

From: Marisa Carpino
Chief Administrative Officer

Subject: Memorandum of Understanding for the Sharing of Pickering Casino Revenues
- The Corporation of the City of Pickering and The Regional Municipality of Durham
- File: A-1440

Recommendation:

1. That Report CAO 02-23 regarding the Memorandum of Understanding for the Sharing of Pickering Casino Revenues be received;
 2. That Council approve the Memorandum of Understanding for the Sharing of Pickering Casino Revenues between The Corporation of the City of Pickering and The Regional Municipality of Durham as set out in Attachment 5, subject to minor revisions acceptable to the Chief Administrative Officer and the Director, Corporate Services & City Solicitor;
 3. That the City Clerk forward a copy of Report CAO 02-23 to The Regional Municipality of Durham and all lower tier municipalities of Durham Region; and
 4. That the appropriate City of Pickering officials be given authority to take the necessary actions to give effect thereto.
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Executive Summary: Ontario Lottery and Gaming Corporation (“OLG”) opened Pickering Casino Resort (“PCR”) on July 26, 2021 under Provincial mandatory capacity restrictions due to COVID-19. At this time, PCR features approximately 2,200 slot machines, 90 live gaming tables, 52 stadium gaming terminals with several restaurants as one of the Province’s premier gaming and entertainment destinations. In recent days, PCR Hotel opened its 275 room tower and is expected to open its 2,500 seat theatre in January 2023.

OLG makes payments to host communities under the Municipality Contribution Agreements (“MCAs”) using a prescribed formula consistently applied across all sites in Ontario and based on a graduated scale of gaming revenue at hosted sites. In accordance with Pickering’s MCA with OLG dated February 12, 2020 (Attachment 1) and the amendment to the MCA dated October 28, 2022 (Attachment 2), OLG has issued non-tax gaming revenue payments totaling \$20,253,780 (up to December 31, 2022) to the City of Pickering for hosting the Pickering Casino Resort.

At the Council Meeting of April 10, 2018, days after Great Canadian Gaming announced it would build a new casino at the Durham Live site located at Church and Bayly in Pickering, City Council approved a motion that directed City staff to consult with staff at The Regional

Municipality of Durham (“Region”) and to make recommendations to City Council regarding the terms of a revenue sharing agreement as per Resolution #432/18 (Attachment 3). As stated in the 2018 resolution, Pickering has publicly proposed that 30 percent of gaming revenues at full build-out of the gaming facility be directed to the Region and further that a portion of the revenues shared be directed to Social Housing and or other social programs.

In 2022, with the full build out of the gaming facility, City staff worked with Region staff to identify the core principles to inform the sharing of Pickering Casino Revenues. Guided by Pickering Resolutions #432/18 and #240/20 (Attachment 4), terms for a memorandum of understanding (“MOU”) have been negotiated and deemed satisfactory to both City of Pickering and Region staff. The draft MOU is Attachment 5 to this Report.

The purpose of this report to seek Council’s approval of the MOU.

Financial Implications: The draft MOU is based on the principle that the City shares its casino revenues “earned” with an effective date of January 1, 2023. Therefore, the casino revenue payment for the period of October 1 to December 31, 2022 received in late January 2023 is exempt from the MOU.

Based on an annual estimated Pickering Casino revenues, as part of the MCA, in the amount of \$16 million, the following allocations will be made:

- City of Pickering will retain \$13 million per year and the Region will receive \$3 million per year.
- Over the term of the agreement ending 2026, the City of Pickering will retain \$52 million and the Region will receive \$12 million.

Subject to Council’s approval of the annual budget, the annual allocation of Pickering casino revenues by the City of Pickering will be substantially dedicated to capital projects and a portion to community grants. For public information, the City’s allocation of funds will be clearly identified in the annual Budget and on the City’s website.

Discussion: Ontario Lottery and Gaming Corporation (“OLG”) opened Pickering Casino Resorts (“PCR”) at the Durham Live site on July 26, 2021 under Provincial mandatory capacity restrictions due to COVID-19. PCR features approximately 2,200 slot machines, 90 live gaming tables, 52 stadium gaming terminals with several restaurants as one of the Province’s premier gaming and entertainment destinations. By April 2022, indoor gathering limits were lifted, allowing all gaming facilities in PCR to be open without capacity restrictions. As of January 2, 2023, PRC opened their 275 room hotel tower and is expected to open their 2,500 seat theatre on January 28, 2023.

OLG makes payments to host communities, including the City of Pickering, under the Municipality Contribution Agreements (“MCAs”) using a prescribed formula consistently applied across all sites in Ontario and based on a graduated scale of gaming revenue at hosted sites.

In accordance with Pickering's MCA with OLG dated February 12, 2020, and amended on October 28, 2022 (Resolution #30-22), Pickering receives the following:

- A. the aggregate (without duplication) of:
- 5.25% of the Electronic Games Revenue, if any, generated in such Operating Year that is less than or equal to \$65 million; plus
 - 3.00% of the Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$65 million and less than or equal to \$200 million; plus
 - 2.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$200 million and less than or equal to \$500 million; plus
 - 0.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$500 million; plus
- B. 4.00% of Live Table Games Revenue, if any, generated in such Operating Year; and
- C. 4.00% of Sportsbook Revenue, if any, generated in such Operating Year.

The City's 4% share of Sportsbook Revenue was added to the MCA by the October 28, 2022 amendment. In accordance with the amended MCA, payments received by the City to date for hosting the Pickering Casino Resort total \$20,253,780 (up to December 31, 2022).

On April 10, 2018, City Council approved a motion that directed City staff to consult with staff at the Region and to make recommendations to City Council regarding the terms of a revenue sharing agreement. As stated in Resolution #432/18, the City of Pickering has publicly proposed that 30 percent of gaming revenues at full build-out of the gaming facility be directed to the Region and further that a portion of the revenues shared be directed to social housing and or other social programs.

In 2022, with the full build out of the gaming facility, City staff worked with Region staff to identify the core principles to inform the sharing of Pickering Casino revenues. Guided by Pickering Resolutions #432/18 and #240/20, terms for the MOU have been negotiated and deemed satisfactory to both City of Pickering and Region staff.

In summary, the provisions of the MOU include but are not limited to the following:

- Revenue sharing will be retro-active to January 1, 2023 with payments made by the City to the Region annually;
- Annually, the first \$10 million in casino revenues from the MCA are allocated to the City and the remaining balance of casino revenues from the MCA are shared 50%/50%, with the Region's share capped at \$6 million per year;
- The CAO's for the City and the Region will hold semi-annual meetings to share information;

- The City and the Region keep their respective responsibilities for establishing policies, budgets and service levels for programs and services within each jurisdiction;
- The MOU will survive any change in the gaming operator;
- The term of the MOU shall expire on December 31, 2026 and the term can be extended on the mutual written agreement by both the City and the Region; and
- The City and the Region will renegotiate the MOU for the balance of the term should the Province implement any substantial reduction of the Region's jurisdiction over health and social services, policing and emergency response.

It is important to note that the provisions of the MOU allocate the first \$10 million of casino revenues to the City of Pickering. This safeguards the City's ability to meet annual financial commitments for priority capital projects. Additionally, the MOU does not require the Region to allocate their share of casino revenues to specific areas and/or programs such as Social Services and/or Housing programs. Regional staff could not agree to terms that would limit their Council's flexibility to allocate funds in a manner that meets their annual fiscal needs. Accordingly, Regional and City staff are recommending a provision in the MOU that requires the Region to provide an annual report regarding the Region's use of funds under this agreement.

