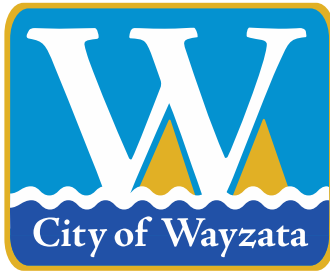


**Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
Tuesday, December 6, 2016**

WORKSHOP TOPICS FOR DISCUSSION:

- | | |
|--|---------|
| 1. Discuss Pull-Tabs (4:15 PM) | Page 2 |
| 2. CenturyLink Fiber Optic Infrastructure (4:45 PM or immediately following) | Page 13 |
| 3. Interviews for Boards & Commissions (5:15 PM or immediately following) | |



City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Mayor:
Ken Willcox

City Council:
Bridget Anderson
Johanna McCarthy
Andrew Mullin
Steven Tyacke

City Manager:
Jeffrey Dahl

DATE: December 1, 2016

TO: The Honorable Mayor and Members of City Council

FROM: Jeffrey Dahl, City Manager

SUBJECT: Charitable Gambling Discussion

Update

Earlier this fall, Council Member Mullin requested adding this item to a future work shop agenda and has questioned whether there is a willingness to explore expanding charitable gambling within the City to assist fundraising efforts for other community organizations, such as the Wayzata Sailing Center.

Background

In April of 2015, City staff presented a report (see attached) to the City Council regarding the current status of charitable gambling within the City and the estimated contribution to the City. Key takeaways from that report are:

- The City allows only one license for pull-tab operations at one location.
- The Wayzata Lions have “the one” license and operate at the Muni.
- Since 1988, the Lions have generated over \$1.8 million (updated as of Oct 16) in donations/net proceeds from charitable gambling.
- Based on a previous agreement, the Lions contribute half of their net proceeds towards the Fire Department’s Relief Association and the rest towards other eligible causes within the community.
- The City has the authority to expand charitable gambling licenses to additional organizations and at other locations and also could charge an administrative fee of up to 10% of annual net proceeds.
- City’s vary widely in how they manage charitable gambling. The applicable state statutes allow for some flexibility.

Ultimately, the Council took no action after last Spring’s discussion.

Recommendation

Staff is looking for discussion and direction on this item.



City of Wayzata

600 Rice Street

Wayzata, MN 55391-1734

Mayor:

Ken Willcox

City Council:

Bridget Anderson

Johanna McCarthy

Andrew Mullin

Steven Tyacke

City Manager:

Heidi Nelson

MEMORANDUM

TO: Mayor and City Council

FROM: Heidi A. Nelson, City Manager
Don Uram, Administrative Services Director

DATE: April 17, 2015

RE: Charitable Gambling

Background

Staff has been asked to review and to provide the City Council with an update on the City's Charitable Gambling Ordinance. City Code Chapter 716 (Gambling) regulates lawful gambling in the City. This ordinance was originally drafted in 1985 and revised in 1988, 1995, and 1996 (attached). The 1988 revision restricted the number of organizations selling pull tabs to one at a single location.

The Lions Club is the organization that has been granted the authority to sell pull tabs in the City. The Lions gambling fund has generated over \$1.6 million in donations since 1988 that they have contributed to various organizations. The Wayzata Fire Relief Association has been the primary benefactor having received over \$743,000. The donation to the Relief Association is in accordance with a 1988 agreement between the Wayzata Lions and the Wayzata Fire Relief that states that the net profits will be divided equally between the two organizations (attached).

State Statute

MN Statutes Chapter 349 governs lawful gambling and gambling devices within the state. Chapter 349.213 Local Authority grants the City the authority to adopt more stringent regulations of lawful gambling within its jurisdiction, including the prohibition. Other items include the authority to:

1. Require a permit for the conduct of gambling exempt from licensing under section [349.166](#).
2. Require by ordinance that an organization(s) must contribute ten percent (10%) per year of their net profits derived from lawful gambling conducted within the City to a fund administered and regulated by the City. The funds must be disbursed by the City:
 - a. charitable contributions as defined in section 349.12, subdivision 7a (summary attached), or
 - b. police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations.

3. Require by ordinance that an organization conducting lawful gambling within the City expend all or a portion of its expenditures within the City's trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.
4. Impose a local gambling tax on each licensed organization when there are one or more within the City to cover the costs incurred to regulate lawful gambling. This tax may not exceed three percent (3%) per year of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization.

