

Charitable Gambling Fund Background

The city's Charitable Gambling Fund was established in 1993 to account for the proceeds of a 10 percent 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 2019 are the Blaine Festival Committee, Blaine Youth Hockey, Centennial HS Football Boosters, VFW – Sgt. John Rice, Spring Lake Lions Club, and Spring Lake Park Youth Hockey. These organizations are required to submit 10 percent of their net profits to the city within 15 days of the end of a calendar quarter.

Charitable Gambling Fund Revenues

Charitable gambling proceeds have significantly declined in 2020, due to the onset of the COVID-19 pandemic and the resulting shutdown of the venues hosting gambling activity. The full impact is not yet known, and it is reasonable to expect that proceeds will rebound as hosting venues are allowed to reopen. Finance is tentatively projecting a decline in proceeds from the budgeted \$150,000 to just under \$97,000. More will be known toward the end of October, when all third quarter proceeds will have been received.

Under typical circumstances, it would be safe to assume that 2021 revenue will at least reach the \$150,000 threshold. Not knowing what, if any, long-term effect the pandemic may have, we can only speculate on how quickly charitable gambling activity may rebound. Finance is holding 2021 projected revenue to the same amount as 2020 in order to further the conversation.

Charitable Gambling Fund Expenditures

Expenditures from this fund are at the city council'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 \$150,300 for 2020, but the COVID-19 pandemic forced some donations to be withheld. Priority was given to support for social services, so \$50,000 was expensed to Alexandra House, \$9,350 to each of three food shelves, and \$10,000 each to three family and youth support groups. Finally, a previously committed allocation of \$10,000 to the Blaine Historical Society was fulfilled. The fund is expected to end 2020 with a fund reserve of just \$85,500.

2021 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 2021 budget includes allocations to the three food shelves, high school senior parties, Civil Air Patrol, the three family/youth service groups, and the annual fireworks display. The city plans to appropriate \$50,000 in CARES funding to Alexandra House in 2020, as a pre-payment of intended 2021 funding.

The proposed 2021 budget is presented here for consideration.

CITY OF BLAINE, MINNESOTA					
2021 Budget					
CHARITABLE GAMBLING FUND - 240					
	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Proposed
FUND RESERVE AT BEGINNING OF YEAR	98,750	107,351	105,048	105,048	85,548
<u>REVENUES AND OTHER SOURCES</u>					
Investment earnings	\$ 1,315	\$ 2,025	\$ 950	\$ 1,800	\$ 950
Charitable Gambling Contributions	150,036	154,714	150,000	96,750	97,000
Total revenues and other sources	151,351	156,739	150,950	98,550	97,950
<u>EXPENDITURES AND OTHER USES</u>					
To be appropriated in budget year					
Alexandra House	50,000	50,000	50,000	50,000	-
CEAP	8,500	-	-	-	-
Salvation Army food shelf	-	8,500	9,350	9,350	9,350
Centennial Community food shelf	8,500	8,500	9,350	9,350	9,350
Hope for the Community food shelf	8,500	8,500	9,350	9,350	9,350
Senior High Schools	2,250	2,250	2,250	-	2,250
Civil Air Patrol	-	2,500	2,500	-	2,500
SBM Fire - Annual fireworks show	35,000	35,000	35,000	-	35,000
Blaine Historical Society	-	-	-	10,000	-
Beyond the Yellow Ribbon	-	2,500	2,500	-	-
Veterans Memorial	-	10,000	-	-	-
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
Church of St Timothy	-	1,292	-	-	-
Total expenditures and other uses	142,750	159,042	150,300	118,050	97,800
Increase (decrease) in fund balance	8,601	(2,303)	650	(19,500)	150
FUND RESERVE AT END OF YEAR	\$ 107,351	\$ 105,048	\$ 105,698	\$ 85,548	85,698
FUND RESERVE GOAL	\$ 100,000	\$ 100,000	\$ 85,000	\$ 85,000	85,000
FUND RESERVE ABOVE (BELOW) GOAL	\$ 7,351	\$ 5,048	\$ 20,698	\$ 548	698

The following pages include projected receipts through the end of 2020, and a list of gambling operations and their locations.

2020 GAMBLING QUARTERLY 10% CONTRIBUTION WORKSHEET					
Name of Establishment	First Quarter January - March Contribution	Second Quarter April - June Contribution	Third Quarter July - September Contribution	Fourth Quarter October - December Contribution	END OF YEAR TOTALS
Blaine's Festival	\$8,666.18	\$8,778.95	\$2,755.94	\$6,059.60	\$26,260.67
Blaine Youth Hockey	\$17,972.62	\$3,954.06	\$7,826.19	\$18,088.14	\$47,841.01
Centennial HS Football Boosters	\$1,013.77	\$0.00	\$517.81	\$1,174.04	\$2,705.62
Sgt. John Rice VFW	\$2,915.45	\$0.00	\$814.59	\$4,713.94	\$8,443.98
Spring Lake Park Lions	\$0.00	\$0.00	\$1,084.98	\$0.00	\$1,084.98
SLP District #16 Youth Hockey Assoc.	\$1,515.64	\$2,103.46	\$2,100.00	\$4,693.17	\$10,412.27
QUARTER TOTALS	\$32,083.66	\$14,836.47	\$12,999.50	\$34,728.90	\$96,748.53
COMMENTS:			one-third of 2019 Estimated	80% of 2019	

CITY OF BLAINE
2020 GAMBLING LICENSE HOLDERS

<u>Organization</u>	<u>Locations</u>	<u>Premise Permit Issued</u>
Blaine Youth Hockey Suzanne Slawson 9252 Lincoln Street NE Blaine, MN 55434 (612) 803-0320	Ole Piper Inn 1416 - 93rd Lane NE Blaine MN 55449 Broadway Bar & Pizza 11822 Aberdeen Street NE Blaine MN 55449 Wild Bill's Sports Saloon 10950 Club West Pkwy, #100 Blaine, MN 55449 Clives Roadhouse Blaine, Inc. 10400 Baltimore Street NE #200 Blaine, MN 55434	December 6, 2007 2009 January 6, 2011 May 3, 2018
Blaine Festival Linda Brausen (763) 286-6549 Brausen2@msn.com	Blainbrook Entertainment 12000 Central Avenue NE Blaine, MN 5543	May 17, 2012
Centennial HS Football Boosters Lisa Loehr 12317 Opal Street Blaine MN 55449 (651) 230-2124 lisalisabugs@gmail.com	Green Mill 4355 Pheasant Ridge Drive NE Blaine, MN 55449	February 2, 2017
<i>Sgt. John Rice VFW Post 6316</i> Jerry Miller 1946 - 117th Avenue NE Blaine MN 55449 (763) 755-7446	<u>Sgt. John Rice VFW 6316</u> <u>1374 - 109th Avenue NE</u> Blaine MN 55434	June 21, 2007
<i>Spring Lake Park Lions Club</i> Amanda Jackson 8433 Center Drive NE Spring Lake Park MN 55432 (763) 784-9179 amandakins@comcast.net	Sticks & Stones Restaurant 9250 Lincoln Street NE Blaine, MN 55434 Mini Mart #5 9850 Polk Street Blaine, MN 55434 Acapulco Mexican Restaurante 9360 Baltimore Street Blaine, MN 55449 X-Golf 298 Northtown Drive NE Blaine, MN 55434	February 7, 2013 January 22, 2020 March 16, 2020 September 21, 2020
<i>Spring Lake Park District #16 Youth Hockey Association</i> Sarah Clark PO Box 49802 Blaine MN 55449 (763) 587-3771	The Roadside 12540 Ulysses Street NE Blaine MN 55434	October 21, 2019