

**AGENDA**  
**IOWA ALCOHOLIC BEVERAGES COMMISSION MEETING**

Iowa Alcoholic Beverages Division  
December 10, 2019 – 1:00 PM – 4:00 PM  
Dial in Number: 1.866.685.1580  
Conference Code Number: 0009991572

**Call to Order.....Chairperson Pauli**

- I. Introductions/Opening Remarks
- II. Approval of Agenda - **ACTION ITEM**
- III. Approval of Minutes - **ACTION ITEM**
  - October 8, 2019
  - October 11, 2019 (Telephonic)
  - November 13, 2019 (Telephonic)

**Administrator's Report.....Administrator Larson**

- IV. Business Operations Report – Herbert Sutton, Bureau Chief Business Operations
- V. Financial Management Report – Leisa Bertram, Comptroller

**Public Comment.....Chairperson Pauli**

**Old Business.....Chairperson Pauli**

**New Business.....Chairperson Pauli**

- Adoption of the Division's Fiscal Year 2019 Annual Report – **ACTION ITEM**

**Next Meeting Date.....Chairperson Pauli**

- Look at dates in February

**Adjournment.....Chairperson Pauli**

NOTE: Committee and Board agendas may be amended any time up to 24 hours before the meetings. Agenda items may be considered out of order at the discretion of the chair. Meetings will not convene earlier than stated above. If you require accommodations to participate in this public meeting, call 515.281.7407 or TTY at (toll-free) 866.IowaABD to make your request. Please notify ABD at least 48 hours in advance.



**ALCOHOLIC  
BEVERAGES  
DIVISION**

State of Iowa

**FY20 Financial Review  
July 1 2019 – November 30, 2019**

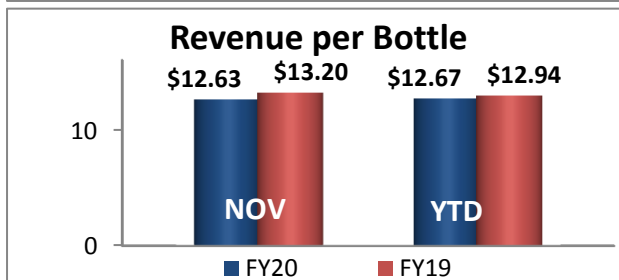
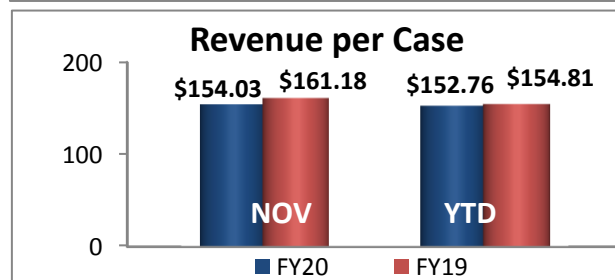
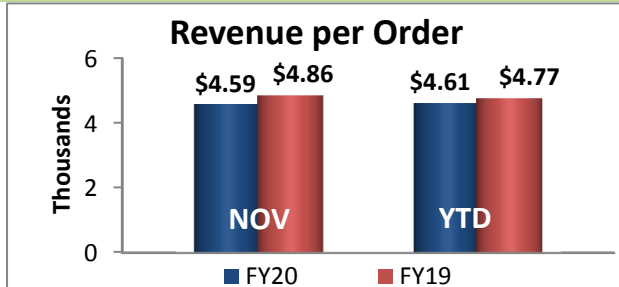
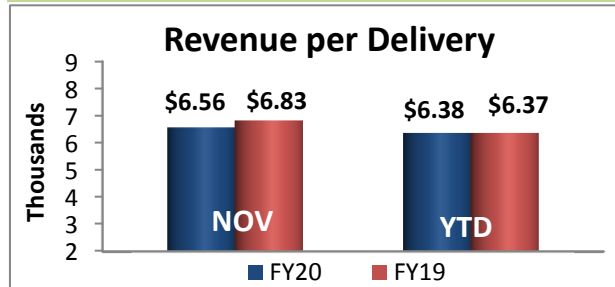
# November FY20 Financial Highlights

- OND Sales Strong, Liquor Sales up 4.9% Year to Date
- Net profit up 12.9% over FY19
- Return on Sales up 2.1% over FY19
- New Reversion Total Estimate 126 million
- Audit Draft Report Released FY18
  - Limited Findings
  - Corrected FY19 and FY20

# Iowa Alcoholic Beverages Division

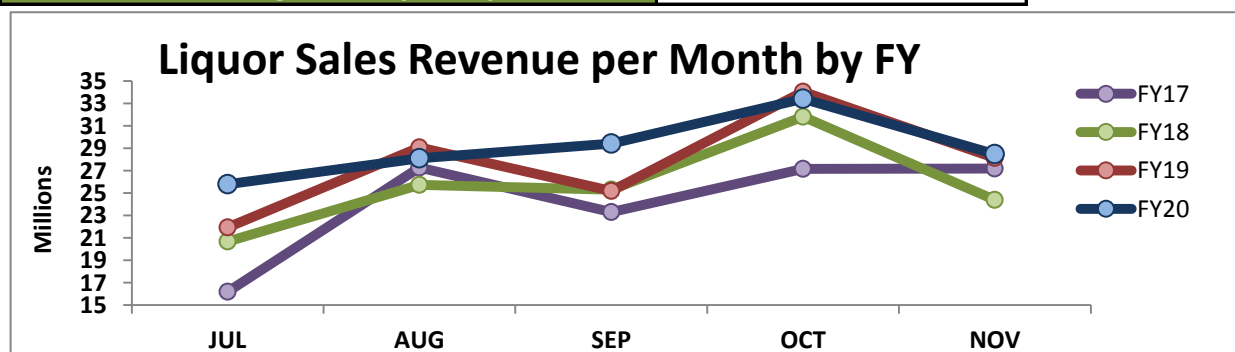
## FY20 November Sales Comparison Year Over Year Cash Basis