City staff seek Council's approval of the MOU for the Sharing of Pickering Casino Revenues between The Corporation of the City of Pickering and The Regional Municipality of Durham as set out in Attachment 5.

Attachments:

1. Municipality Contribution Agreement between Ontario Lottery and Gaming Corporation and The Corporation of the City of Pickering executed February 12, 2020
 2. Amendment to the Municipality Contribution Agreement between Ontario Lottery and Gaming Corporation and the Corporation of the City of Pickering executed October 28, 2022
 3. Council Resolution #432/18
 4. Council Resolution #240/20
 5. Memorandum of Understanding for the Sharing of Pickering Casino revenues between The Corporation of the City of Pickering and The Regional Municipality of Durham
-

Prepared By:

Original Signed By:

Marisa Carpino
Chief Administrative Officer

Subject: Memorandum of Understanding for the Sharing of Pickering Casino
Revenues

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Recommended for the consideration
of Pickering City Council

Original Signed By:

Marisa Carpino, M.A.
Chief Administrative Officer

MUNICIPALITY CONTRIBUTION AGREEMENT

THIS AGREEMENT is made as of 12 / 02 / 2020
day/month/year

B E T W E E N:

ONTARIO LOTTERY AND GAMING CORPORATION, a statutory corporation established under the *Ontario Lottery and Gaming Corporation Act, 1999* (Ontario) with its head office located at 70 Foster Drive, Suite 800, Sault Ste. Marie, ON P6A 6V2 and its corporate office located at 4120 Yonge Street, Suite 420, Toronto, ON M2P 2B8, facsimile number 416-224-7003

(hereinafter referred to as “**OLG**”)

OF THE FIRST PART

- and -

THE CORPORATION OF THE CITY OF PICKERING, with its administrative office located at 1 The Esplanade, Pickering, ON L1V 6K7

(hereinafter referred to as the “**Municipality**”)

OF THE SECOND PART

WHEREAS OLG has the authority to conduct and manage lottery schemes within the meaning of subsection 207(4) of the *Criminal Code* (Canada) and subject to the *Gaming Control Act, 1992* (Ontario), including Electronic Games and Live Table Games;

AND WHEREAS OLG intends to conduct and manage a gaming site at 2028 Kellino Street, Pickering, ON L1W 3R6 (the “**Location**”);

AND whereby the parties acknowledge it would be in the public interest for the host Municipality of the Location to have access to funds which may be used, at the discretion of the Mayor and Council, for municipal purposes;

NOW THEREFORE in consideration of the respective covenants and agreements, representations, warranties and indemnities herein contained and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party hereto) the parties agree as follows:

1. Definitions

As used herein, including the foregoing recitals, the following terms shall have the respective meanings indicated below:

- (a) “**Agreement**” has the meaning set forth in the recitals to this Agreement;

- (b) “**Annual Contribution**” has the meaning set forth in Section 3(a);
- (c) “**Annual Contribution Quarterly Payment**” has the meaning set forth in Section 4(a);
- (d) “**Casino Games**” means Electronic Games, Live Table Games and such other casino games and promotional schemes that are, in each case, conducted and managed by OLG from time to time during the Term at the Location;
- (e) “**CRP**” has the meaning set forth in Section 5;
- (f) “**Effective Date**” means day/month/year or such later date as OLG may specify;
- (g) “**Effective Date of Termination**” has the meaning set forth in Section 2;
- (h) “**Electronic Games**” means all electronic gaming devices, including but not limited to reel-type and video-type slot machines, electronic table games and dealer assisted electronic games, in each case, whether or not a live dealer is present to enable or control game play;
- (i) “**Electronic Games Revenue**” means, for any period, the sum of net revenue generated from Electronic Games at the Location, calculated in accordance with International Financial Reporting Standards or such other Canadian generally accepted accounting principles as OLG adopts from time to time in its sole discretion. For greater certainty, the Electronic Games Revenue will only include net revenue generated from the Electronic Games at the Location and will not include any revenue whatsoever from other products or services provided by OLG at the Location in the Municipality;
- (j) “**Live Table Games**” means games operated by a live dealer at a single gaming table, but excluding Electronic Games;
- (k) “**Live Table Games Revenue**” means, for any period, the sum of net revenue generated from Live Table Games at the Location, if any, calculated in accordance with International Financial Reporting Standards or such other Canadian generally accepted accounting principles as OLG adopts from time to time in its sole discretion. For greater certainty, the Live Table Games Revenue will only include net revenue generated from the Live Table Games at the Location and will not include any revenue whatsoever from other products or services provided by OLG at the Location in the Municipality;
- (l) “**Location**” has the meaning set forth in the recitals to this Agreement;
- (m) “**Operating Year**” means each period from April 1st to March 31st inclusive, during the Term, to the end of the Term, except that the first Operating Year shall be the period beginning on the Effective Date and ending on the following March 31st and if this Agreement shall be terminated effective on a date other than March 31st in any year, then the period from April 1st of the calendar year in which such termination

occurs (or April 1st of the immediately preceding calendar year if the date of termination occurs in January, February or March) to such effective date of termination shall be treated as an Operating Year;

- (n) “**Overpayment**” has the meaning set forth in Section 4(c);
- (o) “**Term**” means the period of time referred to and described in Section 2 hereof.

2. **Term and Termination**

The term of this Agreement (the “**Term**”) will become effective on the Effective Date and will terminate at the earliest of:

- (a) the date on which all Casino Games are no longer conducted and managed by OLG in the Municipality at the Location;
- (b) the date on which any license, permit, approval, consent and/or other permission that may be required for the continued use and operation of the Casino Games at the Location in the Municipality is no longer available, becomes invalid or ceases to have effect;
- (c) the effective date of written notice of termination provided by OLG to the Municipality, in the event that Casino Games continue to be conducted and managed by OLG in the Municipality at the Location, which effective date must be specified by OLG in such notice; provided, however, that such effective date shall be at least 30 days following the date of such notice. OLG will endeavour to provide more than 30 days’ notice, and, where not practicable to do so and OLG has commenced conducting and managing Casino Games at the Location, OLG shall:
 - (i) explain, in said notice, why it is not practicable to do so, subject to any confidentiality concerns, as well as setting out in such notice the length of the time period equal to the difference between: (A) 365 days; and (B) the number of days’ notice actually given by OLG. For greater certainty, such time period shall not exceed 335 days; and
 - (ii) pay to the Municipality, in accordance with the timelines in Section 4, amounts which aggregate OLG’s estimation of the Annual Contribution Quarterly Payment(s) that OLG would have paid in respect of the time period referred to in subsection 2(c)(i) above had this Agreement not been terminated in accordance with this Section 2(c); and
- (d) the date mutually agreed to in writing between OLG and the Municipality

(the “**Effective Date of Termination**”).

For greater certainty, OLG or the Municipality shall be able to provide written notice to the other party of the circumstances in (a) and (b) above without triggering the compensation mechanisms set out in subsection (c) above.

