

# LCBO Agency Store Repatriation

A Financial Analysis

March 2007

Prepared for Ontario Public Service Employees Union

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Rhythm Communications

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## 1.0 Executive Summary

### *Introduction*

The Liquor Control Board of Ontario (LCBO) provides communities across the province with access to a wide range of alcohol products and exceptional customer service through its network of 598 publicly-owned retail stores. As a public agency, the LCBO also plays an important role in ensuring that alcohol is sold safely, legally and responsibly.

The LCBO is a very successful business. In its most recent fiscal year, 2005-06, the LCBO had gross sales of \$4.3 billion, and paid a dividend of \$1.2 billion (all of its net income) to its shareholders, the people of Ontario.<sup>1</sup> Every year, the LCBO dividend helps the Ontario government pay for health care, education and other important public services.

This report provides a financial analysis of the LCBO's private agency store program, and the potential for replacing high-volume agency stores with publicly-owned LCBO outlets.

Agency stores are private retailers who sell LCBO products as an add-on to their core business. These private retailers include grocery stores, convenience stores, general stores, marinas, gas stations and outfitters. The LCBO grants them the right to sell spirits, wine and beer for a five year contract period. Once contracted, the LCBO supplies these private retailers and gives them a 10% discount off the retail price set by the LCBO.

The agency store program was introduced in 1962 as a way to service northern Ontario communities that did not have an LCBO store close by. Over the next three decades, the program reached a stable level of 82 stores, with average annual sales of \$230,000 per store.

In the mid-1990s, the Conservative government shifted gears and began expanding the agency store program into **southern Ontario**. In 2001, the government increased the pace, approving a plan to open 150 new agency stores over several years. A total of 50 new agency stores were opened in 2003. The rapid expansion of the agency store program continued after the election of the Liberal government in October 2003, with 39 new stores opening in 2004 and 2005. Over the 10 years from 1995 to 2005, the number of contracted agency stores more than doubled, and sales tripled. In May 2006, the government announced plans to open another 20 agency stores – all of them in southern Ontario. When fully implemented, this will bring the total number of private agency stores to 219.

The Ontario Public Service Employees Union (OPSEU) represents more than 6,000 employees who work in the LCBO's 598 publicly-operated stores across Ontario. LCBO stores vary in size from 2,500 to 30,000 square feet, with a wide range of annual sales – from \$300,000 to \$37 million. The average annual gross sales level for LCBO stores was \$7.2 million in 2005-06.

OPSEU opposes the accelerating growth in the number agency stores. The union believes that this represents a form of gradual privatization that threatens to erode the LCBO's social

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<sup>1</sup>LCBO Annual Report 2005-06



## LCBO Agency Store Repatriation

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responsibility mandate and its long-term future as a public agency. In an effort to understand the economics of the agency store program and the potential for bringing these sales back to the LCBO (by opening LCBO stores as appropriate), OPSEU contracted Russ Christianson, President of Rhythm Communications, to perform this financial analysis.

### ***Financial Analysis***

Using financial data provided by the LCBO, Russ Christianson and OPSEU have identified **89 agency stores that could be profitably “repatriated.”** As the contracts expire over the coming years, the LCBO could replace these private stores with LCBO stores.

These 89 contracted agency stores currently have:

- total alcohol sales of \$107 million per year
- annual per store sales in the range of \$575,000 to \$3.3 million
- average annual sales of \$1.2 million per store.

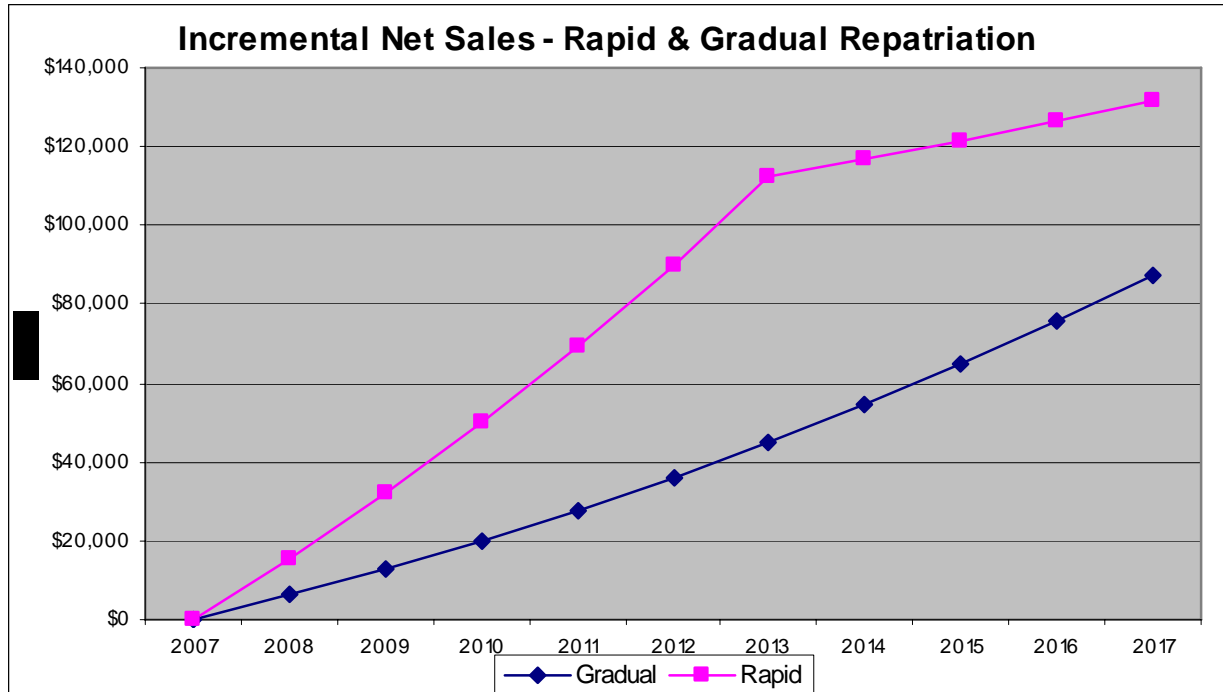
**If the LCBO repatriated the sales from these 89 stores today, it would benefit from an additional \$16.2 million in profit this year, for an incremental return on investment (ROI) of 43.1%.**

To further understand the financial implications of repatriating these agency contracts, three financial scenarios were developed. The first scenario, *Status Quo*, is used as the financial benchmark. In this scenario, the agency store program is allowed to grow by five additional stores each year over the next decade. Scenario two, *Gradual Repatriation*, has six agency store contracts being brought home to the LCBO each year, resulting in 60 new LCBO stores over 10 years. The third scenario, *Rapid Repatriation*, is more ambitious, with 15 agency store contracts being repatriated over the next six years, for a total of 90 new LCBO stores.

