

Saints Peter and Paul Catholic School (SSPP)
Request for Amendments to City of Naperville Raffle License Code
July 16, 2019 Naperville City Council Meeting

1. **Section 3-4A-8 states, "The manager shall give a fidelity bond in the sum of an amount determined by the City in favor of the organization conditioned upon his honesty in the performance of his duties."**

Request: Amend Section 3-4A-8, to give the City's raffle license administrator discretion in requiring the posting of a bond.

Rationale: The need to post a bond should not be an automatic requirement but be based on the City's discretion in conducting a risk assessment. Bonds are expensive, and most raffles are conducted to raise money for non-profit organizations with limited resources. When the risks associated with conducting a raffle are low to non-existent, a bond should not be required so unnecessary expenses can be avoided. If a bond is deemed necessary, the amount of the bond should be kept as low as possible for the same reason. In the case of the SSPP raffle, it is evident raffle has been well managed and conducted with integrity, transparency and in a manner consistent with the expectations of the Naperville ordinances.

The non-discretionary expenses imposed on SSPP by the existing raffle code to conduct our first Queen of Hearts raffle include the costs associated with bond and the custom designed raffle tickets. These costs are in addition to discretionary purchases of marketing materials, web-based support, signage, etc. Since SSPP will share 50% of the ticket sales with the winner, it will be a challenge for SSPP to raise any incremental money to cover the sunk costs. Since this is a fundraiser to help subsidize planned security expenditures for the school - every expense we can avoid is meaningful.

We recommend that the risk assessment, associated with the bond requirement, consider (i) if the licensee is a long standing Naperville institution, (ii) whether the people conducting the raffle have strong ties to the institution and Naperville community, (iii) whether the licensee has its own insurance in place to protect against the potential for liability, (iv) whether the licensee is sufficiently capitalized to resolve or settle any dispute that might arise from a raffle, (v) whether the controls in place are sufficient to conduct an audit, and (vi) whether a similar raffle has been conducted in the past without any negative events associated with it.

2. **Section 3-4A-9: Raffle Tickets states, "if the aggregate value of the prizes are over \$50 and if the raffle chances are not sold only on the date of the drawing during the event at which the drawing is to be conducted, then Each raffle ticket shall state on its face, the name and address of the applicant/licensee, the date or dates of the drawings and the prizes to be awarded."**

Request: That the only information required to be printed on a ticket is: (i) the name and address of the licensee, (ii) the ticket purchaser's name, and (iii) the ticket purchaser's phone number. In other words, eliminate: (i) the need for the ticket purchaser's address, and (ii) the need for multi-colored tickets to distinguish ticket sales from week to week.

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Rationale: The practical reality of the interaction between a ticket seller and a ticket purchaser is that the purchaser is in a hurry, would like to support the cause, but does not want to have their valuable time burdened by filling out the name, address and phone number on every ticket they purchased. Name and phone number are more than adequate for identifying and communicating with ticket purchaser.

Our experience is most folks purchase four or more tickets from us and filling out one's address doubles the amount of time needed to complete the ticket purchase. It is also not unusual that when selling tickets after masses, we have people lined up to buy tickets who want to support the cause, but also want to get to their car and on their way. The longer it takes to fill out identifying information the more likely a potential ticket purchaser waiting in line is going to walk away.

Finally, we have received feedback from selected buyers that they are reluctant to provide personal address for privacy concerns.

3. **Section 3-4A-9: Raffle Tickets states, "No such ticket, chance or token shall be sold more than one hundred and eighty days (180) before the determination of the winning chance or chances."**

Request: Extend length of raffle license from 24 weeks (180 days) to 60 weeks (420 days).

Rationale: The current raffle rules don't accommodate a Queen of Hearts progressive raffle. The essence of the game begins with 54 cards to turn over. Thus, a minimum of 54 weeks is required to complete the game if the traditional approach of one week of ticket sales is followed by one ticket drawn each week.

We are requesting an additional 6 weeks to accommodate the fact that there are certain weeks throughout the year that there may be delays due to religious and secular holidays, or other unavoidable circumstances - snow, ice, flood or other acts of God. Moreover, the additional time is ***very important*** for the licensee to benefit from the reality that the longer the ticket sales continue – the more tickets can be sold, and the more money can be shared between the licensee and the raffle winner. As the prize builds, so does the interest in purchasing more tickets as witnessed in other Queen of Hearts raffles where several millions of dollars have been raised.

4. **Section 3-4A-10 Prizes, states "The maximum cash prize awarded in a raffle shall be \$2M dollars"**

Request: Raise the cap for ticket sales to ten million dollars (\$10,000,000).

Rationale: While our current Queen of Hearts raffle will not come anywhere close to the current two-million-dollar cap, we would like to address the need for a higher cap to reflect the experience other organizations have in raising over seven million dollars (\$7,000,000) with a Queen of Hearts raffle. Addressing this now avoids the need to make such a request in the future.

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5. **Section 3-4A-11 states in subsection 2, "Licensee shall for each and every raffle, keep records of the name and address of each person to whom a raffle chance has been sold or issued and the number of chances sold or issued to each such person."**

Request: Amend this Section by deleting it and eliminating this requirement.

Rationale: Consistent with the request in paragraph 2 above, we hope to eliminate unnecessary administrative requirements that are duplicative, time consuming, act as a deterrent to ticket purchasing, and require more man power to support. Since SSPP has retained and secured every ticket stub sold, we have a permanent record of who purchased tickets and how many.

Consistent with the Code, SSPP will retain these records for at least three years after the raffle is completed. The existing Code begs the questions of: What is the need to keep a separate record to identify and contact a ticket purchaser and why is it necessary to keep a separate record how many tickets someone has purchased? Both questions can be answered through an audit of retained ticket stubs.

6. **Section 3-4A-7, subsection 1.6 states, "Raffle chances may be sold or issued only within the area specified on the license and winning chances may be determined only at those locations specified on the license."**

Request: The Code be amended to clearly state that a licensee may sell raffle tickets on-line so long as a record of all such transactions is maintained and all the same information as collected with hardcopy ticket stub sales is collected from on-line purchasers.

Request: The Code be amended to allow tickets to be sold by individuals who are not necessarily a member of SSPP school or parish. For example, if a neighbor of a parish member would like to sell tickets on behalf of the school or if a local business establishment would like to retain tickets to sell on behalf of the school they both could do so without a member of the school or church present, regardless of their location, whether that be inside or outside the boundaries of Naperville.

Rationale: If the City grants SSPP a licensee to conduct additional Queen of Hearts raffles, we would like more latitude in how we are able to sell tickets. We believe that due to limits in locations and hours adversely impacted the potential reach of our raffle and ability to generate funds for SSPP's planned capital expenditures.