

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

August 30, 2023 - 1:00 PM
Iowa Alcoholic Beverages Division
1918 SE Hulsizer Rd
Ankeny, Iowa 50021
Dial In Number: 312.757.3121
Access Code: 697.405.493

Commission Members Present

Rachel Eubank, Chairperson
John Pauli, Vice Chairperson
Sarah Winkleman, Secretary
Andrea Chase, Member
Gary Nystrom, Member

Department Staff Present

Mary Mosiman, Director
Stephen Larson, Division Administrator
Leisa Bertram, Chief Operations Officer
Lolani Lekkas, Bureau Chief Administrative Affairs
DeMario Luttrell, Bureau Chief Regulatory Compliance
Anthony Robben, OCIO
Madelyn Cutler, Rules Coordinator
Vince Bechtel, OCIO
Sam Hoerr, Public Service Executive
Clara Wulfsen, Executive Officer

Guests Present

John Lundquist, Assistant Attorney General
Marty Wadle, Ruan
Paul Jensen, Ruan
Shawn Dorius, Iowa State University

Matthew Voss, Iowa State University
Panny Seidenkranz, Employee and Family Resources

Department Staff Present (via telephone)

Stephanie Strauss, Executive Officer
Amy Serck, Secretary
Jessica Ekman, Executive Officer
Sheila Warrick, Administrative Assistant
Erin Verduyn, Administrative Assistant
Chuck Crabtree, Program Planner
Lisa Gibson, Program Planner
Tiffiney Brown, Administrative Assistant
Alana Stamas, Public Service Executive
Jackie Bowlin, Storekeeper
Nicole Scebold, Management Analyst
Scherael Thurston-Shell, Compliance Officer
Tara Huntrods, OCIO
Tyler Ackerson, Executive Officer
Brandon Trapp, Investigator
Julie Sheehy, Accounting Technician

Guests Present (via telephone)

Dale Woolery, Director, Office of Drug Control Policy
David Adelman, Iowa Wholesale Beer Distributors
David Peck, Iowa Brewers Guild
Douglas Struyk, Anheuser Busch
Eric Goranson, Goranson Consulting IRA & IHLA
Jennifer Husmann, Alliance of Coalitions for Change
Molly Kilker, Legislative Services Agency
Andy Deloney, DISCUS
Tommy Athey, Heaven Hill Distilleries
Jacob Sabel, Heaven Hill Distilleries
Jeremy Thompson, Sazerac

Jessica Dunker, Iowa Restaurant Association
Katya Boltanova, Alliance of Coalitions for Change
Mike Edwards, Democratic Operative
Paul Gilbert, University of Iowa
Stacie Schroeder, North Fayette Valley Community Coalition
Maggie Ballard, Heartland Family Services
Brian Grant, Johnson Brothers
Katlin Harvey, Rosecrance
Brian Guillaume, House Democratic Caucus
3 unidentified callers

CALL TO ORDER

Chairperson Eubank called the meeting to order at 1:00 PM. Roll was taken and a quorum was met.

APPROVAL OF AGENDA

MOTION: A motion was made to approve the agenda for today's (August 30, 2023) meeting by Commissioner Winkleman and seconded by Commissioner Pauli. The motion was approved unanimously.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes from the June 21, 2023, meeting by Commissioner Nystrom and seconded by Commissioner Pauli. The motion was approved unanimously.

PUBLIC COMMENT

Dr. Shawn Dorius, Iowa State University, Department of Sociology, and Matthew Voss, Iowa State University, presented their findings on alcohol outlet density in Iowa.

Dr. Paul Gilbert, University of Iowa, College of Public Health, talked about his team's recent work on the report concerning expanded alcohol availability. Stacie Schroeder, Coalition Director, North Fayette Valley Community Coalition, noted that based on personal experience the information needed by restaurants concerning the changes in the law allowing 16 and 17 year olds to serve alcohol has not necessarily reached restaurant owners. Jessica Dunker, President and CEO, Iowa Restaurant Association, mentioned that they have a resource kit on their website for restaurant owners wanting to employ 16 and 17 year olds that gives templates and points towards the Alcoholic Beverage Division (ABD) website as well.

ADMINISTRATOR'S REPORT

Lolani Lekkas, Bureau Chief of Administrative Affairs, began her report by noting the new trade practice rules went into effect on July 5. These rules more closely align ABD to the rules put forth by the Alcohol and Tobacco Tax and Trade Bureau. The full implementation of SF 2374 is nearly complete. Ms. Lekkas next informed the Commission about several administrative actions that are occurring throughout the State. Assistant Attorney General John Lundquist noted that at times these actions may seem like they are moving slowly, but often it is because due process is being carried out. There was a brief overview of the case being brought by Pheasant Court Winery of Oregon against state officials.

Enforcement Bureau Chief DeMario Luttrell started his update by talking about the complaint portal where the public or law enforcement can leave complaints for the Bureau to possibly look into. In July and August, 43 new complaints came in leading to 34 new investigations. He next noted that in the last two years the compliance inspection program has completed inspections in all 99 counties with the last 25 counties being reached since June. The

next goal for the unit is going out to college towns and having a presence to try to reduce the number of selling/serving to underage individuals that occurs. The Bureau has also been working with special event license holders on pre-event planning and preparation to ensure they are in compliance.

Leisa Bertram, Chief Operating Officer, opened her remarks by noting that ABD ended FY 23 with total liquor sales revenue 3.4% higher than in FY 22. FY 23 saw decreases in the number of orders and picks and an increase in the number of deliveries. ABD transferred \$152.6 million to the State. The number of gallons sold was down, however, the price per gallon was higher due to price increases.

July of FY 24 is 9.1% ahead of July FY 23 in terms of liquor sales. At the end of July, there were 2,036 total LEs. It was noted that each of those stores do not receive a delivery every week. There are currently 2,898 products listed by ABD.

Since the listing moratorium was lifted in April, those wanting to list a new product have given a presentation to the products team to help determine if that product should be listed.

There is a warehouse capacity study being conducted by Hy-Tek Intralogistics and ABD will receive their recommendations for the next ten years at the end of September. The bidder intent to award for the boiler project is complete. The timeline for the project going forward depends on when the equipment can be obtained. ABD is working on upgrading the Shop Portal and plans to go live with the new site in January 2024.

To conclude his report, Division Administrator Steve Larson stated ABD's customer service and operations objectives and outcomes have not been affected with ABD's transition to the Department of Revenue.

NEW BUSINESS

Rules Coordinator Madelyn Cutler went through the changes proposed in ARC 7049C Notice of Intended Action with the Commission. Her recommendation to the Commission was to adopt the changes. If adopted the changes would go into effect October 25, 2023.

MOTION: Commissioner Nystrom made a motion to adopt ARC 7049C and Commissioner Chase seconded it. A voice roll call vote was taken with Commissioners Eubank, Pauli, Winkleman, Chase and Nystrom all voting aye.

Department of Revenue Director Mary Mosiman noted that the second phase of alignment, integration, has begun and will continue for the next 12-18 months. She noted that the Boards and Commissions Review Committee had put forth a recommendation concerning the ABD Commission.

NEXT MEETING DATE

The next Commission meeting will be November 21, 2023. Information will be posted on ABD's website.

ADJOURNMENT

MOTION: A motion was made by Commissioner Pauli to adjourn the meeting and seconded by Commissioner Nystrom. The motion was approved unanimously.

The meeting adjourned at 3:15 PM.

A handwritten signature in black ink, appearing to read "Sara Winkleman", written over a horizontal line.

Commissioner Sara Winkleman, Secretary