



Executive Summary

City Council Workshop

AGENDA ITEM: Gambling Funds- Grant Policy
PREPARED BY: Jacob Schillander, City Administrator
RECOMMENDED ACTION: Review the proposed Lawful Gambling Contribution Fund Policy and provide directions to staff regarding adoption.

Summary:

The City of Maple Plain receives lawful gambling contribution funds pursuant to Minnesota Statutes Chapter 349. While state law establishes the eligible uses of these funds, the City currently does not have a formal policy governing how lawful gambling contribution revenues are prioritized, administered, awarded, monitored, and, when necessary, recovered.

The proposed Lawful Gambling Contribution Fund Policy establishes a comprehensive framework for managing these funds in a transparent, consistent, and accountable manner. The policy is intended to ensure compliance with state law while preserving the City Council's authority and flexibility in determining how available funds should be utilized.

A primary objective of the proposed policy is to formalize the Council's long-standing emphasis on public safety. The policy recognizes police, fire, emergency medical services, emergency preparedness, and other public safety expenditures as the City's highest funding priority and proposes reserving a minimum of 75% of annual lawful gambling contribution revenues for eligible public safety purposes.

When funds are available beyond public safety needs, the policy establishes a process for considering requests from eligible nonprofit organizations, public

entities, schools, military-support organizations, and other qualifying applicants. The policy outlines eligibility requirements, funding priorities, application procedures, evaluation criteria, award limitations, reporting requirements, and oversight measures to help ensure funded projects provide a measurable public benefit.

The policy also includes safeguards designed to protect public funds. These provisions establish requirements for grant agreements, project reporting, record retention, monitoring, investigation of potential misuse, recovery of improperly spent funds, and reimbursement of City enforcement costs in cases involving fraud or intentional misuse.

Importantly, the proposed policy specifically preserves the City's discretion regarding the use of lawful gambling contribution funds. Adoption of the policy would not obligate the City Council to establish a grant program, solicit applications, or award grants in any particular year. The Council would retain full authority to dedicate all available funds to eligible public safety expenditures, reserve funds for future needs, or decline to award grants when it determines doing so is in the best interests of the City.

Overall, the proposed policy provides a structured and transparent framework for managing lawful gambling contribution funds while ensuring that public safety remains the City's foremost priority and that the City Council retains complete control over funding decisions.

Benefits of Adoption

The proposed policy would:

- Establish clear priorities for the use of lawful gambling contribution funds.
- Formalize public safety as the City's primary funding priority.
- Create a consistent and transparent process for evaluating funding requests.
- Ensure compliance with Minnesota lawful gambling requirements.
- Protect public funds through accountability and oversight measures.
- Establish expectations for applicants and funding recipients.
- Provide tools to address misuse or fraud when necessary.
- Preserve the City Council's discretion over all funding decisions.

Recommendation

Review the proposed Lawful Gambling Contribution Fund Policy and provide direction to staff regarding any desired modifications prior to formal consideration and adoption by resolution.