City Comparison

For comparison purposes, Staff reviewed the ordinances of the cities of Plymouth, Golden Valley, Maple Grove, and Eden Prairie. Following is a matrix outlining the requirements for each of the cities.

	Plymouth	Golden Valley	Maple Grove	Eden Prairie
Limit on Permits	No (4 issued)	No (3 issued)	No (4 issued)	Yes – 4 plus 1 for each 10,000 pop. above 40,000 (0 issued)
10% Contribution	Yes	Yes	Yes	Yes
Trade Area	75%		50%	30%
Gambling Tax			0.5%	1%

Council Action

Two items the Council may want to consider in regards to the Gambling ordinance is the limitation on the number of organizations that can sell pull tabs and whether to require a 10% City contribution.

Historically, the American Legion has expressed an interest in offering pull tabs at their location. A recent conversation with Bill Stein confirmed that they are still interested in the possibility if the Council supports a change to the ordinance.

According to the Lions Club audit for FY 2014, Income before Lawful Purpose Expenditures (net profits) totaled \$95,904 in 2014 and \$90,759 in 2013. Requiring a 10% contribution to a City fund would have reduced the amounts available for other Lawful Purpose Expenditures (donations) by \$9,590 and \$9,075 respectively. Since the Lions donate 50% of the available proceeds to the Relief Association, the amount they receive from the Lions would be reduced proportionally. Although the amount available for the Relief Association would be reduced, the 10% contribution would become a new source of revenues that could be used to pay for other items that meet the “lawful purpose” definition.

Staff Recommendation

Council discussion and direction.

CHAPTER 716

GAMBLING

716.01. Purpose. The purpose of this Chapter is to regulate and control the conduct of lawful gambling within the City.

(Ord. 436 [3-5-1985]; Ord. 579 [12-5-1995])

716.02. Definitions. The words and terms used in this Chapter shall have the meanings given them by Minn. Stat. §349.12 (1984) .

- a. “Eligible organization” shall mean any fraternal, religious, veterans or other non-profit organization which has been in existence for at least three (3) years and which has at least fifteen (15) active members.

(Ord. 436 [3-5-1985])

716.03. Prohibition. No lawful gambling shall be conducted within the City unless specifically authorized by this Chapter.

(Ord. 436 [3-5-1985])

716.04. Permitted Gambling. The following forms of lawful gambling are hereby permitted in accordance with Minn. Stat. Chapter 349, and Minnesota Rules, as such statutes and rules may be amended from time to time:

- a. Bingo may be conducted by an organization if it has obtained a license to conduct bingo from the Minnesota Charitable Gambling Control Board and conducts such bingo in compliance with Minn. Stat. §349.214, Subd. 1 (1984).
- b. Bingo may be conducted by an eligible organization without a license if such conduct is exempt from licensing in accordance with Minn. Stat. §349.214, Subd. 1 (1984).
- c. Raffles may be conducted by an eligible organization in accordance with rules of the Minnesota Charitable Gambling Control Board, provided that no such organization shall conduct more than four raffles per year.

(Ord. 443 [9-3-1985])

- d. (1) The sale of pull tabs may be conducted by an organization if it has obtained a license to conduct the sale of pull tabs from the Minnesota Charitable Gambling Control Board and conducts such sale in compliance with Minn. Stat. Chapter 349 and Minnesota Rules 1987, Section 7860.0010 to 7860.0310 and any subsequent amendments thereto.

(2) Only one organization may conduct the sale of pull tabs and only at one location as approved by the City Council.

(3) An organization licensed by the Minnesota Charitable Gambling Control Board to conduct the sale of pull tabs shall file with the City Manager a duplicate copy of monthly reports required by Minnesota Rules, 1987, 7860.0120.

(Ord. 507 [6-7-1988])

e. An organization may apply for an Exempt permit to conduct a one-day pull tab occasion not more than once per calendar year subject to approval by the City Council and in compliance with Minn. Stat. Chapter 349, and Minnesota Rules. The organization shall file with the City Manager a duplicate copy of reports required by Minnesota Rules. ***[This Section 716.04.e. expires on 1-10-1996.]***

(Ord. 579 [12-5-1995])

f. Paddlewheel activity may be conducted by an eligible organization using a portable-type paddlewheel, without a table, awarding merchandise for prizes in accordance with Minn. Stat. Chapter 349 and Minnesota Rules.

