

Cleveland Casino
Revenues Funds
Protocol for Expenditures

Background

Pursuant to Ordinance No. 1477-11, passed October 17, 2011, the Administration and City Council established that 15% of Cleveland Casino Revenues received by the City of Cleveland would be allocated to City Council. This ordinance also mentions that the Cleveland Casino Revenues received by the City be deposited into the City's general fund and that 15% shall be allocated for use by City Council.

The Department of Finance has established 17 separate line items for the purpose of tracking the balance of funds for each member of council. (Please note that the funds are a multi-year encumbrance, ***i.e. there is no time limit for expenditure of the funds,*** nor is there a cap on individual expenditures made from the ward fund (other than the amount available in the ward fund).

The Clerk of Council or her designee will receive a monthly report from the Department of Finance showing all expenditures from the Cleveland Casino Revenues Fund ("Casino Revenues"). The Clerk or her designee upon request will distribute this report to all members of Council.

It is incumbent on all members of Council to utilize and expend these funds appropriately **for identifiable public purposes**, i.e. purposes that will benefit the health, safety, or welfare of Cleveland neighborhood residents.

Since the Casino Revenues are placed into the City's general fund, these funds become subject to all restrictions found in the Ohio Constitution, Ohio Revised Code, common law, the City Charter, and Codified and Non-codified Ordinances.

Eligible Uses of Casino Revenues

The Casino Revenues may be used for the following purposes:

1. Constructing, renovating, and rehabilitating streets, sidewalks, and public parking lots.
2. Constructing, renovating, and rehabilitating parks, playgrounds, and other recreational facilities (public facilities).
3. Purposes that are consistent with a proper public purpose benefitting the general health, safety, or welfare of City residents.
4. Purposes that are consistent with economic development activity that leads to new job creation.
5. Program recreational activities and services.

For such projects to be eligible for funding there must be a clear public purpose that will have a direct benefit to the City of Cleveland and neighborhood that is being served.

Projects with Eligible Public Purposes

Eligibility & Completion of Project Proposal Packages

1. Projects whose activities come under this category include those that can be carried out by third party nonprofit agencies. For such projects to be considered eligible, they must have a clear public purpose that will have direct benefit to the neighborhood and city.
2. Council members who express an intent to fund an agency in order to support a program or project must follow these specific steps:
 - Provide the intent in writing to provide funding for a particular project that is being done by an agency or organization and submit it to the City Council Policy & Research staff.
 - The agency and/or organization must complete a short form proposal, containing a detailed scope of work, benchmark activities, time of performance, and method of payment.
 - The short form proposal (attached) will include a budget section to denote sources and uses of funds that the agency needs to complete the project.
 - Once the agency completes that short form proposal for funding, the document must be submitted to the Council Policy and Research Staff who will then review the document to make sure it is properly completed before undergoing further review by the Law Department and the Department of Community Development or other appropriate department.
 - A member from the Council Policy and Research staff will work in concert with an attorney from the Law Department and the appropriate City Department to review the proposal for proposed use of funds and determine eligibility.
 - If the proposal for proposed use of Casino Revenues upon review is found to be eligible, the attorney and designated reviewer from the appropriate department will initial and date the cover page of the proposal document showing that the proposal has been approved.
 - Council staff will then prepare the necessary legislation for introduction and passage at the next City Council meeting.
 - The Council staff will submit to the appropriate department the legislation, proposal and a copy of the signed authorization form from the respective Council member authorizing the funding for this project.

- The Council member who is providing funding to the organization or agency providing the program or project shall sign an authorization form, which shall be submitted to the Finance Department for an assigned project number.
- The Council staff will work with the appropriate department to ensure that the necessary contract is drafted and completed.

Contract Terms (Generally)

1. Funding must be for expenditures for public purposes that have been incurred during the contract term. **Expenditures incurred prior to the contract term are not eligible for reimbursement (i.e., no retroactive contracts).**
2. New contracts will be needed with the non-profit organizations to utilize the Casino Revenues for a specific set of measurable results; Casino Revenues cannot be comingled with federal (CDBG) funds for the same project.
3. Agency contracts can only be with those agencies that have the following:
 - Incorporated as a nonprofit under the laws of the State of Ohio;
 - A current Statement of Continued Existence with the Secretary of State and Certificate of Good Standing;
 - 501 c (3) status with the U.S. Department of Treasury.
4. ***Contracts cannot be less than \$5,000 for program services. For any contractual services that are being provided, at least three (3) written price quotes must be provided as part of the package, with the lowest and best price chosen.***
5. Grant payment will be on a reimbursement basis only. Copies of complete written receipts and canceled checks must be provided in all cases of disbursement and must be submitted within 30 days of each expenditure. Cash expenditures are ineligible and will not be reimbursed.
6. Each agency, organization, or contractor will be required to establish a reporting system for performance, which includes the number of service units delivered monthly and year-to-date; and demographic information on all persons served, if applicable.
7. The term for a contract shall not exceed a 12-month period. The contract may, however, be amended for a period of up to an additional 12 months. If funds are under contract are not completely expended at the time performance is complete, the contract will be decertified and any funds remaining will be returned to the ward account balance.
8. Total contract costs can include the direct costs for the activity only. Allowable costs include the following items:

- Compensation of employees
 - Costs of materials and supplies acquired, consumed, or expended specifically for the purpose of the contract
 - Other items of expense incurred specifically to carry out the contract.
9. Casino Revenues may not be used for the payment of back taxes, bad debts, city code violations, or any political activities or other activities that further the election or defeat of any candidate for public office.
 10. Each agency, organization, or contractor will be required to establish and maintain a standard accounting system and effective financial controls as specified in the terms and conditions of the contract and they must conform to the Generally Accepted Accounting Principles and the City of Cleveland Audit standards.
 11. The City must reserve the right to review all financial and performance records of the agency, organization, or contractor prior to, during, or after execution of the contract.
 12. There can be no conflict of interest in securing, executing or administering the contract that may violate the Ohio Revised Code. No employee, agent, consultant, officer or elected official of the City or agency that administers these activities who exercises or has exercised any functions or responsibilities under the contract or who is in a position to participate in the decision making process or gain inside information may obtain a personal or financial interest of benefit from that contract. They may not have an interest in any contract, subcontract or agreement with respect to those activities or receive any proceeds from them, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Each agency, organization, or contractor that receives funding must take appropriate steps to assure compliance.
 13. The contracted agency must comply with all applicable City of Cleveland ordinances related to equal opportunity.

Housing Projects

Casino Revenues may be used to fund housing projects that provide direct benefit to individuals and families that involve the following activities:

- Housing rehabilitation and renovation of residential structure with the intent to provide housing for city residents.
- New housing construction for the public purpose of providing residential housing for city residents.
- Acquisition of property/building for residential use purposes such as multi-family use dwelling for city residents.
- Home repair program to assist city residents in covering cost for home repair for housing related purposes.

Whenever Casino Revenues are used for housing related activities and/or projects it is required that the proposal is submitted to the City of Cleveland Housing Advisory Board for review and approval. The following steps must be followed whenever a proposal is submitted for a housing related project:

- Once Council staff receives the proposal, Community Development will be notified that a proposal for housing related activities has been submitted for funding.
- Council staff will provide to Community Development a copy of the actual proposal that has been submitted.
- Community Development will make copies of the proposal for the project and make them available to the Housing Advisory Board members for review during the next board meeting.
- Community Development will schedule a meeting of the Housing Advisory Board Committee where the proposal would be included on the agenda for the Board's review and approval.
- Once the Housing Advisory Board approves the proposal the legislation would be prepared that includes specific language pertaining to the Housing Advisory Board approving the proposal, which the legislation would be presented at the next scheduled City Council meeting for introduction, passage and approval.

Home Repair Program

The home repair program is set up to assist senior citizens and low and moderate income families, and individuals in assisting with the cost of repairs for their personal dwelling. Casino Revenues may be used to fund home repair activities. This program is structured in the following way:

- The Home Repair Program consists of a grant/rebate that will be provided to the homeowner to help defray the cost for home repairs on a residential dwelling.
- Program is set up on a first come and first-served basis.
- The grant/rebate that is provided will be capped at a maximum amount.
- The Home Repair Program is administered by the Community Development Department and must comply with the guidelines established by the Commissioner of Neighborhood Services.
- The following improvements are generally eligible as determined by the Commissioner of Neighborhood Services:
 - Roof repairs
 - Gutter and downspout improvements
 - Chimney repair
 - Doors
 - Windows

- Porches, railings, and fencing
- Exterior painting, siding, window replacement, garage repair, and exterior lighting.

Interior repairs that include; basic plumbing, furnace repairs, and hot water tank replacement. Rebates may be used in conjunction with the Free Paint Program. All permit work will require permits from the City of Cleveland. No rebate will be provided for any repairs in the public right of way such as sidewalks, curbs, gutters, tree lawns and trees.

Economic Development Projects

Casino Revenues may be used to fund economic development projects in the City of Cleveland that assist local area businesses. The following type of projects may be funded by Casino Revenues:

- Physical exterior or interior improvements to a facility in which the business is operating (Storefront renovation, etc.)
- Purchase of equipment that directly pertains to the operation of the business and activities.

It is required that any business receiving any form of assistance from the City of Cleveland create one full-time job for a period of three (3) years. (NOTE: It is required that for every \$50,000 of City assistance provided, one (1) full-time job be created for a period of three (3) years.)

Capital and Public Improvement In-house Projects

Casino Revenues can be used to fund projects that are being done by the City of Cleveland that involve capital and public improvement. Under these specific public improvement projects, Casino Revenues may be directly allocated to that project through an inter-departmental transfer to the appropriate department, without any authorizing legislation. However the following steps should be taken when these types of arrangements are being made in regards to a public improvement project:

- The Council person should provide a letter or memo to the appropriate department stating the intent to provide Casino Revenues for a specific public improvement project that is being done in that ward. The memo should include the following information:
 - Specific public improvement project that the Councilperson wishes to provide funding for.
 - Total amount of Casino Revenue that will be allocated towards that specific project.
 - Specific work that will be covered by the Casino Revenues for this specific project.

- The Department Director must provide the council person with a written estimate on the total cost of the specific public improvement project that the Council person wants to fund, and the actual costs once the project is completed.
- The Council person will sign the casino revenue fund authorization form that authorizes the funding to the appropriate department to cover the costs and/or help to defray the costs for that specific project.
 - The signed authorization form is then delivered to the Department of Finance by Council Policy Research staff for the project to be assigned a project number.
- The appropriate department would prepare and submit the necessary legislation for the public improvement project containing the sub-fund numbers for Casino Revenues that are being used for this project.

The following are examples of possible public/capital improvement projects:

- Street improvement and repair
- Sidewalk repair and replacement (Includes curbs)
- Tree removal and planting
- Capital improvement (interior & exterior) of public owned buildings
- Public improvement beautification of public sidewalks, streets.
- Street resurfacing activities
- Vacant public lot cleanup
- Public improvement – enhancements in information technology, video surveillance technology (cameras).
- Public parking lot improvement