

**Alcohol and Gaming
Commission of Ontario**

**Commission des alcools
et des jeux de l'Ontario**

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February 5, 2015

Ms. Tracey Cook
Executive Director, Municipal Licensing and Standards
City of Toronto
100 Queen Street West
16th Floor, West Tower
Toronto, ON M5H 2N2

Dear Ms. Cook,

I am writing to follow up on our meeting on January 26 with Councillors and City staff in which we discussed issues related to liquor licensing in the City of Toronto. I appreciated the opportunity at that meeting to reinforce the progress that has been made over the past few years towards greater collaboration and information sharing between the AGCO and the City. The purpose of this letter is to propose a means by which we can strengthen this relationship even further.

As you know, the AGCO has been working closely with Councillors and City staff to find meaningful solutions to address the needs and concerns of the various stakeholder and community groups with an interest in liquor licensing. I am pleased to say that the level of communication and collaboration between us has never been greater. For instance, provincial offence convictions used to be shared with the AGCO on a somewhat *ad hoc* and informal basis. Today, we have established processes to formalize the flow of such information to the AGCO so we can take it into account when making licensing and sanctioning decisions. I am confident that the systems we have jointly put in place over the past few years are beneficial and ultimately leading to better outcomes.

Your City-led Steering Committee has been put together to further this progress and to establish a long-term strategic plan and framework for better compliance and enforcement of City by-laws as they relate to liquor licensed establishments. I strongly support the work and mandate of this Steering Committee, and I believe it can provide a valuable benefit by helping to clarify our respective roles and accountabilities.

In the meantime, we recognize there are circumstances in which municipal interests will affect liquor licensing, and that our licensing processes should take into account and recognize these common interests while making sure to respect our separate but complementary mandates. With this in mind, and in order to allow the City-led Steering Committee and working groups the necessary time to evaluate options for a more effective longer-term strategy, the AGCO is committed to the following interim approach:

- The AGCO will acknowledge and respect any agreement entered into by the City of Toronto with a business licence holder and reference that agreement on the liquor licence that is issued by the AGCO.

This would give the City the ability to work with community members who have concerns about a particular liquor licence application to obtain an agreement with the applicant on such issues as noise, outside cleanliness, business licensing standards or other issues not related to the LLA. At the same time, this approach is intended to find a balance between the municipal agreement and the business' liquor licence, recognize the separate but complementary mandates of the City and AGCO, and better manage expectations from a compliance and regulatory perspective.

Responsibility for ensuring compliance by the business with its municipal agreement will rest primarily with the City. However, if in the course of a liquor licence inspection, an AGCO inspector observes non-compliance with the terms of a municipal agreement, he or she would make municipal by-law enforcement aware of the potential violation(s), as we do today. The AGCO commits to entering signed municipal agreements onto the AGCO's licensing and compliance system for AGCO inspectors to reference during their inspections.

By-law violations resulting in a conviction will be considered by the AGCO for an appropriate regulatory response (whether as part of the licensing or sanctioning process). The City has broad ranging discretionary power and authority to bring charges against licensees for by-law violations through the provincial offences system. If the breach of municipal terms (whether first discovered and reported by the AGCO to the City or otherwise observed by municipal by-law enforcement officers as part of their own compliance regime) is sufficient to warrant charges under the *Provincial Offences Act* and the City gains a conviction, this information will be shared with the AGCO through established protocols and entered into the AGCO's liquor licensing and compliance system for consideration of a regulatory response.

The AGCO has at its disposal a number of regulatory responses it can take, depending on the nature of the incident, any compliance history, severity and frequency of the proven infraction, and the licensee's response to the incident. Potential regulatory outcomes could include the issuance of a warning letter, an order of monetary penalty, or in appropriate circumstances, a suspension of the liquor licence. It should be noted that revocations of a liquor licence occur only in very serious circumstances, and on their own or in the absence of a recurrent history, noise and nuisance infractions will not likely be sufficient to warrant such an extraordinary regulatory response.

Ongoing Collaboration

I believe this is a workable solution to the concerns raised by Councillors, and one that can be implemented immediately and that can remain in place while the Steering Committee and working groups seek longer term and more sustainable solutions.

The AGCO has always enjoyed a close and constructive working relationship with the City of Toronto's Municipal Licensing and Standards Branch and the Toronto Police Service. We all have a common interest in promoting compliance with the law and enhancing overall public safety and safe communities. I look forward to our continued collaborative efforts and give you my thanks for your leadership to help bring about positive change for the benefit of all those interested in the responsible operation of liquor sales licensed businesses.

Yours truly,



Tom Mungham
Chief Operating Officer

c: Mr. Ali Arlani, Assistant Deputy Attorney General
Mr. Jean Major, CEO, AGCO
Staff Superintendent Mario Di Tommaso