Category	FY 2020	FY 2019	% Change
Liquor Sales	28,470,706	28,138,662	1.18%
Split Case Fee	118,778	125,948	-5.69%
Bottle Dep and Sur	285,726	271,169	5.37%
Total Revenue	28,875,210	28,535,779	1.19%
Deliveries	4,399	4,181	5.21%
Orders	6,289	5,873	7.08%
Cases	187,464	177,046	5.88%
Bottles	2,286,232	2,161,440	5.77%
Picks	449,369	443,031	1.43%



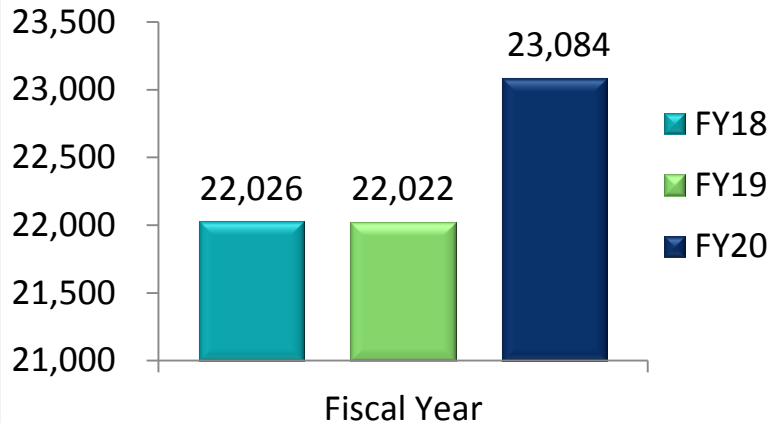
## FY20 July - November Sales Comparison Year to Date

Category	FY 2020	FY 2019	% Change
Liquor Sales	145,187,980	138,388,576	4.91%
Split Case Fee	620,772	623,492	-0.44%
Bottle Dep and Sur	1,448,956	1,327,712	9.13%
Total Revenue	147,257,708	140,339,780	4.93%
Deliveries	23,084	22,022	4.82%
Orders	31,936	29,392	8.66%
Cases	963,966	906,509	6.34%
Bottles	11,623,008	10,843,493	7.19%
Picks	2,285,769	2,219,452	2.99%
JUL- NOV Average Sale Days Comparison		0	NOV -1

