



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council
FROM: Jasper Kruggel, City Administrator
SUBJECT: Donation Request Update
DATE: For the City Council Meeting of Monday, March 18, 2019

PURPOSE/ACTION REQUESTED

Consider additional donation requests from the Le Sueur Housing and Redevelopment Authority.

SUMMARY

On February 25, 2019, City Council awarded the following donations to entities in the community. Staff received a donation request from the Le Sueur Housing and Redevelopment Authority by the deadline, but the application was in processing at the time of the packet due to a physical copy being received. It is the opinion of the City Administrator that this donation request met the deadline and should be considered.

The donation request from the Le Sueur Housing and Redevelopment Authority has been attached for consideration.

As a note, the City Council awarded the following donations and allocated a total of \$20,000 for this exercise.

1. Le Sueur Chamber of Commerce - \$10,000
2. Le Sueur Little League "Youth Baseball" - \$750
3. Small Business Development Center – South Central Region - \$1,500
4. Bulldog Youth Hockey Mite Jamboree - \$3,346.50

Total Awarded - \$15,596.50
Total Remaining - \$4,403.50

Also, Dr. Marlene Johnson has reached out and inquired about the possibility of the School District requesting funds to help repair the tennis courts. Their request is for \$2,500, and a memo has been attached.

If City Council chooses to approve both of these requests, there will be a balance of \$403.50 left in the donation fund. It is the recommendation to award the remaining \$403.50 to the School District to close out the fund and assist with repairing this publicly availability facility.

PURPOSE/ACTION REQUESTED

Staff is recommending the approval of the request from the HRA totaling \$1,500 and also the request from the School District totaling \$2,500 plus the remaining \$403.50 in the donation fund. Also, staff is recommending formally closing all donation requests for 2019.



CITY OF LE SUEUR DONATION APPLICATION

Applications shall be reviewed based on merit each year in accordance with the guidelines established within the City of Le Sueur Donation Policy and those set forth in state statute regarding public expenditures.

Organizations requesting donations may be required to submit recent bank statements, financial statements, and/or documentation of non-profit status along with donation application such as IRS Form 990 and IRS Form 1023. Organizations making a subsequent request, may be required to submit receipts as well.

Please attach a separate sheet if additional space is required to complete your application.

AMOUNT OF REQUEST: \$ 1500.00

Organization Name: Le Sueur Housing and Redevelopment Authority

Address: 220 Risedorph Street

City: Le Sueur State: MN Zip: 56058

Contact Name: Monica Muchow Phone: 507.665.3932

Email: lesueurhra@gmail.com

Organization Information:

Number or Members: _____ Le Sueur Residents: _____ Membership Fee: _____

Geographic Area Served: Le Sueur & Surrounding Area Date Formed: 1968

Organization Type (501c3, 501c4, 501c6, 501c19, etc.) (See Attached) Registration Number: _____

Outline the mission, purpose, and objectives of your organization:
We are a low rent public housing agency that has 48 apartments. We host the senior nutrition program that provides a noon meal Monday - Friday at a low cost. This helps those people who are at risk receive a nutritious meal. Some of the tenants choose to eat in the dining room, while others elect to have their meals delivered to their homes.

List the purpose for which the current donation would be used, if approved. Give complete details including administrative purposes (i.e. project or event description, period, and community benefits relative to the City of Le Sueur).

The donation will help support the senior nutrition program by providing the option to lower the cost of the meals for the elderly, near-elderly, handicapped and disabled and low income people. The funds collected will supplement the recommended fee - allowing all diners to pay only \$3.00/meal. This program is also utilized by several members of the community outside of the Hillside Court.

Other sources of revenue (include all amounts that have been or will be received for the fiscal year— other donations, grants/subsidies, private funding, etc.).

Le Sueur United Fund - \$2,000

Do you currently receive other gratuities from the city (i.e. facility subsidization, tax reductions, fee waiver or reduction, photocopying, administrative support, etc.)?

Late fee waiver for utilities given our non-profit status.

Have you received any donations from the City of Le Sueur in the past? Yes No

If so: Amount Requested: \$2000 Amount Approved: \$2000 Year(s): 2018

Signature of Authorized Official(s):

Maria Luchaw, Executive Director

Name & Position

February 20, 2019

Date

Name & Position

Date

For Office Use Only

Approval Status: Approved Denied

Amount: \$

Date:

Public Purpose Criteria Met:

Note: Personal information contained on this form as submitted to the City of Le Sueur may be public data subject to the Minnesota Data Practices Act and/or may be disclosed to third parties, and will be used for the purpose of determining eligibility for donations. Questions about this collection should be directed to the City Clerk: 203 South 2nd St., Le Sueur, MN 56058

Anderson Law Office

108 SOUTH MAIN STREET
LE SUEUR, MINNESOTA 56058-1909
TELEPHONE (507) 665-3349

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ARTHUR E. ANDERSON
JAMES E. ANDERSON
JOHN M. SKUBITZ

January 8, 2002

Le Sueur Housing and
Redevelopment Authority
Attn: Kathy Johannsen
220 Risedorph Street
Le Sueur, MN 56058

Re: Tax Exemption

Dear Ms. Johannsen:

You have requested that I provide you with information concerning the taxability of income received by the Le Sueur Housing and Redevelopment Authority and also the deductibility of donations made to such Authority. Apparently, a question has arisen as to whether or not the Le Sueur Housing and Redevelopment Authority is a 501 (c) (3) entity or otherwise is exempt from the payment of federal and state income tax as a result of complying with other provisions of the Internal Revenue Code and similar provisions regulating state income tax.

The Le Sueur Housing and Redevelopment Authority is a public body, corporate and politic, and is a Political Subdivision of the State of Minnesota and was created by appropriate action of the City of Le Sueur. Political Subdivisions are exempt from the payment of federal and state income tax by virtue of Section 115 of the Internal Revenue Code, which states that gross income does not include income derived from essential governmental functions accruing to any State or any Political Subdivision thereof. The Le Sueur Housing and Redevelopment Authority, therefore, acts in the same way as the State of Minnesota and the City of Le Sueur in that revenues received are exempt from the payment of federal and state income tax. The Le Sueur Housing and Redevelopment Authority does not obtain its exemption under 501 (c) (3) of the Internal Revenue Code but rather from Section 115 as above set forth.

Donations made to the Le Sueur Housing and Redevelopment Authority would also qualify as charitable donations under Section 170 (c) (1) if the gifts or donation is made exclusively for public purposes. This provision is similar to Section 170 (c) (2) of the Internal Revenue Code, which defines a qualified charitable contribution to a 501 (c) (3)

January 8, 2002

corporation. Again, contributions to the Le Sueur Housing and Redevelopment Authority would be similar to a contribution to the State of Minnesota or the City of Le Sueur and be fully tax deductible as a qualified charitable contribution.

Summary: The provisions that exempt political subdivisions from the payment of income taxes and the provisions that allow donations and contributions to Political Subdivisions to be deductible for income tax purposes are similar to the same provisions that exempted the payment of income tax by 501 (c) (3) corporations and the deductibility of contributions to 501 (c) (3) corporations.

If you are in need of any further information, don't hesitate to contact me.

Yours very truly,

ANDERSON LAW OFFICE


By: James E. Anderson

JEA/jg



Le Sueur-Henderson Public Schools

Independent School District 2397

Le Sueur-Henderson Middle/High School

901 Ferry St.

Le Sueur, MN 56058

Phone: (507) 665-5800 □ www.isd2397.org □ Fax: (507) 665-6012

March 14, 2019

Dear City Council Members,

As you may have heard, our tennis courts are in need of repair. The cost of the repair is about \$6,000 for this summer in order to make it a safe place for our students and community members to play safely.

I am wondering if the Council would consider helping with this process in order to assist with keeping our courts a positive and safe part of our community. I am requesting the support of \$2,500 from the city to assist with this spring project. The District truly appreciates the opportunity to bring this request to the Council.

Thank you for taking the request under consideration.

Sincerely,

Dr. Marlene M. Johnson

Superintendent of Schools