

APPROVED MINUTES

Record of Meeting of the Liquor Control Board held August 4, 2015 at the Department of Liquor Control, 13 Green Mountain Drive, Montpelier, Vermont

LCB Members Present: Stephanie O'Brien, Chair and Melissa Mazza-Paquette, Member, John Cassarino, Member, Thomas Lauzon, Member and Julian Sbardella, Member

Others Present: Jim Giffin, Interim Commissioner, Wesley Lawrence, Board Counsel, Bill Goggins, Director Enforcement, Licensing and Education, Jacob Humbert, Assistant Attorney General, Tonia Pryce, Liquor Purchasing Coordinator, Marcia Gardner, Director of Sales & Marketing Laurie Pecor, Office Manager and Ashley Griffin Administrative Assistant

9:30 a.m. meeting begins.

- New Board member Thom Lauzon is introduced and welcomed.

Additions/Deletions from agenda:

- Wayne' Lanes and Jo's Grill is now in compliance with the Tax Department. They are removed from the agenda.
- Positive Pie requested consideration of park-let two days ago and will be added to the agenda at the end of the day if time permits.
- Board action on draft minutes & meeting held July 1, 2015 – Approved with Member Lauzon abstaining due to not being at the Board at that time.
- Licenses issued July 1, 2015- July 27, 2015 – Approved with Member Lauzon abstaining due to not being at the Board at that time.

Public Comment:

- Heather Shouldice, President of William Shouldice & Associates is here to represent the VT Retail and Grocers Association, Vice President Erin Sigrests from the VT Retail and Grocers Association as well as John Dubie, owner of Pearl Street Beverage in Burlington is here to speak about "Bladder Bags" and to ask the Board to consider changing regulations to include containers up to 128 ounces and open tastings. The Board will take this under consideration.

- Norwich Agency – Interim Commissioner Giffin has spoken to Peter Rutledge about either obtaining a letter of credit or a bond. DLC sent to Mr. Rutledge bond companies used by other Agents. Member Lauzon asks him to see if Mr. Rutledge can produce a letter from the Bank stating they are working on it.

10:10 a.m. Loyal Order of Moose, 916 East Main Street, Bennington. Re: violation of general regulation number 10(Taxes). The licensee has come to an agreement with the Tax Department and will come into compliance with them.

10:16 a.m. – Member Cassarino motion to suspend the rules, Member Lauzon seconds it.

Board decision- Loyal Order of Moose, 916 East Main Street Bennington has until September 4, 2015 at 5:00 p.m. to come into compliance with the Tax Department or they will be suspended until the Department receives a letter from the Tax Department advising they are in compliance.

10:25 a.m.

- Agony LLC, d/b/a The Local, 24 Merchants Row, Rutland. Re: violation of General Regulation number 3(b) (training), 7(a) (false information, 45(paid on a fixed salary) and violation of settlement agreement from 11/14/14. Sergeant Tom Curran and Investigator Mike Davidson testify to the facts of the violations.

Exhibit 1 is Settlement agreement from November 12, 2014 Board Hearing.

Exhibit 2 is Board decision from June 11, 2014 Hearing.

11:12 a.m. Findings of Facts are waived by the Licensee and by the State. The Board is advised that General Regulation 3(b) is a mandatory 1 day suspension per statute.

11:15 a.m. Board enters executive session.

11:54 a.m. Board reconvenes.

- Bridge Street Butchery, LLC, d/b/a The Butchery, Mad River Green Shopping Center, Waitsfield. Re: New first class and outside consumption permits application. The applicant would like to combine his first and second class licenses.

A motion is made to suspend the rules and approve the application as submitted with conditions placed that if one license class violates statute or regulations it will affect both licenses. Motion carries. Member Mazza-Paquette votes no.

A motion is made to table the preceding motion until further information can be gathered. AAG Humbert will work with Sgt. Prevost and the applicant to answer questions concerning this. Motion carries.

12:40 p.m. Board breaks

12:45 p.m. Marcia Gardner explains to the Board that the Agent in Swanton is selling her store and she recommends transfer of the Agency to the new owner.

- Motion is made to approve the transfer of the Agency to the new owner Carmen Katia. Motion carries.

The agenda is rearranged to allow Marcia to discuss the East Poultney and Poultney agencies. Interim Commissioner Giffin is asked to arrange the agenda's in the future to group certain items together when people are here to discuss them.

- East Poultney/Poultney Agency stores. Marcia informs the Board on the sales of both stores. They are less than 3 miles apart. The Board will take no action at this point concerning the stores. The Board formerly thanks Marcia for all of her work over the past few months doing two positions and recognizes her hard work.

1:00 p.m. Board breaks.

1:07 p.m. Listings/De-listings/Appeals:

- Listings – Approved listings as recommended with Blue Chair Banana Cream Rum to be ordered in February for March or April shelving.
- De-Listing – Approved as recommended with the exception of Peachtree. Tonia will follow up on the Silo products.

1:44 p.m. Extending contracts for August and September – Interim Commissioner Jim Giffin recommends the Board extend the contracts with the exception of East Poultney for one year. The contract will be the same adapted contract that the Board approved for the June/July contracts. A motion is made to approve the contracts as recommended for one year excluding Agency number 1, East Poultney. Motion carries.

A motion is made to extend the contract for Agency 1/East Poultney for 120 days. Motion carries.

2:00 p.m. Commissioner updates:

- Warehouse evaluation – The Department has a contract that is working its way through the State system with Chet Willey. The Department has requested that VOSHA perform a project work safe review. The Board asks who is responsible for any deficiencies as DLC does not own the building. There is no lease because the State owns the building. Specifications of work to be performed attachment A is handed out to the Board.
- NABCA Grant – This will help with the Warehouse evaluation and also to bring in a national expert in terms of Marijuana, discuss the impacts of using Marijuana in enforcement.
- Modernization Study - Chair O'Brien and Interim Commissioner Giffin went to the first meeting of the Modernization Study. The next meeting is going to be on the Department and how it operates. Interest is in what happened in NH and Maine when they contracted out their warehouse. The Legislative committee has tasked the Board with knowing where all the money is going. Commissioner Giffin presented and explained a hand out he intends to use for the Study Committee. Commissioner Giffin is attempting to visit all 80 liquor agencies. He has been to approximately 11 so far and noted there is great variability in them.

2:28 p.m. Board enters executive session to discuss new agent contract status, human resources, ethics code discussion, FY17 Budge Fees and POS contracts. Member Lauzon makes the motion to go into executive session to discuss these issues with the exception of the ethics code discussion.

He feels that the Ethics subject needs to be in open meeting. Commissioner Giffin explains that the Governor wants to have an Ethics Code Committee and he wants to discuss things with the Board and does not want one part of it in open session. He is not asking the Board to make a decision.

Positive Pie will be put on September 9, 2015 Board agenda.

2:29 p.m. Board enters executive session.

4:40 Board reconvenes. Motion is made to end Board Meetings. Motion carries

Next Board Hearings September 9, 2015