(Ord. 586 [11-13-1996])

(7-21-81 Code; Ord. 436 [3-5-1985]; Ord. 443 [9-3-1985]; Ord. 507 [6-7-1988]; Ord. 579 [12-5-1995]; Ord. 586 [11-13-1996])

ORDINANCE NO. 507

ORDINANCE AMENDING CHAPTER 716 OF THE
CITY CODE REGULATING GAMBLING

THE CITY OF WAYZATA ORDAINS:

Section 1. The Wayzata City Code, Chapter 716, is hereby amended to add the following new subsection under Section 716.04, Permitted Gambling:

"d.(1) The sale of pull tabs may be conducted by an organization if it has obtained a license to conduct the sale of pull tabs from the Minnesota Charitable Gambling Control Board and conducts such sale in compliance with Minnesota Statutes, Chapter 349 and Minnesota Rules 1987, Section 7860.0010 to 7860.0310 and any subsequent amendments thereto.

d.(2) Only one organization may conduct the sale of pull tabs and only at one location as approved by the City Council.

d.(3) An organization licensed by the Minnesota Charitable Gambling Control Board to conduct the sale of pull tabs shall file with the City Manager a duplicate copy of monthly reports required by Minnesota Rules, 1987, 7860.0120.

Section 2. This Ordinance shall become effective upon its passage and publication.

Adopted by the Wayzata City Council this 7th day of
June, 1988.

ATTEST:


City Manager


Mayor

Subd. 7a.Charitable contribution.

"Charitable contribution" means one or more of the lawful purposes expenditures under [subdivision 25](#), paragraph (a), clauses (1) to (7), (10) to (15), and (19).

Subd. 25.Lawful purpose.

(a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section [349.154](#), which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section [349.154, subdivision 3a](#);

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section [115.06, subdivision 4](#), and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections [84.83](#) and [84.927](#), and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

DORSEY & WHITNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

315 FIRST NATIONAL BANK BUILDING
WAYZATA, MINNESOTA 55391
(612) 475-0373

2200 FIRST BANK PLACE EAST
MINNEAPOLIS, MINNESOTA 55402
(612) 340-2600

510 NORTH CENTRAL LIFE TOWER
445 MINNESOTA STREET
ST. PAUL, MINNESOTA 55101
(612) 227-8017

340 FIRST NATIONAL BANK BUILDING
P. O. BOX 848
ROCHESTER, MINNESOTA 55903
(507) 288-3156

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NEW YORK, NEW YORK 10022
(212) 415-9200

201 DAVIDSON BUILDING
8 THIRD STREET NORTH
GREAT FALLS, MONTANA 59401
(406) 727-0610

1200 FIRST INTERNATIONAL CENTER
401 NORTH OIL STREET
P. O. BOX 7100
BILLINGS, MONTANA 59101
(406) 252-0800

30 RUE LA BOÉTIE
75008 PARIS, FRANCE
011-33 (1) 40-59-10-00
011-33 (1) 40-59-12-00

May 25, 1988

Wayzata Lions
c/o Mr. Bill Nelson, President
1869 Zanzibar Lane
Plymouth, MN 55447

Re: Charitable Gambling Agreement

Dear Bill:

Enclosed are two copies of the revised agreement between the Wayzata Lions and the Wayzata Fire Relief Association. These should both be executed; one copy should be retained by the Wayzata Lions and one should be retained by the Wayzata Fire Relief Association.

Very truly yours,

Bob

Robert A. Burns
RB

RAB:sms
Encl.

AGREEMENT

THIS AGREEMENT made and entered into this 24th day of May, 1988, by and between the WAYZATA LIONS and the WAYZATA FIRE RELIEF ASSOCIATION;

WITNESSETH THAT:

WHEREAS, the WAYZATA LIONS have applied for a license from the State of Minnesota to conduct charitable gambling activities pursuant to Chapter 349 of Minnesota Statutes (1986); and

WHEREAS, the City of Wayzata will allow the WAYZATA LIONS to sell pull tabs at the Port O' Call in the City of Wayzata, provided that the net profits from such sale are divided equally between the WAYZATA LIONS and the WAYZATA FIRE RELIEF ASSOCIATION; and

WHEREAS, the WAYZATA LIONS and the WAYZATA FIRE RELIEF ASSOCIATION desire to enter into this Agreement to provide for the equal division of the net profits from such charitable gambling activities between them.