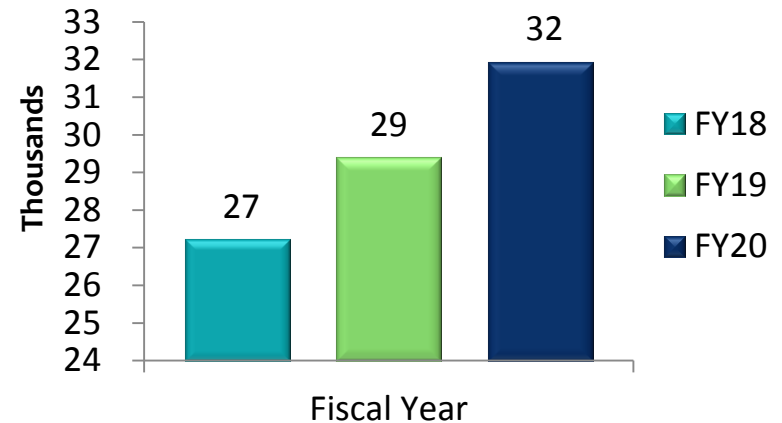


# YOY Totals Comparison through November

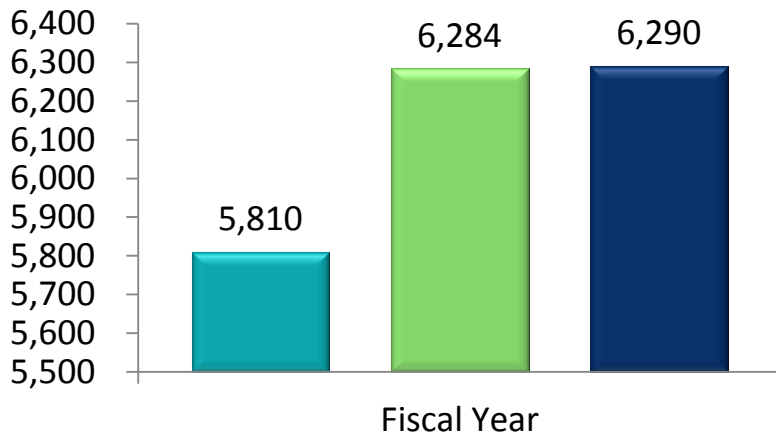
## Deliveries



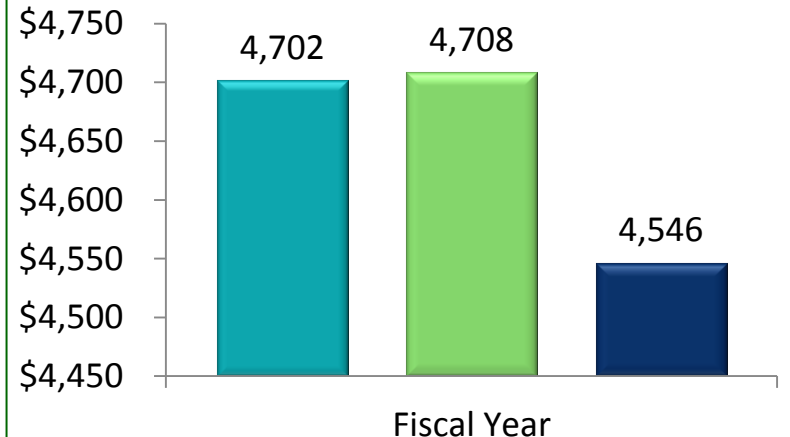
## Orders



## Revenue Per Delivery

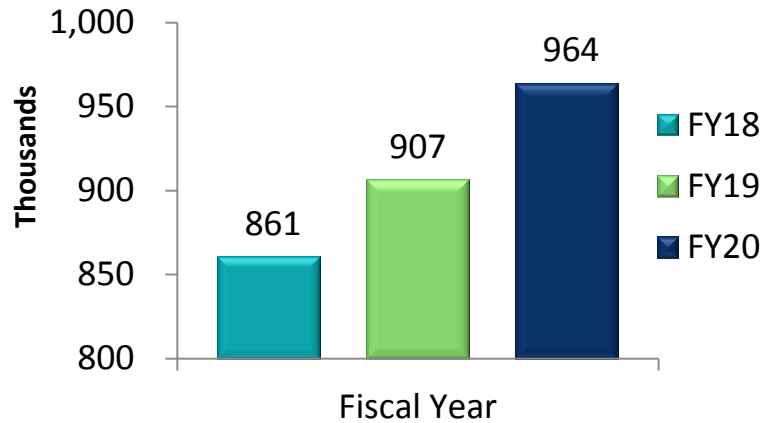


## Revenue per Order

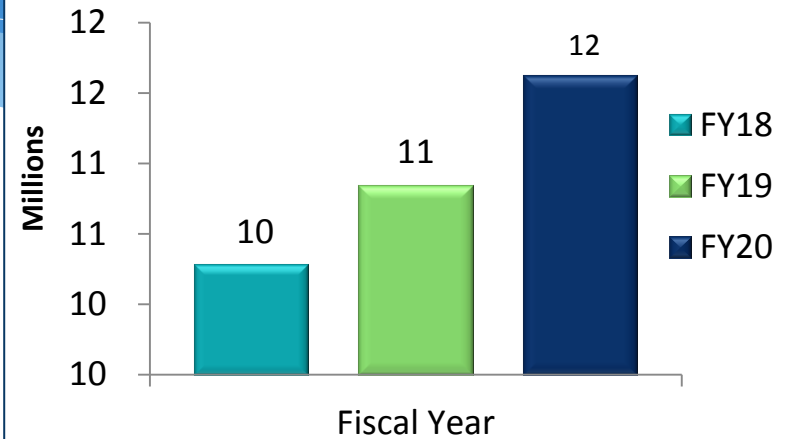


# YOY Totals Comparison through November

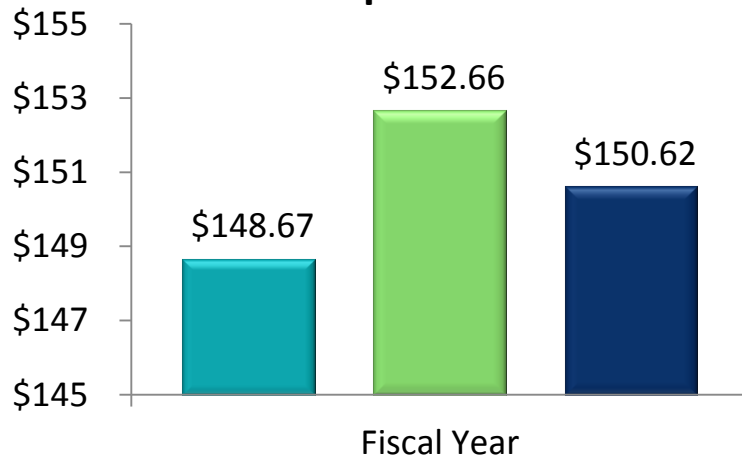
## Cases



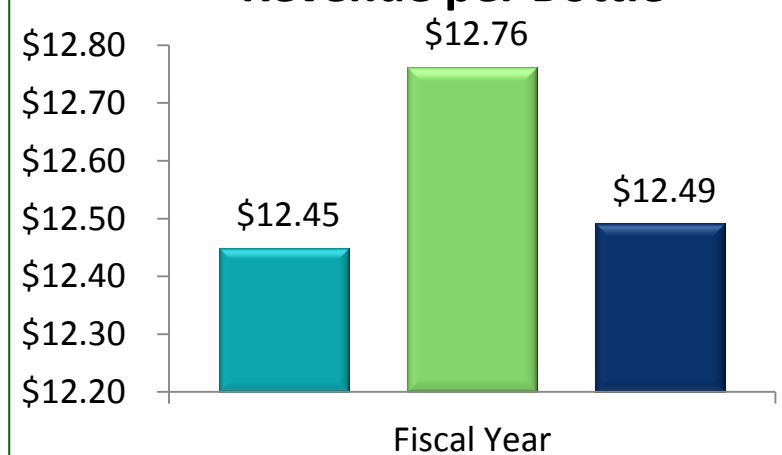
## Bottles



## Revenue per Case



## Revenue per Bottle



**Iowa ABD Reversion Analysis  
FY2020 / FY2019**

**Liquor Sales**

**Split Case Revenues**

**Total Revenue**

	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
July	\$ 20,683,446.87	\$ 21,941,950.21	\$ 25,784,785.84	\$ 104,422.50	\$ 106,697.00	\$ 118,885.50	\$ 20,787,869.37	\$ 22,048,647.21	\$ 25,903,671.34
August	\$ 25,737,769.80	\$ 29,079,661.16	\$ 28,099,296.74	\$ 130,670.00	\$ 130,138.50	\$ 123,799.10	\$ 25,868,439.80	\$ 29,209,799.66	\$ 28,223,095.84
September	\$ 25,306,777.12	\$ 25,187,655.38	\$ 29,420,284.38	\$ 120,085.00	\$ 119,355.50	\$ 132,154.50	\$ 25,426,862.12	\$ 25,307,010.88	\$ 29,552,438.88
October	\$ 31,832,046.93	\$ 34,040,646.72	\$ 33,412,906.98	\$ 142,404.50	\$ 141,352.50	\$ 127,155.50	\$ 31,974,451.43	\$ 34,181,999.22	\$ 33,540,062.48
November	\$ 24,401,342.17	\$ 28,138,662.10	\$ 28,470,705.88	\$ 121,120.00	\$ 125,948.00	\$ 118,777.50	\$ 24,522,462.17	\$ 28,264,610.10	\$ 28,589,483.38
December	\$ 30,720,456.69	\$ 33,450,486.60	\$ -	\$ 142,254.50	\$ 143,992.50	\$ -	\$ 30,862,711.19	\$ 33,594,479.10	\$ -
January	\$ 25,828,473.91	\$ 25,368,631.62	\$ -	\$ 151,250.50	\$ 135,719.95	\$ -	\$ 25,979,724.41	\$ 25,504,351.57	\$ -
February	\$ 22,403,643.21	\$ 22,588,926.88	\$ -	\$ 111,386.18	\$ 109,315.00	\$ -	\$ 22,515,029.39	\$ 22,698,241.88	\$ -
March	\$ 23,260,972.87	\$ 26,952,007.36	\$ -	\$ 115,962.00	\$ 116,787.00	\$ -	\$ 23,376,934.87	\$ 27,068,794.36	\$ -
April	\$ 27,087,806.47	\$ 27,928,735.23	\$ -	\$ 133,942.00	\$ 130,994.00	\$ -	\$ 27,221,748.47	\$ 28,059,729.23	\$ -
May	\$ 28,885,361.58	\$ 31,010,524.42	\$ -	\$ 140,727.50	\$ 127,840.00	\$ -	\$ 29,026,089.08	\$ 31,138,364.42	\$ -
June	\$ 28,316,439.65	\$ 28,266,697.99	\$ -	\$ 130,611.50	\$ 122,443.00	\$ -	\$ 28,447,051.15	\$ 28,389,140.99	\$ -
