

Government Update

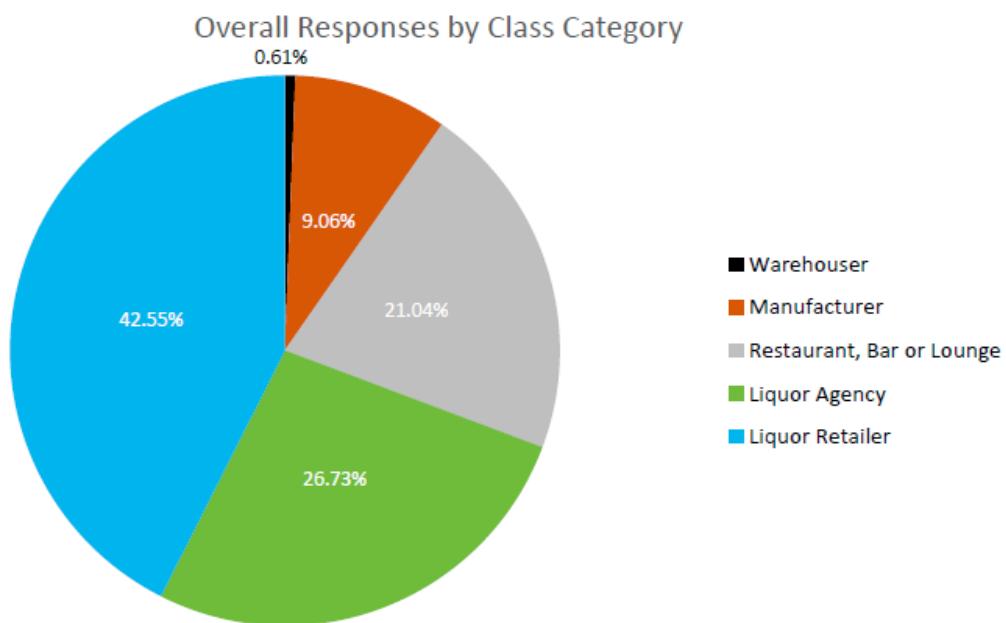
ALSA Board Meeting, March 1st, 2017

AGLC UPDATES

- **Price Schedule Change -**

** AGLC has made the decision to change LTO schedule from 2 weeks to 1 week **

AGLC completed the second round of 'consultations' with stakeholders and prepared a report early January 17, 2017. ALSA submitted a formal response to AGLC stating the Association's opposition to these changes due to the negative impact to liquor retailers (**Appendix A**). ALSA also encouraged all ALSA members to submit a response. Below are the responses received by AGLC . The full report is attached (**Appendix B**) The announcement has been delayed – implementation will not begin until March 31st, letters will be sent out to all Class D stores next week.

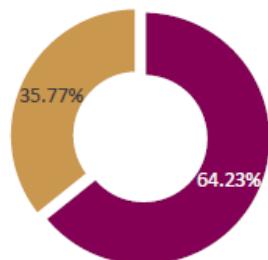


	Liquor Retailer	Liquor Agency	Restaurant, Bar or Lounge	Manufacturer	Warehouser
# Responses	277	174	137	59	4
%	42.55%	26.73%	21.04%	9.06%	0.61%

Price Schedule Change (Cont.)

Agents Able to Change Prices Weekly

*Weighted Average



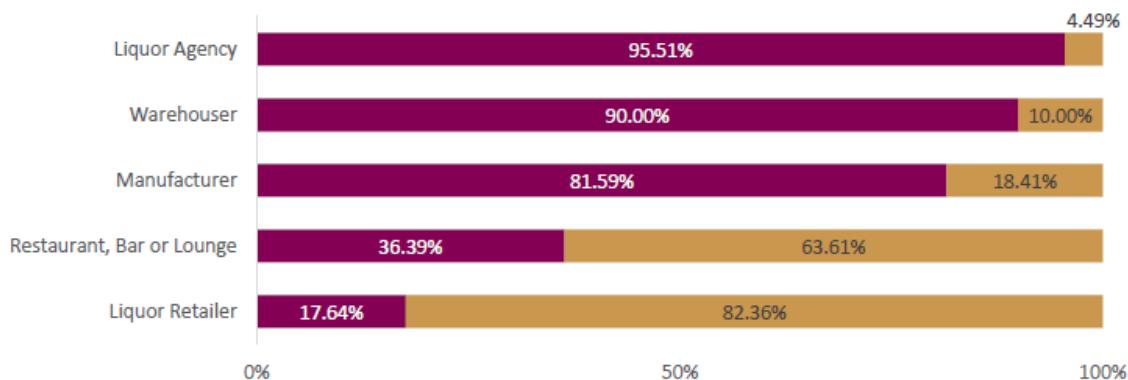
On average, **64.23%** of respondents support the proposed liquor price change to a weekly timeframe.