The following graphs below show the incremental financial benefits that would accrue to the LCBO and to the people of Ontario by repatriating 60 to 90 agency store contracts. The numbers in the graphs are calculated by taking the difference (or increment) between the *Status Quo* scenario and the two repatriation scenarios. All of these scenarios are based on conservative financial assumptions.



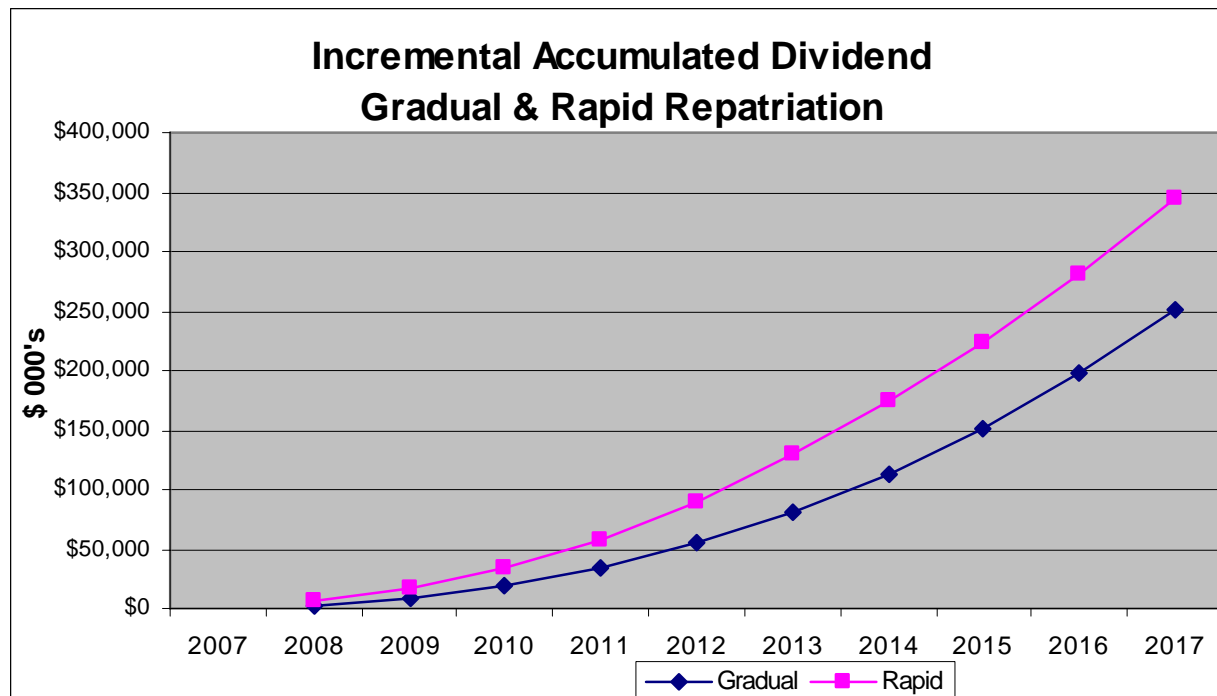
## LCBO Agency Store Repatriation



This graph shows the year-by-year increase in incremental LCBO net sales that could result from repatriating 60 to 90 agency store contracts. Rapid repatriation (90 stores over six years) results in an additional \$131 million in annual LCBO sales by 2017, while gradual repatriation (60 stores over 10 years) adds \$87 million in LCBO sales by the tenth year.

The following chart shows the incremental, accumulated dividend that will result from the repatriation of the agency store contracts in the two scenarios. **By repatriating the sales from these privately-owned stores, the LCBO could provide \$250 to \$340 million more in cash dividends to the provincial government over the next 10 years.**





### **Conclusion**

The Ontario government has the opportunity to profitably increase the LCBO's sales by reversing its recent decisions to rapidly expand the number contracted private retailers. Instead of increasing contracted agency stores, the province could allow the existing contracts to expire, opening the door for 60 to 90 new LCBO stores. These new LCBO stores would increase the LCBO's net income and the dividend paid to its owners – the people of Ontario – by \$250 to \$340 million over the next 10 years.

Communities across Ontario that gain a new LCBO store will directly benefit from the capital investment (\$325,000 to \$450,000 per store) and jobs created. The LCBO provides a good wage (\$18 to \$26 per hour) and secure employment, and it has an excellent employee training program.

In addition to these direct economic benefits, the repatriation of LCBO stores will also create economic multipliers in these communities of 2 to 3 times. This means that the money the new LCBO stores spend locally on rent, wages, municipal taxes, utilities, and other products and services will multiply from:

- \$111,000 to \$334,000 per year for a store with \$800,000 in sales
- \$142,000 to \$426,000 per year for a store with \$1.2 million in sales
- \$210,000 to \$630,000 per year for a store with \$2 million in sales

And of course, repatriation of these private agency stores will also deliver other benefits to the each community, including better selection and customer service, and enhanced social responsibility.