July-Aug (H/O)	\$ 5,585,275.12	\$ 5,583,056.00	\$ -	\$ 30,355.50	\$ 31,711.00	\$ -	\$ 5,615,630.62	\$ 5,614,767.00	\$ -
<b>Total</b>	<b>\$ 320,049,812.39</b>	<b>\$ 339,537,641.67</b>	<b>\$ 145,187,979.82</b>	<b>\$ 1,575,191.68</b>	<b>\$ 1,542,293.95</b>	<b>\$ 620,772.10</b>	<b>\$ 321,625,004.07</b>	<b>\$ 341,079,935.62</b>	<b>\$ 145,808,751.92</b>

**Substance Abuse**

**General Fund Reversion**

**Total Reversion**

	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
July	\$ 1,455,150.86	\$ 1,543,405.30	\$ 1,813,256.99	\$ 7,300,000	\$ 8,000,000	\$ 8,000,000	\$ 8,755,150.86	\$ 9,543,405.30	\$ 9,813,256.99
August	\$ 1,810,790.79	\$ 2,044,685.98	\$ 1,975,616.71	\$ 6,500,000	\$ 7,500,000	\$ 9,000,000	\$ 8,310,790.79	\$ 9,544,685.98	\$ 10,975,616.71
September	\$ 1,779,880.35	\$ 1,771,490.76	\$ 2,068,670.72	\$ 8,500,000	\$ 7,500,000	\$ 7,500,000	\$ 10,279,880.35	\$ 9,271,490.76	\$ 9,568,670.72
October	\$ 2,238,211.60	\$ 2,392,739.95	\$ 2,347,804.37	\$ 9,000,000	\$ 9,500,000	\$ 9,000,000	\$ 11,238,211.60	\$ 11,892,739.95	\$ 11,347,804.37
November	\$ 1,716,572.35	\$ 1,978,522.71	\$ 2,001,263.84	\$ 7,000,000	\$ 9,000,000	\$ 9,500,000	\$ 8,716,572.35	\$ 10,978,522.71	\$ 11,501,263.84
December	\$ 2,160,389.78	\$ 2,351,613.54	\$ -	\$ 9,000,000	\$ 9,000,000	\$ -	\$ 11,160,389.78	\$ 11,351,613.54	\$ -
January	\$ 1,818,580.71	\$ 1,785,304.61	\$ -	\$ 7,500,000	\$ 8,000,000	\$ -	\$ 9,318,580.71	\$ 9,785,304.61	\$ -
February	\$ 1,576,052.06	\$ 1,588,876.93	\$ -	\$ 7,500,000	\$ 8,000,000	\$ -	\$ 9,076,052.06	\$ 9,588,876.93	\$ -
March	\$ 1,636,385.44	\$ 1,894,815.61	\$ -	\$ 8,000,000	\$ 9,000,000	\$ -	\$ 9,636,385.44	\$ 10,894,815.61	\$ -
April	\$ 1,905,522.39	\$ 1,964,181.05	\$ -	\$ 8,500,000	\$ 7,500,000	\$ -	\$ 10,405,522.39	\$ 9,464,181.05	\$ -
May	\$ 2,031,826.24	\$ 2,179,685.51	\$ -	\$ 9,500,000	\$ 9,500,000	\$ -	\$ 11,531,826.24	\$ 11,679,685.51	\$ -
June	\$ 1,991,293.58	\$ 1,987,239.87	\$ -	\$ 7,600,000	\$ 9,500,000	\$ -	\$ 9,591,293.58	\$ 11,487,239.87	\$ -
July-Aug (H/O)	\$ 393,094.14	\$ 393,033.69	\$ -	\$ 1,634,820		\$ -	\$ 2,027,914.14	\$ 393,033.69	\$ -
<b>Total</b>	<b>\$ 22,513,750.29</b>	<b>\$ 23,875,595.49</b>	<b>\$ 10,206,612.63</b>	<b>97,534,820</b>	<b>102,000,000</b>	<b>43,000,000</b>	<b>\$ 120,048,570.29</b>	<b>\$ 125,875,595.49</b>	<b>\$ 53,206,612.63</b>