NOW, THEREFORE, in consideration of the premises, the parties do hereby agree as follows:

1. This Agreement governs only the sale of pull tabs by the WAYZATA LIONS at the Port O' Call, 810 Superior Boulevard, Wayzata, Minnesota (the "Gambling Activity").
2. The WAYZATA LIONS will have exclusive control over and responsibility for the Gambling Activity and will comply with all state and local laws and regulations with respect thereto.
3. The net profits from the Gambling Activity will be divided equally between the WAYZATA LIONS and the WAYZATA FIRE RELIEF ASSOCIATION. "Net profits" shall mean gross proceeds from the conduct of the Gambling Activity, less all costs and expenses incurred with respect to the Gambling Activity, including, but not limited to, license fees, equipment costs, expenses incurred in the preparation of records and reports, cost of supplies, rent, compensation and taxes.
4. The WAYZATA FIRE RELIEF ASSOCIATION will use the net profits received by it for "lawful purposes" as defined in Section 349.12(11) of Minnesota Statutes (1986).

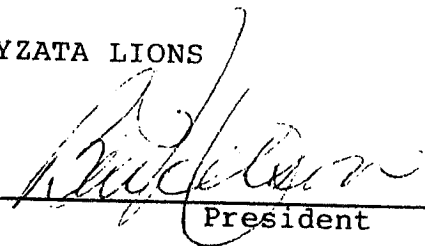
5. The parties will establish a Gambling Committee to oversee the Gambling Activity. The Gambling Committee will consist of the gambling manager (as defined in Section 349.12(14) of Minnesota Statutes (1986)), two persons appointed by the President of the WAYZATA LIONS and two persons appointed by the President of the WAYZATA FIRE RELIEF ASSOCIATION.

6. The WAYZATA LIONS is under no obligation to conduct the Gambling Activity for any specified period of time. This Agreement is intended solely to provide for the division of net profits received by the WAYZATA LIONS during the period of time it does conduct the Gambling Activity.

IN WITNESS WHEREOF, the parties have signed this agreement as of the date written in the introductory paragraph.

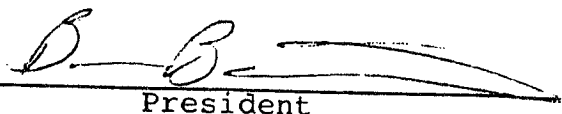
WAYZATA LIONS

By


President

WAYZATA FIRE RELIEF ASSOCIATION

By


President

CenturyLink®

Minnesota



December 6, 2016



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CenturyLink History



- Founded in 1930
- Founder received rural communications property as wedding gift and built the company via acquisition
- CenturyLink has had only 3 CEOs in 70 years and highest shareholder return of any telecom service provider since AT&T divestiture (1984)
- Glen Post has been CEO since 1992
- \$18.1B in revenue with growth focus on B2B wireline telecom and IT services
- Focused investment on helping businesses utilize cloud technologies



CenturyLink Presence

58

Global

World-Class Data Operations

550,000

Fiber Route Miles of

Global Network

2,000

Personnel

Global DevOps & Apps Team

98%

of Fortune 500

1,000,000

homes passed with Fiber

20%

of the world's internet traffic

4,000 IT Professionals

in the U.S.

300+ Service Desk Resources

500+ Compute Specialist, 200+ Storage Specialists, 200+ IT Architects

3rd

largest telecomm
company

43%

of global foreign exchange transactions daily

8

consecutive years as
a leader or visionary
in Gartner Magic
Quadrants

33,000 business
and government
clients

Manage websites for
the world's **top**
brands



CenturyLink Minnesota – as of July 2016

950,000

Minnesota
Customer Lines

\$6 Billion

Minnesota
Network Investment

2,800

Minnesota
Employees

\$190

Million

Minnesota annual
wages and benefits.

11,000

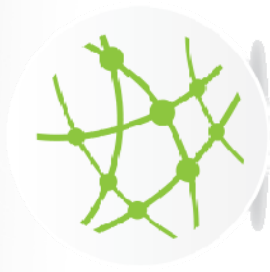
PRISM Subscribers

380,000

Minnesota
Fiber Enabled Living Units

\$300 Million

Connect America Funding



CenturyLink

Experience in the communities.