## 2.0 Background

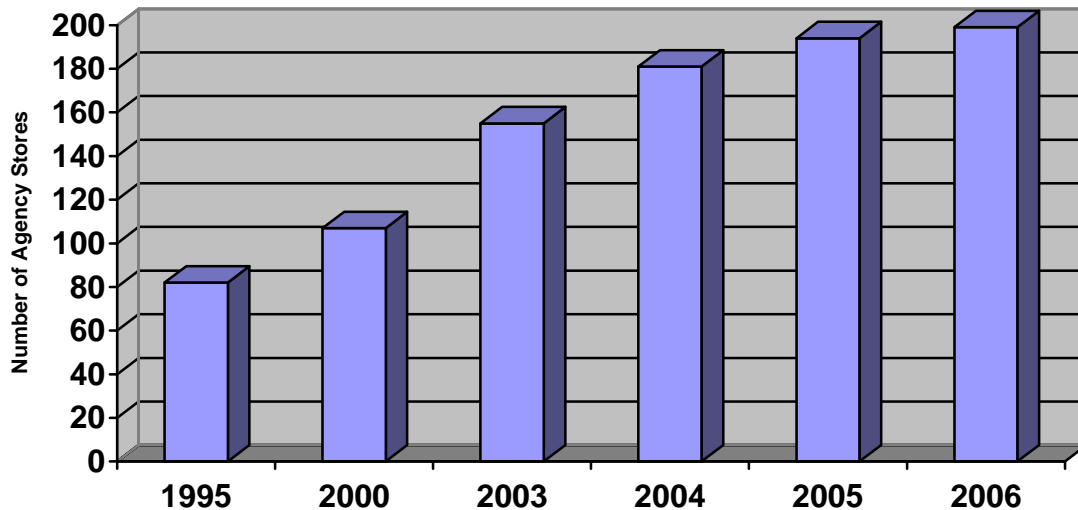
As a starting point, it is important to understand the history of LCBO contracted agency stores. When the LCBO introduced the agency store program in 1962, the idea was to provide service to communities in northern Ontario that did not have a nearby LCBO store. Rather than building stand alone LCBO stores, the LCBO signed five-year contracts with existing privately-owned grocery stores, general stores and outfitters to sell spirits, wine and beer. The program grew steadily, and by 1995 there were eighty-two contracted agency stores with average store sales of \$230,000 per year.

In the mid-1990s, the Conservative government shifted gears and began expanding the agency store program into **southern Ontario**. In 2001, the government increased the pace, approving a plan to open 150 new agency stores over several years. A total of 50 new agency stores were opened in 2003. The rapid expansion of the agency store program continued after the election of the Liberal government in October 2003, with 39 new stores opening in 2004 and 2005. Today, there are 199 agency stores in operation, with average sales of \$720,000 per annum.

In May 2006, the government announced plans to open another 20 agency stores – all of them in southern Ontario. When fully implemented, this will bring the total number of private agency stores to approximately 219.

In other words, the agency store program has been significantly expanded beyond its original intent. Over the last four years, the number of agency stores has doubled, and over the 11 years from 1995 to 2006, agency store revenue has tripled.

### Private Agency Store Growth 1995 to 2006



## LCBO Agency Store Repatriation

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To better understand the economic implications of this rapid growth in contracted, privately-owned agency stores, the Ontario Public Service Employees Union (OPSEU) contracted Russ Christianson, President, Rhythm Communications to:

1. Perform a financial analysis of the LCBO and its commercial relationship with privately-owned agency stores.
2. Determine the potential for agency store repatriation and the financial implications for the LCBO and the Province of Ontario.

Russ Christianson is a management consultant with 25 years of experience in various sectors, including retail, wholesale distribution, manufacturing, and service industries. He graduated from Queen's Commerce in 1981, and completed a Masters of Industrial Relations at the University of Toronto in 1983. (Please refer to Appendix 1 for Russ Christianson's Resume).

### 3.0 Methodology

The financial analysis began with a review of the sales of LCBO stores and contracted agency stores, using data supplied by the LCBO. This information was supplemented with a review of the following:

- *LCBO Annual Reports – 2005-6 and 2004-5.*
- LCBO and Ontario Government websites.
- *Standing Committee on Government Agencies – Report on Agencies, Boards and Commissions, The Liquor Control Board of Ontario, Legislative Assembly of Ontario (December 2006).*
- *Protecting the Public Interest, The Threat of Privatization and the LCBO's Agency Store Program, Ontario Public Service Employees Union (September 2006).*
- *Beverage and Alcohol System Review (BASR), Report to the Honourable Greg Sobara, Ontario Minister of Finance (July 2006).*
- *Alcohol and Public Health: The Implications of Changes to Ontario's Beverage Alcohol System, Addictions Ontario, Association of Local Public Health Agencies, Centre for Addiction and Mental Health, Mothers Against Drunk Driving, Ontario Drug Awareness Partnership, Ontario Public Health Association, Parent Action on Drugs, Toronto Public Health (February 2005).*
- *LCBO Operational Review, Report to the Internal Audit Division of Management Board Secretariat (MBS), Deloitte & Touche LLP (March 2005)*
- *Insights into the Food, Beverage, and Consumer Products Industry. Grocery Manufacturers Association (GMA), Food Products Association (FPA), and Price Waterhouse Coopers (2006)*
- *Serving Ontario Beer Consumers: A Framework for Improved Co-operation & Planning Between the LCBO & BRI (June 2000)*
- *Ontario's Changing Population, Institute of Agri-Food Policy Innovation (October 2006)*
- "Immigration Critical to Canadian Population Growth: Census", CBC news, March 13, 2007

An initial financial analysis was completed by Russ Christianson and was presented at a joint meeting with OPSEU representatives and LCBO executives on February 8, 2007. A follow-up meeting was held with LCBO executives and OPSEU on February 26, 2007, at which LCBO



## LCBO Agency Store Repatriation

representatives provided additional financial data. Over the following weeks, Russ Christianson reviewed the new information provided by the LCBO and integrated it with his original analysis, resulting in the financial model contained in this report.

### 4.0 Assumptions

The financial model was guided by the following principles:

1. The model should be financially conservative, realistic and attainable.
2. The financial forecasts should be based on the most accurate information and benchmark data available from the LCBO and other expert sources.
3. The model should provide a measure of the *incremental* financial benefits that could result from the repatriation of agency stores in comparison to the status quo.

There are a number of underlying assumptions that form the foundation of this financial analysis. The table below provides a summary of the benchmarks that were used to determine the financial results of agency store repatriation on a store-by-store basis.

