



Presidents Briefing Note

ALSA Board Meeting –September 25th, 2019

Administration Update

- Lovedeep has left ALSA to pursue a job in his educational field – Engineering
We thank Lovedeep for his contribution to the association. He may volunteer and help us with ALIC this year.

AGLC/Govt – Update

- Len Rhodes, Former Eskimo President and UCP Candidate in the Alberta Provincial Election has been Appointed Chair of the ALGC Board. Three new Board Members were appointed, all friendly to the liquor industry. Mr. Rhodes will be introducing Minister Toews at the Key Note luncheon and will attend the reception at ALIC.
- RFP Process for Liquor Warehouse is still continuing. ALSA's understanding that a provider has been ranked number one, and now the negotiation process begins with AGLC. This could take a few weeks, but hoping that it will be finished by ALIC 2019,
- Upcoming Budget. The Alberta Legislature is coming back two weeks earlier, starting the beginning of October. Although not confirmed, it is ALSA's belief that the Budget will increase a raise in Liquor Mark up. As background, the liquor markup has only been raised twice since 1993 and the increases have been minimal.
- Premier Kenney has indicated that his government would like to champion open borders and allow for flow of liquor across Provinces. ALSA's position is that Alberta Liquor retailers should be allowed to ship directly to consumers across Canada, should manufacturers and wineries be allowed to do the same.
- The Federal election is scheduled for October 21st. Alberta will likely be a sweep for the CPC. Whether the election is a majority or minority will likely come down to votes in Quebec, Ontario and BC. Despite scandals, the Liberals are still polling well.

Convenience Store Issue

- As the Government of Ontario is moving to sell liquor out of convenience stores, the issue has once again resurfaced in Alberta. Many of the new MLAs in the UCP caucus are young and were likely not even born in 1993.
- ALSA (as per Board Approval via email) is conducting a survey of public opinion on liquor being sold in convenience stores, gas stations and truck stops. The last time this issue came up was around 7 years ago and the survey ALSA conducted showed that 70% of Albertans don't support liquor in Convenience stores.
- These results will be presented at ALIC.
- ALSA has been meeting with MLAs and will be making presentations to UCP caucus regarding the Alberta Model. The results of the survey will help in our lobbying efforts.



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Skip the Dishes

- Skip the Dishes has approached ALSA regarding working with Liquor Stores to supplement restaurant orders. So if someone wants to have Subway with beer, Skip the Dishes would show the liquor stores in the area, pick up the liquor and deliver it with the sandwich.
- Skip the dishes is already working with liquor stores in BC and Manitoba.
- AGLC has so far not given Skip the Dishes the go ahead. The stalling issue seems to be the interpretation of Section 8.1 of the Liquor Act and Regulation
 - Prohibited sales s. 81 Unless authorized by this Act or a liquor licence, no person may through the person's own actions or through the person's employees or agents (a) display liquor for sale, (b) store liquor for sale, or (c) directly or indirectly sell or offer to sell liquor.
 - Class D liquor licence s 47 The following subclasses of a Class D liquor licence are established...(f) delivery service licence: authorizes the licensee (i) to take orders from an adult who wishes to purchase liquor, (ii) to purchase liquor to fill the order from a retail or general merchandise liquor store licensee or a general or manufacturer's off sales licensee, (iii) to deliver the liquor to the adult who ordered it at a place where it is lawful to store or consume the liquor, and (iv) to sell the liquor to the adult who ordered it;
- AGLC's interpretation is that these two sections do not allow Skip the Dishes to process credit card payments for liquor. However, AGLC would allow Skip the Dishes to pay for liquor with cash.
- ALSA has spoken to AGLC and they agree that this interpretation doesn't make sense. We are currently waiting for AGLC lawyers to come back with a legal interpretation. If the interpretation goes against Skip the Dishes, AGLC has agreed to make changes to the Liquor Act.
- Skip the Dishes fee structure
 - NAC rates (i.e. the fees) vary based on a variety of factors although we are working very hard to establish a standardized NAC across the entire country. Factors include things like provincial taxation, average margin on goods, market penetration and competitive landscape. While the exact NAC% is not final for Alberta, it would fall somewhere between 10% and 25%. They truly want to be the most valued partner for our vendors. Skip the Dishes will ultimately set NAC% at a level that allows us to make a reasonable profit while still being viewed as the most valued partner for our vendors.
- Attached is the presentation from Skip the Dishes for your information.



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Western Financial

Dave Kaiser, President and CEO of Alberta Hotel and Lodging Association approached ALSA to seek participation on AHLA's pooled insurance program.

- This is a partnership with the AHLA and ALSA would be joining a pooled insurance program with a track record of stability currently insuring more than 1350 properties.
- Members would receive a complete review when joining the program and an immediate 10% cost reduction for equivalent coverage.
- Participants will receive the best coverage available for liquor retailers in Canada and includes coverage for
 - Blanket limits for property, stock and business interruption.
 - Comprehensive coverage for liability and crime including cyber insurance.
 - Management liability and many other coverage features
- Western Financial FGIS goes out to the market each year and typically selects multiple insurers to underwrite the program. In the 2017-18 term, the insurers included Aviva, Wynward, Wawanesa, and Sovereign. There is a definite advantage to having multiple underwriters.
- This is an Association insurance program and liquor retailers can only access the benefits if they are ALSA members.
- Western Financial will contact all stores, member and non-members and will negotiate directly with retailers and sell ALSA memberships should the stores want to sign up with Western Financial.
- Attached is more information about Western Financial and the insurance program.