

APPROVED MINUTES

Record of Meeting of the Liquor Control Board held June 1, 2016
at 13 Green Mountain Drive, Montpelier, Vermont

LCB Members Present: Stephanie O'Brien, Chair, Melissa Mazza-Paquette and Julian Sbardella, Members.

Others Present: Patrick Delaney, Commissioner, Gary Kessler, Deputy Commissioner, Wesley Lawrence, Board Counsel, Jacob Humbert, Assistant Attorney General, William Goggins, Director, Education, Licensing & Enforcement, Laurie Pecor, Administrative Coordinator II and Ashley Griffin, Administrative Secretary.

9:30 a.m. Meeting begins.

1. Additions/Deletions to agenda – Kimpton Inn discussion is removed from the agenda.
2. Board actions on Draft minutes, Licenses and Decisions:
 - Minutes for meeting held April 13, 2016 – Approved with addition of the change from “not approved” to “approved of Exhibit E under 165 Church St, LLC.
 - New licenses May 5 through May 24, 2016 - Approved
 - Board decisions – The Board has a pending decision but will wait until after the Enforcement actions to address it.
3. Public Comment - No one is here for public comment.
4. Contract renewals – Motion to approve 20 contracts for one year as presented. Motion carries.
5. Enforcement actions:
 - a) Selly Entertainment LLC, dba Karib, 51 Federal Street, St. Albans. Re: violation of general regulation number 17 and 17(a). Licensee is not present for hearing. Motion is made to proceed with case and make sure licensee was properly noticed. Motion carried.
 - States Exhibit 1 is: Receipt of notice of hearing served on the bartender on May 25, 2016.
 - States Exhibit 2 is: This is the Amended Notice of Hearing showing the time as 1:00pm.
 - States Exhibit 3 is: Email messages between Investigator Centabar and licensee Danielle Mesick.

- States Exhibit 4 is: Text message between Investigator Centabar and licensee Danielle Mesick.

Motion is made to postpone today's hearing and continue it to July 13, 2016 so that the licensee can participate fully. Motion carries. The Department will clarify what is required to have an acceptable settlement with the licensee but the settlement will still need to be ratified by the Board.

10:32 a.m. Board recesses.

10:41 a.m. Board reconvenes.

- a) Peff Enterprises LLC dba Slide Brook Lodge and Tavern, 3180 German Flatts Road, Warren. Re: violation of general regulation number 16, 17 (2 counts) and 42 (2 counts). The State withdraws one count of violation of general regulation number 42. Licensee does not dispute violations nor do they want to agree to a settlement. The Board wishes to make it known that understanding Liquor Laws and Regulations are critical to their business. Findings are waived by both the Licensee and the State.

11:44 a.m. Board enters Executive Session.

12:00 p.m. Board returns from Executive Session and will take a lunch break.

12:37 p.m. Board reconvenes.

6. Mercer's Dairy discussion – The Board feels that their product is a beverage and they would need a Certificate of Approval to ship their product to a Wholesale Dealer in Vermont. Motion is made to direct the Commissioner to inform Mercer's Dairy in writing of the points the Board have made. Motion carries.

1:17 p.m. Board enters Executive Session to discuss the Zen Lounge.

2:06 p.m. Board reconvenes. While in Executive Session the Board also took the opportunity to discuss Employee matters.

7. April/May listings and de-listings – The Commissioner would like to have the Board's support in presenting his recommendations of the listings and de-listings moving forward. This would professionalize the process. Motion is made to approve the listings and de-listings as recommended. Motion carries.
8. Discussion of the new product listing process - The Board asks Deputy Commissioner Gary Kessler to look into holding a "Board Retreat" for educational purposes. This should be done as quickly as possible.
9. Commissioner Updates:

- Warehouse operation – Implement changes that were highlighted in Modernization study to include replace damaged shelving in warehouse, reconfiguring the special merchandise area, security cameras installed and functioning, replacing loading dock doors, footing and locks.
- Relocation update on available warehouses and locations
- Point of Sale system – IT is working on this and the project is in two pieces. Commissioner Delaney does not anticipate any big upsets in it.
- Sequoia virtualization – Nearing completion.
- VeriFone Terminals – Continuing to be rolled out.
- Communication committee – Meeting focus was to create a mechanism for the Agencies to tell us how we are doing. Commissioner Delaney will follow up with Kim Walker on sending out reminder for the deadline for responses.
- Agent Contracts – The latest quarterly contracts are being sent out.
- Study of what square footage/floor space is worth for selling DLC products. Kim Walker is working on this.
- Retailers Manual – This is nearing completion.
- Agency Incentive criteria's – 80 percent of stores have been done. Next meeting will be focused on the next Agency Meeting. Communication committee should visit some of the other agencies.
- Sales mates/standard shelve mates – Chair O'Brien has requested Nielsen data. Commissioner Delaney will send out a email to Jim and copy Chair O'Brien on it so we can have the data to use sooner rather than later.
- Planograms - Software is up to date. Retail/Supervisor training is ongoing.
- Agency Store Customer Store Training Program – Gallo two-day event was successful. This was a good start. Would like to have 1 or 2 a quarter.
- Fall meeting site selection – Hotel VT is the lowest bidder so far. This meeting is important for the agencies to meet the administrative team.
- License count reduction project – This did not happen. The Legislature has created 3 new permits.
- Review and Revision of online licensing programs – The Department is waiting for the Secretary of State to complete their project. Linda Vincent has come to the conclusion that there isn't a lot of information we can use. We will have to create one of our own.
- Licensing of brokers and solicitors – Spirits reps are not licensed currently.
- Break open tickets data - Tracking system is up and running. The Department has met with VIC to discuss timing of reports.
- HR Training for Natural disasters – Kathy O'Hara has participated in this. She is scanning all personnel files and putting them in electronic format.
- Contract renewals have finished for the quarter. The Commissioner is working on regulations for the S.250 bill.
- Purchasing – Creating a user friendly website and hope to have it done within a few months.

- Legislative bill status – S.217 Bill was to put DLC under professional licensing with the Secretary of State. This did not go anywhere. H.872 paraphernalia bill did not go through and the fee bill went through. Liquor consolidation bill went through.

3:41 p.m. Board decision: Peff Enterprises- The Board finds that the licensee did violate General Regulation number 16 and 17. A motion is made to suspend the license for 3 days. This will take place on June 24, 25 and 26, 2016. All owners/employees/managers must attend an in person training within 60 days. Motion carries

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3:44 p.m. Motion is made to adjourn. Motion carries.

NEXT BOARD MEETING IS JULY 13, 2016