**Obligation**

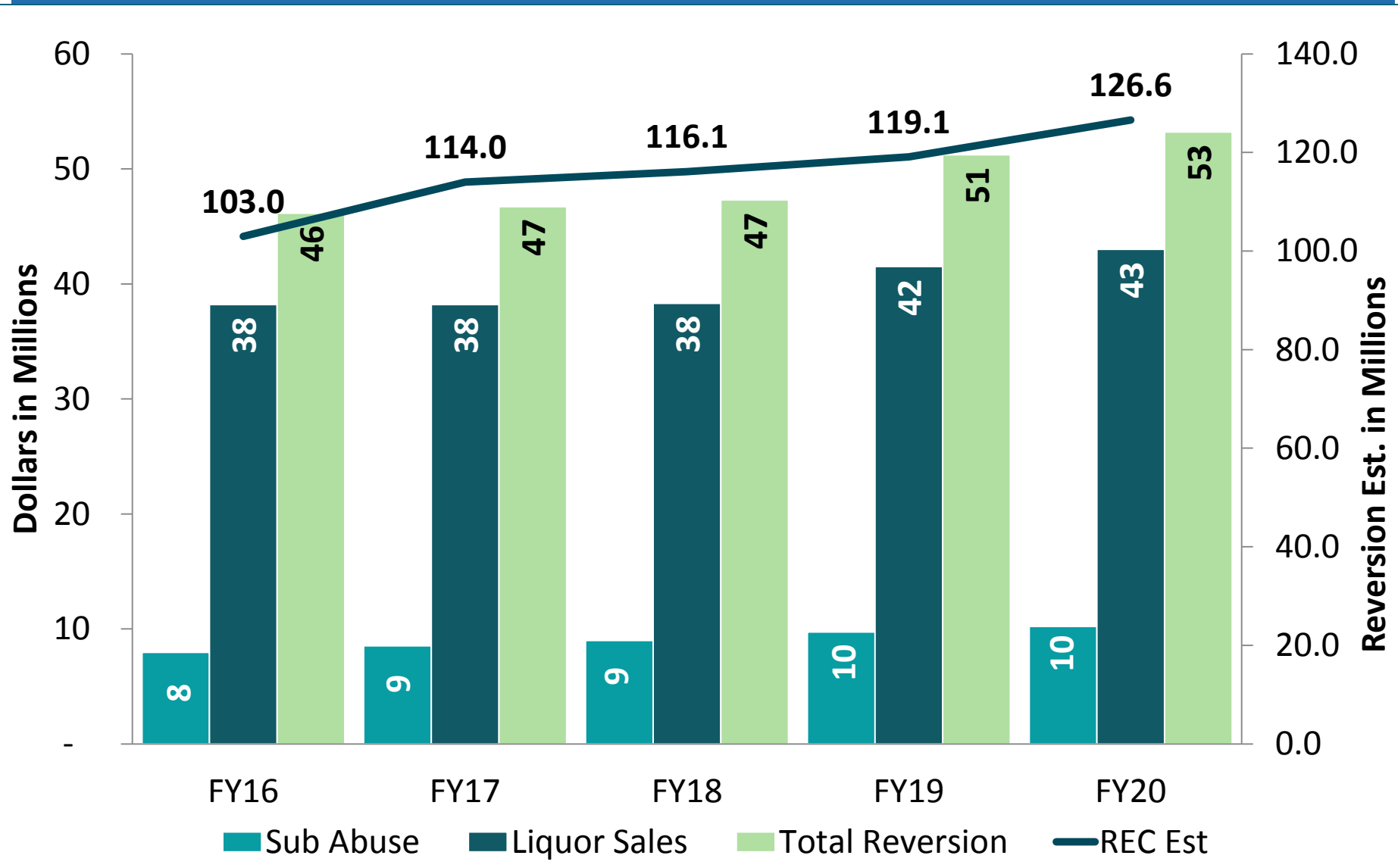
**116,100,000      119,100,000      126,600,000**