3. **Payments**

- (a) Where OLG has commenced conducting and managing Casino Games at the Location, then, during the Term and subject to the terms and conditions of this Agreement, the Municipality shall be entitled to receive from OLG in respect of each Operating Year the amount (the “**Annual Contribution**”) equal to the sum of **A + B**, where:

A is the aggregate (without duplication) of:

- (i) 5.25% of the first \$65 million of Electronic Games Revenue generated in such Operating Year; plus
- (ii) if the Electronic Games Revenue is greater than \$65 million, 3.00% of the next \$135 million of Electronic Games Revenue, if any, generated in such Operating Year; plus
- (iii) if the Electronic Games Revenue is greater than \$200 million, 2.50% of the next \$300 million of Electronic Games Revenue, generated in such Operating Year; plus
- (iv) if the Electronic Games Revenue is greater than \$500 million, 0.50% of any additional Electronic Games Revenue generated in such Operating Year; and

B is 4.00% of Live Table Games Revenue, if any, generated during such Operating Year.

- (b) Following the Effective Date, in the event any additional taxes, charges, conditions or requirements are imposed by the Municipality on OLG in respect of the continued operation of the Casino Games at the Location in the Municipality, the Municipality acknowledges and agrees that OLG shall be entitled to amend the calculation of the Annual Contribution in a way that may reduce the Municipality’s entitlement. For greater certainty, the Annual Contribution for the first Operating Year shall be calculated based on Electronic Games Revenue and Live Table Games Revenue generated as of the Effective Date.

4. **Timing and Calculation of Payments**

- (a) Subject to Section 4(b), within twenty-one (21) days of the end of each Operating Year quarter during the Term, OLG shall pay to the Municipality the portion of the Annual Contribution (the “**Annual Contribution Quarterly Payment**”) to which the Municipality is entitled for such Operating Year quarter. In calculating the portion of each Annual Contribution Quarterly Payment derived from Electronic Games, OLG will notionally aggregate all Electronic Games Revenue generated during such Operating Year in order to apply the correct percentage set out in Section 3(a). OLG will provide access to its most current audited consolidated financial statements once such are made public by the Ministry of Finance in public accounts.

For example and by way of illustration only, Exhibit A to this Agreement sets out a sample calculation of the Annual Contribution.

- (b) In respect of the Operating Year quarter in which this Agreement is terminated, OLG shall pay to the Municipality the Annual Contribution Quarterly Payment to which it is entitled: (i) in the ordinary course, in the event the Effective Date of Termination of this Agreement occurs after the date that is twenty-one (21) days following the end of an Operating Year quarter; or (ii) within fifteen (15) days of the Effective Date of Termination, in the event Effective Date of Termination is on or before the date that is twenty-one (21) days following the end of an Operating Year quarter.
- (c) At any time and from time to time during an Operating Year and up to the date that is 60 days after the last day of such Operating Year, in the event OLG determines that there has been an overpayment (“**Overpayment**”) by OLG to the Municipality of any Annual Contribution Quarterly Payment in such Operating Year, the Municipality acknowledges and agrees that OLG may deduct and set off the full amount of such Overpayment from future Annual Contribution Quarterly Payment(s) or, if there are insufficient future Annual Contribution Quarterly Payments to fully set off such Overpayment, the Municipality will promptly reimburse OLG for the full amount of such Overpayment (or the remaining amount thereof not already deducted as set-off). OLG will use its commercially reasonable efforts to effect any deduction and set-off pursuant to this Section 4 in a manner that recognizes the Municipality’s desire to realize reasonable continuity in cash flow associated with the Annual Contribution.

5. Community Recognition Program

- (a) During the Term, the parties will collaborate in good faith to design and jointly implement the CRP for the promotion of the positive impact of the Annual Contribution on the Municipality and to promote and communicate to the public decisions made and initiatives taken by the Municipality regarding the deployment or other allocation of the Annual Contribution for municipal purposes.
- (b) It is expected that the CRP will include, at a minimum, one community event during each Operating Year during the Term, discussions and meetings on a regular basis between the appropriate representatives of each party relating to spending, allocation and deployment of the Annual Contribution, the allocation of responsibilities and obligations in respect of the development, operation and/or other activities and initiatives of the CRP, including but not limited to any program management functions to be performed by each party.
- (c) The Municipality will cooperate reasonably with OLG to facilitate messaging and communication of the CRP and its mandate. The Municipality will comply with all reasonable initiatives and requests proposed by OLG to the Municipality from time to time relating to the CRP and its initiatives, including but not limited to branding, marketing and public acknowledgements in respect of funding by OLG.

- (d) The Municipality will ensure that its marketing and advertising materials are not false, misleading or deceptive, do not portray OLG or customers of the Location or the general public in a disparaging manner, and that such marketing and advertising materials are in compliance with the marketing and branding guidelines which OLG communicates to the Municipality from time to time. In the event the Municipality does not comply with OLG's marketing and branding guidelines, OLG may thereafter require the Municipality to submit all proposed advertising and marketing materials in relation to the matters set out herein to OLG for its review and approval not less than 15 business days prior to the expected use or distribution of such materials.

6. Amendment and Restatement; Entire Agreement

This Agreement constitutes the entire agreement between the Municipality and OLG with respect to the matters herein and, without limiting the foregoing, amends and supersedes all prior agreements and understandings, oral or written, between the parties hereto or their respective representatives with respect thereto.

7. Further Assurances

The parties agree to do, or cause to be done, all acts or things and execute all such further documents as may be necessary to implement and carry into effect this Agreement to its full extent.

8. Normal Costs of Development

The parties acknowledge and agree that nothing herein shall operate to fetter any legislative or quasi-judicial jurisdiction of the Municipality, and in particular, it is understood and agreed by the parties that this Agreement does not preclude the Municipality from imposing upon occupants, owners or developers of the property at which the Casino Games are located, normal development related costs (including but not limited to the costs of infrastructure improvements under local or regional jurisdiction) arising from the Casino Games in the same manner and to the same extent as may be imposed by the Municipality on other occupants, owners or developers of land within the Municipality, and further that this Agreement does not preclude the Municipality from imposing such taxes, fees, charges, conditions or other requirements as may be imposed in accordance with applicable law upon owners, occupants, developers, properties or businesses in the Municipality (including, without limitation, realty taxes, development charges, conditions of site plan approval and sewer and water charges).

9. No Liability of OLG

The Municipality acknowledges and agrees that none of OLG and any provincial agency, ministry or crown corporation, nor any of their respective officers, directors, employees, agents or representatives shall be liable to the Municipality for or in respect of any claims (including but not limited to claims based in contract, tort or negligence, active or passive), any cause of action, demands, losses, liabilities or damages whatsoever (including but not limited to consequential, exemplary, special, punitive and indirect damages) arising out of, in respect of, or relating indirectly or directly to this Agreement, the Casino Games, the operation, cessation of operation or malfunction

of any systems or equipment, or any injury to or death of any person. Furthermore, the Municipality releases OLG from any and all losses in respect of the foregoing.

