

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: GAMING RESERVE & OPERATING GAMING (INTEREST) RESERVE

RECOMMENDATION:

THAT the report titled “Gaming Reserve & Operating Gaming (Interest) Reserve”, dated March 4, 2025, of the Financial Management Committee meeting, be received for information.

REPORT

The Financial Management Committee, at its meeting held on March 4, 2025, received and adopted the attached report providing information on the Gaming Reserve and Gaming (Interest) Reserve as of December 31, 2024.

On behalf of the Financial Management
Committee,

Councillor S. Dhaliwal
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **GAMING RESERVE & OPERATING GAMING (INTEREST) RESERVE**
PURPOSE: To provide information on the Gaming Reserve and Gaming Interest Reserve as of December 31, 2024.

RECOMMENDATION

THAT the report titled “Gaming Reserve & Gaming Interest Reserve”, dated for March 4, 2025 be received for information.

1.0 POLICY SECTION

Through the Host Financial Assistance Agreement with the Province of BC, the City receives 10% of the net Provincial proceeds from the Grand Villa (Gateway Casino). As per the agreement, local governments may use these proceeds for any purpose within their legal authority. In addition, the agreement also outlines other pertinent information such as the timing of payments and reporting requirements.

As per Council Policy, any interest earned in the Gaming Reserve is transferred to an Operating Gaming (Interest) Reserve to be used for one-time operating initiatives as approved by Council.

2.0 BACKGROUND

The City uses these funds for Council approved initiatives. Council policy has established criteria for the use of the casino gaming grants received by the City are operating expenditures and/or capital projects that serve to protect or improve Burnaby's environment, including beautification, heritage, public safety, international relations, arts and culture or other projects or programs at the discretion of Council.

In addition, operating expenditures and/or capital project initiatives would satisfy the following criteria:

- a) Ad hoc pilot projects which extend over a specific period of time.
- b) Discrete capital projects that do not require ongoing capital funding requirements.
- c) Gaming funds on hand shall be sufficient to complete the proposed project.
- d) The activity and/or project shall have little or no ongoing impact on the operating budget or result in a reliance on the property tax levy.

Council reviews and approves all operating expenditures and capital project initiatives funded by the Gaming Reserve annually prior to inclusion in the Financial Plan.

3.0 GENERAL INFORMATION

Attachment 1 (Gaming Reserve - Summary by Year from 2000 – 2024) provides a summary of the Gaming Reserve grants received and the expenditures made for the entire period of this Provincially funded program.

As per the Host Financial Assistance Agreement, all grants received and expenditures made are to be reported back to the Province on a cash basis. This information is reported to the Province annually with a deadline of March 15.

Expenditures funded from the Gaming Reserve for 2024 totaled \$11,523,949, of which \$4,901,050 are operating expenditures and \$6,622,899 are capital expenditures. Attachment 2 provides the details of these expenditures.

The balance of the Gaming Reserve at the end of 2024 was \$10,843,122. The 2024 ending balance does not include the Q4 payment accrual of \$2,592,428 as it was not received until January 30, 2025. As mentioned in the above paragraph, reporting to the Province is completed on a cash basis.

The following table provides the actual gaming grants received by the City for the past 5 years (2020 to 2024), compared to the budget.

Table 1 – Annual Gaming Grants, Budget vs Actual

Year	Budget (\$)	Actual (\$)
2020	11,500,000	5,342,091
2021	3,250,000	3,273,221
2022	11,500,000	11,459,416
2023	11,500,000	11,624,755
2024	11,500,000	11,048,646

At the end of each fiscal year, the total annual interest income earned on the balance of the Gaming Reserve is transferred to the Operating Gaming (Interest) Reserve with the intent to use the proceeds to fund priority operating projects/initiatives as determined by Council.

Interest earnings on the Gaming Reserve totaled \$511,149 in 2024. Operating expenditures funded by the Operating Gaming (Interest) Reserve in 2024 amounted to \$2,514,241, leaving an ending balance of \$2,621,083. Attachment 3 provides details of these expenditures.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not applicable

5.0 FINANCIAL CONSIDERATIONS

Staff will continue to review Gaming reserve activity to ensure sufficiency for future projects and initiatives as part of the upcoming 2025-2029 Financial Plan process. These funding sources continue to allow the City to provide for programs and resources that would otherwise have to be funded from property taxation increases.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – Gaming Reserve – Summary by Year from 2000 – 2024

Attachment 2 – 2024 Summary of Gaming Reserve Revenues & Expenditures

Attachment 3 – 2024 Summary of Operating Gaming (Interest) Reserve Revenues & Expenditures

REPORT CONTRIBUTORS

This report was prepared by Geoff Mooney, Finance Functional Lead, and reviewed by Ratan Grewal, Deputy General Manager Finance.