

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Friday, February 21, 2014				Report Date	Tuesday, February 4, 2014			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed

Permanent Liquor License for the Municipal Hall #21/02/14/1201

Subject:

Permanent Liquor License for the Municipal Hall

RECOMMENDATION:

That Council pass the following resolutions authorizing staff to proceed with an application for a permanent liquor license and training/hiring a staff member to be on site during all licensed events whether SOP or not.

Resolution #1

WHEREAS obtaining a permanent liquor license for the Municipal Community Centre would provide various options for recouping costs via cost sharing agreements between hall users and the municipality;

AND WHEREAS there are pros and cons to any decision of this magnitude which must be considered in their entirety;

THEREFORE BE IT RESOLVED THAT THE Council of the United Townships of Head, Clara & Maria does fully understand the implications of obtaining a permanent liquor sale license under the *Liquor License Act* including benefits, challenges and costs involved and does hereby authorize staff to proceed with application for a permanent liquor sales license under the for the community centre in Stonecliffe;

Resolution #2

WHEREAS a prudent risk management policy would provide some protection to a municipality in any incidence of liability;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby direct staff to draft a comprehensive alcohol policy for use within the municipality at SOP or permanent licensed events;

AND FURTHER directs staff to arrange that a staff member or qualified volunteer be on site during the entirety of any Special Occasion Permit licensed event to ensure that municipal policy is being followed and to document any incidents which occur;

BACKGROUND/EXECUTIVE SUMMARY:

Legal opinion and advice was obtained through Mr. Conroy's office. It is his recommendation that council obtain a permanent liquor license and abandon the system of renting the community center to parties with SOPs.

Of course this opinion is qualified with whether or not Council feels that the added responsibilities and costs outweigh the legal and possible financial benefits.

Having a permanent liquor licence would allow the Municipality to provide a service to a hall user who does not wish to obtain a license on their own either due to liability, inexperience, costs or hassle and may increase the number of users of the hall in any given year.

Currently the hall is rented mainly to the Missing Link Snowmobile Club for licensed events; approximately 3 times per year.

Some residents have expressed that they would like to rent the hall but are turned off by the fact that they would need to be responsible for the bar, license and liability. This would be providing a service to ratepayers. (Interestingly, the day that this was being created, a relatively new resident came in and expressed that sentiment exactly. She requested information about the costs for the hall and if it could be rented already licensed.)

Whether or not a permanent license is ultimately obtained or applied for, measures should be taken to firm up our existing lease agreement and to ensure that qualified municipal staff/volunteers are on the premises during all licensed events - sop or otherwise.

In order to meet risk management due diligence, a full alcohol policy should be created and adopted.

There are pros and cons to obtaining a permanent license. Eliminating SOPs remove one level of potential sharing of liability with the SOP holder however; caveats exist in that often the SOP holder does not take the requirements and regulations seriously and does not properly manage a function. This leaves the municipality with the "deep pockets" on the hook because of the *Occupier's Liability Act* which liabilities cannot be shared in any manner.

If the municipality licenses the hall, trained staff will need to be on site. Providing training for and making use of smart serve trained volunteers a requirement of rental can keep costs down. Again, it would be prudent to have municipal staff on site during any SOP event anyway. The cost of an employee/volunteer, properly trained under Smart Serve to attend at licensed events would be the smart thing to do SOP or permanent license.

In using Smart Serve trained volunteers to actually man the bar and provide security, costs could be similar as the existing process aside from the license.

There is an opportunity to cost share proceeds from bar operations with organizations wishing to rent the facility. Amending the fee schedule to allow for costs with proceeds and costs without could cover out of pocket expenses for the municipality. Proceeds from alcohol sales would offset costs of providing staff and providing training for community volunteers.

It would be simpler for groups of volunteers to organize events on behalf of the municipality without having to obtain specific approval etc. for licensed events.

Issue	Pro	Con
Special Occasion Permit	Share in liability with holder of the permit.	<ol style="list-style-type: none"> 1. The holder of the permit is responsible for running the bar and may not make decisions as responsible as a municipal employee or volunteer. 2. They are not as concerned with following the rules as the municipality would be. Risk remains at common law as well. 3. The municipality has no jurisdiction to force compliance with the SOP; that is up to the OPP. 4. The Municipality is liable with little control.
<i>Occupier's Liability Act</i>		The municipality, as the property owner, will always be liable under the <i>Occupier's Liability Act</i> no matter who holds the license.
Permanent License	The municipality is in control of who is serving alcohol and how.	Costs - \$1,055 for application for two years. 3 year renewal of \$450 after. (\$301 per year for the first 5 years.)
	Fees can be recouped through sale of alcohol at events.	
	Provides a service to ratepayers and others who may be interested in renting the facility.	
	Private events would be able to advertise their event and financially gain from the sale of alcohol.	
	All events could be opened to the public increasing opportunity for profit.	
	Through a catering endorsement, at no charge, the license could be transferred to other municipal facilities at no cost – Old Mackey Park?	
	Council could still allow service organizations/clubs to operate under SOP if they so choose.	
	Customers would not be required to purchase 2 million dollar liability insurance which often scares renters away.	
	A customer could have a local service club operate their beverage service.	
	Volunteers could provide service cost effectively so long as they are contracted and trained by the municipality.	
<i>Liquor License Act</i>	Everyone would be Smart Serve trained. Council has already decided that this is the prudent approach to take.	Would have to meet obligations under the act and regulations.
AGCO, OPP	They are encouraging municipalities	OPP and AGCO are closely monitoring

and SOPs	to obtain permanent licenses to provide more consistent, safe and responsible beverage service.	stag and does etc. to ensure that making money off the bar is not the primary purpose of the event and does not occur.
Deep Pocket Syndrome and 1% rule		Unless legislation changes, the municipality will always be liable due to the perceived “deep pockets” as opposed to a private individual. Even if found 1% liable, can be held 100% financially responsible.
Insurance	There should be no increase; we are already covered for licensed events. When MIS was contacted in December for New Year’s Eve we were told that we were already covered.	<ol style="list-style-type: none"> 1. Increased appropriately trained staff or volunteers would be necessary. 2. Increased risk management controls will need to be established whether sops continue or a permanent license is obtained. 3. The existing Municipal Alcohol Policy requires updated – with or w/o permanent license. 4. It is recommended that municipal staff are on site during any licensed event – sop or otherwise.
Storage and Security		Will have to store alcohol between events.
SOP permit holders and raising money	MLSC and other groups holding public events may receive profits from bar sales. Arrangements may be made to split profits with the municipality in these situations. Options are innumerable.	Private events are not allowed to make money from a bar – period.

Financial Considerations/Budget Impact:

Costs - \$1,055 for application for two years.

- 3 year renewal of \$450 after.
- \$301 per year for the first 5 years.

Policy Impact:

Creates new policy. New policy documents should also be created for a proper detailed municipal alcohol policy.

Others Consulted:

Bill Riley, MIS Insurance
Kenneth Conroy, Municipal Solicitor
Mitchell District Community Centre Article
North Middlesex Report to Council, April 15, 2013
AGCO Liability Report

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk