

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

Iowa Alcoholic Beverages Division
1918 SE Hulsizer Rd.
Ankeny, IA 50021
Boardroom
October 18, 2012 1:00 PM

Commission Members Present:

Jim Clayton: Chairperson
Claire Celsi: Vice-Chair
Rick Hunsaker: Secretary
Tami Doll: Member
Greg Nashleanas: Member

ABD Staff Present:

| | |
|--|--|
| Stephen Larson: Administrator | Stephanie Strauss: Executive Officer |
| Erin Fitzgerald: Administrative Assistant | Tina Norris: Deputy Administrator of Spirits |
| John Lundquist: Assistant Attorney General | Nicole Hartman: Administrative Assistant |
| Doug Webb: Deputy Director of Administration | Jolene Erickson: Budget Analyst |
| Karen Freund: Deputy Administrator of Regulation | Deb Bassett: Executive Assistant |
| Shannon Pogones: Education Outreach Coordinator | Tonya Dusold: Communications Director |
| Herb Sutton: Warehouse Manager | Jodi Christensen: Public Safety Officer |
| Victor Kennedy: Accountant 2 | Heather Schaffer: Compliance Officer |
| Kirk Fisher: DAS | |

Guests Present:

| | |
|--|---|
| Kristi Kielhorn: House Republican Caucus Staff | E. John Broadbent: Broadbent Distillery |
| Meghan O'Brien: Iowa Department of Public Health | Thom Rowen: Glazers |
| Garin Buttermore: Iowa Department of Public Health | |
| Jessica Dunker: Iowa Restaurant Association | |

CALL TO ORDER

Chairperson Jim Clayton called the meeting to order at 1:00 PM and a roll call was taken and all members were present.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Hunsaker and a second by Commissioner Nashleanas to approve the agenda for the October 18, 2012, Commission meeting for the Motion approved unanimously.

APPROVAL OF THE July 19, 2012, August 13, 2012 and September 12, 2012 MINUTES

MOTION: A motion was made by Commissioner Hunsaker and a second by Commissioner Nashleanas to approve the minutes from July 19, 2012, August 13, 2012, and September 12, 2012, Commission meeting.

Motions approved unanimously.

ADMINISTRATOR REPORT

Administrator Larson discussed the Division's activities since the last commission meeting, which included the progress of the Division's strategic plan and strategic exploration. He explained what the Division does, why it does what it does, how it knows if it's providing value and how efficiency is tracked.

Accounting and Finance

Administrator Larson provided an overview of the FY11 audit, FY12 Annual Report, FY12 cash flow statements, FY13 cash flow statements, FY13 net income statements, FY12 vendor payments, FY13 first quarter vendor payments, contracts entered into and an update on the Distribution Model Request for Proposal.

Some highlights were the new additions to the FY12 annual report, which incorporated the distribution model, results and outcomes of adding convenience stores, creating footnotes to financials, the Division's mission statement, web resources and education.

Deputy Director of Administration Doug Webb discussed the impact of convenience stores on sales. In comparison from FY11 to FY12 overall sales were up 6 percent in conjunction with convenience store additions to Class E licenses.

Kirk Fisher presented an update and timeline for the Distribution Model Request for Proposal. The main criterion for this project is to:

1. Assist in the review of current distribution model
2. Model multiple scenarios
3. Have a model that fits into the Division's 5, 7, and 10 year plans

Products Management

Products Manager Nicole Scebold discussed newly listed products, delisted products and Iowa native products. She also gave an update on an increased demand for "skinny" ready-to-drink cocktails and flavored domestic whiskey.

Regulation and Licensing

Deputy Administrator of Regulation Karen Freund gave an update on regulatory matters, including introducing a new alcohol investigator. She also provided information on infusing compliance checks and how infractions are handled.

Education

Education & Outreach Coordinator Shannon Pogones gave an update on I-PACT. The Division would like to add additional content, such as information about the new DOT guidelines for temporary licenses. Ms. Pogones introduced the mobile website/phone application for alcohol serving sizes called CALCohol. The next steps for this project would be working with Apple and Android to launch the mobile site as a free phone app. She discussed future initiatives of the Division's education and outreach program with plans to produce a PSA, licensee's graduation and prom education letters, a parent's texting program and increasing printable materials on the website.

Executive Assistant Deb Bassett gave an overview of Symposium 21: From Production to Consumption. Highlights included that the website is live, registration is open, keynote speaker (Steve Ford) has been confirmed and the symposium is approved for six CEU credits.

Legislation

Executive Officer Stephanie Strauss gave an overview of the legislative session and two pre-filed bill requests. She updated the Commission the regulatory plan which consists of a Chapter 185 update. Everything should be submitted by November 30, 2012.

Warehouse

Deputy Administrator of Spirits Tina Norris gave an update on the new racking that was put in the warehouse. A total of 519 new spots became available for new products.

Warehouse Supervisor Herb Sutton discussed the implementation on Roadnet. Roadnet is used as a territory planner, creates daily routes for drivers and live monitors trucks. This program will create routes more efficiently (decreasing miles and creating fuel savings) and create daily reports in real time.

Jodi Christensen provided an outline of the safety program she is implementing. This program will provide instructions on proper lifting techniques, create a safety committee and cut down on workers' compensation claims.

NEW BUSINESS

A discussion between the staff, Commission members and attendees took place regarding Adult Chocolate Milk. The Adult Beverage Company changed the label on the bottle, increased the size of "Liqueur" on the label, and created a banner which states the type of alcohol. 14 control states already

carry this product and the Division believes as though the company complied with the requested changes regarding the label. The Commission decided it was up to the Division's listing committee on whether to list Adult Chocolate Milk or not.

OTHER BUSINESS

The next tentative commission meeting will be February 20, 2013. A discussion took place about the possibility of an open house taking place on that date as well.

ADJOURNMENT

MOTION: A motion was made by Commissioner Celsi and a second by Commissioner Doll that the meeting be adjourned.

Meeting adjourned at 3:54 PM.
