



To: Mayor and Council

From: Stephanie Clark, Director of Community Services

Date: September 23rd, 2024

Committee of the Whole Date: October 15th, 2024

Title: Resolution of Cancellation- Memorial Community Centre Liquor Licence

☐ For Direction
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Recommendation: That Council of the Corporation of the Town of Smiths Falls approve the cancellation for the Memorial Community Centre Liquor Licence.

Purpose: The Town currently holds a liquor licence for the Memorial Community Centre. This licence has been used to serve alcohol during events hosted at the facility. However, the need for maintaining this licence has diminished in recent years due to a shift in event planning, a better understanding of the risks associated with holding a licence, and the Community Services Department's evolving strategic priorities for the Memorial Community Centre.

Staff have conducted a review of the usage and necessity of the liquor licence and have determined that it no longer aligns with long-term operational goals. In light of this, the Community Services Department is seeking a Council resolution, as required by the AGCO to cancel the liquor licence at this location. Doing so will allow the department to better allocate resources and mitigate potential liability associated with both sanctioned, and unsanctioned alcohol consumption at Town-operated facilities.

Background: The Town has held a liquor licence in order that staff may operate a bar at various events located at the Memorial Community Centre. The following factors have been considered in recommending the cancellation of the liquor licence for the Memorial Community Centre:

1. Shift in Programming Priorities:

The department's focus has shifted towards providing inclusive and health-promoting activities within its community spaces. By canceling the liquor licence, the Memorial Community Centre will further enhance its reputation as a hub for safe, alcohol-free community programming, which is more aligned with the department's current strategic objectives.

2. Operational Efficiency and Cost Savings:

Maintaining a liquor licence comes with ongoing costs including staff training requirements, insurance premiums, regulatory compliance, and (most significantly) staff wages. By canceling the liquor licence, these costs can be redirected towards other

community priorities, such as facility improvements, enhanced programming, or recreational equipment.

3. Liability and Risk Management:

Operating a facility that serves alcohol introduces additional liability for the Town. Canceling the liquor licence reduces the Town's exposure to potential risks associated with alcohol consumption including safety concerns, legal liabilities, and increased insurance premiums. Further, advice from the AGCO indicated that continuation of the liquor licence could open the Town to risk from unsanctioned alcohol consumption in the facility as well as sanctioned events. Cancellation aligns with the Town's commitment to prudent risk management practices.

4. Alternative Venues:

Other local venues in Smiths Falls are already equipped to host and operate licenced events, reducing the necessity for Town staff to subsidize the operation of a bar in our facility to fill this role. This allows staff to focus on our core purpose as operators of recreational infrastructure.

5. Alternative Options:

Cancellation of the Town's liquor licence does *not* preclude others from hosting sanctioned events that include alcohol at our facility. User groups may continue to host their own licenced events, subject to regulatory and operational approvals.

Analysis and Options:

Maintaining the liquor licence at the Community Centre, whether a bar is operated or not, is not without risk. The financial and human resource investment, high risk, and low net income make this option financially and operationally undesirable. Additionally, the municipality assumes considerable legal liability, with persistent safety risks.

The options ahead of Council are as follows:

- 1) That Council support the Resolution of Cancellation. **(Recommended)**
- 2) That Council does not support the Resolution of Cancellation. *(Not recommended)*

Budget/Financial Implications:

There are no direct costs associated with either maintaining or cancelling the liquor licence for the Memorial Community Centre. However, the potential financial risks associated with continuing to hold the licence could be significant. As the licence holder, the Town could assume legal and financial liability for any alcohol-related incidents that occur at the facility. This includes

potential lawsuits or insurance claims resulting from over-serving, intoxicated patrons, or alcohol-related accidents or incidents.

Cancelling the liquor licence would mitigate these risks, thereby protecting the Town from the potential financial burden that could arise from alcohol-related legal issues. While the bar operation has generated minimal revenue, the financial implications of maintaining the liquor licence far outweigh the benefits when considering the potential liability costs.

Link to Strategic Plan (2023-2026): NA

Existing Policy: NA

Consultations: AGCO

Attachments: Resolution of Cancellation

Respectfully Submitted by:

Approved for agenda by CAO:

Stephanie Clark, Director of Community

Malcolm Morris, CMO