

Presented To:	City Council
Presented:	Tuesday, Oct 08, 2013
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Type:	By-Laws
By-Law:	2013-248

## Request for Decision

### OLG Slots - Amended Agreement

#### Recommendation

THAT the City of Greater Sudbury enter into the amended and restated Municipality Contribution Agreement with the Ontario Lottery and Gaming Corporation (OLG) for the gaming site located at 400 Bonin Street in Chelmsford, Ontario; and

THAT the appropriate by-law be passed.

#### Finance Implications

The financial impact of participating in the Community Recognition Program (CPR) is currently not known but is expected to be only a minimal amount.

## Background

In November 2012, Council approved entering into an agreement with OLG for an enhanced sharing arrangement for the City on slots revenue. That agreement moved the City's share of the slots net revenue from 5% to 5.25%.

### Amended and Restated Municipality Contribution Agreement

This new agreement does not change the revenue sharing thresholds. The City's revenue sharing will remain at 5.25% if the net revenue continues to be under the \$65 million threshold. The new agreement includes revenue sharing for live table games. The following table reflects the revenue sharing percentages at each threshold level for the electronic games, as well as the live table games revenue.

#### Signed By

**Report Prepared By**

Ed Stankiewicz  
Manager of Financial Planning &  
Budgeting  
*Digitally Signed Oct 1, 13*

**Recommended by the Department**

Lorella Hayes  
Chief Financial Officer/City Treasurer  
*Digitally Signed Oct 1, 13*

**Recommended by the C.A.O.**

Doug Nadorozny  
Chief Administrative Officer  
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<b>Net Revenues</b>	<b>Municipal Sharing Percentage</b>
Electronic Games Revenue up to \$65 Million	5.25%
Electronic Games Revenue Greater than \$65 million up to \$200 Million	3.00%
Electronic Games Revenue Greater than \$200 million up to \$500 Million	2.50%
Electronic Games Revenue Greater than \$500 Million	0.50%
Live Table Games Revenue	4.00%

This amended agreement calls for municipalities to work with the OLG under the Community Recognition Program (CRP) to promote the positive impact of the Annual Contribution. Under the CRP, communication to the public is required providing decisions made and initiatives taken by municipalities regarding the deployment of the Annual Contribution for municipal purposes. It is expected that the CRP will include one community event during each operating year during the term of the agreement, as well as discussions and meetings on a regular basis between appropriate representative of each party relating to spending, allocation, and deployment of the Annual Contribution.

## **Summary**

It is recommended that the City enter into this amended agreement with OLG in order to continue to receive the Annual Municipal Contribution from the slots. As more details are provided regarding the City's role in the CRP, Council will be updated. The financial impact to the City regarding the CRP is not known but is expected to be minimal.