

# Request for Decision City Council



## Type of Decision

Meeting Date	February 10, 2005				Report Date	February 4, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

## Report Title

2004 Investment Report

### Policy Implication + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

Background Attached

### Recommendation

FOR INFORMATION ONLY

Recommendation Continued

### Recommended by the General Manager

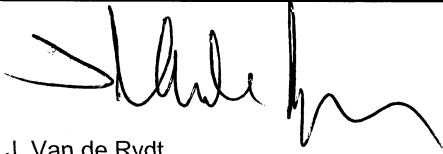
*S. Jonasson*  
for  
S. Jonasson  
Acting Chief Financial Officer / Treasurer

### Recommended by the C.A.O.

*M. Mieto*  
M. Mieto  
Chief Administrative Officer

Date: February 4, 2005

**Report Prepared By**



J. Van de Rydt  
Co-ordinator of Capital Budget & Risk Management

**Division Review**



C. Mahaffy  
Manager of Financial Planning & Policy/Deputy Treasurer

**BACKGROUND**

Ontario Regulation 265/02 requires the Treasurer to present, annually, an investment report to Council. This requirement is also set out in the City of Greater Sudbury's Statement of Investment Policy and Goals. The Investment Policy is constantly under review to ensure compliance under the Municipal Act, 2001 as regulations are amended or introduced.

This report summarizes the investment activities for the year and certifies that all investments made in the year 2004 were in compliance with both the policy and the Ontario Regulation 265/02.

The City of Greater Sudbury's investment portfolio, at cost, at December 31, 2004 was as follows:

Long-term investments	\$ 22,215,106
Short-term investments	\$ 95,235,412
Total investment portfolio	\$117,450,518

During the year, sixty-nine separate investment transactions were completed. Interest earned on investments, plus interest earned on average daily bank balances, amounted to \$3,687,924.51 - an average rate of return of 2.754%.

Interest earnings of \$1,743,868.02 were credited to reserve and trust funds. The balance of investment income was earned by capital and current funds. In accordance with the investment policy, the investment income earned by the capital fund was attributed to the current fund. Including interest earned from the bank, the current fund was credited with \$1,944,056.49 interest revenue.

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Report Title
<b>2005 Rates - Capital Lot Levies</b>

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

Recommended by the General Manager
 S. Jonasson Acting Chief Financial Officer / Treasurer

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Date: February 4, 2005

**Report Prepared By**



C. Mahaffy  
 Manager of Financial Planning & Policy/Deputy Treasurer

**Division Review**

**EXECUTIVE SUMMARY**

This report updates the charges for Capital Lot Levies for 2005, in accordance with policy. Lot levies are applicable only on lots created by consent or plans of subdivision/condominium approved under By-laws 79-111 and 89-111. No new lots or plans are affected. There are still some agreements in place where lot levies would apply. The policy is to increase the lot levy amounts annually in direct proportion to the Canadata Construction Index, Ontario Series, as at November 15<sup>th</sup> over the previous year.

**BACKGROUND**

Some by-laws of the former Regional Municipality of Sudbury remain in effect under the new City of Greater Sudbury, including By-laws 79-111 and 89-111 relating to the collection of capital lot levies.

Lot levies are increased annually by inflation, and are applicable only on lots created by consent or plans of subdivision/condominium approved under By-laws 79-111 or 89-111. No new lots or plans would be affected by these by-laws, including any falling within the annexed areas.

Although, effective November, 1991, Capital Lot Levies were replaced by Development Charges, there are still agreements in effect where Capital Lot Levies apply.

**By-law 89-111** applies to residential lots created by consent from the Committee of Adjustment and Plans of Subdivision and Plans of Condominium approved under the Planning Act. In some instances, the terms and conditions under these Consents and Plans are still outstanding, and By-law 89-111 would still apply.

Under this By-law, the capital levy rates are to be adjusted annually to reflect changes in the Composite Component of the Canadata Construction Index, Ontario Series, as at November 15<sup>th</sup> of each year, using November 15<sup>th</sup> of the previous year as the base level. The increase for 2004 over 2003 is 5.4 percent.