**Over/Under Reversion**

**3,948,570      6,775,595      (73,393,387)**

**103.40%      105.69%      42.03%**

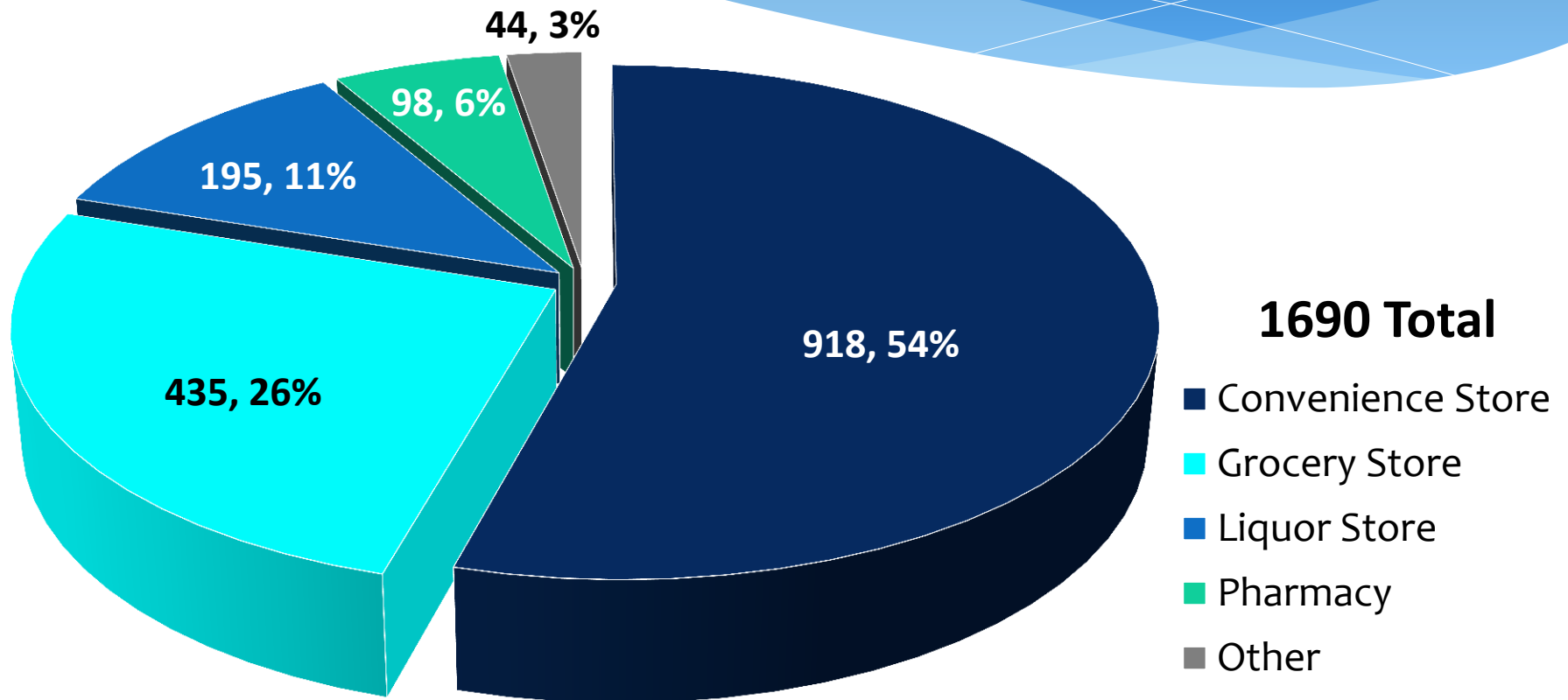
# YOY Reversion Totals through November





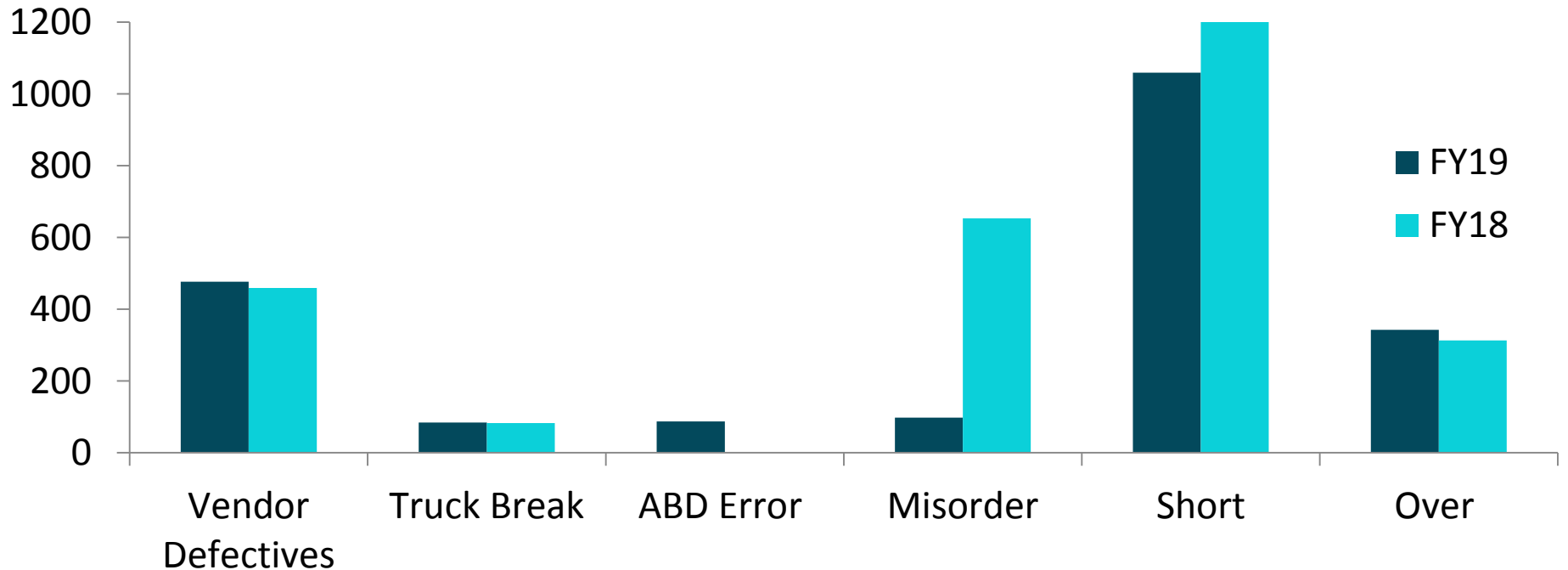
# LE License Types

## As of November 30, 2019



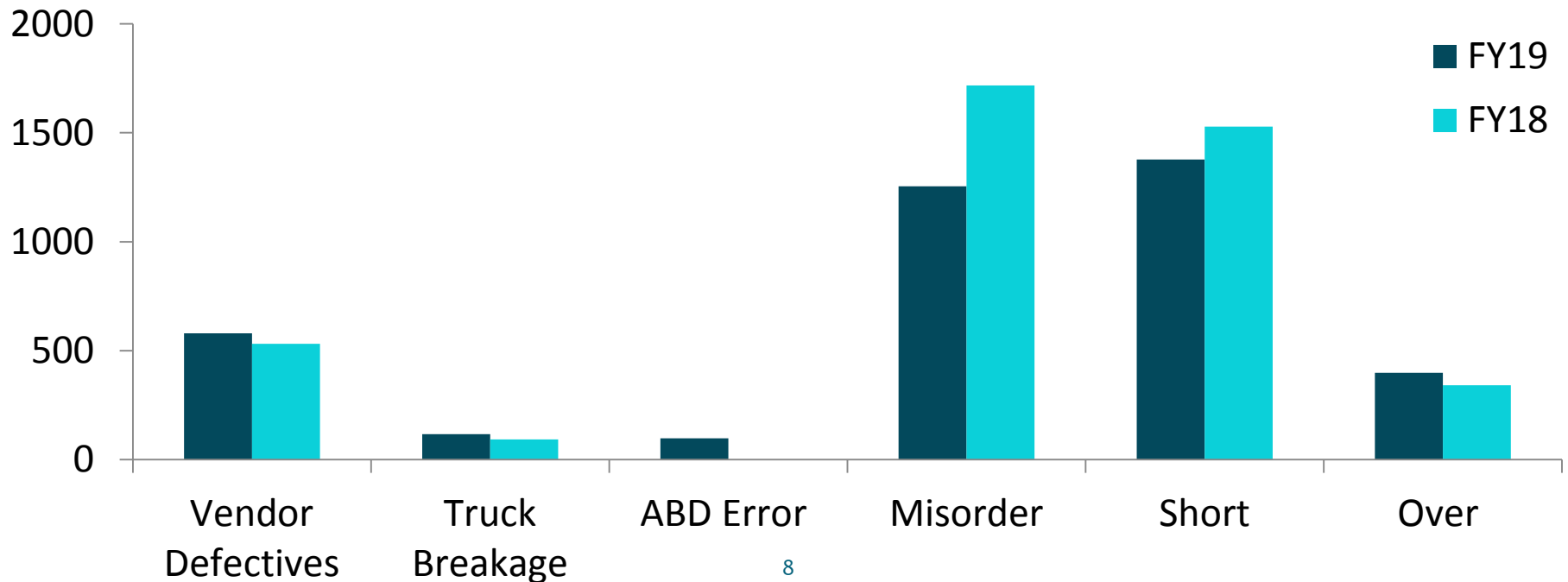
# Returns Comparison by Sales Order

Type	Sales Orders FY19	Sales Orders FY18	Difference
Vendor Defectives	477	459	18
Truck Breakage	84	83	1
ABD Error	87	0	87
Misorder	98	653	(555)
Short	1,059	1,226	(167)
Over Delivery- Returned	343	313	30
Total All	2,148	2,734	(586)



