
Meeting Minutes

FDFA Operators - November 2017

Call to order

An Operator meeting of Frontier Duty Free Association was held at Westin Montreal, on November 12, 2017. The Chair called the meeting to order at 8:40am.

Members in attendance included: Abe Taqtaq-Windsor Tunnel Duty Free (President/Chair), Tania Lee-Blue Water Bridge DF (Vice-President), Simon Resch – DFS Ventures (Treasurer), Philippe Bachand – BHT de Philipsburg (Director), Paul Dickinson – Abbotsford DF, Janice Beagle – Altan & Carway DF, Mike Maskery – Ambassador DF, Gerry Lee – Blue Water DF, Peter Brain – Blue Water DF, Eric Lapointe - BHT de la Beauce, Pierre Bachand - BHT de Philipsburg, Nancy Enright - BHT de Philipsburg, Josée Tougas - BHT de Philipsburg, Pierre Guay – IGL/Stanhope/De L'Est, Lauren Guay - IGL/Stanhope/De L'Est, Michael Gruyich – Niagara DF, Steve Richardson – Niagara DF, Ralph Caria – SSM DF, Penny Halwas – Tobacco Plains DF, Zane Gravelle – Tobacco Plains DF, Len DaSilva – West Coast DF, Deborah Stasso - Windsor Tunnel DF, Heather Howard – 1000 Island DF, Jeff Butler – 1000 Island DF, Jeff Dyer – 1000 Island DF, Bryan Allen – Johnstown DF, Chris Foster – Queenstown-Lewiston DF.

Members not in attendance included: Aldergrove Duty Free, Fort Duty Free, Kingsgate Duty Free, Kitt's Duty Free, North Portal Duty Free, Osoyoos Duty Free and Peace Garden Duty Free.

Non-members in attendance: Jim Pearce – Peace Bridge Duty Free

Approval of Minutes

Amendment to the May 2017 Operator Meeting Minutes: to remove Ambassador Duty Free from the list of stores in attendance.

Motion

Motion by Gerry Lee to approve the May 2017 Operator Meeting Minutes with the amendment noted above. Second by Michael Gruyich. No opposition – Motion approved.

President's Year in Review

The President opened the meeting by thanking the 2017 Convention Committee and the Bachand and Guay families for hosting the store tours and lunch the day prior.

The President provided a recap of the Semi-annual mtg. held in May 2017.

The President provided an update on membership and stressed the importance of unity as an association, a key priority of the Board. Queenston-Lewiston, Thousand Islands and Johnstown have returned as members and the Board are in communications with other non-member stores.

An overview of the current office staffing was presented, and it was noted that the Board is close to finalizing the severance package for Laurie Karson. The Board was not at liberty to discuss the details of the severance.

Expressions of interest were requested and received for a new committee, FDFA Operating Review Committee, from; Simon Resch, Ralph Caria, Pierre Guay, Peter Brain and Jeff Butler. This committee's mandate will be to review office operations and any requirement for an Executive Director and/or lobbyist.

The President outlined the Board's priority for the next 12 months as; membership, review of E.D. position and to evaluate the GR strategy.

Government Relations Update

The President provided an update on GR activities and recent conversations with Doug Band, DG Trade and Anti-dumping Programs, on behalf of the GR Cmte. Chair:

- CBSA has had several staff changes – the FDFA will provide operators the new contacts and positions when they become available.
- The store tour at IGL was very effective and a good introduction to duty free for Doug Band in his new role as Director General. Doug asked a lot of questions following the visit.
- Final strategic review changes are 9-12 months away from being approved by Treasury Board.
- CBSA has no interest in collecting duty free sales statistics, however they will continue to do so until the Treasury Board has signed off on the changes resulting from the review.
- D432 is not currently part of anyone's workload but they know it is out there and it will happen.
- Tobacco is always a concern; however it is quiet right now. Doug Band was made aware of the FDFA's concerns on tobacco.
- The FDFA will be meeting with Doug Band in Ottawa early in the new year.
- He also noted the necessity to build relationships with the Liberal Government.

The members agreed that the collection of sales stats is important and that options should be considered soon, to be ready when CBSA ceases to provide the service.

A member requested that questions be included in the stats collection on the process for store audits – audits should all be consistent.

It was noted that Charles Chenard from CBSA was holding meetings this week in Montreal to provide an update on the lease review policies. The meetings are only with stores who lease crown land.

The President asked for expressions of interest for the 2018 GR Committee. The following expressed interest: Jeff Butler, Gerry Lee, Philippe Bachand and Abe Taqtaq

Action

- Send operator members new roles and contacts for CBSA duty free shop program representatives.
- Send operators a copy of what stores should receive when audited by CBSA– what an audit should look like to ensure all audits are consistent.

2017 Convention Review

Lauren Guay provided an update on the convention including attendance compared to 2016 and a high-level overview of the events.

2018 Convention Architecture Committee

Tania Lee (Cmte. Chair) provided a review of the Committee's activities and noted the priorities as; supplier presentations, productive meetings, networking events and the development of a new sponsorship format. She outlined the new schedule, the importance of solidification, the supplier savings and the potential for increased benefits to store operators. Value-added ideas were presented along with the evolution of retail in general. A meeting forum to vet new suppliers was also proposed.

Expressions of interest for the 2018 Convention Committee came from: Chris Foster, Tania Lee, Abe Taqtaq and Steve Richardson.

Treasurers Report

The Treasurer reviewed the forecast year-end statement of operations for 2017. The convention revenue will be under budget, primarily due to loss of sponsorship. Program expenditures have been cut back – national marketing was eliminated as program in 2017. He is anticipating a small year-end surplus.

The Treasurer reviewed the revenue over the last 5 years. Operator dues contribute to 21%, supplier/associate dues revenue 20% and the convention approx. 58%. He noted concerns with the decrease in operator members attending the convention as well as participation in the gala.

Over the last 5 years the expenditures were: national marketing 14%, GR 10% and salaries/benefits approx. 47% of overall revenue.

The Treasurer reviewed changes in 2017 including the departure of the Executive Director. He outlined some options including a high-powered executive option or a GR lobbying firm. He concluded by stressing the importance of monitoring the convention revenue to avoid a cash call or dues increase.

Open Forum on Key Issues

Tania Lee reviewed existing pricing policies for BHI, DFI and Estee Lauder. The suppliers under discussion are for the most part on temporary pricing policies which provide good savings off both US and CDN domestic markets. Areas of concern were noted to the operators. Tania offered to email spreadsheets to those who were interested.

Chris Foster discussed the need to share best practices with respect to liquor suppliers.

Adjournment