10. Notice

Any notice or other communication permitted or required to be given by OLG to the Municipality shall be given by either posting the same by prepaid registered mail or by facsimile addressed to the Municipality at the address or facsimile number, as applicable, appearing in this Agreement or by personal delivery to the Municipality. Any notice or other communication permitted or required to be given by the Municipality to OLG shall be given by either posting the same by prepaid registered mail or by facsimile addressed to OLG at the following address or facsimile number, as applicable: 4120 Yonge Street, Suite 420, Toronto, ON M2P 2B8, facsimile number 416-224-7003. Any notice posted by pre-paid registered mail shall be deemed to have been received on the third business day following such mailing and any notice personally delivered or sent by facsimile shall be deemed to have been received at 5:00 p.m. on the day so delivered or sent by facsimile (if such day is a business day and if such notice is sent prior to 5:00 p.m. on that day, and if not, on the next following business day). During periods of a postal strike or of a general interruption of postal services, any notice shall be given by personal delivery or facsimile hereunder and shall be deemed to have been received on the second business day following posting of the same.

11. Relationship of Parties

OLG acknowledges the Municipality's role as a host municipality of the Casino Games at the Location. The Municipality acknowledges and agrees that the Municipality is not an employee, agent or representative, joint venturer, or partner of OLG, and the Municipality shall not represent itself to others as being authorized to assume, incur or create any obligation of any kind (express or implied) on behalf of (or in the name of) OLG or any other provincial agency, ministry or crown corporation, or purport to bind OLG or any other provincial agency, ministry or crown corporation in any respect. For greater certainty, the Municipality acknowledges that OLG has, and shall have, the sole right to determine, from time to time and at any time, the number and type of Electronic Games and Live Table Games operated at the Location.

12. Severability

If any covenant or term herein or the application thereof to any person or entity, or in any circumstance, to any extent is held invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant or condition to any person, event or circumstance, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term, covenant and condition shall be valid and enforceable to the fullest extent permitted by law, except that if on the reasonable construction of this Agreement, as a whole, the applicability of the other provisions presumes the validity and enforceability of the particular provision, the other provisions will be deemed also to be invalid or unenforceable.

13. Governing Law

This Agreement shall be interpreted and the rights of the parties shall be governed by and construed in accordance with the laws of the Province of Ontario.

14. Attornment

Each party irrevocably and unconditionally attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

15. Recitals

The recitals to this Agreement form part thereof, and this Agreement is to be construed accordingly.

16. Time

Time shall in all respects be of the essence in this Agreement.

17. Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

18. Disclosure

The parties acknowledge that OLG is a Crown Agency and that it is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended, and that the Municipality is subject to the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M.56, as amended, and that, as a result, each party is required to observe certain legislative obligations with respect to the disclosure or non-disclosure of information, whether to government agencies or ministries, members of the public, or otherwise.

19. Modifications

Excluding an amendment permitted under Sections 3(b) and 4(c), no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party providing such waiver, and will be limited to the specific breach being waived.

20. Assignment

No transfer, sale or assignment by the Municipality of this Agreement or the Municipality's rights hereunder is valid without the prior written consent of OLG.

21. Benefit of the Agreement

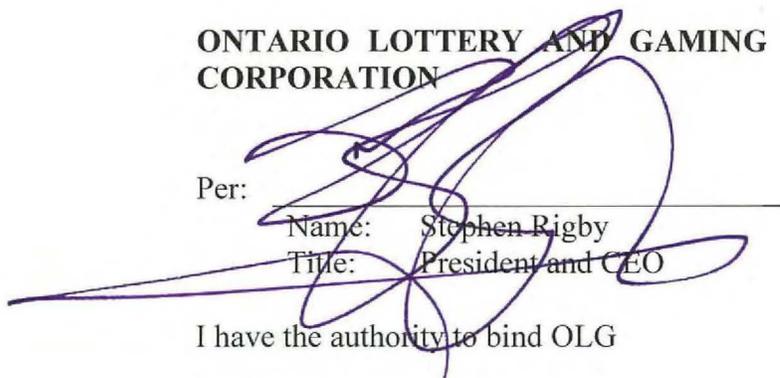
This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

22. Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

ONTARIO LOTTERY AND GAMING CORPORATION

Per: 

Name: Stephen Rigby
Title: President and CEO

I have the authority to bind OLG

THE CORPORATION OF THE CITY OF PICKERING

Per: 

Name: [•] David Ryan
Title: [•] Mayor

c/s

Per: 

Name: [•] Susan Cassel
Title: [•] City Clerk

I/We have authority to bind the Municipality.

EXHIBIT A

Calculation of Annual Contribution

For example and by way of illustration only: if the Electronic Games Revenue and Live Table Games Revenue for an Operating Year is \$650 million and \$100 million respectively and as further described in Table A below, then the applicable Annual Contribution for such Operating Year would be \$19,712,500:

TABLE A

	Electronic Games Revenue (in millions)	Live Table Games Revenue (in millions)	Annual Contribution Quarterly Payment (in millions)
Operating Year Quarter No. 1 (March 1 – June 30)	\$100	\$25	$[0.0525 \times \$65] + (0.03 \times \$35)] + [0.04 \times \$25]$ = \$5.4625
Operating Year Quarter No. 2 (July 1 – September 30)	\$175	\$22	$[0.03 \times \$100] + (0.025 \times \$75)] + [0.04 \times \$22]$ = \$5.755
Operating Year Quarter No. 3 (October 1 – December 31)	\$170	\$23	$[0.025 \times \$170]] + [0.04 \times \$23] = \$5.17$
Operating Year Quarter No. 4 (January 1 – March 31)	\$205	\$30	$[0.025 \times \$55] + (0.005 \times \$150)] + [0.04 \times \$30]$ = \$3.325
Total	\$650	\$100	\$19.7125

AMENDMENT TO MUNICIPALITY CONTRIBUTION AGREEMENT

THIS AMENDMENT TO MUNICIPALITY CONTRIBUTION AGREEMENT (this “**Amendment**”) made as of the ____ day of _____, 2022 (the “**Effective Date**”),

BETWEEN:

ONTARIO LOTTERY AND GAMING CORPORATION

(hereinafter referred to as “**OLG**”)

- and -

THE CORPORATION OF THE CITY OF PICKERING,

with its administrative office located at 1 The Esplanade, Pickering, ON L1V 6K7

(hereinafter referred to as the “**Municipality**”).

WHEREAS OLG and the Municipality (the “**Parties**” and each a “**Party**”) are parties to that certain Municipality Contribution Agreement dated as of February 12, 2020 (the “**Contribution Agreement**”);

AND WHEREAS capitalized terms that are used but not defined in this Amendment, including in the recitals hereto, have the respective meanings specified in the Contribution Agreement;

AND WHEREAS pursuant to the Contribution Agreement, the Municipality is entitled to receive from OLG in respect of each Operating Year an Annual Contribution, which is defined and calculated by reference to a percentage of Electronic Games Revenue and Live Table Games Revenue, subject to the terms and conditions of the Contribution Agreement;

AND WHEREAS OLG is willing to conduct and manage Sports and Other Betting (as defined below) at the Location, if OLG’s service provider wishes to offer Sports and Other Betting at the Location;

AND WHEREAS the Parties are entering into this Amendment in accordance with Section 19 of the Contribution Agreement for the purpose of amending the manner in which the Annual Contribution will be calculated if and when Sports and Other Betting is operated at the Location;

NOW THEREFORE THIS AMENDMENT WITNESSES THAT in consideration of the respective covenants and agreements of the Parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

