

### **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 2018 are the Blaine Festival Committee, Blaine Youth Hockey, Centennial HS Football Boosters, VFW – Sgt. John Rice, and Spring Lake Lions Club. 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**

Though charitable gambling proceeds dipped in 2017 after years of steady growth, staff is anticipating that revenue will exceed expectations in 2018. Based on actual receipts through June 30, a preliminary projection indicates \$145,000 in charitable gambling contributions for 2018, or \$10,000 more than the 2017 actuals. Recognizing the volatile nature of the revenue source, staff is estimating \$140,000 in gambling proceeds for 2019.

### **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.

The City appropriated donations totaling \$142,750 for 2018, all of which have been paid. An additional \$10,000 will be distributed to the Blaine Historical Society to assist in the production of the Blaine history book. The fund is expected to end 2018 with a fund reserve of over \$91,300.

### **2019 Proposed Budget**

Council has set the fund reserve target at \$85,000. Should legislation be adopted by the State of Minnesota that would limit or end the City's ability to continue to fund this program, the higher fund reserve would allow for one final year of charitable gambling funds to be distributed before ending the program, albeit at much lower funding levels.

The proposed 2019 Budget includes the same funding amounts to the same recipients as the 2018 Budget provided. No new requests for funding have been received by staff.

The proposed 2019 budget is attached for Council's consideration.

# CITY OF BLAINE, MINNESOTA

**2019 Budget**  
**CHARITABLE GAMBLING FUND - 240**

	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Request
<b>FUND RESERVE AT BEGINNING OF YEAR</b>	130,406	114,677	98,750	98,750	91,280
<b><u>REVENUES AND OTHER SOURCES</u></b>					
Investment earnings	\$ 369	\$ 165	\$ 1,000	\$ 280	\$ 250
Charitable Gambling Contributions	141,152	134,658	130,000	145,000	140,000
<b>Total revenues and other sources</b>	<b>141,521</b>	<b>134,823</b>	<b>131,000</b>	<b>145,280</b>	<b>140,250</b>
<b><u>EXPENDITURES AND OTHER USES</u></b>					
<b>To be appropriated in budget year</b>					
Alexandra House	50,000	50,000	50,000	50,000	50,000
CEAP	7,500	8,500	8,500	8,500	8,500
Centennial Community food shelf	7,500	8,500	8,500	8,500	8,500
Hope for the Community food shelf	7,500	8,500	8,500	8,500	8,500
Good Shepherd Church food shelf	7,500	-	-	-	-
Senior High Schools	2,250	2,250	2,250	2,250	2,250
Civil Air Patrol	5,000	2,500	-	-	-
SBM Fire - Annual fireworks show	35,000	35,000	35,000	35,000	35,000
Blaine Historical Society	-	-	-	10,000	-
Beyond the Yellow Ribbon	5,000	2,500	-	-	-
Family Promise in Anoka County	10,000	10,000	10,000	10,000	10,000
Hope 4 Youth	10,000	10,000	10,000	10,000	10,000
Stepping Stone	10,000	10,000	10,000	10,000	10,000
Bridgeview Drop-In Center	-	3,000	-	-	-
<b>Total expenditures and other uses</b>	<b>157,250</b>	<b>150,750</b>	<b>142,750</b>	<b>152,750</b>	<b>142,750</b>
<b>Increase (decrease) in fund balance</b>	<b>(15,729)</b>	<b>(15,927)</b>	<b>(11,750)</b>	<b>(7,470)</b>	<b>(2,500)</b>
<b>FUND RESERVE AT END OF YEAR</b>	<b>\$ 114,677</b>	<b>\$ 98,750</b>	<b>\$ 87,000</b>	<b>\$ 91,280</b>	<b>88,780</b>
<b>FUND RESERVE GOAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 85,000</b>	<b>\$ 85,000</b>	<b>85,000</b>
<b>FUND RESERVE ABOVE (BELOW) GOAL</b>	<b>\$ 14,677</b>	<b>\$ (1,250)</b>	<b>\$ 2,000</b>	<b>\$ 6,280</b>	<b>3,780</b>