24/7 monitoring and response.

Measured Performance Metrics.

Coordination with 911.

Employees living and working in the communities.

Communications Workers of America

• Qualifications

- Technical support: 24/7
- Account Billing and Account Support: 8:00 am to 5:00 pm M-F
- Residential Upgrade Contact Center: 8-10 CST M-F, 8-8 CST Sat.
- Seven days a week repair personnel
- Six days a week new order installs personnel
- Normal scheduled personnel daily; 7:30 am to 5:00 pm.
- Standard repair service within 24-48 hours, new installation requests within 3-5 working days- weekends not included.
- After hours call outs for emergencies.
- We currently meet our service and new installation standards on a consistent basis
- CenturyLink consistently performs at or above industry standards with regard to service availability



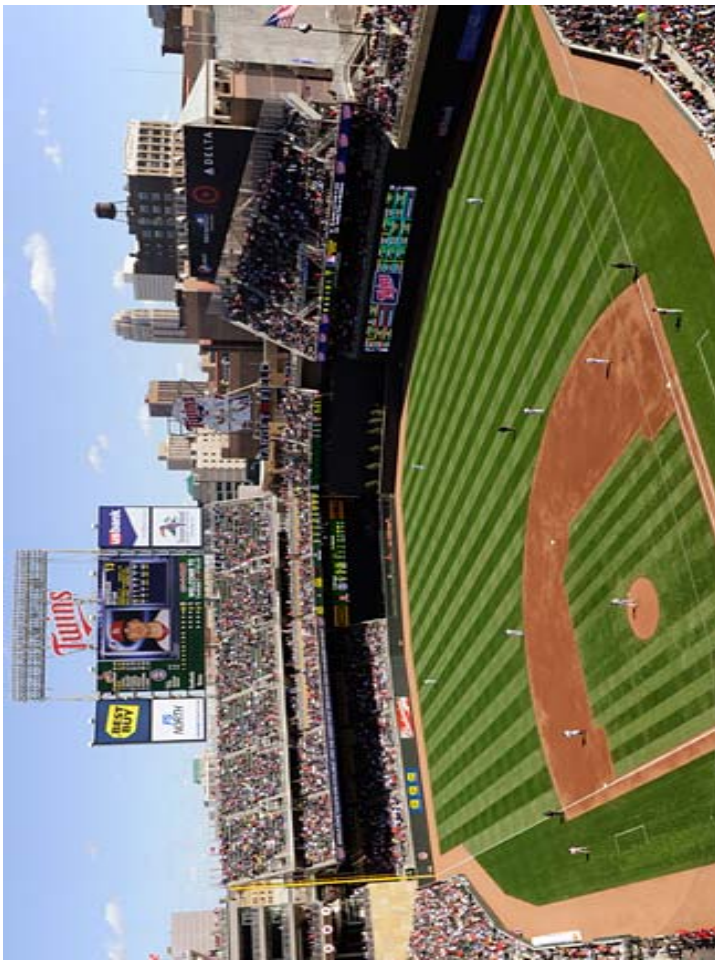
CenturyLink®

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Use Case – Target Field

CenturyLink was the primary IT Infrastructure and Telephony provider for the build-out of Target Field providing:

- **650 IP telephones**
- **700 IPTVs**
- **170 IP video security cameras**
- **150 PC workstations**
- **70 printers**
- **220 wireless access points**
- **200 server ports**
- **300 media connections**
- **500 IP point of sale terminals**

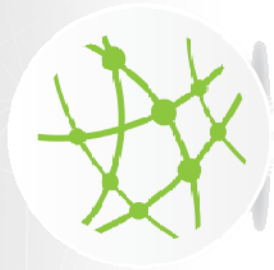


Use Case – US Bank Stadium

CenturyLink currently the lead IT Infrastructure and Telephony provider for the build-out of new stadium for the Minnesota Vikings providing:

- 2000 IPTVs
- 1300 WAPs
- 470 IP Point of Sale connections
- 450 AV Sound connections
- 400 IP Cameras (security)
- 1200 standard data connections





Centurylink is currently working one of its first Fiber to the Home projects in Wayzata. Once completed this project will provide 1Gig services to 134 living units in the City of Wayzata.

