

Charitable Gambling Fund Background

The City's Charitable Gambling Fund was established in 1993 to account for the proceeds of a 10% contribution that charitable gambling organizations operating within Blaine are required to submit to the City (Code Section 22-384). The organizations participating in charitable gambling in 2014 are the Blaine's Blazin' 4th Committee, Blaine Youth Hockey, VFW – Sgt. John Rice, and Spring Lake Park Youth Hockey. These organizations are required to submit 10% of their net profits to the City within 15 days of the end of a calendar quarter.

Charitable Gambling Fund Revenues

A preliminary projection of 2014 charitable gambling contribution revenue is \$95,000 based on actual receipts through June 30. This is \$10,000 more than the budgeted amount of \$85,000 and a 4% increase over the 2013 final total. Staff is predicting that 2015 charitable gambling proceeds will match the \$95,000 total.

Charitable Gambling Fund Expenditures

Expenditures from this fund are at the City's discretion, provided that they fall within the guidelines established by Minnesota Statute 349.12 subdivision 25. Specifically allowable contributions include donations to:

- 501(c)(3) organizations; and 501(c)(4) festival organizations
- Relieve the effects of poverty, homelessness, or physical or mental disabilities
- Treatment of post-traumatic-stress syndrome or compulsive gambling
- Public or private accredited nonprofit educational institution
- Scholarship funds
- Recognition of humanitarian or military service
- Activities and facilities that benefit youth under the age of 21
- Support police, fire, or other public safety-related services, equipment, and training
- Wildlife management projects
- Maintenance of snowmobile and/or ATV trails
- Support nutritional and congregate dining programs, and food shelves
- Community arts programs.

Annually, an expenditure report is submitted to the State of Minnesota, disclosing the amount, purpose and recipients of funds.

In total, the City appropriated \$114,750 for 2014, all of which has been paid. The expenditures are summarized as follows:

<u>Organization</u>	<u>2014 Funding</u>
Alexandra House	\$40,000
CEAP	\$ 7,500
Centennial Community Food Shelf	\$ 7,500
Kingswood Church Food Shelf	\$ 7,500
Good Shepherd Cov. Church Food Shelf	\$ 5,000
Senior High Schools (3)	\$ 2,250
Beyond the Yellow Ribbon Group	\$ 5,000
Blaine Historical Society	\$10,000
Civil Air Patrol	\$ 5,000
Poseidon Sea Cadet Unit	\$25,000

The fund is expected to end 2014 with a fund reserve of over \$106,000.

2015 Proposed Budget

In addition to the increase in current revenue, the positive performance of the fund over the last two years has contributed to an increase in fund reserves that is estimated to be just over \$71,000 above the fund's reserve goal. This leaves Council with the following choices to consider:

- Maintain current contribution levels for all current participants, thus continuing to build the fund's reserves.
- Increase the amount contributed by increasing the annual appropriation for current participants, adding other organizations to which to make contributions, or both. Staff has included appropriations for funding two new organizations: \$10,000 for Family Promise for Anoka County, which provides overnight housing for homeless families; and \$10,000 for Hope 4 Youth, a homeless youth outreach center in Anoka County. Also included is a \$10,000 appropriation to the Blaine Historical Society, which will enable the production of a book detailing the history of the City of Blaine.

The current draft proposed budget is shown below.

CITY OF BLAINE, MINNESOTA				
2015 Budget				
CHARITABLE GAMBLING FUND - 240				
	2012 Actual	2013 Actual	2014 Projected	2015 Proposed
FUND RESERVE AT BEGINNING OF YEAR	73,376	119,703	125,396	116,146
<u>REVENUES AND OTHER SOURCES</u>				
Investment earnings	\$ 1,092	\$ (919)	\$ 500	\$ 500
Charitable Gambling Contributions	91,735	91,362	105,000	95,000
Total revenues and other sources	92,827	90,443	105,500	95,500
<u>EXPENDITURES AND OTHER USES</u>				
Alexandra House	20,000	30,000	40,000	40,000
BB4 Committee	10,000	-	-	-
CEAP	5,000	7,500	7,500	7,500
Centennial Community Food Shelf	5,000	7,500	7,500	7,500
Kingswood Church Food Shelf	5,000	7,500	7,500	7,500
Good Shepherd Church	-	-	5,000	7,500
Senior High Schools	1,500	2,250	2,250	2,250
Civil Air Patrol	-	5,000	5,000	5,000
Poseidon Sea Cadet Unit/fireworks	-	25,000	25,000	25,000
Blaine Historical Society	-	-	10,000	10,000
Beyond the Yellow Ribbon	-	-	5,000	5,000
Family Promise in Anoka County	-	-	-	10,000
Hope 4 Youth	-	-	-	10,000
Total expenditures and other uses	46,500	84,750	114,750	137,250
Increase (decrease) in fund balance	46,327	5,693	(9,250)	(41,750)
FUND RESERVE AT END OF YEAR	\$ 119,703	\$ 125,396	\$ 116,146	\$ 74,396
FUND RESERVE GOAL	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
FUND RESERVE ABOVE (BELOW) GOAL	\$ 84,703	\$ 90,396	\$ 81,146	\$ 39,396