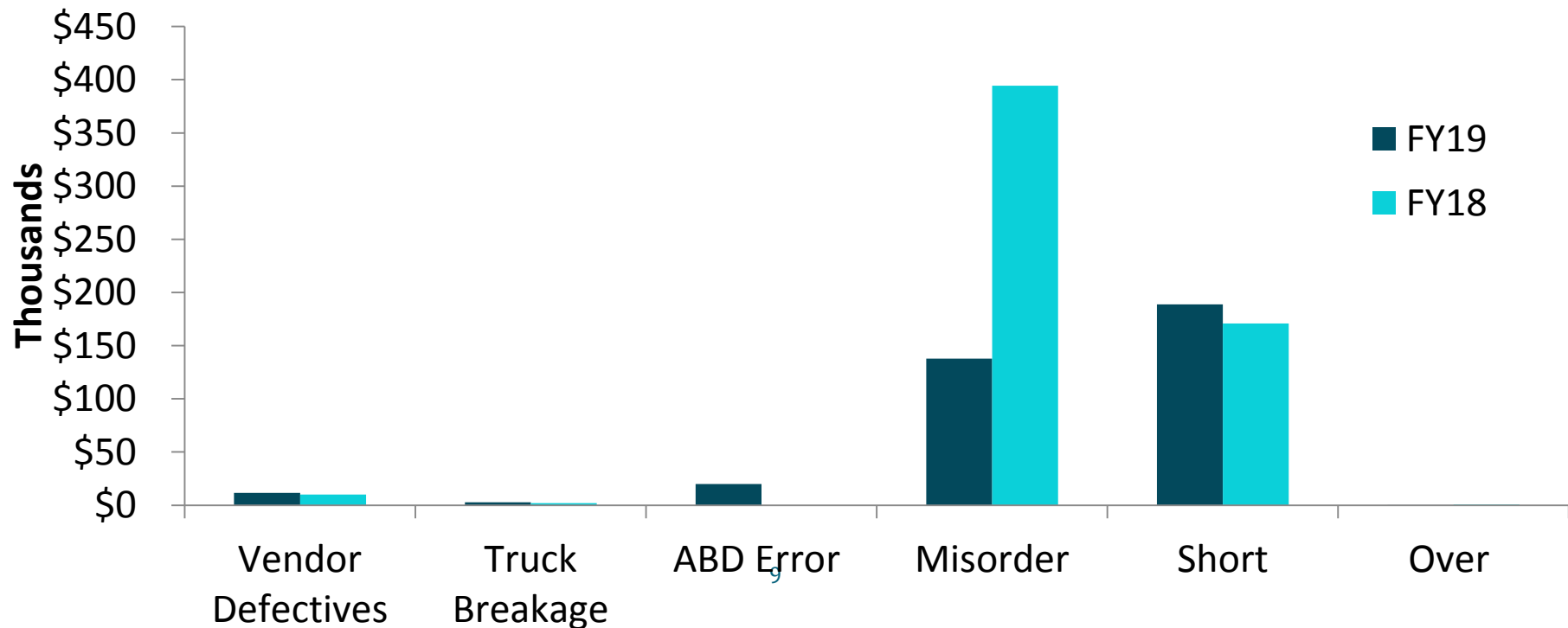
# Returns Comparison by Item

Type	Sales Orders FY19	Sales Orders FY18	Difference
Vendor Defectives	580	531	49
Truck Breakage	117	93	24
ABD Error	97	0	97
Misorder	1,255	1,717	(462)
Short	1,378	1,528	(150)
Over Delivery- Returned	398	341	57
Total All	3,825	4,210	(385)



# Returns Comparison by Total Dollar Value

Type	Sales Orders FY19	Sales Orders FY18	Difference
Vendor Defectives	\$11,694	\$10,165	\$1,529
Truck Breakage	\$2,679	\$2,117	\$562
ABD Error	\$19,968	\$0	\$19,968
Misorder	\$137,774	\$394,304	(\$256,350)
Short	\$188,891	\$170,743	\$18,148
Over Delivery- Returned	\$62	\$558	(\$496)
Total All	2,676	\$577,888	(\$216,821)



# MEMORANDUM

**TO:** Alcoholic Beverages Commission  
**FROM:** Stephen Larson, Administrator  
**DATE:** December, 2020  
**RE:** 2020 Initiatives

It is my pleasure to share with you the division policy initiatives for calendar year 2020, which are aligned with Governor Reynolds priorities.

## **GOVERNOR'S PRIORITIES**

### 1. Building a Future Ready Iowa

- Partner with other agencies and outside stakeholders to share resources and information as a way to better provide services to all Iowans. (Lottery, Racing and Gaming, Inspections and Appeals, Revenue and Finance, Department of Economic Development, and Cultural Affairs)
- Provide internship opportunities for Iowa college students to help advance their knowledge and/or skills.

### 2. Creating a competitive business environment

- Identify ways to streamline the alcohol licensing process by collaborating with other State and local licensing authorities. (Lottery, Racing and Gaming, Inspections and Appeals, and Revenue and Finance)
- Revise trade practice rules to create regulatory clarity and better synchronize with an evolving industry and marketplace;
- Identify ways to increase service to Iowa businesses by demonstrating ongoing improvement in the distribution of spirits.
- Create e-commerce platforms that allow businesses and consumers to place and track products ordered through delivery.

### 3. Empowering Rural Iowa

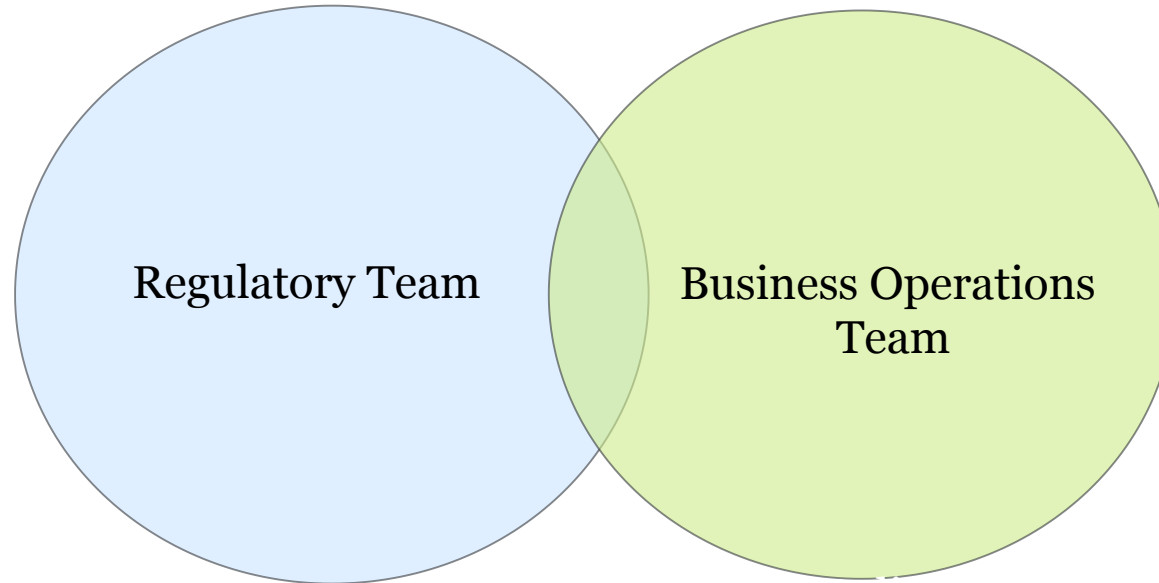
- Provide educational opportunities for rural stakeholders regarding alcohol licensing and regulatory governance.

#### 4. Offering redemption through second chances

- Ensure administrative actions taken for first-time violations properly fit the severity of the offense. When appropriate, the Division provides education to licensees, which allows for a second chance to comply.

Iowa's economic vitality is supported by the work performed by the Division, and the Division's core functions of licensing, regulation and the distribution of spirits are focused on: maintaining a fair and level playing field for stakeholders, protecting the health, safety and general welfare of Iowans, while also generating revenue for state and local governments.

## Functionality, Execution, Account Oversight, and Analytics



## Policy Review & Development and Education & Outreach Initiatives