**Table 1: Repatriated Agency Store Financial Benchmarks**  
(expressed as a percentage of Net Sales)

Total Net Sales	Gross Margin	Salaries & Benefits	Occupancy Costs	Other Costs	Operating Expenses	Depreciation Expense	Net Income
\$1.5 to \$3 million	45.9%	7.1%	1.8%	1.6%	10.5%	1.5 to 3.0%	32.4 to 33.9%
\$1 to \$1.499 million	45.9%	7.8%	2.1%	1.9%	11.8%	2.6 to 3.9%	30.2 to 31.5%
\$750,000 - \$999,000	45.9%	9.5%	2.3%	2.1%	13.9%	3.3 to 4.3%	27.7 to 28.7%
\$500,000 - \$749,000	45.9%	11.5%	2.5%	2.3%	16.3%	4.3 to 6.5%	23.1 to 25.3%

### 4.1 Net Sales

Net sales are the sales that LCBO contracted agency stores receive from customers – adding back the 10% discount from the LCBO, and deducting the GST and PST. Four categories of stores have been created based on their net sales level. Stores that fall within each of these sales volume categories have similar financial benchmarks (expressed in the table as a percentage of net sales).

The contracted agency stores that have been identified for repatriation in this economic model sell a full range of products – domestic and imported wine, spirits, and beer. The LCBO refers to this type of store as a “combination” store – a store that combines LCBO product lines with a full selection of domestic and imported beer. Currently, about 175 of the LCBO’s retail outlets are combination stores.

Agency stores are located within an existing retail store – usually a grocery store or a general store. As these agency stores are repatriated, and stand-alone LCBO stores are opened with enhanced selection and service, it is reasonable to assume that sales will increase. This economic model assumes that sales will increase by 10 percent in the first year of repatriation. Like the other assumptions in this economic model, this is considered to be conservative.



### **4.2 Gross Margin**

The overall gross margin assumed for this economic model is 45.9%. This is a conservative margin – the LCBO’s gross margin was 48.4% in fiscal 2005, and 48.5% in fiscal 2006<sup>2</sup>. The 45.9% gross margin in this model is based on the contribution margin for each product category. The contribution margin is calculated by taking the sales volume for a product category and multiplying it by the gross margin for each product category. On average, agency stores have 54% of their sales from beer, and 46% from wine and spirits. The gross margin on beer is 39% and the gross margin on wine and spirits is 54% as a percentage of total sales. Therefore, the gross margin for a newly repatriated store is:  $54\% \times 39\% + 46\% \times 54\% = 45.9\%$ .

As agency stores are repatriated by the LCBO, wine and spirits sales will increase due to better selection and customer service (LCBO’s overall percentage of sales is currently 51% spirits and wine, and 49% beer<sup>3</sup>). Because the margin on spirits and wine is higher than beer, an increase in proportionate sales of spirits and wine will increase the gross margin in each repatriated store.

### **4.3 Salaries and Benefits**

The benchmarks for salaries and benefits are based on actual LCBO stores’ financial performance with regular LCBO hours. On average, the repatriated agency stores will require one permanent, full-time store manager and casual staff. (Store managers in smaller LCBO “C” and “D” class stores and LCBO casual employees are members of the OPSEU bargaining unit and are paid according to the collective agreement between OPSEU and the LCBO).

### **4.4 Occupancy Costs**

Like salaries and benefits, occupancy costs are greater as a percentage of sales for smaller stores, because larger stores benefit from economies of scale. This economic model assumes that repatriated LCBO stores will lease local premises. Occupancy costs (including rent, taxes, utilities, insurance, and repairs) are based on actual LCBO store benchmarks for leased C and D stores.

### **4.5 Other Expenses**

Other expenses (including freight, packing material, shortages, maintenance, etc.) are also based on actual LCBO store performance.

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<sup>2</sup> LCBO Annual Reports 2005 & 2006; LCBO’s fiscal year end is March 31.

<sup>3</sup> LCBO Annual Report 2005-06, page 39.



## 4.6 Capital Costs

The table below shows the capital costs required to develop an LCBO store location when an agency store is repatriated. In most cases, the LCBO would lease an existing building and would invest approximately \$130 per square foot in leasehold improvements. To bring in a modular building, we are assuming a higher cost per square foot (20% higher); however, because the depreciation expense is calculated differently, the build option is \$2,500 lower per annum in depreciation expense compared to the leasing option.<sup>4</sup>

**Table 2: Capital Costs Required for Agency Store Repatriation**

Premises	Capital	\$/Ft <sup>2</sup>	Capital	\$/Ft <sup>2</sup>	Capital	\$/Ft <sup>2</sup>
<b>Leaseholds</b>	\$450,000	\$129	\$390,000	\$130	\$325,000	\$130
<b>Modular</b>	\$550,000	\$157	\$470,000	\$157	\$400,000	\$160
<b>Square Feet</b>	3,500		3,000		2,500	

## 5.0 Potential Agency Store Repatriation

When the financial benchmarks from section 4.0 are applied to the current list of agency stores, 89 stores are identified for potential repatriation. These 89 stores have annual sales in the range of \$575,000 to \$3.3 million per year, for total current sales of \$107 million per annum, or average sales of \$1.2 million per store per year. Overall, about 46% of these sales are from wine and spirits and 54% are from beer.

Currently, LCBO's net sales to these agency stores is \$44 million per annum (fiscal year 2005-6), including wine, spirits and imported beer, or 41% of the total sales of these stores. All agency stores in Ontario operate on the basis of a five year contract, and the LCBO provides a 10% discount off the retail price. The current level of profits for LCBO sales to these 89 agency stores is approximately \$20 million per annum.

Like all agency stores in southern Ontario, the 89 stores identified in this study purchase domestic beer directly from the Beer Store. For this analysis, it is assumed that the repatriated agency stores will operate as LCBO combination stores, with domestic beer sales revenue flowing through the LCBO.

If these agency stores were immediately repatriated by the LCBO, using the conservative assumptions in section 4.0 above, the LCBO would recognize an additional \$16.2 million in profit this fiscal year, for an incremental return on investment (ROI) of 43.1%.