Each stakeholder indicated their opinion regarding the proposed price change. The weighted breakdown is detailed in the chart below.

Agents Able to Change Prices Weekly

*Weighted Proportion

■ For ■ Against



Note The results in the chart above are weighted to provide equal representation to each stakeholder category. Neutral responses were excluded from these calculations.

Almost all liquor agents (95.51%) support the proposed price change schedule, whereas the majority of the liquor retailers (82.36%) are against the change. The vast majority of warehousers (90.00%) and approximately eight out of ten manufacturers (81.59%) are also supporting the proposed change. Almost two thirds of restaurants, bars and lounges (63.61%) are against the change.

Special Event Licences – Meeting with Minister Ceci’s office prior to Board Meeting so will have an update for March 1st. Re: request to increase price to \$25. This decision was approved by AGLC Board and is currently sitting with AB Cabinet for approval. It will likely be approved in New Year since the Legislature is only sitting for 3 more weeks before year’s end.

Product Tastings – At the request of AGLC and subsequent to our meeting with Dave Barry, ALSA submitted a set of proposed guidelines for in-store liquor tastings for Mr. Barry’s review. These guidelines are meant to provide clarity and better understanding of what is allowed under regulations of the Liquor Retail Handbook. **(Appendix C)** Mr. Barry has committed to reviewing and returning to ALSA for further review, but his initial response was positive.

ProServe Training - AGLC is of the opinion that all liquor retailer staff, including back room and delivery staff, must have ProServe Training. AGLC will send warnings/remainders to stores.

AGLC Board – Both Susan Green and Bill Robinson’s terms are up this year. The Government has put both positions up for competition, and it is my understanding that both Susan and Bill have re-applied. The AGLC Board has several new members, and if both Susan and Bill do not get re-appointed, the ability for continuity of programs and stability within the Commission are at risk. ALSA has in the past supported the re-appointment of Marguerite Trussler, former AGLC Chair by writing a letter to the Minister of Finance. ALSA has offered to do the same for Susan Green.

AGLC Awards Program for Liquor Retailers

The Liquor Services Division, in partnership with other divisions of the Alberta Gaming and Liquor Commission (AGLC), would like to develop and implement an accreditation and awards program to promote the socially responsible management and operation of Alberta liquor stores. The program would aim to raise the standards of all retail liquor stores by implementing voluntary service and aesthetic standards, resulting in better and safer service for Albertans. Implementation of these standards would likely also result in improved business operations for retailers.

The program would be implemented in partnership with stakeholders, including the Alberta Liquor Store Association, municipalities and police services, and would be modelled on the highly successful Best Bar None program. AGLC is looking at having the first set of awards handed out at ALIC 2018.

ALSA in Saskatchewan – The Saskatchewan Liquor Board has approached ALSA to explore the expansion of the Association into their province. Here are the Options for The ALSA Board to consider:

Allow Saskatchewan Stores to become Associate Members: Those persons or firms who are associated with the retail liquor industry, but do not own a retail liquor store and pay the Associate Membership fee may apply for membership in the Association. Applicants for Associate Membership must be approved by the Board of Directors who shall have the unfettered discretion to refuse such application. Any reference to ‘members’ in these By-Laws shall be deemed to include a reference to Active Members and Associated Members