1. **Amendment to Section 1 (*Definitions*)**

From and after the Effective Date, Section 1 of the Contribution Agreement is hereby amended by inserting the following definitions in such Section in alphabetical order:

“**Sports and Other Betting**” means, (a) with respect to sports betting, the making of a bet or placing of a wager on any actual sport event or any other athletic contest, race or fight, and (b) with respect to other betting, the making of a bet or placing of a wager on (i) video games that are played competitively, (ii) any non-sporting event (for greater certainty, other than Electronic Games and Live Table Games) where real-world factual occurrences are the contingency on which an outcome is determined (“Novelty Events”), and (iii) any pay-to-play sport betting product that allows participants to assemble a virtual team composed of real players in a given sport and compete against other virtual teams based on the performance of those players in real matches. The making of a bet or placing of a wager on horse racing or on a computer-generated presentation of a random number draw that provides sport-like visual presentation for entertainment purposes only, so that the outcome of the “event” is determined by a random number generator rather actual sports, players or Novelty Events, does not constitute Sports and Other Betting;”

“**Sportsbook Revenue**” means, for any period, the sum of net revenue generated from Sports and Other Betting at the Location, if any, calculated in accordance with International Financial reporting Standards or such other Canadian generally accepted accounting principles as OLG adopts from time to time in its sole discretion. For greater certainty, the Sportsbook Revenue will only include the net revenue generated from Sports and Other Betting at the Location and will not include any revenue whatsoever from other products or services provided by OLG at the Location;”

2. **Amendments to Section 3 (*Payments*)**

From and after the Effective Date, Section 3(a) of the Contribution Agreement is amended by deleting the provisions thereof in their entirety and replacing them with the following:

“3 Payments

(a) During the Term and subject to the terms and conditions of this Agreement, the Municipality shall be entitled to receive from OLG in respect of each Operating Year the amount (the “**Annual Contribution**”) equal to the sum of (A) + (B) + (C), where:

(A) is the aggregate (without duplication) of:

(i) 5.25% of the Electronic Games Revenue, if any, generated in such Operating Year that is less than or equal to \$65 million; plus

(ii) 3.00% of the Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$65 million and less than or equal to \$200 million; plus

(iii) 2.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$200 million and less than or equal to \$500 million; plus

(iv) 0.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$500 million;

(B) is 4.00% of Live Table Games Revenue, if any, generated during such Operating Year; and

(C) is 4.00% of Sportsbook Revenue, if any, generated during such Operating Year.”

3. **Amendment to Exhibit A (*Calculation of Annual Contribution*)**

From and after the Effective Date, Exhibit A of the Agreement is amended by deleting the provisions thereof in their entirety and replacing them with Exhibit A attached to this Amendment.

4. **Effect of Amendment on Contribution Agreement**

Except as modified by this Amendment, the Contribution Agreement remains unchanged and in full force and effect.

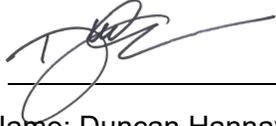
5. **Electronic Execution**

Delivery of an executed signature page to this Amendment by either Party by electronic transmission will be as effective as delivery of a manually executed copy of this Amendment by such Party.

[The next page is the signature page.]

IN WITNESS WHEREOF the Parties have executed this Amendment as of the Effective Date.

ONTARIO LOTTERY AND GAMING CORPORATION

by  _____

Name: Duncan Hannay
Title: President & CEO
Date: Dec 21/22
("I have the authority to bind OLG.")

CORPORATION OF THE CITY OF PICKERING

 _____

Name: Kevin Ashe
Title: Mayor
Date: December 20, 2022

 _____

Name: Susan Cassel
Title: City Clerk
Date: December 20, 2022

("I/We have the authority to bind the Municipality.")

EXHIBIT A

Calculation of Annual Contribution

For example and by way of illustration only: if the Electronic Games Revenue, the Live Table Games Revenue and the Sportsbook Revenue for an Operating Year is \$650 million, \$100 million and \$10 million respectively and as further described in Table A below, then the applicable Annual Contribution for such Operating Year would be \$20,112,500.

TABLE A

	Electronic Games Revenue (in millions)	Live Table Games Revenue (in millions)	Sportsbook Revenue (in millions)	Annual Contribution Quarterly Payment (in millions)
Operating Year Quarter No. 1 (March 1 – June 30)	\$100	\$25	\$2.5	$[(0.0525 \times \$65) + (0.03 \times \$35)] + [0.04 \times \$25] + [0.04 \times \$2.5] = \$5.5625$
Operating Year Quarter No. 2 (July 1 – September 30)	\$175	\$22	\$2.2	$[(0.03 \times \$100) + (0.025 \times \$75)] + [0.04 \times \$22] + [0.04 \times \$2.2] = \$5.843$
Operating Year Quarter No. 3 (October 1 – December 31)	\$170	\$23	\$2.3	$[0.025 \times \$170] + [0.04 \times \$23] + [0.04 \times \$2.3] = \5.262
Operating Year Quarter No. 4 (January 1 – March 31)	\$205	\$30	\$3.0	$[(0.025 \times \$55) + (0.005 \times \$150)] + [0.04 \times \$30] + [0.04 \times \$3.0] = \$3.445$
Total	\$650	\$100	\$10	\$20.1125

(VIII) By-laws

- 7613/18 Being a by-law to exempt Lots 2, 3 and 4, Plan 40M-2597 from the part lot control provisions of the *Planning Act*.
- 7614/18 Being a by-law to establish those parts of Lots 24 and 25, Con. 3 and those parts of the road allowance between Lots 24 and 25, Con. 3, being Parts 1 to 4, 40R-29947 as public highway.

Resolution #430/18

Moved by Councillor Butt
Seconded by Councillor Pickles

That By-law Nos. 7613/18 through 7614/18 be approved.

Carried

(IX) Other Business

Resolution #431/18

Moved by Councillor Brenner
Seconded by Councillor McLean

That the rules of procedure be suspended in order to allow the introduction of a Notice of Motion.

Carried on 2/3 Majority

- 1) Ontario Gaming GTA LP Revenue Sharing

Resolution #432/18

Moved by Councillor Ashe
Seconded by Councillor Pickles

Whereas Ontario Gaming GTA LP has now announced that it will proceed with development of the Durham Live entertainment complex and casino in the City of Pickering;

Whereas Durham Live will be a significant tourist destination, will create thousands of jobs in Pickering and will generate significant revenues for the City of Pickering;

Whereas The City of Pickering, by resolution No. 158/12 dated December 10, 2012, committed to revenue sharing regardless of which municipality is selected as the gaming site for the C3 zone;

Whereas The City of Pickering remains committed to an equitable and reasonable arrangement for sharing gaming revenues for the benefit of all Durham Region residents;

Whereas The City of Pickering has publicly proposed that 30 percent of gaming revenues at full build-out of the gaming facility be directed to the Region of Durham, and further proposes that a portion of the said revenue share be directed to Social Housing and/or other Social programs;

Now Therefore The Council of the City of Pickering directs City staff to consult with staff at the Region of Durham and to make recommendations to City Council regarding the terms of a revenue sharing agreement; and

Now Therefore City staff are directed to send a copy of this motion to the Region of Durham and to all Durham Region municipalities.