The following are therefore the 2005 Capital Levies:

	2004	2005
Upgrading of the Sewage System	\$1,385	\$1,460
Upgrading of the Water System	\$2,070	\$2,180

Date: February 4, 2005

**By-law 79-111** applies to Plans of Subdivision approved under the Planning Act and preceded By-law 89-111. There are still a few such Plans in effect.

The capital levy rates for subdivision agreements entered into prior to the passage of By-law 89-111 are to be adjusted annually in direct relation to the Composite Component of the Canadata Construction Index, Ontario Series, as at November 15<sup>th</sup> of each year, over the previous year. The increase for 2004 over 2003 is 5.4 percent and the rates for 2005 are therefore:

	<b>2004</b>	<b>2005</b>
Upgrading of the Sewage System	\$1,385	\$1,460
Upgrading of the Water System	\$ 700	\$ 740

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Report Title
<b>By-laws 87-340 and 87-341 Requiring Owners to Connect to Water and Wastewater Works 2005 Exemption Amount</b>

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>FOR INFORMATION ONLY</p>
Recommendation Continued

Recommended by the General Manager
<p><i>for S. Jonasson</i></p> <p>S. Jonasson Acting Chief Financial Officer / Treasurer</p>

Recommended by the C.A.O.
<p><i>M. Mieto</i></p> <p>M. Mieto Chief Administrative Officer</p>

Requiring Owners to Connect to Water and Wastewater Works - 2005 Exemption Amount

Date: February 4, 2005

**Report Prepared By**



C. Mahaffy  
Manager of Financial Planning & Policy/Deputy Treasurer

**Division Review**

**EXECUTIVE SUMMARY**

This report updates the expenditure level that would qualify for an exemption from mandatory connections to water and wastewater systems in accordance with policy. Owners are exempt from mandatory connections to water/wastewater services, if together with other conditions, the costs to establish the private portion of each connection exceeds a specified limit. The limit is increased annually in direct proportion to increases in the composite component of the Canadata Construction Index for Ontario, using November 15<sup>th</sup> of each year over the previous year. The 2005 limit is \$8,490, which is a 5.4% increase over 2004.

**BACKGROUND**

Some by-laws of the former Regional Municipality of Sudbury remain in effect under the new City of Greater Sudbury, including By-laws 87-340 and 87-341 requiring owners to connect to sewer and water works.

These by-laws make provision for exemptions from mandatory connections to sewer and water services based on a number of conditions. One of the conditions is cost of connections, which is increased annually.

These by-laws will not affect any properties in the annexed areas, as no sewer or water services are available.

Owners are exempt from mandatory connections to water/wastewater services, if together with other conditions, the costs to establish the private portion of **each** connection exceeds a specified limit. The limit is increased annually in direct proportion to increases in the Composite Component of the Canadata Construction Index, Ontario series, using November 15<sup>th</sup> of each year, over the previous year.

The increase for 2004 over 2003 is 5.4 percent.

Therefore, for 2005, exemptions from mandatory connections are available if, together with other conditions, the costs to establish the private portion of each connection exceeds \$8,490.

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	Direction Only				Type of	<input checked="" type="checkbox"/>	Open		Closed

## Report Title

FCM Quality of Life Issues Report Summary: Dynamic Societies and Social Change


### Policy Implication + Budget Impact

<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached


### Recommendation

For information only.	
<input type="checkbox"/>	Recommendation Continued

### Recommended by the General Manager

 Catherine Matheson General Manager, Community Development
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### Recommended by the C.A.O.

 Mark Mieto C. A. O.
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**Report Prepared By**

Tin-Chee Wu  
Economic Development and Planning



Bernadette Walicki  
Community Development and Social Policy

**Division Review**

**BACKGROUND**

The Federation of Canadian Municipalities (FCM) and staff from 20 Canadian municipalities (representing 40% of Canada's total population), have compiled statistics from national and municipal sources to form the Quality of Life Reporting System (QOLRS), consisting of 75 indicators measuring social, economic and environmental change from 1990 to 2002. As a follow-up to the Quality of Life Reporting System Highlights Report 2004, the FCM has published the second of a series of reports to provide an in-depth analysis of specific indicators. This issues report specifically focuses on workforce, community and social infrastructure, civic engagement, and community health and safety.

