

REPORT
2005 JUNE 13

CITY OF BURNABY

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

RE: GAMING RESERVE FUNDS

RECOMMENDATION:

1. **THAT** Council approve the use of the Gaming Reserve funds for dedicated capital works that serve to protect or improve Burnaby's environment, heritage, public safety or arts and culture.

REPORT

The Finance and Civic Development Committee, at its Open meeting held on 2005 May 26, received and adopted the *attached* report to seek approval for the use of the Gaming Reserve funds for dedicated capital works that serve to protect or improve Burnaby's environment, heritage, public safety or arts and culture.

Respectfully submitted,

Mayor Derek R. Corrigan, Chair
Chair

Councillor Dan Johnston
Vice Chair

Councillor Nick Volkow
Member

COPY: CITY MANAGER
DIR. FINANCE

TO: CHAIR AND MEMBERS
FINANCE & CIVIC DEVELOPMENT
COMMITTEE

DATE: 2005 May 12

FROM: DIRECTOR FINANCE

FILE: 2410-20
Reference: FCDC

SUBJECT: GAMING RESERVE FUNDS

PURPOSE: To Report on the Status of the Reserve and Seek Authority to Amend the Criteria for its Use.

RECOMMENDATION:

THAT approval be given for the use of the Gaming Reserve funds for dedicated capital works that serve to protect or improve Burnaby's environment, heritage, public safety, or arts and culture.

REPORT

At its meeting of 2005 April 14 the Finance and Civic Development Committee requested that staff investigate the advisability and feasibility of modifying the eligibility criteria for the use of the Gaming Reserve funds to include public safety and arts & culture projects.

The allocation criteria of the gaming reserve funds were originally established at the 2000 June 12 meeting of Council with the adoption of the Finance and Civic Development Committee's recommendation "*THAT Council approve the use of the Casino Gaming funds, for a period of up to five years, for dedicated capital works that serve to protect or improve either the environment or Burnaby's heritage*". The city has been receiving 10% of the net revenues of the Burnaby based casino for five years and as such a review, which is the subject of this report, has been conducted.

Burnaby's agreement with the Province for the receipt of a portion of the net casino revenues specifies that the funds may be used for "*...any purpose that would be of public benefit to the host communities.*"

In setting the original criteria the Finance and Civic Development Committee considered the following:

- the availability of funding already provided in the various budgets.
- the likelihood of other funding sources.
- the continuity of casino funds as an ongoing revenue source.

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- the need to minimize the ongoing reliance on the tax levy.
- projects that do not require ongoing capital or operating funding.
- the sufficiency of casino funds, on-hand, to complete a proposed project.
- projects that provide a significant lasting improvement to the city.

Since that time Gaming Reserve Funds have been allocated to:

Burnaby Lake rejuvenation	550,000
Gun Club clean-up	2,538,950
Kingsway East 1914 school	500,000
Burnaby Mountain trails	250,000
Shadbolt Amphitheatre	733,000
Fraser Foreshore Park property	5,870,000
Burnaby Mtn Conservation lands	2,040,000
Burnaby South Memorial Park	18,000
Barnett Marine Park	484,400
Gilmore trail III: Still Crk-Cda Way	584,650
Urban trail -Fraser foreshore park	214,000
Eagles estate garden	<u>257,260</u>

Total Allocated from the Reserve \$14,040,260

Additionally, the 2005 to 2010 Capital program anticipates the following expenditures financed from the Gaming Funds Reserve:

Urban Trails	1,660,000
Central Valley Greenway	7,852,000
Fraser Foreshore	1,600,000
Parks	1,480,400
Burnaby Lake Rejuvenation	8,000,000
Interurban 1223 -display building	630,000
Engineering -Works Yard	<u>8,612,300</u>
	<u>\$29,834,700</u>

With anticipated expenditures and revenues over the next five years the cash flow analysis estimates a Gaming Reserve Fund balance in excess of \$45 million at the end of 2010.

Given the magnitude of the available funds remaining after allocation under existing criteria and the ongoing ability to make financial corrections over the ensuing years for variances in the estimates; it would be prudent to consider expanding the criteria under which the Gaming Reserves Funds would be allocated. Therefore it is recommended:

THAT approval be given for the use of the Casino Gaming funds for dedicated capital works that serve to protect or improve Burnaby's environment, heritage, public safety, or arts and culture.

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Rick Earle
DIRECTOR FINANCE

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Copied to: City Manager