Carried Unanimously on a
Recorded Vote

- 2) Councillor Brenner gave notice that he would be bringing forward his Notice of Motion with respect to the licensing of service animals at the May Council meeting. He noted that this had been deferred from the April Council meeting in order to allow sufficient time for consultation with the Accessibility Advisory Committee.

Resolution #433/18

Moved by Councillor Pickles
Seconded by Councill Butt

That Council recess for ten minutes.

Delegations Continued

4. Michael Angemeer, Veridian
Proposed Veridian and Whitby Hydro Merger

Michael Angemeer, Veridian, Ron Clark, Aird & Berlis & Troy MacDonald, Grant Thornton LLP appeared before Council and with the aid of a PowerPoint presentation provided an overview of the potential merger of Veridian Corporation and Whitby Hydro Energy Corporation. He noted that the reasons for the potential merger is to achieve efficiencies, mitigate future rate increases to customers and

Legislative Services Division
Clerk's Office

Directive Memorandum

March 2, 2020

To: Stan Karwowski
Director, Finance & Treasurer

From: Susan Cassel
City Clerk

Subject: Direction as per Minutes of the Meeting of City Council held on
February 24, 2020

Director, Finance & Treasurer, Report FIN 02-20
2020 Current and Capital Budget

Council Decision

**Resolution #240/20, 242/20, 243/20 &
244/20**

1. That Report FIN 02-20 of the Director, Finance & Treasurer be approved;
2. That Council direct staff to adopt the following guidelines in negotiating the sharing of casino revenue with Durham Region:
 - a) That annually, the first \$10 million in casino revenue be allocated to the City and the remaining balance of casino revenues be shared with Durham Region and their share be capped at \$6 million per year;
 - b) That Durham Region be requested to develop and implement a Property Tax Relief program for low income Seniors & Persons with Disabilities for the Regional share of residential property taxes;
 - c) That Durham Region commits to reviewing the allocation of the police services budget based on the principle of achieving property tax fairness;
 - d) That any sharing of casino revenue with Durham Region to be considered after January 1, 2021;
 - e) That Durham Region reimburse the City for the Regional share of property taxes for the OPG leased parkland;
 - f) That Durham Region participate as a funding partner for the Notion Road 401 project; and,
 - g) That all legal, consulting and professional fees and expenses incurred by the City in relation to Ajax's appeals of Pickering By-law No. 7404/15 be reimbursed out of casino revenue prior to the sharing of such revenue with Durham Region.

3. That the following budget recommendations be approved;

- a) That the 2020 Current Budget expenditure for personnel costs, consisting of salaries and wages (Account 1100), overtime (Account 1200) and employer contributions (Account 1400), in the total amount of \$61,017,294 be approved;
- b) That the 2020 General Government Budget for grant expenditures in the total amount of \$296,591 be approved;
- c) That the 2020 Gross Current Budget expenditures for City purposes in the amount of \$52,382,912 (excluding personnel costs and grant expenditures) less estimated current revenues of \$45,371,039 (City revenues of \$43,873,039 plus \$1,198,000 for assessment growth plus supplementary taxes of \$300,000) and net transfer from the Rate Stabilization Reserve of \$1,500,000 for City operations be approved;
- d) That the Capital from Current expenditure in the amount of \$736,363 funded from property taxes be approved; and,
- e) That the total final City levy under paragraphs a), b), c) and d) above, plus the following additions that result in a total final levy of \$68,630,621 being an increase of approximately 2.99 percent over the 2019 Budget, be approved:
 - i) Hiring of three additional fire fighters (\$277,500) for the Seaton station and additional staffing resources for By-law (\$96,000); and,
 - ii) Service level increases that consist of \$35,000 for Sunday Hours at the George Ashe Library, \$150,000 for Automated Speed Enforcement and additional resources for Winter Control, Roads and Parks in the amount of \$510,000 as outlined in Attachment 4.

4. That the 2020 Capital Budget for the City of Pickering with a Gross Expenditure of \$58,558,005, plus an additional \$187,311,000 for the City Centre project be adopted as presented:

- a) That the following capital financing sources be approved as presented in the 2020 Capital Budget:

Transfer from Current Fund to Capital Fund	\$736,363
--	-----------

Transfers from Reserves:

- Rate Stabilization Reserve (7021)	1,477,200
- Vehicle Replacement (7040)	1,482,000
- Major Equipment Reserve (7062)	823,000
- Casino Reserve (7067)	720,000
- Capital Replacement (7001)	556,000
- Tennis Reserve (7061)	250,000
- City Share Dev. Charges (7022)	182,012
- Self-Insurance Reserve (7020)	175,000

- Facilities Reserve (7055)	120,000
- Rec. Complex Arena Surcharge (7036)	97,000
- Rec. Complex Pool Surcharge (7035)	80,000
- Rec. Complex Core Surcharge (7034)	25,000

Transfers from Reserve Funds:

- Development Charges (7601 – 7630)	110,591,354
- Federal Gas Tax Funds (7505)	4,713,000
- Third Party Contribution (7501)	3,932,940
- Roads & Bridges (7709)	2,350,000
- Animal Shelter (7706)	979,760
- Parkland (7502)	970,000
- Building Permit (7506)	552,000
- Seaton Land Group FIA (7713)	416,796

Debt - 5 yr	360,400
Debt - 10 yr	1,400,000
Debt - 15 yr	1,470,000
Debt - 20 yr	9,327,180
Debt - 25 yr	96,626,000
Internal Loan - 5 yr	626,000
Internal Loan - 10 yr	780,000

Donations	2,250,000
Federal Grant – TBD	650,000
Federal Grant – Investing in Canada Infrastructure Program (ICIF)	300,000
Provincial Grant – Ontario Community Infrastructure Fund (OCIF)	850,000

Total \$245,869,005

- b) That total external debt financed by property taxes of \$109,183,580 for the projects identified in the 2020 Capital Budget, and as indicated in this report, in the amount of \$360,400 for a period not to exceed 5 years, \$1,400,000 for a period not to exceed 10 years, \$1,470,000 for a period not to exceed 15 years, \$9,327,180 for a period not to exceed 20 years and \$96,626,000 for a period not to exceed 25 years be approved;
- c) That the internal loans in the amount of \$1,406,000 be undertaken at the discretion of the Director, Finance & Treasurer;
- d) That projects identified in the 2020 Capital Budget as being financed through the issuance of debt be subject to additional, specific approval of the expenditure and the financing by Council;
- e) That any debt repayment, interest or financing provisions contained in the annual Current Operating Budget not used in the current year's payments requirements may, at the discretion of the Director, Finance & Treasurer, be used to apply towards additional principal repayment, outstanding loan or debt charges or to reduce debt not issued, balloon payments in future years through transfer to Rate Stabilization Reserve, internal loans or any other amounts to be financed;

