

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road, Ankeny, IA
January 25, 2017 – 1:00 p.m.
Dial In Number: 1.866.685.1580
Conference Code Number: 0009991572

Commission Members Present

Jay Wilson: Chair
Gary Nystrom: Vice Chair
Rachel Eubank: Secretary
Tami Doll: Member (via phone)
John Pauli: Member (via phone)

Division Staff Present

Stephen Larson: Administrator
Tyler Ackerson: Assistant to the Administrator
Robert Bailey: Public Information Officer
Leisa Bertram: Accountant 2
Jodi Christensen: Purchasing Agent 3
Karen Freund: Deputy Administrator of Regulatory Affairs
Josh Happe: Public Service Manager 2
Todd Halbur: Comptroller
Jake Holmes: Education and Outreach Program Planner
Pam Koehn-Miller: Secretary
Lolani Lekkas: Compliance Officer 1
John Lundquist: Assistant Attorney General
Eric Ridenour: Public Service Supervisor
Anthony Robben: Analyst
Heather Schaffer: Compliance Officer 2
Stephanie Strauss: Executive Officer
Herb Sutton: Public Service Supervisor

Guests Present

Nathan Cooper: Iowa Wholesale Beer Distributors Association
Scott Posey: Johnson-Stephens

Guests Present via Phone

Angela Davis: Johnson Brothers

CALL TO ORDER

Chairperson Jay Wilson called the meeting to order at 1:02 p.m. and roll was taken. There was a quorum.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Nystrom and seconded by Commissioner Doll to approve the agenda for the January 25, 2017, Commission meeting.

Motion approved.

APPROVAL OF MINUTES

MOTION: A motion was made by Commissioner Doll and seconded by Commissioner Pauli to approve the minutes for the November 17, 2016 and December 6, 2016 meetings.

Motion approved.

Chairperson Wilson recognized Administrator Stephen Larson for the Administrator's Report.

ADMINISTRATOR'S REPORT

Administrator Larson recognized Comptroller Todd Halbur for a financial management report. Mr. Halbur reported that Year-to-Date through December FY17, the Division had \$151,428,173 in total liquor sales, which was a 6.04 percent growth in sales over December FY16. The average monthly order volume for FY17 was 4,944 compared to 4,112 in FY16, a 20.23 percent increase. Reversion to the General Fund increased 2.86 percent. Mr. Halbur cautioned that the increase in reversion could diminish as the Division enters the more moderate part of the fiscal year. Mr. Halbur reported that total revenue in the Liquor Control Trust Fund is 3.15 percent over revenue projections, while expenses are at 47.9 percent of the budget.

Administrator Larson presented a draft timeline for the issuance of an RFP for a possible public/private partnership in the distribution of spirits. The Division and its partners began the process of forming an RFP on December 1, 2016. An expected completion date for the RFP is April 2017. The Department of Administrative Services will be working with Johnson-Stephens Consulting and the Attorney General's Office to create the RFP. The Division will not be the issuing agent.

Administrator Larson presented the Annual Growth of Liquor Sales, Distribution Outlets, and SKU's for FY13 through FY16. Administrator Larson identified significant increases, which he attributed, in part, to FY11 when convenience stores were given the opportunity to sell spirits across the state.

Administrator Larson presented a brief overview of the working group he and Debi Durham, director of the Iowa Economic Development Authority, co-chaired. A comprehensive review of Iowa Code chapter 123 was conducted. The objective of the working group was to bring all stakeholders to the table to openly discuss ways to modernize Iowa's alcohol laws while maintaining focus on public safety and public health. The primary objectives for these recommendations are to transform Iowa's alcohol laws so that these laws are more easily understood by industry members, are adaptive to a rapidly evolving industry, and to reduce bureaucratic barriers. Maintaining Iowa's current 3-tier system has been an on-going focus. The recommendations will be presented to the Governor and Lt. Governor on February 1, 2017.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

None

NEXT MEETING DATE

Wednesday, April 5, 2017 at 1:00 p.m.

ADJOURNMENT

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

Motion approved.

The meeting adjourned at 2:45 p.m.

A handwritten signature in black ink, appearing to read 'R. Eubank', written over a horizontal line.

Commissioner Eubank, Secretary