



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Text

File #: RES 21-211, **Version:** 1

Administration - *Joe Huss, Finance Director/Asst. City Manager*

Title

Adopt 2022 Charitable Gambling Fund Budget

Executive Summary

Pursuant to requirements to adopt annual budgets for all operating funds, Staff is bringing forward the proposed 2022 Charitable Gambling Fund Budget for Council consideration and adoption.

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 2020 are the Blaine Festival Committee, Blaine Youth Hockey, Centennial HS Football Boosters, VFW - Sgt. John Rice, the SLP #16 Youth Hockey Association, 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.

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.

The city appropriated donations totaling \$100,300 for 2021. A detailed breakdown of each contribution is listed in the proposed budget below. With the rebound of charitable gambling proceeds, the fund is projected to end the year with reserves just over \$200,000. Pursuant to discussion that took place at a previous Council Workshop, with a healthier than expected fund reserve and a more favorable outlook for increased revenues, there is greater opportunity for Council to allocate additional funds to organizations receiving charitable gambling proceeds in 2022.

2022 Proposed Budget

Charitable gambling proceeds have improved significantly compared to the prior year due to more opportunities for charitable gambling and a loosening of pandemic restrictions. Finance is tentatively projecting an increase in proceeds from the budgeted \$99,000 to \$200,000. For 2022, Staff is recommending that Charitable Gambling proceeds be budgeted at \$175,000.

The 2022 Charitable Gambling Fund Budget was previously reviewed at the September 13, 2021 Council Workshop. As updated following that Workshop discussion, the 2022 Charitable Gambling Fund Budget seeks to restore funding to the Alexandra House and Hope for the Community Food Shelf. Both of those organizations were eligible for CARES funding which was used in lieu of charitable gambling funds. The use of CARES funds helped to preserve full funding for the other organizations receiving charitable gambling proceeds in 2021.

With the Charitable Gambling Fund experiencing unprecedented revenue, staff is recommending budgeted donations of \$169,250 in 2022. This includes an increase of \$10,000 (from \$50,000 to \$60,000) in the contribution to Alexandra House; an increase of \$2,650 (from \$9,350 to \$12,000) for the three area food shelves; and an increase of \$2,000 (from \$10,000 to \$12,000) for the three shelter organizations that Council has appropriated donations to over the last several years. Details of the proposed budget appear below and are attached to this item.

	2020	2021	2022
Alexandra House	\$50,000	\$-0-	\$60,000
Salvation Army	\$9,350	\$14,025	\$12,000
Centennial Food Shelf	\$9,350	\$14,025	\$12,000
Hope for the Community	\$9,350	\$-0-	\$12,000
Senior High Schools (3)	\$-0-	\$2,250	\$2,250
SBM Fire (Fireworks)	\$-0-	\$35,000	\$35,000
Blaine Historical Society	\$10,000	\$-0-	\$-0-
Beyond the Yellow Ribbon	\$-0-	\$2,500	\$-0-
Family Promise	\$10,000	\$10,000	\$12,000
Hope for Youth	\$10,000	\$10,000	\$12,000
Stepping Stone	\$10,000	\$10,000	\$12,000
	\$118,050	\$100,300	\$169,250

Council has set the fund reserve target at \$85,000. The proposed budget indicates a fund balance of \$210,000 at the end of 2022. Staff recommends increasing the fund balance target to \$150,000. If legislation were adopted by the State of Minnesota that would limit or end the city's ability to continue to fund this program, this reserve balance would sustain the fund and allow for charitable gambling funds to be distributed for one final year before ending the program.

Strategic Plan Relationship

Adoption of annual budgets contributes to the overall financial stability of the City.

Board/Commission Review

N/A

Financial Impact

The proposed budget, if adopted, allows the Charitable Gambling Fund to provide increased assistance to local charitable organizations while building a larger fund reserve to ensure continuing support for these organizations.

Public Outreach/Input

N/A

Staff Recommendation

Approve the 2022 Charitable Gambling Fund Budget through the adoption of the following resolution.

Attachment List

2022 Proposed Charitable Gambling Fund Budget Summary

WHEREAS, the proposed Charitable Gambling Fund Budget for the fiscal year commencing January 1, 2022 has been prepared by the City Manager; and

WHEREAS, the City Council has examined, studied, and reviewed said proposed Charitable Gambling Fund Budget; and

WHEREAS, the City Council has, after due consideration and deliberation, made such amendments and adjustments in the proposed Charitable Gambling Fund Budget as they consider necessary, desirable, or expedient.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Blaine as follows:

1. That the proposed Budget for the Charitable Gambling Fund attached hereto is approved.
2. That the 2022 appropriations and associated expenditures attached hereto are approved.
3. That the 2022 funding sources identified and attached hereto are approved.

That the City Manager is authorized and directed to implement and to administer, within the budgetary funding limits and within adopted City policy and relevant State and City laws and regulations, said approved Charitable Gambling Fund Budget.

PASSED by the City Council of the City of Blaine this 1st day of November, 2021.