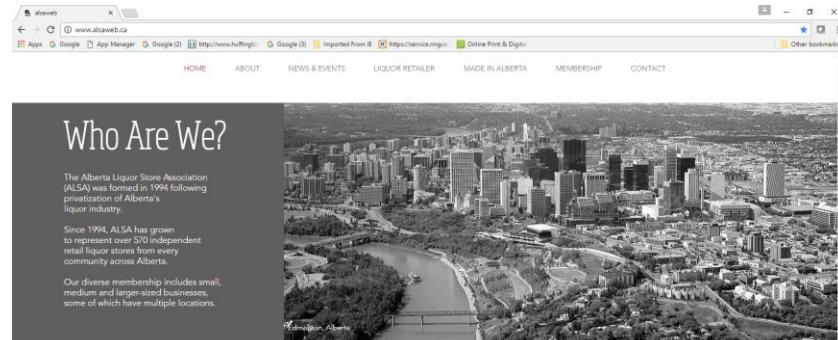
This clause was excerpted from ALSA bylaws.

Potential options:

1. ALSA would like to “expand” to offer a formal association to the new private stores in Saskatchewan. With only 700 total licenses and only 75 licensees being “full service” retailers, it is unlikely Saskatchewan can support its own Society. Therefore ALSA could offer a start to a longer term plan to involve interested parties in at least Alberta and Saskatchewan Short and Long Term strategies should be considered.
2. Short Term – to determine interest and cooperation levels in Saskatchewan
 - a. ALSA Board needs to approve a resolution to grant Associate Member status to any licensed liquor retailer in the Province of Saskatchewan for 2017 with prospective renewal through 2018.
 - b. ALSA Board to approve a budget to cover development costs to be offset by income of fees from Sask Members.
 - c. ALSA staff will invite stores in Saskatchewan to join ALSA as Associate Members providing basic membership services and providing leadership to form a longer more permanent relationship.
 - d. Invite ALSA Business partners to help arrange similar levels of service in Saskatchewan either directly or through corporate offices exclusive to Saskatchewan.
 - e. Arrange a launch sessions in Regina and Saskatoon to meet owners and have owners meet SLGA and Connect Logistics staff and sponsored by interested parties to cover ALSA costs
 - f. Set up a Saskatchewan based steering committee to guide the evolution of the development. Liquor Depot, Sobeys, Calgary Co-op are all current ALSA members now with stores operating in Saskatchewan and who need to be part of discussions because of dual interests. This committee could also guide preliminary advocacy activities and actions.
3. Long Term – preparing for the possible changes needed
 - a. During the first year of this new relationship, ALSA should review incorporation with a view to either incorporating in Alberta but under a new name to illustrate broader scope of interest.
 - i. If this includes Sask, it is possible to incorporate in Sask as an out of province society providing there is one Saskatchewan resident as a Board member who supervises a fixed office location where records are held.
 - ii. If Sask is included, it is also possible to incorporate in Canada which broadens the spectrum of membership and relationship.
 - iii. A broader scope of interest could therefore also include other jurisdictions, others in the industry such as agents and membership categories that could include status for liquor stores and general merchandise liquor stores. This broader scope may also be necessary with the prospect of retailing marijuana related products.
 - b. ALSA may have to engage legal counsel during this period to guide the changed incorporation and lead the changes of formative documents including purposes and bylaws.
 - c. Any changes to the original purposes of a society and its governing documents will require approval of the membership at a general meeting. NOTE: bylaws allow general meetings to be called at any time not just the Annual General Meeting.

ALSA has Launched a New Website - we need hi resolution pictures for the new website.

- Alberta made Section



The Alberta Liquor Store Association (ALSA) was formed in 1994 following privatization of Alberta's liquor industry. Since 1994, ALSA has grown to represent chain and independent retail liquor stores from every community across Alberta. Our diverse membership includes small, medium and larger-sized businesses, some of which have multiple locations.

The Alberta Liquor Store Association provides members with a unified voice for dealings with the government, the public, the media and others in the liquor industry



LIQUOR RETAILER
Keeping the Industry Informed

Sell your products and services to liquor stores across Alberta with Liquor Retailer - reaching owners and managers of chain and independent stores across the province.

