

Councilor Fitch said Option Two as outlined in the Council Briefing Memorandum included in the agenda packet, was not a feasible option. She said she would consider Option Three with limitations and specifics. She agreed that a licensing fee might also be a good idea. She suggested staff provide reports annually regarding police calls to establishments that conduct these tournaments to monitor the activity, similar to the reports provided for establishments with liquor licenses. She said she was not concerned about the subcontractor issue discussed by Councilor Pishioneri because of state regulations regarding those situations.

Councilor Pishioneri said he would like the organizers to provide a Tax Identification number.

Councilor Ralston asked that it could be included that the tavern owners could not make any other financial gain other than through the increase in their business. He further discussed the limits.

Mayor Leiken asked if the ordinance would be tailored to only Texas Hold 'em.

Mr. Kelly said it could be tailored to whatever council would like.

Councilor Pishioneri said an ordinance could be drafted that stated that any game that allowed the dealer to make any money would not be allowed. He would be more inclined to consider such an ordinance.

Councilor Ballew said tournament style games could be allowed, but with fines to proprietors where the ordinance was violated.

Councilor Fitch discussed the liability to the business owner and agreed they should be responsible.

Councilor Woodrow said he would want the ordinance specific to Texas Hold 'em Tournaments only rather than other social games. He discussed looking into limits.

Mr. Kelly asked council for direction on the type of ordinance they would like staff to draft.

Councilor Ralston agreed an ordinance strictly related to Texas Hold 'em Tournaments only would be reasonable. He discouraged putting limits on them.

Mr. Kelly said staff would draft an ordinance specific to Texas Hold 'em Tournaments, limiting the entry fees to around \$100 - \$200, rotating the deal among players, on an application basis where the business owner applies for a permit that would be renewable annually, the city would charge a fee for that permit, and holding the proprietor accountable for infractions through fines. He said staff would talk with cities that allow these tournaments to get their feedback on fines and fees.

Discussion was held regarding limiting the tournaments to regular business hours only. Mr. Kelly discussed the number of evenings tournaments were held in other cities.

Mr. Leahy asked if council wanted to note that there would be no money for the house or the dealer. He asked about renting a room from the business and if that would be considered money for the house. He said if these tournaments are run correctly, they can be a good thing, but people do cheat and it can be difficult to enforce.

Councilor Pishioneri said he would like the right-to-play fee to be set low. He said there should be no money given to the organizer by the establishment in any form, including advertisement.

Councilor Ballew asked about putting a sunset date on the ordinance.

Mr. Kelly said it could be in the ordinance to renew the licenses annually. Staff would bring it back to council for review.

Councilor Ralston asked if this ordinance could be brought before council on August 1 to allow establishments to start setting up tournaments during the summer.

Mr. Kelly said staff could bring it to council on August 1.

Councilor Pishioneri said he liked the permit system with the caveat that the right to obtain such a permit would be at will.

Mr. Leahy said if council was unhappy with what was going on, they could terminate the program.

ADJOURNMENT

The meeting was adjourned at 7:03pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken

Mayor

Attest:

Amy Sowa
City Recorder