

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road, Ankeny IA
Board Room
January 14, 2015 – 2:00 PM
Dial In Number: 1.866.685.1580
Conference Code Number: 0009991572

Commission Members Present:

Rick Hunsaker: Chairperson
Tami Doll: Vice- Chair
Jay Wilson: Secretary
Gary Nystrom: Member
Claire Celsi: Member (via phone)

ABD Staff Present:

Stephen Larson: Administrator
John Lundquist: Assistant Attorney General
Karen Freund: Regulation and Licensing Bureau Chief
Stephanie Strauss: Executive Officer
Heather Schaffer: Compliance Officer
Bobby Bailey: Public Information Officer
Erin Bothwell: Administrative Assistant
Tim Iversen: COO
Tammy Plowman: Comptroller
Nicole Scebold: Management Analysis
Diane Kréma: Project Manager
Anita Volk: Project Manager

Guests Present:

Michelle Hurd: Iowa Grocers Association
Sheila Douglas: IWBD
Charles McGrigg: Wine Institute
David Ropte: Iowa Brewer Guild
Teresa Albert: Iowa Brewers Guild
Jay Wilson: Iowa Brewers Guild
John D'Attoma: Glazers
Jessica Dunker: Iowa Restaurant Association

CALL TO ORDER

Chairperson Rick Hunsaker called the meeting to order at 2:02 PM and roll was taken. There was a quorum.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Wilson and a second by Commissioner Doll to approve the agenda for the January 14, 2015 Commission meeting.

Motion approved unanimously.

MOTION: A motion was made by Commissioner Nystrom and a second by Commissioner Doll to approve the minutes for December 18, 2014 Commission meeting.

Motion approved unanimously.

Chairperson Rick Hunsaker recognized Administrator Larson for the Administrator Report. Administrator Larson, in turn, introduced Tammy Plowman.

ADMINISTRATOR REPORT

Comptroller Tammy Plowman provided a financial overview, which included accrued liquor revenues (up 3.68%), accrued gross profit (increased \$1,006,427), total bottles picked (increase 2.77%), operating expenses (down 10.37%), unbudgeted operating expenses and bankruptcy/bad debt exposure.

The decrease in operating expenses was attributed to net warehouse and fleet expenses (\$75,266) and other expenses related to distribution/capitals-decrease YOY of \$373,597. Other expenses that are down 14.70% are because of substance abuse transfers of \$2,128,966 (for December revenues) and General Fund reversions of \$6,000,000 (posted in January). Under budgeted operating expenses are composed of \$50,000 in the taxable meal settlement payout, \$70,000 increased benefit costs beyond initial projection, \$38,000 to remove trailer wraps and a \$20,000 increase in workers compensation premiums.

Chief Operating Officer Tim Iversen reviewed ABD's four focus areas.

1. Strategic Planning:
 - a. Create a five year plan. Planning will begin in the spring of 2015.
2. Independent consultant review:
 - a. ABD will be entering into a contract with Johnson Stephens Consulting to provide a comprehensive consulting service relating to the business operations, efficiency and improvement of forecasting, fulfillment process and inventory management as well as warehouse and distribution operations. Johnson Stephens will look at change analysis, current operational analysis, identify opportunities, create a development of request for information and create a final report.
3. Revamp and refresh our education and outreach efforts.
 - a. ABD will begin focusing on creating partnerships with Public Health and prevention groups, educating licensees on compliance, and educating staff.
4. Partnerships with OCIO
 - a. All services that ABD provides will be online. ABD will need to partner with OCIO to handle scope and time management of all projects moving forward.

Staff person Nicole Scebold and OCIO Project Manager Anita Volk gave a presentation on the customer and vendor online portals. Some of the highlights were online ordering, creating favorites, accessing invoices (past and current), uploading of quote forms, adjusting pricing of products and permanent pricing.

Commissioner Doll and Commissioner Wilson gave a brief overview of the trade practice meeting that took place before the commission meeting. The focus was on tasting and sampling information that was provided and asked for changes, edits, concerns, input or questions from industry members and meeting attendees. The commissioners said that they should have more information by the end of February.

NEW BUSINESS

A discussion between commission members, ABD staff and meeting members took place regarding local government licensing forums. This was presented to see if there was a need to help educate local governments and authorities on their ability to control the licenses that are granted in their communities. Staff person Karen Freund reviewed the state code and described the process for the appeal process. In the state code, communities do not have the right to set a quota on liquor stores in the area. However, they could use zoning guidelines as a tool to help. The possibility of meeting with some local city councils and leaders in order to educate and evaluate the needs of the individual cities was discussed.

Administrator Larson asked for the support of the commission to support the Divisions three pre-filed bills.

MOTION: A motion was made by Commissioner Nystrom and a second by Commissioner Celsi to support 1197XD – Alcoholic Liquor Powdered or Crystalline Form Prohibition.

Motion approved unanimously.

MOTION: A motion was made by Commissioner Nystrom and a second by Commissioner Wilson to support 1198XD – Wine Gallonage Tax Collection, Direct Shippers and 1199XD – Alcoholic Beverages Division, Technical Changes.

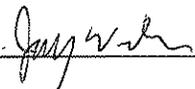
Motion approved unanimously.

Next Meeting Date: April 7, 2015 @ 1:30 P.M. in Ankeny, IA.

ADJOURNMENT

MOTION: A motion was made by Commissioner Wilson and a seconded by Commissioner Doll to adjourn the meeting. Motion approved unanimously.

The meeting adjourned at 4:03 P.M.



Commissioner Wilson, Secretary