- Liquor Retailer Print 2017 Media Kit
- Liquor Retailer Digital 2017 Media Kit

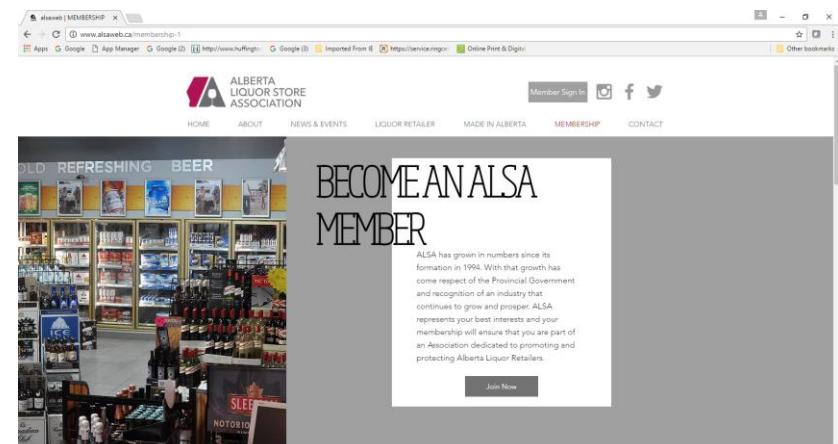
Visit the new [Liquor Retailer](#) website for back issues, advertising information and all articles!

Upcoming Events

Winefest Edmonton Industry & Trade Session
Friday February 17, 2017 - 5:00 pm
Show Conference Centre, Hall D

Winefest Calgary Industry & Trade Session
Friday February 24, 2017 - 5:00 pm
Stampede Park BMO Centre, Hall E

Qualified hotel, restaurant and liquor store personnel are invited to attend the Winefest Private Industry & Trade Testing Sessions. Qualified trade members consist of hotel, restaurant and liquor store personnel including wine buyers, managers, owners, sommeliers and chefs.



ALBERTA LIQUOR STORE ASSOCIATION

HOME ABOUT NEWS & EVENTS LIQUOR RETAILER MADE IN ALBERTA MEMBERSHIP CONTACT

OLD REFRESHING BEER

BECOME AN ALSA MEMBER

ALSA has grown in numbers since its formation in 1994. With that growth has come a strong voice for the industry and recognition of an industry that continues to grow and prosper. ALSA represents your best interests and your membership will ensure that you are part of an Association dedicated to promoting and protecting Alberta Liquor Retailers.

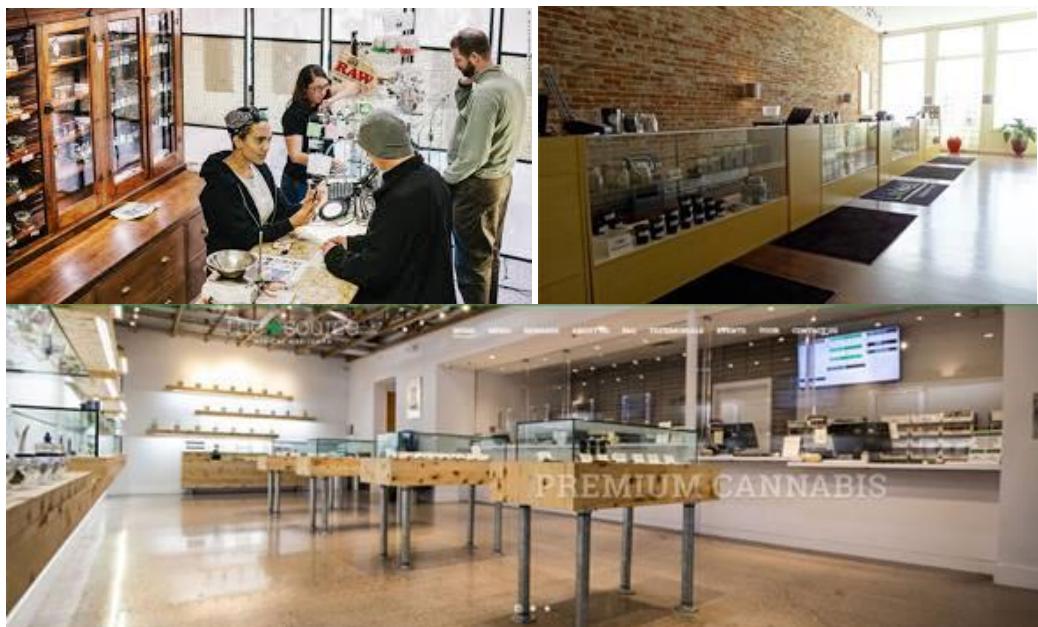
[Join Now](#)