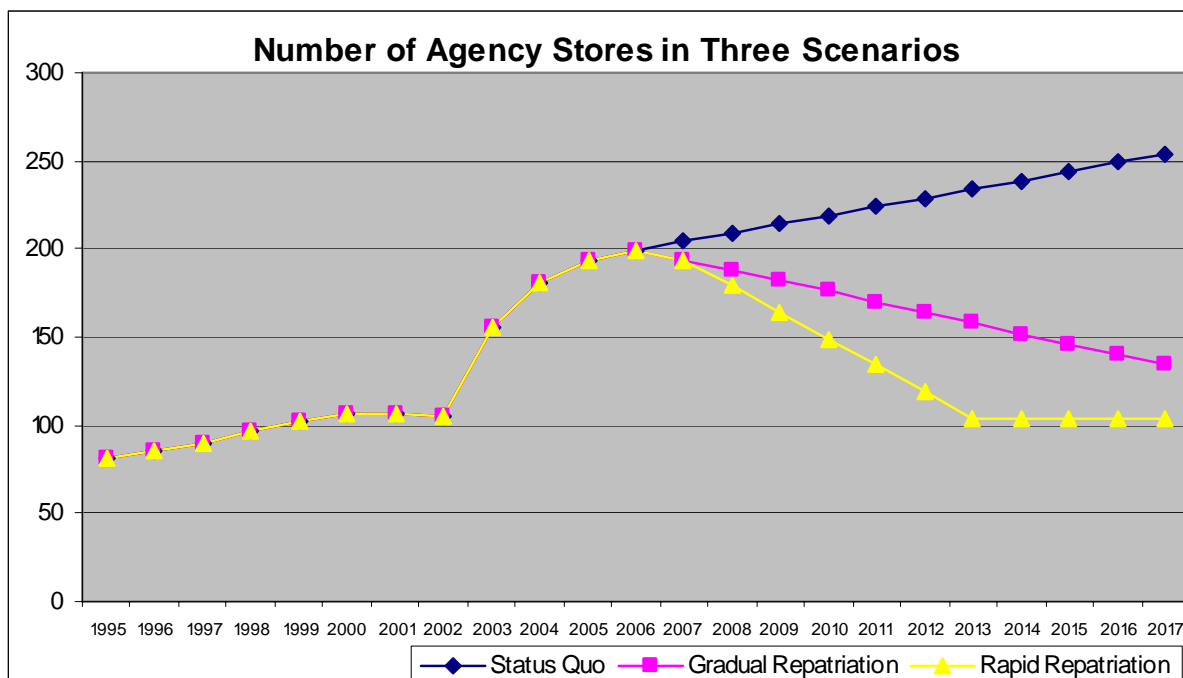
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<sup>4</sup> Depreciation calculations: Lease premises = \$450,000/10 years = \$4,500/annum.  
 Modular Building = \$250,000/20 years + \$300,000/10 years = \$12,500 + \$30,000 = \$42,500.



## 6.0 Financial Scenarios

Three financial scenarios were developed to evaluate the potential impact of repatriating the agency stores over the next 10 years. The first scenario, *Status Quo*, is used as the financial benchmark. In this scenario, the agency store program is allowed to grow by five additional stores each year over the next decade. As shown in the graph below, by the end of 2017, there will be 254 agency stores in scenario one. LCBO will also add one new store per year in this scenario.



Scenario two, *Gradual Repatriation*, has six agency stores being brought home to the LCBO each year, bringing the total number of agency stores down to 134. The third scenario, *Rapid Repatriation*, is more ambitious, with 15 agency stores being repatriated in each of the next six years. This would bring the total number of agency stores back to 104, a number more consistent with the original intention of the agency store program.

Each of the scenarios take into account that the Ontario population is forecasted to grow modestly by 1.5% per year in urban areas, and 1.0% per year in rural areas.<sup>5</sup> Inflation is also assumed to be modest, with a rate of 1 to 1.5%.

The table below shows the financial benchmarks that were used for each scenario. These benchmarks are expressed as a percentage of net sales, and are based on the LCBO's overall historical financial performance combined with conservative assumptions applied over the coming ten years.

<sup>5</sup> Ontario's Changing Population, Institute of Agri-Food Policy Innovation (October 2006).



## LCBO Agency Store Repatriation

**Table 3: Financial Benchmarks for Three Scenarios**

Financial Benchmark	Status Quo	Gradual Repatriation	Rapid Repatriation
<b>Gross Sales (before repatriation)</b>	4% increase/year	4% increase/year	4% increase/year
<b>Agency Stores</b>	+5/year; 50 more	- 6/year; 60 fewer	-15/year for 6 years; -90
<b>LCBO Stores</b>	1 new store per year; +10	6/year, +60	15/year, +90
<b>Discounts</b>	0.7%	0.7%	0.7%
<b>Gross Margin</b>	48.0%	48.0% to 48.5%	48.0% to 48.5%
<b>Salaries &amp; Benefits</b>	9.1%	9.1%	9.1%
<b>Store Salaries</b>	7.0%	7.0%	7.0%
<b>Total Operating Expenses<sup>6</sup></b>	16.5%	16.5%	16.5%
<b>Other Income</b>	0.5%	0.5%	0.5%

In each scenario, gross sales (before repatriation) are assumed to grow by 4% per annum, and operating expenses (including salaries and benefits) are kept at a constant percentage of sales. Again, using conservative benchmarks, the discounts and other income are also kept constant across the three scenarios. It could be argued that the discounts would decrease as agency stores are repatriated, thereby increasing the LCBO's gross margin and net income.

In the repatriation scenarios, the gross margin is increased by 0.05% per year, starting in 2008 for rapid repatriation and 2009 for gradual repatriation. This modest gain in margin is a result of improved employee motivation due to the agency store repatriation program. Employees will not only be more productive (thereby helping to control expenses and waste), they will also more readily contribute ideas to improve LCBO operations as a positive response to the concrete expression of the LCBO's commitment to its employees.

<sup>6</sup> This includes depreciation expense.