**SUMMARY OF RESULTS**

**Demographic Changes Highlight a Rapidly Aging Population**

Seniors

- The number of seniors aged 65 years and older in Greater Sudbury increased by approximately 30% between 1991 and 2001, followed by older adults between the ages of 45 and 64 years (20%). The number of Older adults between 35 and 44 years only increased marginally between the same time period.

Young Adults

- The number of young adults (25-34 years) decreased in 17 of 20 QOLRS communities. Greater Sudbury, Winnipeg and Niagara were the only three cities that experienced a decrease in all three age categories: children (0-14 yrs.), youth (15-24 yrs.), and young adults (25-34 yrs.).

Immigration

- Immigration accounted for over half of total population growth in all participating QOL communities between 1991 and 2001. Greater Sudbury, Saskatoon, Regina, Quebec City and Halifax did not share in population growth as a result of immigration.

Municipalities with a rapidly diversifying population need to design and deliver culturally appropriate and relevant services such as initial settlement, labour-force transition, schooling, social and health services. Although Sudbury is not currently facing such challenges, it should use this opportunity to learn from the experiences of those communities as it has just begun to pursue a similar immigration-led population growth strategy.

### Aboriginal Youth

- Between 1996 to 2001, there was an increase from 1,385 to 1,800 in the number of Aboriginal children in Greater Sudbury between the ages of 0 and 14 years (30% increase), whereas there was a decrease of 13.1% among non-Aboriginal children of the same age group. As a result, the representation of Aboriginal children among all children of that age group increased from 4.3% in 1996 to 6.3% in 2001. However, this was only a 5-year short-term trend that needs to be monitored through the next Census to establish a longer trend. The reason for this 5-year trend in this study is that there was a change by Statistics Canada in the definition of Aboriginal identity between 1991 and 1996, and hence the 1991 data cannot be used to calculate a longer trend.

The City of Greater Sudbury is responding to the needs of a rapidly aging population by formalizing the services offered through Pioneer Manors' Senior Campus. Further, the Mayor and Council's Roundtable on Seniors' Issues has been instrumental in creating new opportunities for seniors in the City. At the opposite end of the age spectrum, efforts to attract youth and immigrants most notably include: the Youth Mentorship Program, Youth Cabinet, Mayor and Council's Children First Roundtable and the Diversity Thrives Here! Initiative. It is important for the City of Greater Sudbury to continue to monitor demographic changes in order to ensure that services reflect the needs of the community. Insight and knowledge can be gained from larger municipalities about their experiences with increasing immigrant populations and from cities struggling to meet competing demands from youth and seniors.

### **The Changing Workforce**

#### Declining Unemployment

- Employment opportunities are not shared equally among the 20 QOLRS communities. While employment expanded faster in the QOLRS communities than the rest of Canada, eight of the 20 QOLRS communities had unemployment rates at or near 10% in 2001.
- The unemployment rate in Greater Sudbury was 9.1% in 2001.

There has been a trend towards lower rates of unemployment. In 2004, unemployment rate declined further to 8.3% in Greater Sudbury, even though it was still higher than both the Ontario (6.8%) and Canadian (7.2%) rates.

#### Education level

- Among the 25-34 year olds in 2001, more than 30% of these young adults living in the QOLRS communities held a university degree or trade certificate.
- Percentages vary widely across communities. Close to 50% of young adults in Ottawa, Toronto and Vancouver had completed a university degree or trade certificate in 2001. Less than 25% did so in Sudbury (20.8%), Niagara and Hamilton.

