

City of Scottsbluff, Nebraska

Monday, July 15, 2013

Regular Meeting

Item Reports5

Directions and instructions to staff concerning categories of use for KENO funds.

Staff Contact: Rick Kuckahn

MEMORANDUM

TO:	City of Scottsbluff
FROM:	Leslie Shaver, Simmons Olsen Law Firm, P.C., City Attorneys
DATE:	July 11, 2013
RE:	Use of Keno Funds for Community Betterment

The use of keno proceeds are governed by Nebraska Revised Statute §9-629. That statute provides that gross proceeds of any lottery conducted by a city or village are to be used solely for community betterment purposes, awarding of prizes, taxes, and expenses. This memo is only to address what can be considered “community betterment purposes”.

The term “community betterment” is defined in Neb. Rev. St. §9-604(1) as:

- (a) benefiting persons by enhancing their opportunity for educational advancement, by relieving or protecting them from disease, suffering, or distress, by contributing to their physical well-being, by assisting them in establishing themselves as worthy and useful citizens, by providing them with opportunities to contribute to the betterment of the community, or by increasing their comprehension of and devotion to the principles upon which this nation was founded,
- (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures,
- (c) lessening the burdens borne by government or voluntarily supporting augmenting, or supplementing services which government would normally render to the people or
- (d) providing tax relief for the community.

The limitation that is provided in Neb. Rev. St. §9-604(2) is that community betterment purposes are not to include any activity that consists of an attempt to influence legislation or participate in any political campaign on behalf of an elected official or person who is or has been a candidate for public office.

“Community Betterment Purposes” are also addressed in Chapter 35 of the Nebraska Department of Revenue Charitable Gaming Regulations for County and City Lottery (Keno), which includes the same definition as Neb. Rev. St. §9-604(1) above, however, it provides

examples. The examples of community betterment purposes provided in Reg. 35-601 are: contributing to the operation of a school or establishing or contributing to a scholarship fund; purchasing food or clothing for the needy or helping to provide medical care for individuals in need; donations to foster athletic activities; building, improving, or maintaining parks or recreation facilities or to sponsor amateur athletic leagues or programs; providing contributions to training programs designed to provide individuals with job skills or to aid handicapped people in making contributions to the community; cleanup or beautification projects; sponsoring civic events to make individuals more aware of the history of the United States, Nebraska, or other civic institutions; contributing to a county, city, or village building fund or donations to fund parks or recreation areas; paying for housing, food, or medical services for needy or aiding elderly; and funding programs or needs that would normally be paid for by taxes imposed upon the community.

A charitable gaming press kit from the Nebraska Department of Revenue provides examples of how some other communities in Nebraska have used their charitable game proceeds. The City of Lincoln used charitable gaming proceeds on the Antelope Valley Project, the City of Omaha used them on the new TD Ameritrade Park, the City of Gering used them for a drug dog and vehicle, the Village of Ericson purchased a new fire truck, and the City of Kearney is using charitable gaming proceeds to construct a new exit on Interstate 80 for the Great Platte River Road Archway.

KENO ALLOCATION

Previous Allocations/Balance

Trees ~~+1828.21~~

Riverfront ~~3274.01~~

Bike Path ~~22,527.00~~

Signage ~~2706.84~~

ADA ~~10441.06~~

Parks ~~16385.91~~

New Allocation/Balance

Landscaping 10%

Events 15%

Park/Playground Equipment 40%

Signage/Information 5%

ADA 15%

Grant Match 15%

SEE ATTACHED FOR MOST RECENT NUMBERS

		21231 Trees	21247 Riverfront	21249 Bike path	21248 Signage	21259 ADA	21254 Parks	(project #'s)
FY08 keno receipts	42,431.35							
FY08 10% allocation to each		4,243.14	4,243.14	4,243.14	4,243.14	-	-	
FY08 expenditures		(3,685.29)	-	-	-	-	-	
Project balance 9-30-08		557.85	4,243.14	4,243.14	4,243.14	-	-	
FY09 keno receipts	61,031.92							
FY09 10% allocation to each		6,103.19	6,103.19	6,103.19	6,103.19	-	30,515.96	
FY09 expenditures		(4,133.26)	(3,690.00)	-	-	-	(9,000.00)	
Project balance 9-30-09		2,527.78	6,656.33	10,346.33	10,346.33	-	21,515.96	
FY10 keno receipts to 5-31-10	26,742.96							
FY10 keno receipts from 6-1-10 to 9-30-10	11,611.44							
FY10 allocation to each (5-31-10)		2,674.30	2,674.30	2,674.30	2,674.30	-	13,371.48	
FY10 allocation to each (5-31-10/9-30-10)		1,161.14	1,161.14	1,161.14	1,161.14	1,161.14	5,805.72	
FY10 expenditure		(853.72)	(17,659.94)	-	(10,000.00)	-	(8,527.24)	
Project balance 9-30-10		5,509.50	(7,168.17)	14,181.77	4,181.77	1,161.14	32,165.92	
FY11 keno receipts	37,831.11							
FY11 allocation to each		3,783.11	3,783.11	3,783.11	3,783.11	3,783.11	18,915.56	
FY11 grants		12,000.00	12,262.88	-	-	-	-	
FY11 expenditure		(1,421.76)	(4,890.00)	-	-	-	(32,399.03)	
Project balance 9-30-11		19,870.85	3,987.82	17,964.88	7,964.88	4,944.26	18,682.45	
FY12 keno receipts	41,830.35							
FY12 allocation to each		4,183.04	4,183.04	4,183.04	4,183.04	4,183.04	20,915.18	
FY12 grants		-	5,000.00	-	-	-	-	
FY12 expenditure		(23,286.94)	(11,210.61)	(934.68)	(10,754.84)	-	(30,790.32)	
Project balance 9-30-12		766.94	1,960.24	21,213.23	1,393.07	9,127.29	8,807.30	
FY13 keno receipts (to 6-30-13)	46,455.73							
FY13 allocation to each		4,645.57	4,645.57	4,645.57	4,645.57	4,645.57	23,227.87	
FY13 grants		-	-	-	-	-	10,364.59	
FY13 expenditures		(1,375.60)	(3,600.00)	-	(5,570.00)	-	(14,634.09)	
Project balance 1-31-13		4,036.92	3,005.82	25,858.81	468.65	13,772.86	27,765.67	

NOTE:

Cash at 6-30-13 (not closed out) 79,212

Less unpaid allocations:

Trees	(4,037)
Riverfront	(3,006)
Bike path	(25,859)
Signage	(469)
ADA	(13,773)
Parks	(27,766)

Adjusted cash 4,303