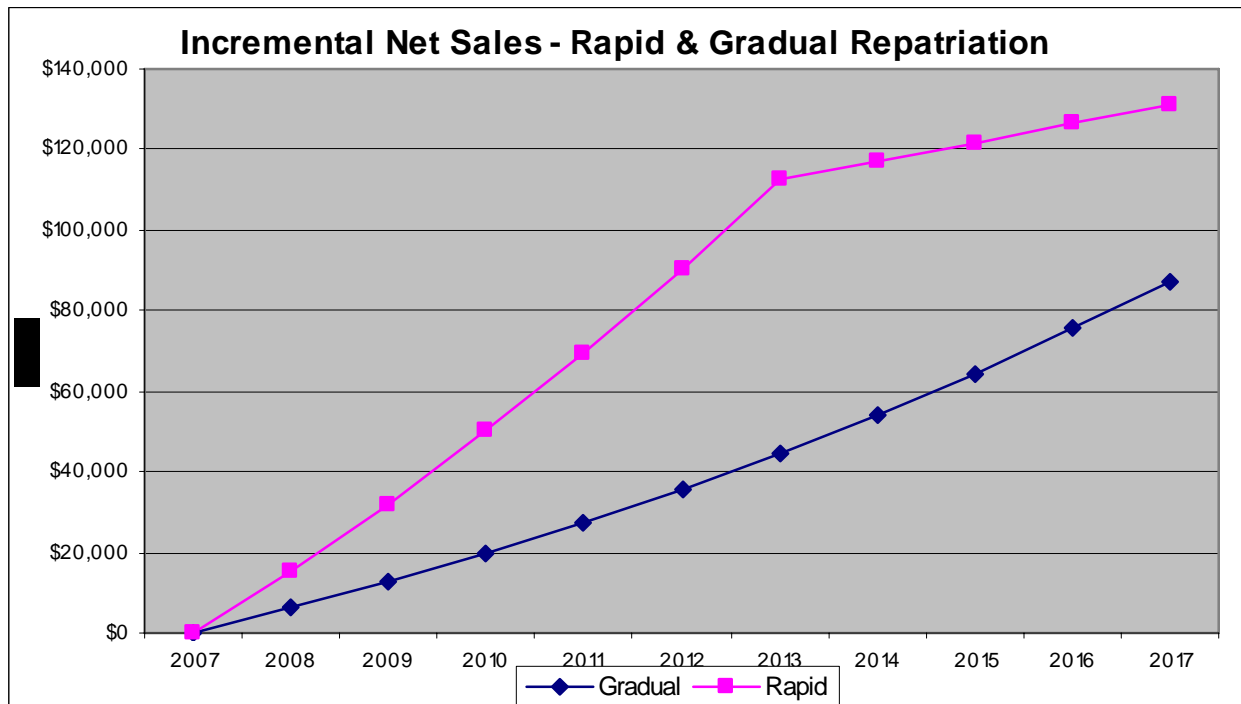
## 7.0 Incremental Financial Results

Using the *Status Quo* scenario as the benchmark, the incremental improvements in financial performance are shown in the graphs below. For each financial variable, the difference between the status quo and each of the repatriation scenarios is calculated. In other words, the numbers from the status quo scenario are subtracted from the numbers in scenario two and scenario three.

### 7.1 LCBO Net Sales

In scenarios two and three, the LCBO's net sales have been increased by the current average net sales revenue per agency store (\$1.2 million for the 89 stores identified for repatriation) for each agency store repatriated in 2008. For each subsequent year, this figure is increased by 4% to reflect overall annual sales growth for the LCBO.

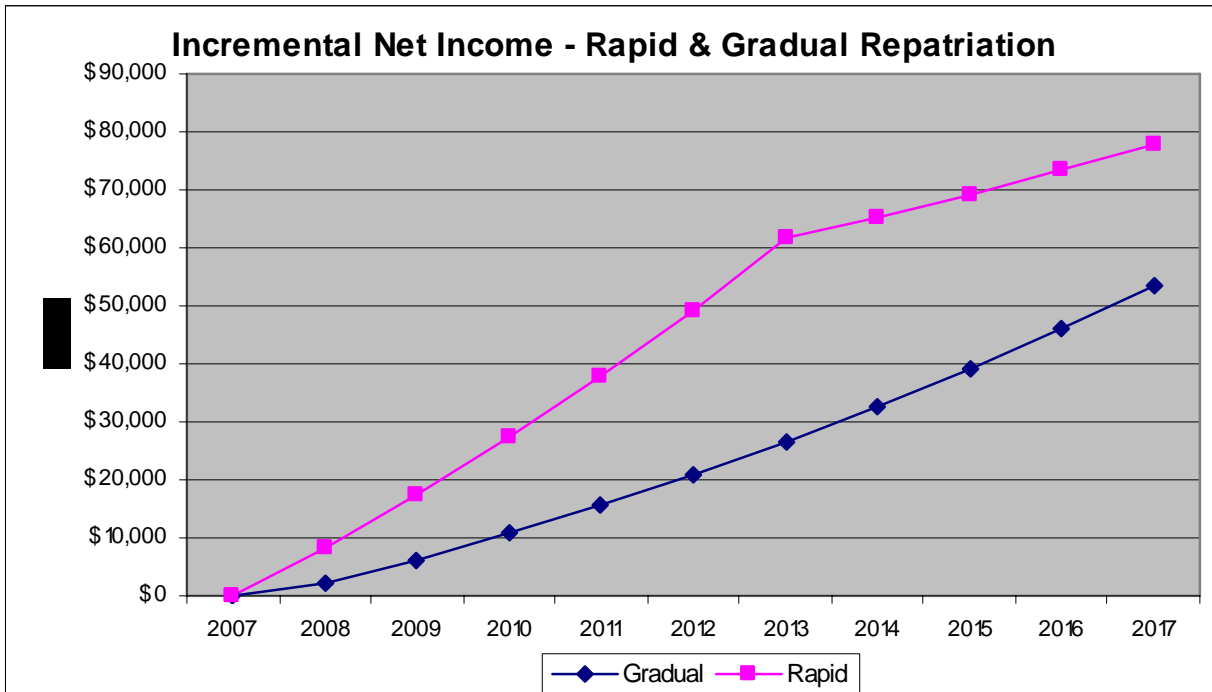
The graph below shows the year-by-year increase in incremental LCBO net sales from repatriation. Rapid repatriation results in an additional \$131 million by 2017, while gradual repatriation adds \$87 million in sales by the tenth year. Of course, the rapid repatriation scenario has a much steeper curve as the stores are repatriated more quickly (15 stores per year from 2007 to 2013).