We are currently evaluating opportunities to expand our Fiber to the Home footprint in the remaining areas of Wayzata.



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http://www.clearfieldconnection.com/products/cabinets/pon-cabinets.html

FieldSmart Fiber Scalability ... x

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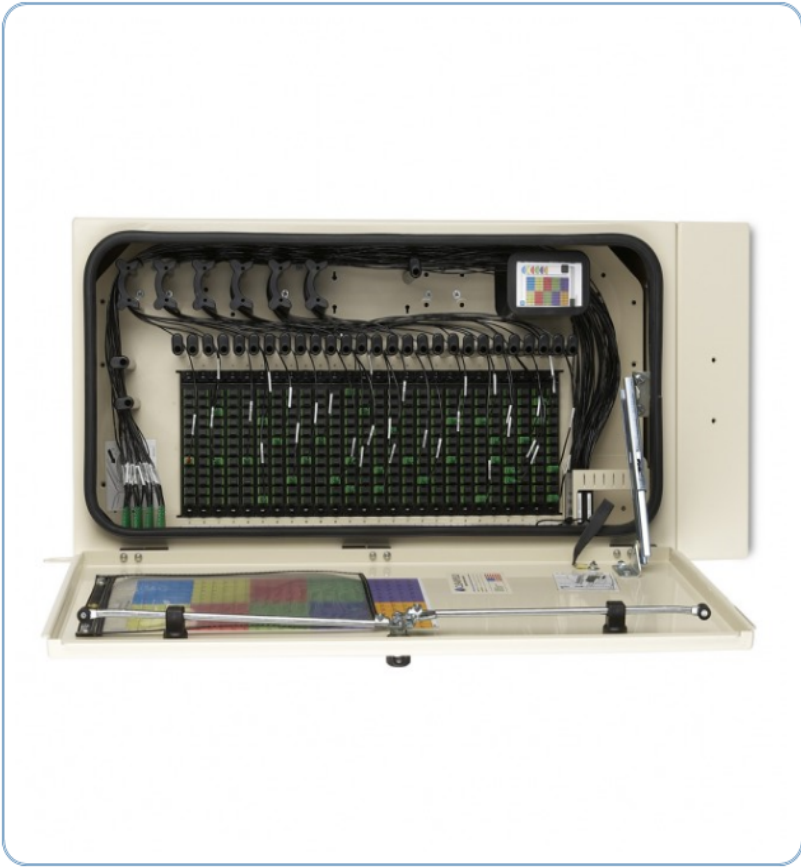
CTLA... Fire... Docu... Nort... CAF ... MN C... MDU ... Sha... JRM ... Voic... PJA's Asse... Ctr... CMC...

Products

Products Cabinets

FieldSmart Fiber Scalability Center (FSC) PON Cabinets - 288, 432, 576 and 1152 Port

FieldSmart Fiber Scalability Center (FSC) PON Cabinets - 288, 432, 576 and 1152 Port



Product Information

Data Sheets

- FieldSmart FSC 288, 432, 576 or 1152 PON Cabinets
- FSC Cable Protection Boot
- Clearfield Cabinet and Vault Options

Videos

- FieldSmart FSC Cabinets Demonstration Video

Installation Manuals

- FieldSmart Fiber Scalability Center (FSC) Installation Manual

Related Products

- Clearview Blue
- Clearview Classic
- WaveSmart Ruggedized Splitters

Applications

The FieldSmart FSC PON Cabinets provide an interconnect environment from the feeder network through the optical passive splitter to the distribution network in an FTTH PON OSP cabinet. The four different cabinet sizes provide scalability from 12 ports to 1,152 ports. Designed for the outside plant.

Technical Specifications

FieldSmart FSC PON Cabinets		288-Port	432-Port	576-Port
Dimensions (<i>Without Riser</i>)		32" H x 16.78" W x 16.9" D	36.67" H x 21.17" W x 16.9" D	32" H x 33" W x 16.9" D
Weight		54 lbs	66 lbs	86 lbs
Port Density		288	432	576
Mounting Options		Vault mount; pole mount; pad mount	Vault mount; pole mount; pad mount	Vault mount; pad mount
Standard Riser Base		4" (6 lbs)	4" (6 lbs)	4" (8 lbs)
Material		0.125 aluminum with almond powder coating		





CenturyLink Key Personnel



Aaron Krebs
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