- f) That all Capital expenditures or portions thereof approved in the 2020 Capital Budget to be financed through the issuance of debt may, at the discretion of the Director, Finance & Treasurer, be financed through internal loans, current or capital funds or a combination thereof;
 - g) That the Director, Finance & Treasurer be authorized to make draws from Reserve and Reserve Funds for projects included in the approved Capital Budget up to the amount approved;
 - h) That the Director, Finance & Treasurer be authorized at his discretion to apply any Casino revenues attributed to 2020 towards the payment of internal loans; and,
 - i) That the Director, Finance & Treasurer be authorized at his discretion to apply any excess funds obtained through the issuance of debentures as provided for under Section 413 of the Municipal Act, 2001 as amended.
5. That the Director, Finance & Treasurer be authorized to transfer:
- a) Any surplus current operating funds at year-end in excess of approximately \$125,000 be allocated in the following manner: the first \$70,000 be allocated to the Elected Officials Life Insurance Reserve and the remaining surplus be allocated in the following ratio: 25 percent to the Rate Stabilization Reserve (7021); 10 percent to the Tennis Court Reserve (7049); 10 percent to the Facilities Reserve (7055); 5 percent to the Artwork Reserve (7066) and 50 percent to the City Share DC Projects;
 - b) Any surplus funds from the Emergency Operational Capital Needs Account (2901.0000.0000) to the Facilities Reserve; and,
 - c) The revenue from the sale of used vehicles recorded in account (1593.0001.0000) to the Vehicle Replacement Reserve (7040).
6. That the Director, Finance & Treasurer be authorized to make any changes or undertake any actions necessary including: reduce the Contingency Account 2900.0000.0000 by \$17,000 to offset the loss of the golf simulator revenue amendments to Section 07.01 c) of Policy ADM 190, to insert after the word "Plans" the following clause "including the health care spending account referenced in 7.01 b)"; and apply these changes to Directors and CAO and to accommodate any labour relations settlements including adjusting the Personnel related accounts and that any revenue shortfall as a result of a Provincial tax policy change be adjusted through the 2020 final tax rates;
7. That the Director, Finance & Treasurer be authorized at his discretion to fund Property Tax Write-offs account (2134.0000.000) that exceed the budget provision due to assessment appeals that translates into a deficit position for the corporation and this shortfall be funded from a transfer from the Assessment Appeal Reserve (7011) and if this reserve is depleted then the shortfall be funded from the Rate Stabilization Reserve (7021) and that any shortfall from Payment-in-Lieu Education Share revenue estimates be funded from a transfer from the Rate Stabilization Reserve (7021);

8. That the Director, Finance & Treasurer be authorized to use any under expenditures from projects funded from Reserves or Reserve Funds to fund over expenditures for approved projects funded from the same source(s);
9. That the Purchasing Policy be amended to reflect that Public Art purchases or Public Art project costs that exceed \$25,000 requires Council approval;
10. That the Director, Finance & Treasurer be authorized at his discretion to close any current and completed prior year's capital expenditure accounts and to first apply any excess funding from property taxes to any over expenditure in other accounts and to secondly transfer any remaining excess funding back to the original sources of funds;
11. That Council approve the cancellation of the following previously approved Capital projects:
 - a) DH-3 Tillings Road – Valley Farm Road to north limit – 5321.1001 – \$372,935;
 - b) Don Beer Waste Oil Tank Replacement (5715.1803) – \$21,725;
 - c) Pickering Heritage & Community Centre (PHCC) – Construction (5719.1901) – \$14,915,675;
 - d) CHDRC Main Entrance & Core Area Renovations – Construction (5731.1901) – \$4,900,000;
 - e) CHDRC Tenant Suite Expansion (5731.1906) – \$31,000;
 - f) CHDRC Water and Fire Main Replacements (5731.1908) – \$160,000;
 - g) CHDRC Arena Waste Oil Tank Replacement (5735.1804) – \$21,725;
 - h) Museum Conservation Barn Health & Safety Upgrades (5744.1601) – \$65,540;
 - i) Traffic Speed Camera System (5320.1906) – \$25,000;
 - j) Museum Retaining Wall, Guard and Handrail Upgrades (5744.1803) – \$40,000;
 - k) Museum Backhoe/Loader Replacement (5744.1902) – \$210,000;
 - l) Museum Schoolhouse Relocation (5744.1903) – \$75,000;
 - m) Museum Schoolhouse Foundation (5744.1904) – \$75,000;
 - n) Museum Harvey House Relocation (5744.1905) – \$75,000;
 - o) Museum Harvey House Foundation (5744.1906) – \$75,000;
 - p) Museum Harvey House Design (5744.1907) – \$30,000; and,

q) Archives and Library Space (5800.1902) – \$3,968,292.

12. That Council approve the change in the specifications for the replacement of health club equipment approved in the 2019 Capital Budget (account 5731.1904.6178) from two Arc Trainers, four Recumbent Bikes, one Jacob's Ladder and one Strength Machine to four Ascent Trainers, one Self Powered Ascent Trainer (SPARC), one Stairmaster Gauntlet, two SkiErgs and two Recumbent Bikes;
13. That the Director, Finance & Treasurer be authorized at his discretion to close any consulting account expenditure and corresponding revenue source that is over three years from the original purchase order date of issuance;
14. That the Director, Finance & Treasurer be authorized at his discretion to refinance any capital expenditures that failed to meet the Federal Gas Tax reporting criteria from other sources including transfers of funds from reserves and reserve funds;
15. That the Director, Finance & Treasurer be authorized to:
 - a) Undertake transactions in the spot or forward (12 months or less) currency markets in order to effect United States dollar denominated expenditures in the Current or Capital Budgets;
 - b) Sign leases or rental agreements (including summer rentals) on the City's behalf for the provision of vehicles or equipment required for temporary use during periods of equipment breakdown or repair or during periods of increased need (e.g. inclement weather);
 - c) Restate the 2020 Current Operating, User Fees and Capital Budgets to reflect: (i) any Council changes made at the February 24 Council meeting; (ii) any reorganization or personnel account changes (salary, benefits and overtime), (iii) reclassifications that result from salary increases or negotiated labour settlements; and,
 - d) To process budget transfers during the fiscal year which do not change the overall approved property tax levy.
16. That Council waive the Purchasing Policy where the estimated vehicle repair cost is below \$30,000 (HST excluded) for all fleet vehicles and off road vehicle equipment in 2020;
17. That the Director, Finance & Treasurer be authorized to amend Sections 09.08, 13 and 13.01 of Policy ADM 190 to read as follows:

09.08 - Council approval is not required for international air travel, accommodations, registration fees and meals for economic development initiatives;

13. It is recognized that there are many communications media available to Members of Council to communicate with their constituents, including newsletters, neighbourhood letters, cooperative letters, websites and social media accounts;

13.01 - An annual budget of \$10,000 for the first, second and third calendar years and an annual budget of \$4,000 for the fourth year for website expenditures will be provided to each Councillor for constituent communications. The City shall cover the cost of preparing, printing and mailing newsletters, neighbourhood letters and cooperative letters, as well as the cost of creating and maintaining a website and/or social media account security measures as follows ...;

