

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

Iowa Alcoholic Beverages Division
December 10, 2019 – 1:00 p.m.
Dial In Number: 1.866.685.1580
Conference Code Number: 0009991572

Commission Members Present

John Pauli: Chair
Christine Riesenbeck-Spratt: Vice Chair (via phone)
Jay Wilson: Secretary
Gary Nystrom: Member
Rachel Eubank: Member

Division Staff Present

Stephen Larson: Administrator
Joshua Happe: Bureau Chief, Regulatory Compliance
Herb Sutton: Bureau Chief, Business Operations
Brenda Emelo: Assistant to the Administrator
Erin Verduyn: Administrative Assistant
Leisa Bertram: Comptroller
Martin Moen: IT Manager
Jake Holmes: Public Affairs
Denise Roberg: Public Affairs
Lolani Lekkas: Administrative Actions
Jonathan Mader: Financial Management
Pam Koehn Miller: Secretary
Nicole Scebold: Product Management
John Lundquist: Assistant Attorney General

Guests Present

Tom Cope: Iowa Distiller's Alliance
Ron DeVries: Ruan
Scott Petersen: Ruan
Lance Cheney: Ruan
Emily Turek: Cornerstone Government Affairs
Sara Allen: Beer Wholesalers
Angel Banks Adams: LSA
Joel Anderson: Office of the Governor
Lynn Walding: Diageo (via phone)
Rickie Du: Iowa State Democrats (via phone)
Brittany Lumley: Doll Distributing, LS2 Group (via phone)

CALL TO ORDER

Chairperson Pauli called the meeting to order at 1:00 p.m. and roll was taken. There was a quorum.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Pauli and seconded by Commissioner Wilson to approve the agenda for the December 10, 2019, Commission meeting.

Motion approved.

APPROVAL OF MINUTES

MOTION: A motion was made by Commissioner Nystrom and seconded by Commissioner Wilson to approve the minutes for the October 8, 2019, October 11, 2019, and November 13, 2019 meetings.

Motion approved.

ADMINISTRATOR'S REPORT

Administrator Larson introduced his new executive assistant, Brenda Emelo, to the Commission.

Administrator Larson recognized Herb Sutton, Bureau Chief of Business Operations, for the business operations report. Mr. Sutton announced the vision initiatives upcoming for 2020 with Ruan, key account management, and data analytics. There will be high level meetings beginning in February with Ruan in regards to scheduling inbound deliveries and planning for the warehouse expansion space. Mr. Sutton also announced another initiative will be extending out to the marketplace to develop relationships. Lastly, developing and utilizing data analytics is going to be a main focus in 2020 in many areas of the Division. Administrator Larson further emphasized the data analytics focus in 2020 and the importance of quantifying decisions made at the Division.

Mr. Sutton recognized Comptroller Leisa Bertram for the financial management update. Ms. Bertram gave the financial analysis through November FY2020. The month of November FY2020 had \$28,470,706 in sales \$31,010,524, up a 1.18 percent increase from November FY2019. She stated that the liquor sales for November YTD were \$145,187,980, which was a 4.91 percent increase. The Division was asked to raise our REC Estimate to \$126,600,000 recently. The total General Fund Reversion YTD is at 73,393,387, at 42.03 percent of the goal.

Commissioner Wilson asked if there were numbers recorded on how many accounts increased their deliveries from one to two since July. Ms. Bertram and Mr. Sutton answered there were no permanent delivery increase changes during that time period. Currently only ten stores receive two deliveries each week, but that will be reevaluated in 2020 to see if other stores may benefit from that.

Ms. Bertram reviewed year over year totals through November for delivery and order comparisons for FY18, FY19, and FY20. She noted that the revenue per order is trending down in FY20 so far. Commissioner Pauli asked if that was in relation to an increase in convenience stores, and Ms. Bertram replied she hadn't broken down the metrics yet to know an exact reason, but one factor was due to stores placing more than one order per week.

Commissioner Wilson asked if there was a way to track which stores were adding products to already submitted orders or placing multiple orders deliberately, and Ms. Bertram replied there was a manual way to identify them. She elaborated that many stores place separate orders so they can receive invoices designated for promotional discounts through suppliers, and also to keep separate invoices for wholesale and retail purchases. Commissioner Pauli asked what the negative impact was and Ms. Bertram replied that it can sometimes add significant time for delivery drivers to do their product counts with multiple invoices.

Commissioner Wilson referenced the Returns Comparison by Item graphs and asked if this data could be broken down to address the top 10 products for educational purposes. Ms. Bertram answered yes, but it is actually a more common issue for stores to purchase the wrong size of a product, instead of the type of product itself. She also added that ABD is unable to change the product code numbers, so education can only go so far.

Administrator Larson commended Mr. Sutton and Ms. Bertram for presenting at the Financial Management Quarterly Meeting on some key metrics regarding the ABD/ Ruan Procurement and Contract Process, which left many attendees impressed.

Administrator Larson again recognized Mr. Sutton for an overview of the Vendor Scorecard that ABD and OCIO had recently created. The Vendor Scorecard is a website designed to track inbound deliveries to hold suppliers accountable for any delivery mistakes, punctuality, along with many other metrics. This was partially funded by a NABCA grant and was received very positively by NABCA, the supplier community, and many other states that want to participate. Mr. Sutton announced there would be a full demo at a future commission meeting once the website has been live for a period of time.

Commissioner Pauli asked how many suppliers have expressed interest in the portal and Martin Moen, IT Manager, replied that so far four suppliers have signed up and five states have also expressed interest. He continued we plan to go live on December 20, 2019, and plan to reach out to the full community more formally shortly after. Administrator Larson thus closed his report.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

A motion was made by Commissioner Nystrom and seconded by Commissioner Eubank to adopt the Fiscal Year 2019 Annual Report. A roll call vote was taken.

Commissioner Pauli - aye

Commissioner Spratt - aye

Commissioner Wilson - aye

Commissioner Nystrom - aye

Commissioner Eubank - aye

Motion approved.

Administrator Larson gave closing remarks as to how the Division will align with the Governor's priorities in 2020, new upcoming personnel changes, and introductions of current Division employees.

NEXT MEETING DATES

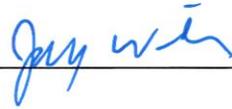
Tuesday, February 18, 2020 at 1:00 p.m. at Iowa Alcoholic Beverages Division, Ankeny

ADJOURNMENT

MOTION: A motion was made by Commissioner Wilson and seconded by Commissioner Eubank to adjourn the meeting.

Motion approved.

The meeting adjourned at 2:48 p.m.



Commissioner Jay Wilson, Secretary