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**Date** November 15, 2023 **Report No.** 2023-652  
**To** Chair and Members  
Finance Committee  
**From** Joelle Daniels  
Commissioner of Corporate Services/City Treasurer

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### 1.0 Type of Report

Consent Item  [x]  
Item For Consideration  [ ]

**2.0 Topic** 3rd Quarter Casino Update [Financial Impact - \$1,391,238 revenue]

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### 3.0 Recommendation

THAT report 2023-652 titled 3rd Quarter Casino Update BE RECEIVED.

### 4.0 Executive Summary

This report provides an update to the Finance Committee on the status of casino revenues, and the reserves held by the City that are funded from those revenues. The quarter ending September 30, 2023 now marks one and a half years post-pandemic in which the casino was not subject to any provincially mandated capacity restrictions or closures related to the COVID-19 pandemic. Revenues for this quarter were \$1,391,238, and are in line with normal budgeted amounts. This report provides an updated casino funds forecast, inclusive of revenues and related commitments, through to the end of 2024.

### 5.0 Purpose and Overview

The purpose of this report is to update the Finance Committee on contributions received from the casino on October 18, 2023, representing the City's share of gaming revenues for the quarter ending September 30, 2023.

## 6.0 Background

Under the amended Municipality Contribution Agreement signed in December 2022, the City receives quarterly contributions from the Ontario Lottery and Gaming Corporation (OLG) for a portion of electronic gaming, table game, and sportsbook revenues received by Elements Casino Brantford.

The current MCA provides for the following revenue sharing model:

1. Electronic Games – 5.25% on the first \$65 million of net revenues plus 3% of net revenues beyond that
2. Live Table Games and Sportsbook – 4% of net revenues

The City normally budgets \$5 million in casino contributions annually, which are allocated to a number of casino funded reserves. Finance Policy 010 – Use of Casino Funds, was adopted by Council in 2015 and updated in September 2023 through report 2023-297, and provides for allocation of casino revenues in accordance with Table-1 below:

Table 1 - Allocation of Casino Revenues

Category	Allocation
Legacy Component	40%
Community Groups	25%
Capital Contribution	20%
Council Priorities	10%
Cultural and Built Heritage	5%
	100%

The cumulative amount of contributions the City has received since the casino opened in 1999 total \$99.0 million.

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## 7.0 Corporate Policy Context

Finance Policy 010 - Use of Casino Funds provides a Council approved approach to the allocation of casino revenues.

## 8.0 Input From Other Sources

N/A

## 9.0 Analysis

The City's share of gaming revenues for the quarter ending September 30, 2023 is \$1,391,238. The third quarter activity follows positive first and second quarter contributions in 2023 of \$1,087,950, \$1,379,904 respectively, signaling that a firm return to pre-COVID levels has happened. The 3<sup>rd</sup> quarter revenues were allocated in accordance with the updated Casino Policy and direction received from Council.

There are a number of annual and other commitments that are funded from casino revenues. Table-2 below provides a summary of the reserve balances and commitments related to Casino Legacy and Community Groups.

**Table 2 - Casino Reserves Summary**

	2023	2024
Uncommitted Opening Balance	\$8,600,219	\$ 1,824,979
Anticipated Receipts	5,000,000	5,000,000
Payments/Commitments	(11,775,240)	(4,006,620)
Forecasted Closing Balance*	\$ 1,824,979	\$2,818,359

Table-3 provides a detailed list of the payment/commitments approved by Council from these reserves.

**Table 3 - Casino Funded Commitments**

<b>Commitment</b>	<b>2023</b>	<b>2024</b>
<b>Annual Commitments:</b>		
Y/Laurier Athletic Complex (to 2025)	521,000	521,000
Boundary Compensation (to 2027)	1,163,350	1,163,350
City Grants Program	700,000	700,000
Physician Recruitment Program	110,000	110,000
Transfer to Public Art Reserve	35,000	35,000
Transfer to Capital Reserve	1,000,000	1,000,000
Annual Arts Grants*	158,470	158,470
Annual Grants - Other**	213,800	213,800
Christmas Baskets	5,000	5,000
St. Joseph's Lifecare - Hospice Grant (to 2026)	100,000	100,000
<b>Other Commitments:</b>		
Fund COVID related revenue impacts on 2023 Operating Budget	953,620	
Bulldogs - Leasehold Improvement Allowance	3,000,000	
Civic Centre HVAC Improvements	3,500,000	
OHL Relocation - Professional Services	105,000	
New Sports and Entertainment Facility-Professional Services	200,000	
Tournament Capital 25 <sup>th</sup> Anniversary	10,000	
<b>Total Commitments</b>	<b>\$11,775,240</b>	<b>\$4,006,620</b>

\* Arts Grants includes Museum Funding and Community Cultural Improvement Plan (CCIP)

\*\*Annual Grants - Other includes funding for student nutrition program, emergency food service, Senior's Resource Centre, Victim Services of Brant, Brantford Food Bank and DIVA

## 10.0 Financial Implications

The City's share of gaming revenues for the most recent quarter ending September 30<sup>th</sup> totaled \$1,391,238, resulting in cumulative 2023 receipts totaling \$3,859,092. In accordance with the updated Casino Policy approved by Council in September 2023, these funds have been allocated to reserves as outlined in Table 1.

## 11.0 Climate and Environmental Implications

There are no quantifiable climate or environmental impacts associated with this report.

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## 12.0 Conclusion

This report provides an update on year to date revenues received from OLG for Elements Casino and the City's casino funded reserve balances.



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Joelle Daniels  
Commissioner of Corporate Services/City Treasurer

Prepared By:

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In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required  yes  no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk  yes  no

Is the necessary by-law or agreement being sent concurrently to Council?  yes  no