Although there is the possibility of a long-term labour shortage, success in the labour market is increasingly tied to levels of education and specialization. Hence, education achievement of the next generation of workers is a good indicator of their future success. Given that the skill level requirements of the labour force will likely be even higher in the future than today, it is imperative for Sudbury to focus on encouraging the younger generation to prepare themselves through education for future employment opportunities. This responsibility should not be relegated only to our educational institutions, but should be carried out as a community initiative, as its success will determine the long-term economic well-being of the whole community. The Youth Mentorship Program, highlighting careers in Greater Sudbury's economic niches, is a good first step.

### A narrowing gender divide in the labour force

- While labour force participation rates in QOLRS communities were falling for both males and females between 1991 and 2001, the declines were greater and more consistent among males.
- In Greater Sudbury, male participation rate fell from 72.9% to 66.5%, and female participation rate only fell slightly from 58.1% to 57.8% during those ten years. As a result, the gender gap in labour force participation decreased from 14.8% in 1991 to 8.7% in 2001. It should be noted, however, that these figures do not address the issue of the wage gap between men and women.

### Improved labour market inclusion for foreign-born Canadians

- Recent immigrants face far higher levels of unemployment than the rest of the population, although the unemployment rates of foreign residents who have spent 10 years or more in Canada have improved substantially.
- Overall, unemployment rates for all immigrants, recent and settled, were comparable to or lower than those for non-immigrants in about half of the QOLRS communities.

### Unemployment rate is higher for Aboriginals as compared to non-Aboriginals

- On the average, the Aboriginal population in the 20 QOLRS communities were unemployed at twice the rate of non-Aboriginals. In no case were Aboriginal unemployment rates lower than those of the non-Aboriginal population.
- Greater Sudbury also follows this trend, even though the rate differential for Greater Sudbury (19.5% for Aboriginals vs. 9.8% for non-Aboriginals) is actually less than some of the larger Canadian cities and most of the Prairies cities.

The City of Greater Sudbury has approved the creation of a Diversity Advisory Panel that will be responsible for recommending policies and actions to City Council. The Diversity Plan will incorporate initiatives for Aboriginal, Multicultural and Francophone people. Current unemployment trends should be noted in the development of future plans for the City of Greater Sudbury.

## **Trends in Civic Engagement**

### Declining voter participation

- There has been a steady decline in voter participation in three consecutive Federal elections (1993, 1997, and 2000).
- In Greater Sudbury, the rates were 68%, 65.2%, and 57%, respectively.
- Although voter participation in municipal elections was even lower for all QOLRS communities, the voter participation rate for Greater Sudbury (at 44% for the 2000 election) was actually quite high (ranking 6<sup>th</sup> among the 20 QOLRS communities when the municipal survey was undertaken in 2003), and much higher than the average of just 30% for the 20 QOLRS communities.

### Participation of women in municipal politics

- This FCM Report provides a one-year snapshot of women's participation as elected officials in municipal politics. At the time when the municipal survey was taken in 2003, an average of 25% of elected municipal officials in the 20 QOLRS communities were women. There were, however, a wide variation across municipalities. It ranges from below 10% to a high of close to 60% in Peel Region.
- In Greater Sudbury, there was one women councillor (7.7%) before 2003, whereas after the 2003 election, there were two (16.7%).

Where diversity is reflected among elected officials, it is more likely that the full population will engage in the decision-making process. While women still account for well below 50% of elected municipal officials, on the average, they are better represented in municipal government than in Parliament. Women accounted for 21% of Members of Parliament in 2000, and 21.1% in 2004.

#### Fewer volunteers, more hours of services: Fewer charitable donors, increased donations

- Following the national trend, the percentage of the volunteering population dropped between 1997 and 2001 for all QOLRS communities, except for Calgary and Waterloo where there was an increase. In Greater Sudbury, 39.9 % of its population volunteered in 2000, which placed Greater Sudbury the third highest among the 20 QOLRS communities. A second trend is a concentration of volunteer hours among a small number of volunteers. National data show that in 2000, 34% of all volunteer hours were contributed by 5% of the volunteers.

Although compared to other communities, volunteerism remains quite high in Greater Sudbury even under a general declining trend, still we should be concerned about the potential for volunteer burnout in the long run. Encouraging new volunteers should form a part of the City's community building strategy.