18. That the Director, Finance & Treasurer be authorized at his discretion to draw from the Winter Control Reserve to fund any Current Budget deficit as a result of higher than budget winter control costs;
19. That Council approve the following changes due to the receipt of the Combating Ageism & Promoting the Engagement of Seniors or (CAPES) grant to the 2020 budget expenditure and revenue accounts as presented below:
 - a) That Revenue account (1623.2572.0000) be increased by \$25,000; and,
 - b) That the following expense accounts be increased: account (2572.2394.0000) – \$19,300; account (2572.2210.0000) – \$2,000; and account (2572.2399.0000) – \$3,700.
20. That Council approve the continuing engagement of the firm of Watson & Associates Economists Ltd. to be used for Development Charge and Community Benefit Charge issues, financial studies related or in support of the DC Background Study and Community Benefit Charge and issues related to the City, Seaton and/or Duffin Heights;
21. That the Financial Control Policy be amended to require that Furniture Fixtures and Equipment or FFE budgets include a breakdown of expenditures to allow the Treasurer to fulfill the obligations of the Financial Control Policy under subsection 02.04 b) and under the Municipal Act subsection 286(1)(d);
22. That Council approve the continuing engagement of the following firms: Nixon Fleet & Poole LLP, Municipal Tax Advisor Group and Municipal Tax Equity Consultants to protect the property tax base by defending assessment appeals through proactive assessment base management;
23. That the Director, Finance & Treasurer be authorized to adjust the per kilometre travel expense reimbursement rate (last increased in 2018) with an effective date of March 1, 2020 from 0.56 cents per kilometre to 0.59 cents per kilometres for the first 5,000 kilometres and 0.53 cents per kilometre for travel beyond 5,000 kilometres;
24. That Council authorize the Treasurer to pay the invoice for work related to William Jackson Drive in the amount of \$183,329 to be funded from the DC City Share Reserve (7022) in the amount of \$27,499 and DC – Transportation Services Reserve Fund (7610) in the amount of \$155,830;
25. That the Director, Finance & Treasurer be authorized to increase the funding for the project management work as undertaken by Sabourin Kimble & Associates (SKA) for the Kubota lands within the Pickering Innovation Corridor in the amount

of \$425,000 plus net HST and these costs be recovered through Third Party Contribution;

26. That the Director, Finance & Treasurer be authorized to initiate any additional assessment appeals necessary to protect the assessment base of the City;
27. That the Director, Finance & Treasurer be authorized at his discretion to transfer any green energy rebates and revenue associated with the Claremont solar roof rental project account (1530.2620.0000) and other incentives and rebates account (2620.9993.0000) to the Reserve for Sustainable Initiatives;
28. That Council amend the Community Grant policy as follows:
 - a) That the grant application deadline date for the 2021 Community Grant Program be October 23, 2020 to give community groups sufficient time to complete their applications.
29. That any unused funds in excess of \$1,000 for accessibility capital projects (6183) be transferred to the Reserve for Accessibility Initiatives (7053);
30. That Council approve \$50,000 to be added to 2020 Capital Budget for the purchase of a mobile licence plate recognition system to be funded from the Rate Stabilization Reserve (7021);
31. That any unspent 2020 Local Planning Appeal Tribunal (LPAT) funds budgeted under General Government consulting account (2126.2392) be transferred to the Tennis Court Reserve (7061);
32. That Council approve the combining of the previous unspent Property Maintenance Capital Budget amounts for fence replacement from accounts: 5311.1505.6181 (\$213,046) and 5311.1802.6181 (\$118,303) to account 5311.1505.6181;
33. That Council approve the combining of the previous unspent Parks Capital Budget amount for fence replacement from account: 5780.1818.6181 (\$60,000) to account 5780.1818.6181;
34. That Council direct staff to report on Outstanding Capital projects as of July 31st and December 31st of each year;
35. That Council approve the 2020 Low Income Seniors & Persons with Disabilities grant amount to be increased from \$330 to \$375 per household;
36. That Council pass the attached General Municipal Fees and Charges By-law and incorporate the user fee schedule into the 2020 Current Budget:
 - a) That Council approve revising "Schedule B – Fees Payable for Building Permits" of the Building By-law with the Building Permit fees listed in the 2020 User Fee Schedule;
 - b) That the attached 2020 User Fee Schedule be revised to be consistent with the fees stated in the Vehicle for Hire By-Law enacted on February 24, 2020; and,

- c) That the indoor golf fees for prime and non-prime times be removed from the attached 2020 User Fee schedule.
37. That staff be directed to develop an implementation plan for public EV Charging Infrastructure including location and investigation of installation costs and that the appropriate funding be included in the 2021 Capital Budget in order to apply for all possible grants including the Natural Resources Canada Zero Emission Infrastructure program;
38. That Council direct the Director, Finance & Treasurer to develop a financial plan that allocates the casino revenues only after the Community Benefit Charge (CBC) regulations have been issued and the financial impact analyzed and when the City Centre project costs are based on tender pricing with any surplus casino revenues being allocated to critical infrastructure reserves; and,
39. That the appropriate City of Pickering officials be authorized take the necessary actions as indicated in this report.

Please take any action deemed necessary.

Susan Cassel

Copy: Chief Administrative Officer



Memorandum of Understanding for the Sharing of the Pickering Casino Revenues between the Corporation of the City of Pickering (the “City”) and The Regional Municipality of Durham (the “Region)

WHEREAS:

- a. The City has entered into a Municipal Contribution Agreement (the “MCA”) with the Ontario Lottery and Gaming Commission (“OLG”), in order for the City to receive a share of revenue from the Pickering Casino (the “Casino”);
- b. The City has agreed to share a portion of the revenue from the Municipal Contribution Agreement with the Region; and
- c. The Parties wish to reduce their agreement on the revenue sharing to writing;

NOW THEREFORE for the following consideration, the parties agree that:

1. This agreement, will commence in Q1, 2023, and revenue sharing will be retro-active to January 1, 2023, it being understood that payments from OLG in respect of any time prior to December 31, 2022 will not be shared even if such payments are received by the City after that date.
2. Annually, the first \$10 million in casino revenues from the MCA be allocated to the City and the remaining balance of casino revenues from the MCA be shared 50%-50% with the Region, provided that the Region’s share shall be capped at \$6,000,000 per year. The City shall make the payment to the Region in one annual payment annually, within sixty (60) calendar days of December 31. Commencing the year after the first payment is received, the Region shall provide the City annually by March 31st with annual reports which account for the Region’s use of funds it receives under this agreement.
3. Both municipalities agree that the partnership between the City and the Region will enable open and timely sharing of information to assist program areas of both municipalities. Semi-annual update meetings between the Parties respective CAO’s will be scheduled to plan for issues and needs which may arise.

4. Pickering and Durham Region will solely retain their respective responsibilities for establishing the policies, budgets and service levels for programs and services within each of their jurisdictions.
5. This Revenue sharing Agreement will survive any change in the gaming operator. This agreement does not preclude the Region or the City from imposing any fees, charges, conditions, levies etc. on OLG and/or any operator which would otherwise be applicable to the operation of the Casino, hotel or any other amenity associated with the Casino.
6. The City is recognized as the host municipality in accordance with the MCA.
7. The term of this agreement shall expire on December 31, 2026. Notwithstanding this term limit, the final payment from the City to the Region for 2026 will be due 60 days from December 31, 2026. In the event that the Province implements any substantial reduction of the Region's jurisdiction over health and social services, policing or emergency response, the City and the Region will renegotiate the revenue sharing specified in this MOU for the balance of the term. The term can be extended on the mutual written agreement of both the City and the Region.

THIS AGREEMENT made this ____ day of February, 2023

The Regional Municipality of Durham

Per: _____
John Henry, Regional Chair & CEO

Per: _____
Alexander, Harras, Regional Clerk

We have the authority to bind the Corporation

The Corporation of the City of Pickering

Per: _____
Kevin Ashe, Mayor

Per: _____
Susan Cassel, City Clerk

We have the authority to bind the Corporation

DRAFT