TUESDAY, NOVEMBER 24, 2015
AGENDA ITEM NO. I-7

TO: **Mayor and Commissioners**
FROM: **Finance Department**
SUBJECT: **Local Alcoholic Liquor Tax Fund Allocation**

FY 2014 Local Alcoholic Liquor Fund Revenue Received: $55,244.60

ACTIVITY	AMOUNT BUDGETED	ADJUSTED ALLOCATION	VARIATION/ DIFFERENCE
General Fund	$ 16,695.00	$ 18,414.86	$ 1,719.86
City Park Funds	$ 16,695.00	$ 18,414.87	$ 1,719.87
Four County Mental Health	$ 5,009.00	$ 4,173.75	$ (835.25)
Montgomery County Big Brothers Big Sisters	$ 5,009.00	$ 1,155.11	$ (3,853.89)
Coffeyville Boys & Girls Club	$ 0.00	$ 6,543.01	$ 6,543.01
Coffeyville Police Department	$ 6,677.00	$ 6,543.00	$ (134.00)
Subtotal	$ 16,695.00	$ 18,414.87	$ 1,719.87
TOTAL	$ 50,085.00	$ 55,244.60	$ 5,159.60

FY 2015 Local Alcoholic Liquor Fund Revenue Projections **$ 56,412.**

If the FY 2015 funds are allocated under the guidelines similar to those approved the last several years, the distribution of the local alcoholic liquor funds would be as shown below. Of course the Resolution approved by the City Commission on November 24, 2015 will determine the actual distribution of these projected funds for FY 2015.

ACTIVITY	AMOUNT BUDGETED	
1/3 General Fund		
General Fund	$ 18,804.00	
1/3 General Parks & Recreation	$ 18,804.00	
City Park Fund		
Four County Mental Health	$ 6,268.00	33.3%
Montgomery County Big Brothers Big Sisters	$ 6.268.00	33.3%
Coffeyville Police Department	$ 6,268.00	33.4%
	$ 18,804.00	
TOTAL	$ 56,412.00	

The State of Kansas imposes a tax at the rate of 10% upon the gross receipts derived from the sale of alcoholic liquor by any club, caterer, drinking establishment or temporary permit holder. Those funds are remitted to the State of Kansas. Each city that has a population of more than 6,000 receives 70% of the amount collected as Local Alcohol Liquor Funds.

Per state statute, the city shall deposit the full amount in the city treasury and shall credit 1/3 of the deposit to the general fund of the city, 1/3 to a special parks and recreation fund and 1/3 to a special alcohol and drug programs fund.

The City of Coffeyville annually receives requests for distributions from the funds allocated toward the special alcohol and drug programs. In the past, those funds have been allocated between the Coffeyville Police Department, Four County Mental Health, Alcohol and Drug Safety Action Program (ADSAP), Coffeyville Boys & Girls Club and Montgomery County Big Brothers Big Sisters. Last year allocations were made to Four County Mental Health, Coffeyville Boys & Girls Club and the Coffeyville Police Department DARE program. Staff is proposing to make the allocations to the same organizations this year.

City staff is changing this allocation process next year to more closely resemble that of a grant application. The entities requesting the funds will need to provide information about the purpose of their organization, a description of the programs they plan to offer, a detailed budget for the program, and their desired outcome. If the organization has received these funds in the previous year, they will be required to document how the funds were spent and the effectiveness of their prior year program. This gives the commission and staff more information to base the allocations on each year as well establishes a history of how effective the program has been in serving the citizens of Coffeyville.

K.S.A. 79-41a04 states "Moneys in the special alcohol and drug programs fund shall be expended only for the purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers."

Staff recommends approving our FY 2015 allocation as follows:

	FY 2015
Four County Mental Health	33.3%
Coffeyville Boys & Girls Club	33.3%
Coffeyville Police Department	33.4%

Staff will address any questions related to this matter.

Stephanie A. Richardson
Finance Director

RESOLUTION NO. R-15-148

A RESOLUTION PROVIDING FOR THE ALLOCATION OF FY 2015 LOCAL ALCOHOLIC LIQUOR FUNDS TO BE RECEIVED PURSUANT TO THE PROVISIONS OF K.S.A. 79-41A04, AS AMENDED.

WHEREAS, under the provisions of K.S.A. 79-41A04, as amended monies credited by the State Treasurer to the local alcoholic liquor fund shall be allocated to the several cities and counties of the state; and

WHEREAS, K.S.A. 79-41A04, as amended provides three general categories for the distribution of the monies received by the City;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COFFEYVILLE, KANSAS:

SECTION 1. That K.S.A. 79-41A04 (d), provides that upon receipt of the monies distributed under the provisions of K.S.A. 79-41A04, as amended, said funds shall be deposited in the City Treasury and shall be credited as follows: one-third to the General Fund of the City; one-third to a Special Parks and Recreation Fund in the City Treasury; and one-third to a Special Alcohol and Drug Programs Fund in the City Treasury; and

SECTION 2. That in compliance with the provisions of K.S.A. 79-41A04, as amended the City of Coffeyville hereby further provides for the distribution of monies received for the FY 2015 Budget as follows:

			Estimated
(a)	General Fund		
	General Fund		$ 18,804.00
(b)	Special Parks and Recreation Fund		
	City Park Fund		$ 18,804.00
(c)	Special Alcohol and Drug Programs Fund		
	Four County Mental Health (33.3%)	$ 6,268.00	
	Coffeyville Boys and Girls Club (33.3%)	$ 6,268.00	
	Coffeyville Police Department (33.4%)	$ 6,268.00	
			$ 18,804.00
FY 2015 Budget Projection			$ 56,412.00

SECTION 3. That as provided by the Kansas cash basis and budget laws, no expenditures from the fund shall be made except in accordance with the budget of the city and no expenditures or other financial commitment shall be made until monies to be credited to the fund shall be deposited in the City Treasury.

SECTION 4. That all disbursements shall be requested in writing, shall describe the services and programs to be provided in sufficient detail to permit accountability of the use of the public funds involved, and shall be approved in the manner provided for funds of the City.

SECTION 5. Any entity granted funds from the FY 2015 allocation of the City's Local Alcohol Liquor Fund which has not properly accounted for the expenditure of any FY 2014 funds received shall not be awarded any portion of their FY 2015 allocation until appropriate support documentation has been received.

ADOPTED THIS 24TH DAY OF NOVEMBER 2015.

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Christopher V. Williams, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Paul Kritz, City Attorney

Reference Footnote:

(1) If the actual FY 2015 Local Alcoholic Liquor fund revenue is less than the $56,412.00 budget projection, then the allocation to each entity within all three of the general categories shall be reduced proportionately.

(2) If the actual FY 2015 Local Alcoholic Liquor Fund revenue exceeds the $56,412.00 budget projection, then the allocation within each of the three general categories shall be adjusted as follows:

(a) General Fund: Any increase of funds in this category shall be allocated to the City General Fund.

(b) Special Parks and Recreation Fund: Any increase of funds in this category shall be allocated to the City Park Fund.

(c) Special Alcohol and Drug Programs Fund: Any increase of funds in this category shall be allocated as follows:

Four County Mental Health	*33.3%*
Coffeyville Boys and Girls Club	*33.3%*
Coffeyville Police Department	*33.4%*