



STAFF REPORT ACTION REQUIRED

Update on Discussions with OLG on the Charitable Bingo and Gaming Revitalization Initiative (eBingo)

Date:	January 4, 2013
To:	Government Management Committee
From:	City Clerk
Wards:	All
Reference Number:	

SUMMARY

On May 24, 2012, the Government Management Committee had a report before it on the Charitable Bingo and Gaming Revitalization Initiative which described the OLG's desire to transform bingo halls into charitable gaming centres through the introduction of electronic gaming products. Two of the six bingo halls in Toronto have expressed an interest in participating in the Initiative and were selected by the OLG for the Group One implementation.

The Committee requested the City Clerk to continue discussions with the Ontario Lottery and Gaming Corporation (OLG) on a form of agreement satisfactory to the City of Toronto, particularly with regard to the length of the term of the agreement and a method to mitigate the decline in City revenues.

This report provides an update on the discussions held with the OLG. Attached as Appendix "A" is the previous report which needs to be considered with this report.

RECOMMENDATIONS

The City Clerk recommends that the Government Management Committee:

1. Consider the results of the further discussions with the OLG and the recommendations in the previous report dated May 2, 2012, attached as Appendix "A".

Financial Impact

Since the OLG would not amend any of the provisions of the standard agreement, the adoption of this report will have no financial impact beyond what has already been identified in the previous report which is attached as Appendix "A".

DECISION HISTORY

At its meeting of May 24, 2012, the Government Management Committee considered item GM14.11 a report from the City Clerk titled "Charitable Bingo and Gaming Initiative" and referred the item back to the City Clerk with a request she continue discussions with the Ontario Lottery and Gaming Corporation on a form of agreement satisfactory to the City of Toronto, particularly with regard to the length of the term of the agreement and a method to mitigate the decline in City revenues

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.GM14.11>

COMMENTS

On September 18, 2012 staff from the Clerk's Office met with representatives from the OLG to discuss the possibility of negotiating new terms to the agreement, in particular the length of the term of the agreement and the decline in revenue. At that meeting, the OLG reiterated that this is a standard agreement for all municipalities and there is no option for individual municipality customization.

They advised that the eight year contract term with two automatic four year renewals is necessary in order for the OLG to recover its capital investments (hardware, software and product development) as well as for bingo centre providers to recoup their capital investments (site upgrades and renovations).

The OLG advised that they conducted extensive financial analysis in order to develop a fair commission share model for all stakeholders and it cannot provide revenue guarantees for any stakeholder. Both the OLG and industry experts believe that the only way to stop the decline in bingo sales and revenue is to develop new products that will invigorate the traditional bingo experience and appeal to a wider audience.

Staff also had discussions about the types of games to be permitted in the new bingo gaming sites. They advised that Ontario Regulation 81/12 filed on May 14, 2012 restricts the games to be conducted and managed by the OLG at charitable gaming centres to the following:

- i. Lotteries, using paper tickets.
- ii. Raffles, using paper tickets.
- iii. Paper break open tickets.
- iv. Break open tickets sold by means of an electronic break open ticket dispenser.

- v. Break open tickets played on an electronic bingo device.
- vi. Bingo, using paper cards.
- vii. Bingo played on an electronic bingo device.
- viii. Instant games played on an electronic bingo device.

The OLG expects that over eight years of operation, the Charitable Bingo and Gaming Revitalization Initiative will deliver about \$475 million to Ontario charities. Since 2005, pilot bingo centres in Barrie, Kingston, Peterborough, Sudbury and Windsor have raised over \$43 million in proceeds for Ontario charities.

To date, twelve municipalities have signed agreements to participate in the Initiative (Barrie, Hawksbury, Kingston, Mississauga, Newmarket, Oakville, Penetanguishene, Peterborough, Pickering, Richmond Hill, Sudbury, and Windsor) and the initiative has been implemented in Barrie, Kingston, Penetanguishene, Peterborough, Pickering, Sudbury, and Windsor.

CONTACT

Bonita Pietrangelo, Director, Elections and Registry Services

Phone: 416-392-8010; Fax: 416-392-3781

Email: bpietran@toronto.ca

SIGNATURE

Ulli S. Watkiss, City Clerk

ATTACHMENTS

Appendix "A" – Report dated May 2, 2012 from the City Clerk titled Charitable Bingo and Gaming Revitalization Initiative