



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Blaine MN 55449

Legislation Text

File #: WS 19-74, Version: 1

WORKSHOP ITEM - *Joe Huss, Finance Director*

2020 PROPOSED SPECIAL REVENUE FUNDS BUDGET DISCUSSION

As part of the City's comprehensive budget process, staff will present preliminary budgets for two special revenue funds. The funds to be presented are:

Communications Fund

The city's communications fund accounts for revenue received from cable franchise fees paid by cable television customers. The current cable service provider is Comcast. Cable fees are passed through to the North Metro Telecommunications Commission, which is the regulatory body that oversees the cable franchise in our area. The commission is made up of elected officials from each of its seven member cities. The commission adopts an annual budget. Staff anticipates that net franchise fee revenue distributed to Blaine in 2020 will total \$223,000, which represents a \$1,600 increase from 2019's projected final proceeds.

The proposed 2020 communications fund operating budget is \$235,700. Budgeted expenses for the production of the newsletter have been increased by \$17,000 to allow for layout adjustments and other presentation improvements. Expenses for the operation/maintenance of the Legistar® system are based on the contract that was renewed in September 2017. Meltwater, a media monitoring software system, is budgeted at \$11,000. Staffing costs to produce the meetings that the city shows live have been adjusted to more accurately reflect the true cost. The administrative service charge has been increased by \$3,400 to \$93,400, and allocated facility charges total \$600.

Capital equipment purchases totaling \$35,000 are programmed in the 2020 budget. This includes \$15,000 for the acquisition of the 'CivicRec' module for Parks and Recreation information and programming application. Additional technology improvements in the Cloverleaf meeting room are planned at a cost of \$20,000.

The 2020 communications fund budget totals \$270,700, and will result in a fund balance decrease of \$43,200. The fund is expected to end 2020 with a fund balance reserve of just over \$190,000.

Charitable Gambling Fund

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, and Spring Lake Lions Club. 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 proceeds are rebounding quite nicely since 2017. Staff is anticipating that revenue will exceed expectations in 2019. Based on actual receipts to date, a preliminary projection indicates \$150,000 in charitable gambling contributions for 2019, or \$10,000 more than the budget expectations. Staff is comfortable in projecting \$150,000 in gambling proceeds for 2020.

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 2020 budget includes the same funding amounts to the same recipients as the 2019 budget less the \$10,000 grant to the Veterans Memorial, but adding \$2,500 for the Civil Air Patrol. No new requests for funding have been received by staff.

Attached are 2020 budget overviews for the communications and charitable gambling funds that provide more detail on the proposed 2020 programs. The Workshop presentation will provide council with the opportunity to review and comment on the attached proposals and provide direction before the budgets are presented to the council for formal adoption later this year.