

A Policy to Allocate the State Contribution from the Seneca Nation as a Portion of the Negotiated Revenue from Electronic Gaming Devices

The City Council of the City of Niagara Falls, New York ("City Council") hereby adopts a policy that appropriates the local share of the state contribution from the Seneca Nation as a portion of the negotiated revenue from electronic gaming devices according to the following distribution schedule. The purpose of this distribution schedule is to define the spending guidelines of the local share of gaming revenue and to create an available fund balance to be used in the future, as needed, for emergency purposes while also addressing the current needs of the City of Niagara Falls (the "City").

Due to the timing of when a full calendar year of revenue from electronic gaming devices is received by the City from New York State, the allocation of available funds for the next calendar year will be calculated from amounts received from the previous calendar year (i.e. the 2020 budget will utilize gaming revenue received from gaming activity in calendar year 2018).

- 1) Twenty-six and one-half percent to be distributed to various local entities as delineated in New York State Finance Law, Article 6, Section 99-H Tribal State Compact Revenue Account;
- 2) The remaining seventy-three and one-half percent retained by the City in a miscellaneous special revenue fund commonly referred to as the "Tribal Fund". Distributions from the Tribal Fund will be obligated according to the following schedule and mandated in the particular order set forth in this local law:
 - a. An amount EQUAL TO five percent (5%) of the remainder of the revenue to be appropriated to the Tribal Fund Balance for future and/or emergency use by the City. Utilization of these allocated funds will require approval by both the Mayor of the City of Niagara Falls ("Mayor") and the City Council.
 - b. An amount EQUAL TO any contractual obligations between the City and outside organization(s) that require payment directly from Tribal Fund revenues;
 - c. An amount NO GREATER THAN four million five hundred thousand dollars (\$4,500,000) for the City's bonded indebtedness as included in the City's Debt Service Fund budget;
 - d. An amount NO GREATER THAN thirty-five percent (35%) of the remaining revenue after (a), (b), and (c) to be appropriated for general fund expenses including but not limited to the following: (i) offset for loss of property taxes from lands ceded to the Seneca Nation; (ii) planning and economic development costs; (iii) public safety costs in the downtown tourist area; and (iv) animal control costs;
 - e. An amount NO GREATER THAN twenty-five percent (25%) of the remaining revenue after (a), (b), and (c) for capital infrastructure costs including but not limited to the following: (i) road improvements; (ii) building improvements; (iii) sidewalk improvements; (iv) tree replacement and/or removal; and (v) information technology improvements;
 - f. An amount NO GREATER THAN fifteen percent (15%) of the remaining revenue after (a), (b), and (c) for business development purposes to be used by either N.F.C Development Corporation or for other business development purposes in the City;
 - g. An amount NO GREATER THAN ten (10%) of the remaining revenue after (a), (b), and (c) for capital equipment purchases;
 - h. An amount NO GREATER THAN eight percent (8%) of the remaining revenue after (a), (b), and (c) for housing and community renewal projects, demolitions, and/or board-up costs; and

- i. All remaining revenue after distributions contained in paragraphs (2a) through (2h) will be allocated to the Tribal Fund Balance and can be made available upon request by the Mayor and approval by the City Council, in consultation with either the City Administrator, City Controller, City Engineer, Director of the Department of Community Development, and the Planning & Economic Development Office. Approval by City Council is also required in order to provide funding in excess of the maximum amounts identified in paragraphs (2d) through (2h).
- 3) If during a specific year the maximum amount allowable in paragraphs (2c) through (2h) is not utilized, the excess amount will be allocated to the Tribal Fund Balance. The excess amount(s) can be made available in future years for any project or purpose when proposed by the Mayor and approved by the City Council, in consultation with either the City Administrator, City Controller, City Engineer, Director of the Department of Community Development, and the Planning & Economic Development Office.
- 4) All funds deposited in the Tribal Fund will be considered in the joint custody of the Mayor and the City Council, with the administration of the Tribal Fund being the responsibility of the City Controller of the City of Niagara Falls. Spending of the appropriations identified in paragraphs (2c), (2d), (2e), (2f), (2g), and (2h) above require approval by both the Mayor and the City Council.
- 5) If the remaining balance of the local share of gaming revenue to be distributed after (2a), (2b), and (2c) is less than \$3,000,000 than the City Council has the ability, at the request of the Mayor, to approve via a majority vote an override of this spending policy. If approved by a majority of the City Council, the distribution schedule identified in sections (2a) and (2c) through (2i) above will not be applicable for that respective budget year.