- Similar to the trend in volunteerism, there is the national trend of fewer charitable donors, even though they contribute more donations in total. This national trend is reflected in the data for the 20 QOLRS communities.
- In Greater Sudbury, there was a decline of 9.5% in the number of donors but a rise of 11% in donations between 1990 and 2000.
- For all QOLRS communities, there was a decline of 1.5% in the number of donors and a 66.4% increase in donations during the same time period.

A good example to illustrate the level of charitable donations nationally and locally is the tsunami relief efforts. Nationally, over \$400 million was raised to assist relief efforts in tsunami affected countries. The Greater Sudbury branch of the Canadian Red Cross, alone, collected nearly \$400,000. Although in the short-term, an increase in the level of donations generally and for this special challenge is a positive outcome, we should be concerned that over the long term, continuation of this trend may lead to donor fatigue. Again, encouraging a higher level of participation in giving charitable donations should be a part of the city's community building strategy.

#### **Social Infrastructure for Children and Youth**

- There was a 9% increase, the second highest among QOLRS communities, in the percentage of women with young children (0-12 yrs.) who entered the labour force between 1991 and 2001.
- In 2001, Greater Sudbury had the third lowest ratio of children (0-12 yrs.) in families with incomes below the Low Income Cut-Off to subsidized childcare spaces (2.5:1).
- Teacher and guidance counsellor ratios to elementary, kindergarten and secondary school students remained stable from 1991 to 2001. Greater Sudbury remained above the national average for both years.
- Classroom sizes were similar across participating QOLRS communities, with the exception of Quebec City (14 students per class). Average class room size, including in Greater Sudbury, was noted to be roughly 23 students per class.
- Illiteracy levels in Greater Sudbury declined by approximately 5% from 1991 to 2001. However, the percentage of the population aged 15 years and older, with less than a grade 9 education, remained nearly as high as the national average (11%).



Greater Sudbury's infrastructure in meeting the developmental needs of children and youth is succeeding with the limited funding from upper levels of government. Opportunities for children and youth to attain personal goals, hopes, and aspirations have been created through Children Services' Early Learning and Child Care Service Plan. Nationally, communities are struggling to meet demands for licensed childcare. The changing workforce has resulted in an increasing number of jobs with unconventional hours of work.

## **Trends in Community Health, Stress and Safety**

### Premature Mortality Decreasing

- Although the number of deaths to persons under 75 years of age have decreased from 1991 to 2001 in all QOLRS communities, Greater Sudbury was recorded with the second highest number of premature deaths.

High rates of premature mortality are related to poor health. The 2003 Canadian Community Health Survey found that 37% of over 18 year olds is overweight and 18% is obese in the Sudbury & District area. The Sudbury and District Board of Health responded by passing a motion supporting obesity prevention and the promotion of healthy weights. The City of Greater Sudbury, in partnership with the Sudbury and District Health Unit, the Social Planning Council of Sudbury and Heart Health, hosted a forum and invited the community to develop priorities and an action plan to tackle obesity. Currently, the Steering Committee on the Community Prevention of Obesity is acting on the recommendations of the forum. Further, City Council has made the creation of a Healthy Communities Strategy a priority.

### Teen Births

- Live births to teen mother (15-19 yrs.) decreased in all QOLRS communities from 1991 to 2001. This fact suggests fewer low weight births and fewer health problems for new babies. The FCM notes that there has been a decline in fertility rates with greater opportunities for education and employment.
- In Greater Sudbury, live teen births decreased significantly (12 births/1000) during the same period, a rate lower than the rest of Canada.

### Suicides

- In Greater Sudbury, there was significant decline in the number of male suicides in 2001 compared to 1991. However, there was also a significant increase in female suicides during the same time period.
- Male suicide rates in Greater Sudbury were slightly below the reported values from the rest of Canada in 2001, but remained the third highest among QOLRS communities.
- Female suicide rates were the highest in Greater Sudbury in 2001 at 8.8 per 100,000 female population, an increase from a rate of 4.9 in 1991.