## 7.2 LCBO Net Income

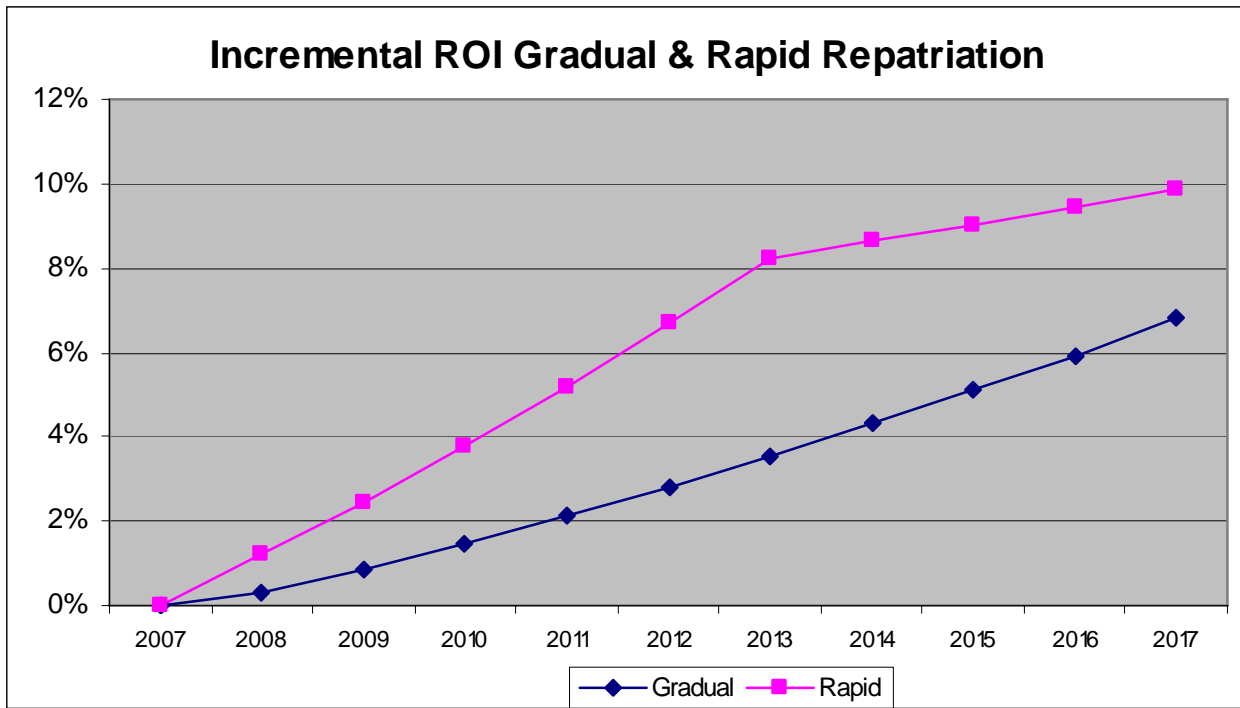
Given the increase in net sales, the modest increase in gross margin, and expenses increasing with sales (but remaining at a constant percentage of net sales), the graph below shows the incremental increase in LCBO net income each year.

Again, the rapid repatriation scenario naturally has a steeper curve that begins to level off slightly after the sixth year (2013). By the end of the tenth year of agency store repatriation, the LCBO will gain an additional \$54 to \$78 million per annum in net income.



## 7.3 LCBO Return on Investment

All three scenarios assume a similar level of new capital investment in the LCBO each year – increasing by \$1 million per year, from \$59 million in 2007 to \$69 million in 2017. As stated in section 4.6, the capital cost of repatriating the stores will be in the range of \$325,000 to \$450,000 per store (\$130 per square foot). In the gradual repatriation scenario, this will require \$2 million to \$3.3 million per year. Rapid repatriation will require \$5 to \$6.5 million per year. Again, the average return on investment for agency store repatriation is 43.1% (a range of 15% to 119% depending on the sales volume of the particular store).



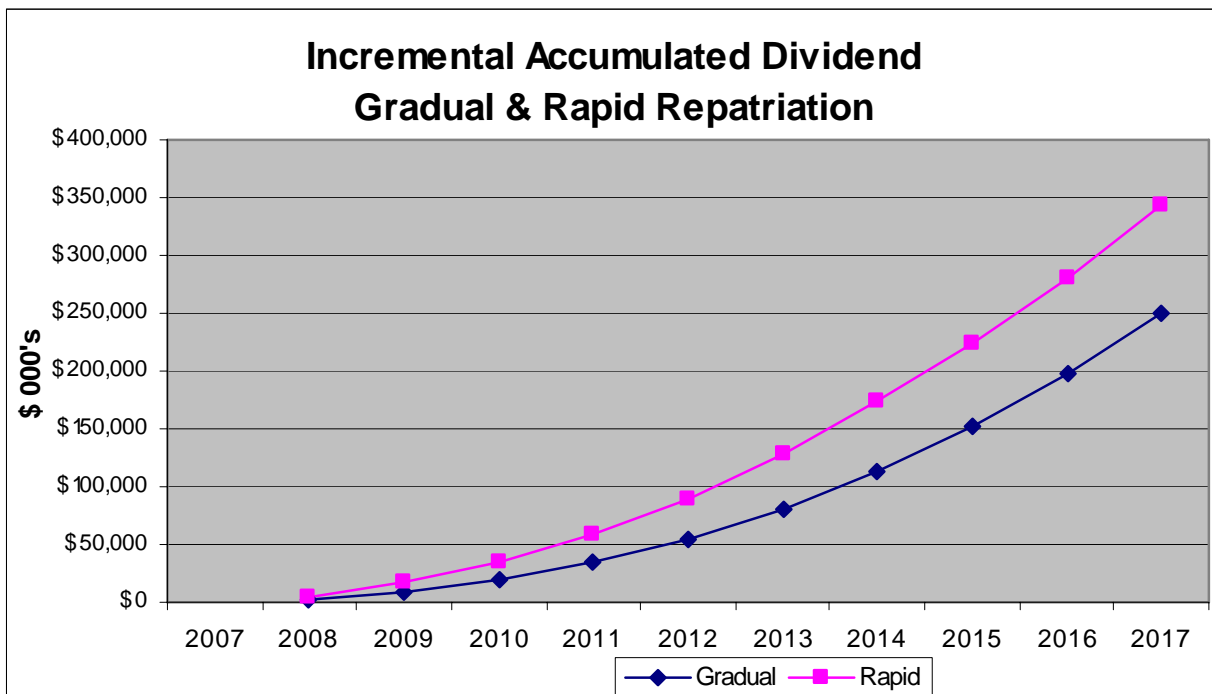
The graph above shows the incremental, annual return on investment for the overall operations of the LCBO, resulting from repatriation. While these numbers may appear small (especially when compared to the store-by-store return on investment average of 43.1%), it is still a significant improvement on the overall return on investment for the LCBO.



