

# Casino Funding Policy

Adopted  
5/15/2023



## **City of Cape Girardeau, Missouri Casino Funding Policy**

### **Purpose:**

The purpose of this policy is to define the use of the casino revenue received by the City. This policy modifies and replaces the Casino funding Policy adopted by the City Council on October 1, 2012, which the city utilizes for the expenditures of casino revenue.

### **Transparency and Accountability:**

As with any fiduciary responsibility of the City, the importance of transparency and accountability is vital to the confidence of the citizens in the use of these funds.

The Casino Fund is established as a special revenue fund and is reported on to the City Council. As with all special revenue funds, staff will estimate revenues available for each upcoming year and will track revenues and expenditures to stay within that budget. All revenues do not have to be spent within each fiscal year and can be carried over for the next year's budgeting process. Fund balances can be accrued to pay for specific larger projects, but shall not be used for continuing operational expenses. The Casino Fund shall be split into three funding categories:

- Casino Obligation
- Legacy/Endowment
- Capital Improvement, Innovation, Priorities

Separate accounts shall be maintained for each category. Unspent revenues in each category will be carried forward as available revenues for in the following year.

### **Process:**

The planning for expenditure of the casino funds shall be through the normal CIP and Operating Budget process. Input for the use of Casino revenues will thus be taken during the normal hearings for these processes and those priorities measured against other priorities in the City.

**Funding Categories:**

Casino Obligation - "as promised" 10 -15%

Regional Economic Development 3%  
(Adjacent Community Fund)

Riverfront 8% approx.  
70% of total revenues to be used  
for capital improvements in the  
downtown area

Legacy/Endowment

The balance of this funding category as of the date of the adoption of this funding modification is to remain as an endowment.

Capital Improvement, Innovation, Priorities 90-85%

- Revenues to be used for projects selected by the City Council from the City's CIP budget; will include the funding for design and construction.
- Revenues to be used to support one-time costs for innovation purchases that will save operating budget into the future.
- Revenues to be used for one-time departmental priorities and other City priorities as determined by Council.

## Funding Category Descriptions:

- Casino Obligation:
  - Regional Economic Development: (adjacent Community): This is money off the top, three percent that would be used for regional projects that would benefit surrounding communities. The City Council would decide on the projects that could be submitted by the surrounding communities or organizations. It is not required that the full amount be spent each year, but if not, it will be carried over in anticipation of a larger or more desirable project.
  - Riverfront Fund: This fund will account for revenues allocated to the Riverfront category. Available revenues are comprised of the extra revenues given to the City by the casino and the matching funds provided to the fund out of the City's Casino Fund. This fund is restricted to projects and operations in the downtown river front area, essentially in the Old Town Cape area, or as may be designated by the City. The fund is restricted in that no more than 30 percent of the funds each year can be spent for operations in the downtown area, i.e. Old Town Cape operations.
- Legacy/Endowment: Revenues that have been allocated to this category will be invested to gain the most interest to accumulate balances to be used in future years when the City could use the interest. Additional principal funding from the casino revenue is suspended until further funding is determined by Council. After sufficient principal is reached the City Council may appropriate expenditures from the earned interest.
- Capital Improvement, Innovation, Priorities: Revenues allocated to this category would be used for projects in the City's Capital Improvements Program (CIP). The City would use the existing CIP process to prioritize and identify which projects are funded. In addition, these funds will be available for innovative initiatives that shall be evaluated on a cost-benefit rational by staff and recommended to the City Council for approval. These revenues will also be used for departmental priorities for one-time expenditures as identified through the budgeting process.