It is important to note that the suicide rates are a one year snapshot and are not the progression of change over time. In the last 4 years, the Northeast Mental Health Centre has reduced its workforce by approximately 25%. In 2002/2003 alone, 15 front line staff and 16 frontline workers in community programs were laid-off in the Manitoulin/Sudbury/East Algoma District. However, as a result of lobbying efforts from the Mental Health Advocates, governance of community programs will be returned to the District.

### Lost Hours of Work

- Greater Sudbury had the fewest hours of work lost (1.4%) in 2002 compared to both the QOLRS communities and the rest of Canada.

### Crime

- Except for Saskatoon and Windsor, youth crimes have declined from 1991 to 2002. Greater Sudbury experienced a significant decline in youth crime rates from 1996 to 2002; however, the rates continue to be above the total average for QOLRS communities.
- Property crimes also declined from 1991 to 2002 in all QOLRS communities, including Greater Sudbury.
- Violent crimes decreased for all but four QOLRS communities from 1991 to 2002. Greater Sudbury was marginally below the average of participating cities in all years, 1991, 1996 and 2002.

The FCM notes that crime is shifting towards identity theft, computer-based crimes, and transnational crimes.

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## Report Title

**Sudbury Downs / Slots at Sudbury Downs**

### Policy Implication + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

Background Attached

### Recommendation

**FOR INFORMATION ONLY**

Recommendation Continued

### Recommended by the Department Head

*Doug Nadorozny*

Name: Doug Nadorozny, General Manager  
and Title: Growth and Development Department

### Recommended by the C.A.O.

*Mark Mielco*

Name: Mark Mielco, Chief Administrative Officer  
and Title:

Date: February 3, 2005

**Report Prepared By**



Name and Title      Rob Skelly  
                                 Manager of Tourism and Cultural Industries

**Division Review**

At Council's request, we have prepared the following report which summarizes current issues involving the racetrack and the slots operations.

Sudbury Downs racetrack is a privately owned facility. Live harness racing at Sudbury Downs is made possible through a contractual agreement between the racetrack owners and the Northern Horsemen's Association. The NHA has 130 members. The racetrack owners also operate teletheatre (intertrack) wagering facilities at Sudbury Downs and in other locations in Sudbury and other northern communities. The Ontario Racing Commission (ORC) is the governing body which decides annually on applications by racetrack owners for live race dates and intertrack dates.

Slots at Sudbury Downs is operated by the Ontario Lottery and Gaming Corporation, an arms-length government agency which reports to the Minister of Economic Development and Trade. The Slots is a tenant at Sudbury Downs. Slot facilities were introduced to Ontario racetracks to enhance live racing and provide additional revenues to the owners and the horsemen associations. Sudbury Downs owners and the NHA each receive 10% of the slots gross revenues. As host municipality, the City of Greater Sudbury receives 5% of gross revenues from the slots.

1. 2005 Race Dates - Sudbury Downs and the NHA are at odds over the number of race dates and length of the racing season. The Downs has received approval from the ORC for a reduced number of dates and shorter season than previous years. While the OLG which operates the Slots, has an interest, it has no regulatory authority over the issue. As other interested parties, it can only submit comments on Sudbury Downs' application to the ORC. The decision rests entirely with the Ontario Racing Commission.

Sudbury Downs first 2005 application to the ORC was for 54 race dates over a 6 month period May 7 - Oct 29. In its submission, the NHA suggested racing should start April 9 and end December 31, a total of 75 race dates. The NHA wants a longer season and more race dates. In 2003 the NHA paid Sudbury Downs to offset the cost of operating the track for 5 more race days which carried the season into December.

A second application for 2005 was submitted by Sudbury Downs for 64 race dates, again over a 6-month period May 4 - Nov 5. The ORC approved the application on the basis that it is encouraging Sudbury Downs and the NHA to negotiate additional dates for 2005 because it is not satisfied that the application necessarily represents the optimum dates for the market. The ORC does not provide any other rationale for the season being 6 months instead of 9.