## 7.4 LCBO Dividend

As the name states, the Liquor Control Board of Ontario has been set up to provide an effective method of controlling an addictive and potentially socially-destructive substance. Moreover, the people of Ontario benefit financially from the public ownership of this business. Every year, the LCBO provides a generous cash dividend to the government of Ontario.

The chart below shows the incremental, accumulated dividend that will result from the repatriation of the agency stores in the two scenarios. By repatriating the sales from these privately-owned stores, the LCBO will provide \$250 to \$340 million more in cash dividends to the provincial government over the next 10 years.



### 8.0 Customer and Community Benefits

In addition to the financial benefits detailed above, repatriation of these agency stores will also deliver significant benefits to the each community, including better selection and customer service, and enhanced social responsibility, and an increased investment in the local economy:

- **Selection** – Most agency stores carry fewer than 500 products. Smaller LCBO stores typically carry between 500 and 1,000 products, while larger LCBO outlets carry 1,500 to 3,000 products or more.
- **Service** – People enjoy shopping at LCBO stores. Seventy-eight percent of LCBO shoppers provide exceptional satisfaction ratings of 8 or higher (on a 10 point scale).
- **Social Responsibility** – The LCBO’s social responsibility mandate is integral to its organizational culture. In 2005-06, LCBO employees challenged more than 1.7 million customers who appeared to be underage or intoxicated and refused service to 112,000, most for being unable to produce valid proof of legal age. Public health research around the world always comes to the same conclusion: *Government controlled distribution and retailing of alcohol is the most effective system for ensuring the highest level of social responsibility and reducing the risk of alcohol-related harm.*

Communities across Ontario that gain a new LCBO store from repatriation will directly benefit from the capital investment (\$325,000 to \$450,000) and jobs created. The LCBO provides a good wage (\$18 to \$26 per hour) and secure employment, and it has an excellent employee training program.

In addition to these direct economic benefits, the repatriation of LCBO stores will also create economic multipliers of 2 to 3 times. This means that the money the new LCBO stores spend on rent, wages, municipal taxes, utilities, and other products and services will multiply from:

- \$111,000 to \$334,000 per year for a store with \$800,000 in sales
- \$142,000 to \$426,000 per year for a store with \$1.2 million in sales
- \$210,000 to \$630,000 per year for a store with \$2 million in sales.



## Appendix 1: Russ Christianson – Resume

### EXPERIENCE

**President**, Rhythm Communications. Working together with corporate, public, and not-for-profit organizations to position products and services, create strategic business and communications plans, and revitalize team spirit. Clients have included: Canadian Co-operative Association, Ontario Co-operative Association, Gay Lea Foods, World Wildlife Fund, Zurich Insurance, Toronto Hydro, Liberty Health, Ontario Ministry of Agriculture and Food, Environment Canada, Ontario Ministry of the Environment, The Pembina Institute, MedicAlert, City of Toronto, SweetRipe Drinks, Community Opportunities Development Association (Rhythm Communications, 1995 to present).

**Management Consultant** - Providing management consulting services in the areas of Business Start-up, Organizational Development and Revitalization, Leadership, Marketing, Financial Planning, Human Resources Management, Control Systems and Communication Skills. (Sumac Consulting, 1988 to 1997).

**President** - Founding member of an organic food product development and marketing business that distributed across Canada. (Origins Co-operative Incorporated, 1989 to 1995).

**General Manager** - Responsible for the profitable operation of a wholesale food business with an annual growth rate of 25%. (Ontario Federation of Food Co-operatives and Clubs, Inc., 1984 to 1988).

**Compensation Analyst** - Assisted in the preparation and implementation of a formal job evaluation system for managerial and professional-technical positions. (Canadian Tire Corporation Ltd., 1984).

**Industrial Relations** - Participated in collective bargaining, prepared arbitration cases and wrote "Technological Change and Plant Closures", a negotiating position paper. (Brewery, Flour, Cereal and Soft Drink Workers Union, 1983).

**Chartered Accounting** - Articled with a national chartered accounting firm. (Collins Barrow, 1981/82).

### VOLUNTEER ACTIVITIES

**Recipient – Co-operative Spirit Award:** *Outstanding Contribution to the Ontario Co-operative Association 2003*, for twenty years of dedicated service in the co-operative business sector.

**Steering Committee Chair and Board Member** - founding member of Canada's first community foundation based on the transfer of capital funds (\$6.4 million) from the sale of a public utility commission. (Campbellford/Seymour Community Foundation, 2000 to present).

**Chair and Member** - Public Education Committee, Canadian Co-operative Association, Ontario Region. (1991 to 1995).

**Co-chair** - Representing organic food system constituents on the Toronto Food Policy Council (TFPC). The TFPC's mission is to develop a just and environmentally sustainable food system for all Torontonians. (1990 to 1994).

### EDUCATION

**Master of Industrial Relations** (M.I.R.), University of Toronto, 1982 to 1983. Vice-President of Student Council. Awarded U of T graduate Open Fellowship, Rockefeller Foundation Award and Canadian Tire Corporation Fellowship Award.

**Bachelor of Commerce (honours)**, Queen's University at Kingston, 1977 to 1981. Member of Commerce House Committee, Archery Club, Scuba Club.