ALSA Priorities for 2017

Marijuana Strategy

- Lobby the Alberta Government and Federal Government to ensure Liquor Stores are an option for selling recreational marijuana.
- Ensure liquor retailers are viewed as the best way to sell recreational marijuana.
 - Minors restricted access
 - Strong history of selling a regulated substance in Alberta for over 20 years
 - Liquor retailers already have the necessary logistics in place with Connect Logistics
 - Shine a positive light into selling recreational marijuana by changing the public's perception of marijuana retailing.

This



VS



ALSA Priorities for 2017

Marijuana Strategy (Cont)

- Position the Liquor Retail industry as being in the best position to provide point of sale education about the product and bring awareness about the use of both alcohol and marijuana together.
- Prepare an education training program that can be the base for training staff on marijuana
- Collaborate with BC, Sask and Manitoba to put forward a united, western approach to selling marijuana in liquor stores.
- Leverage best practices from the AGLC Awards program to develop an ALSA manual of excellence in selling recreational marijuana responsibly.

Re- visit Mandatory ID

- AGLC has expressed that if Liquor Stores carry marijuana, the compliance rates for ID Under 25 would need to be better than 85%. Given the change at the executive level, this may be a good opportunity to re-visit mandatory carding.

AGLC Executive Program: Retail Immersion Program

Many, if not all executives at AGLC, do not have a real understanding on how liquor stores operate. Whether it's writing out a special events license, to the process for receiving a Connect Logistics order. I would like to propose ALSA facilitates a program where members of the AGLC Executive spend a day following a manager at a liquor store for a day. By actually experiencing the many issues and nuances of a retail store, it would be the hope, AGLC would better understand the impacts of regulatory changes on operations.

Connect Logistics

A Request for Proposal will be going out next year as Connect Logistics' contract ends. This will coincide with the opening of the new warehouse in St. Albert.

Concerns

- New provider wins the contract – it would cause incredible disruption to a well-oiled system.
- The AGLC Board has several new members and the Chair's position is going out for competition.
- Possibility of Government of Alberta taking over of Warehouse + Delivery

How Can ALSA help?

- Push AGLC for a Request for Information instead of a Request for Proposal?
- Industry and stakeholders express support for Connect Logistics and the status quo?

ALSA Priorities for 2017 (Cont)

Upcoming Changes to the Labour Code

- As mentioned in the past, Mr. Monte Solberg, former Federal Cabinet Minister, met with ALSA last year in efforts to find support for a lobbying the Alberta Government against upcoming changes to the Labour Code.
- The lobbying group has gained the support of AHLA, Restaurants Canada and Alberta Enterprise Group. The group has registered under the name of Alberta Growth Initiative (AGI) and Dave Kaiser, CEO of AHLA has agreed to become their Board Chair.

The terms of reference for AGI are as follows:

The Alberta Growth Initiative (AGI) is a coalition of businesses and organizations whose goal is to support, promote and maintain Alberta's existing labor laws and regulations, as the government considers laws and regulations harmful to employment, worker-employee relations, and Alberta's investment climate. Alberta's fair but flexible labor laws have helped give Alberta the nation's highest average wages, and the highest workforce participation. AGI will promote the benefits of our labor environment through the media, social media, public outreach and government advocacy.

AGI is funded by members and governed by a board made up of members. The fee for joining as a full member is \$25,000. Other levels of membership and fees have yet to be determined by the board.

- Dave Kaiser has sent an invitation for ALSA to join the lobbying group. As mentioned the buy in is 25K.
- Liquor Depo has offered to provide the full 25K so that ALSA can become a participant in this endeavour. As a reminder the following are the changes being considered by Alberta Government:
 - Card Accreditation
 - No replacement Workers
 - Common Employer Clause – if one store from a chain becomes unionized, the rest of the stores will have to join the union as well.
- Dave Kaiser has requested that ALSA also sit at the Board of AGI.

Options

- Join AGI and become a Board Member
- Join AGI but not sit on the Board

Other?