Date: February 3, 2005

2. Sudbury Downs / NHA contractual agreement - The agreement expired on December 31, 2004. Without an agreement, teletheatre wagering cannot take place. The first live race of 2005 is scheduled for May 4.
3. Track condition - In one of its rulings on Sudbury Downs race date application, the ORC makes reference to a statement that a hub rail should be removed. This in addition to its reputation of having stones on the track discourages horse owners from bringing better quality horses to the track.
4. Road Infrastructure - The ORC also made reference to the improved road access provided by the municipality. This should assist Sudbury Downs in promoting the facility.
5. Casino / slots expansion - On January 20, 2005 the Ministry of Economic Development and Trade announced its gaming strategy which includes no additional casinos (copy attached). Two previously committed racetrack slot facilities will go ahead at Picov Downs and Quinte Raceway in southern Ontario.

Other than those, there will be no additional racetrack slot facilities. This should eliminate the competitive threat posed by a proposed racetrack/slots/casino project in the West Nipissing and North Bay area.

The gaming strategy goes on to add that OLGC has been instructed to act on measures to enhance the competitiveness of existing gaming facilities and upgrade existing sites to respond to increasing competition. Over the next year, OLGC will review each existing operation to look at competition factors, efficiencies of existing slots and games, the entire gaming mix and potential for each facility. This could result in additional slots, fewer slots, a different mix of slot denominations, or the addition of other games to any of the existing facilities. The reviews will be strictly internal and will include analysis of current data, patron tendencies and demands, and future trends. Any of these measures could require policy changes to implement. The OLGC is interested in getting more out of existing facilities than building new ones. More attention will be placed on marketing and promotion. Potential exists in expanding the convention and meeting business by expanding relationships with city tourism marketers and the hospitality industry. The Slots at Sudbury Downs is a Nickel level partner in the Sudbury Tourism Partnership and is involved in all marketing and promotion campaigns. Of course more can be done and this will be one of the key objectives for the new tourism sales position approved in the City's 2005 budget. It is interesting to note that despite many discussions with Sudbury Downs racetrack officials, it has not formally joined the Sudbury Tourism Partnership.

The economic impact of the Slots at Sudbury Downs is quite significant. Net revenue after jackpot payouts is in the order of \$39 million annually. More than \$20 million (52%) of this revenue stays in the community, including the municipal share of \$ 2 million, the racetrack and the horsemen receive \$4 million each and direct expenditures for payroll, local purchases, etc.

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## news releases



### **New Ontario Gaming Strategy to Focus On A Sustainable Responsible Industry**

**Toronto, 01/20/2005**

The Ontario government today announced its gaming strategy, which includes no additional casinos, an increased focus on social responsibility and a commitment to ensuring the competitiveness of Ontario's gaming industry.

"Our plan puts social responsibility front and centre in the management of gaming in Ontario," said Economic Development and Trade Minister Joseph Cordiano. "We are building a responsible, sustainable plan that also safeguards jobs and public investments in Ontario's gaming assets."

The government today announced that there will be:

- ✦ No additional commercial or charity casinos.
- ✦ No additional racetrack slot facilities, beyond Picov Downs and Quinte Exhibition and Raceway.
- ✦ No video lottery terminals (VLTs) in neighbourhood bars and restaurants.
- ✦ No slot machines in bingo halls.
- ✦ No provincial involvement in Internet gaming.

In support of its focus on social responsibility, the government dedicates two per cent of gross slot machine revenue from charity casinos and racetrack slot facilities -- \$36 million in 2004-05 -- to the problem gaming strategy, already one of the best funded in North America.

The government has also asked Stanley Sadinsky to make recommendations to help guide further enhancements to the problem gaming strategy. Mr. Sadinsky will report back in the spring.

In addition, the government will:

- \* Establish new customer service centres staffed by problem gaming counsellors in commercial casinos.
- \* Invest \$4 million for problem gaming public awareness campaigns in the next two years.
- \* Develop education and training programs for retailers and employees in the socially responsible delivery of services.

