

APPROVED MINUTES

Record of Meeting of the Liquor Control Board held September 9, 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,
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.

The agenda will be moved around to allow the King's Corner Deli case to go first because Investigator Matt Gonyo has to be in criminal court in Burlington this morning.

KNJ Inc., d/b/a King's Corner Deli, 41 King Street, Burlington. Re: violation of a Board Order dated April 8, 2015. All employees' including owner was to attend an in-person seminar within 3 months of order.

- State's Exhibit 1 – Board Order dated April 8, 2015

9:57 a.m.

- Board action on draft minutes & meeting held August 4, 2015 – Approved
- Licenses issued July 28, 2015- September 1, 2015 – A motion is made to approve licenses. Discussion on 802 Cocktails LLC and the similarities to 802 Spirits. An amended motion is made to approve all licenses with the exception of 802 Cocktails LLC. Motion carries.

10:00 a.m.

Public Comment:

- Several representatives from Agencies are here to address the Board concerning the new contracts. Ross Arsenaault Agency 68, Beverage Mart, St. Albans, David & Michelle Palmer, 116 Wine & Spirits, Hinesburg, Mike Comeau owner, Richmond and Johnson, Craig Coleman, Manager, Richmond Agency, George Bergin, Agency 4, Beverage Warehouse Winooski, Gail Horne Agency 25 South Hero. All are not comfortable with that contracts will not automatically renew. The Board will schedule a meeting with the Agencies to discuss issues.

10:36 a.m. Board recesses.

10:43 a.m. Enforcement

- Oath of office is administered for Investigator Jon Centabar and Investigator Kimberly Mcleod.
- Positive Pie 24 State Street, Montpelier. Re: Outside consumption permit -Park-let. Max Segar, Manager of Positive Pie and Ashley Wittamor, Director of Montpelier Alive is here representing Positive Pie. A motion is made to approve the Park-let pending submittal of proof from V-Trans and the US Department of Transportation that Positive Pie can use the parking spaces as well as the licensee will have to appear before the Board for renewal. Motion carries.
- Swimmers LLC, d/b/a Champlain Restaurant 581 St. Albans Road, Swanton. Re: Violation of General Regulation number 10 (Taxes). No one from the Tax Department is here to testify. Licensee acknowledges violation. **Board Decision: Licensee has until noon on October 9, 2015 to come into compliance with the Tax Department. If the Department does not received a good standing letter from Tax the licensee will be suspended immediately until there is compliance.**

11:19 a.m.

- Bill Duchac, Risk Management Director speaks on why the Department should require auto liability for Agencies, right amount for Bonds and Liquor Liability.

11:55 a.m. Board enters executive session

12:27 p.m. Board reconvenes. Enforcement continues.

- **Board decision: KNJ Inc., d/b/a King's Corner Deli, 41 King Street, Burlington. Licensee is in violation of Board order dated April 8, 2015. Licensee will be suspended for two (2) days starting September 30, 2015 through October 1, 2015. By October 23rd all current employees will have completed the in -person seminar and will provide proof to the Department. If licensee fails to comply with the order license will be suspended immediately on October 23rd and will remain that way until licensee does come into compliance. If licensee complies with these conditions the requirement of in-person seminars will be vacated.**
- Lucci LLC, 70 South Winooski Avenue, Burlington, VT Re: New tobacco license application. The applicant had the opportunity to be present but chose not to show up. **Board decision: Application is denied. If application is substantially changed and verified that complies with local zoning the Board will hear the case in the future.**
- Board discussion on combined first and second class licenses and relation to Bridge Street Butchery's application. Assistant Attorney General Humbert suggests the Board approve the application with a minimum of conditions outlined in his memo sent to the Board. Motion is made to table the application with the expectation that Investigator Prevost will go to the applicant and help him to revise his footprint of the licensed area before the application is approved. Motion carries. Application will be brought before the Board at the next meeting.

1:20 pm. Business items.

- October and November Agency contracts – Approved.
- *Exhibit 1 is Recommendation to the Board on Agency contracts..
- East Poultney Agency – There is confusion on what is the intention after the contract ends in 120 days. A motion is made to extend the contract thru the end of September 2016. Motion carries.
 - Norwich Agency – Interim Commissioner Jim Giffin has spoken to Mr. Rutledge multiple times since the last Board meeting. There has been nothing sent to the Department from Mr. Rutledge. A motion is made to terminate his contract in sixty (60) days and pull all Liquor Control products unless a bond or letter of credit is received by the Department. Motion carries. Interim Commissioner Giffin is instructed to inform the Senators and Representatives in the area notifying the Board's action and rationale.
 - Regulations around growler (container) size and credit regulations 47, 54 and 55 - A motion is made to approve as presented and amended changes to general regulations 47 and amending of 54 and 55.
- *Exhibit 2 is amended Text of Proposed Rule September 2015
- Signage on trucks – Director Goggins cannot find anything about this. They will research this subject more.
 - Board hearing for November 4th is cancelled. Board hearing will be November 18th. Business agenda in the morning and meet with Agency representatives in the afternoon.
 - Marketing meeting is October 28 and October 29, 2015 at the Inn at Essex.

2:35 p.m.

- Member Thom Lauzon leaves Board meeting.
- Listings – Approved as recommended with the addition of Rum Chata.
- Appeals – Old Smokey Harley denied. Deny Blue Chair Banana Rum Cream and will be kept as planned to bring it in. Silo Gin and Bourbon had appealed last time. It is recommended that the appeal be granted. A motion is made to grant the appeal for Silo Gin and Bourbon. Motion carries.
- The Board asks Tonia Pryce to come up with questions for wholesalers.

2:50 p.m. Commissioner Updates.

- Two employees have opted to take the early retirement buyout. The Commissioner is asking supervisors to let him know how this will affect the Department if we lose the positions.
- Warehouse – Looks good for 2 to 5 years. Jim will request Administration include \$100,000. in planning money in the capital budget.
- Worksafe review – Relatively minor issues were discovered. Nothing dramatic was found
- POS System – The amended contract is being worked on.
- Donations – Jim will check into if we can do this and if the POS system can handle it.
- Marijuana – Jim will be attending JCF meeting next week on accepting the NABCA grant.
- Licensing system – will be worked on as soon as the POS system is rolled out.
- Hiring of new Commissioner – 7 resumes have been received. Jim will go through the applications and give the Board an update at the next meeting. The applicants are all from the Business side. Jim received a call from someone from State Government that might be interested. Jim's contract ends in December.

- Comments from agencies – Concerns about the new contract and bidding process have been compiled and the report has been given to the Board for their perusal.

3:17 p.m. A motion is made to accept the Board's decision in regards to Agony LLC, dba The Local located at 24 Merchants Row, Rutland, VT. **Board decision – Suspend license for 7 days and fine \$250.00 for violation of general regulations number 7(a), 45(a) and the terms of the November 12, 2014 settlement agreement. Fine shall be paid within thirty (30) days of the date of this order. Suspend for one day for violation of education regulation 3(b) and further order the licensee to amend all payroll tax returns both federal and state as they relate to any employees to include but not limited to Mr. Warner within sixty (60) days from the date of this order. It is further noted that the November 12, 2014 settlement agreement remains in full force and effect to respect to all terms including the wanding requirement. The eight day suspension will be effective from the beginning of business on October 14 thru the close of business on October 17, 2015 and beginning of business on October 21 thru the close of business October 24, 2015.** Motion carries.

3:30 p.m. A motion is made to end the Board meeting. Motion Carries.

Next Board Hearings October 14, 2015