In support of the industry, Minister Cordiano has also instructed the Ontario Lottery and Gaming Corporation to act on the following measures:

- \* Enhance competitiveness of existing gaming facilities.
- \* Upgrade existing sites to respond to increasing competition.
- \* Exploration of options for the expansion of non-gaming amenities at Casino Windsor.
- \* Launching an e-bingo pilot project to revitalize the charity bingo industry, which supports thousands of grassroots not-for-profit organizations.

More than 20,000 jobs in Ontario are directly related to gaming, with thousands more spin-off jobs in the tourism and hospitality sectors. The industry also generates more than \$2 billion annually for provincial priorities such as healthcare and education.

"This industry experienced explosive growth in the last ten years," said Cordiano. "Our plan will not only keep the industry competitive, but also provide gaming in a socially responsible manner."

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**Backgrounder**

**Ontario's Gaming Industry**

**Strategy for Ontario's gaming industry**

In February 2004, the McGuinty government asked the Ontario Lottery and Gaming Corporation (OLGC) to

conduct a comprehensive market assessment of Ontario's gaming industry to help the government develop a long-term business plan for the gaming industry. Ontario's gaming strategy builds on that assessment, which was released today.

### **Historical background**

The province opened its first casino in Windsor in May 1994. The next decade saw rapid growth, with additional casinos, charity casinos and an initiative to introduce slot machine facilities at Ontario's 18 licensed horse racing tracks. More than 20,000 jobs in Ontario are directly related to gaming, with thousands more spin-off jobs in the tourism and hospitality sectors.

### **About the Ontario Lottery and Gaming Corporation**

The OLG, an arms-length government agency, is mandated to deliver socially responsible gaming entertainment and economic benefits for the people of Ontario. The OLG was created in 2000 by merging the Ontario Casino Corporation (established in 1994) and the Ontario Lottery Corporation (established in 1975). The OLG reports to the Minister of Economic Development and Trade.

### **OLG operations**

- Lotteries: Oversees 12 provincial games and two national games sold through more than 10,000 independent retail outlets.
- Four commercial casinos: Casino Windsor, Casino Rama, Casino Niagara and Niagara Fallsview Casino Resort.
- Six charity and aboriginal casinos: Sault Ste Marie, Thunder Bay, Point Edward, Brantford, Thousand Islands, Great Blue Heron.
- Sixteen slot facilities at racetracks: Windsor, Hiawatha, Mohawk, Fort Erie, Western Fair, Kawartha, Sudbury, Rideau Carleton, Woodbine, Clinton, Flamboro, Hanover, Dresden, Woodstock, Georgian, Grand River (also, two previous legal commitments are in process: Picov and Belleville-Quinte).

### **Gaming industry revenues**

In 2003-04, the OLG generated net revenue to government of \$2.1 billion, allocated as follows:

- \$1.5 billion to the operation of hospitals.
- Approximately \$480 million to provincial priorities like healthcare and education.

- \* \$100 million to the Ontario Trillium Foundation supporting not-for-profit organizations in the arts, culture, sports and recreation and social services.
- \* \$36 million to support Ontario's problem gambling strategy.


### **Problem gambling strategy**

For 2004-05, the government has allocated \$36 million to Ontario's problem gambling strategy -- a problem gambling strategy that is among the best funded in North America. The strategy is delivered by the Ministry of Health and Long-Term Care (MOHLTC) with programs focusing on treatment, research, prevention and public awareness of problem gambling, including:

- Funding of the 24-hour, confidential Ontario Problem Gambling Help-Line.
- Funding to 47 problem gambling treatment agencies.
- Funding to the Responsible Gambling Council (RGC).
- Funding to eight aboriginal/first nations groups for prevention/awareness initiatives.
- Partnering with the YMCA on prevention programs aimed at youth.
- Funding to the Ontario Problem Gambling Research Centre (OPGRC).

The government has asked former OLGC chair Stanley Sadinsky to make recommendations to help guide enhancements to the problem gaming strategy. Mr. Sadinsky will report back in the spring.

In addition, the OLGC maintains guidelines for gaming marketing and advertising, and operates a self-exclusion program for problem gamblers who ask to have themselves barred from gaming facilities.

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